



**Condensed Interim Consolidated Financial Statements**

**For the three and nine months ended September 30, 2021 and 2020**

**NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim consolidated financial statements of OneSoft Solutions Inc. (the "Company") have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity's auditor

**OneSoft Solutions Inc.**  
**Condensed Interim Consolidated Statements of Financial Position**

	Notes	September 30, 2021 (Unaudited) \$	December 31, 2020 (Audited) \$
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	3	6,466,018	7,223,241
Trade and other receivables	4	580,293	195,259
Prepaid expenses and deposits		129,204	59,924
<b>Total current assets</b>		<b>7,175,515</b>	<b>7,478,424</b>
<b>Non-current assets</b>			
Property and equipment		20,886	22,185
Intangible assets	5	804,909	790,087
Goodwill		155,693	155,693
<b>Total non-current assets</b>		<b>981,488</b>	<b>967,965</b>
<b>Total assets</b>		<b>8,157,003</b>	<b>8,446,389</b>
<b>Liabilities and equity</b>			
<b>Current liabilities</b>			
Accounts payable and accrued expenses		626,494	838,959
Deferred revenue - current	6	1,558,872	413,546
<b>Total current liabilities</b>		<b>2,185,366</b>	<b>1,252,505</b>
Deferred revenue - noncurrent	6	378,885	-
<b>Total liabilities</b>		<b>2,564,251</b>	<b>1,252,505</b>
<b>Shareholders' equity</b>			
Share capital		19,073,857	18,212,350
Contributed surplus		2,639,604	2,285,460
Deficit		(16,132,539)	(13,302,075)
Accumulated other comprehensive income (loss)		11,830	(1,851)
<b>Total equity</b>		<b>5,592,752</b>	<b>7,193,884</b>
<b>Total liabilities and equity</b>		<b>8,157,003</b>	<b>8,446,389</b>

Approved on behalf of the Board of Directors

Signed "Dwayne Kushniruk", Director

Signed "Doug Thomson", Chair

*Please see the accompanying notes to the consolidated financial statements.*

**OneSoft Solutions Inc.**
**Condensed Interim Consolidated Statements of Comprehensive Loss**

For the three and nine months ended September 30, 2021 and 2020 (unaudited)

	Notes	Three Months		Nine Months	
		September 30,	September 30,	September 30,	September 30,
		2021	2020	2021	2020
		\$	\$	\$	\$
<b>Revenue</b>	8	1,232,900	794,998	3,240,482	3,089,955
<b>Direct costs</b>		296,061	205,612	803,749	730,912
<b>Gross profit</b>		936,839	589,386	2,436,733	2,359,043
<b>Operating expenses</b>					
Salaries and employee benefits		1,084,680	1,048,609	3,248,529	3,104,366
Sales and marketing		179,364	147,919	495,473	397,086
General and administrative		190,816	225,585	591,538	562,398
<b>Operating expenses</b>		1,454,860	1,422,113	4,335,540	4,063,850
Software development costs capitalized	5	(77,441)	(50,887)	(131,802)	(50,887)
Operating expenses, net of costs capitalized		1,377,419	1,371,226	4,203,738	4,012,963
<b>Loss before the following</b>		(440,580)	(781,840)	(1,767,005)	(1,653,920)
<b>Other expense (income)</b>					
Stock-based compensation	7	223,874	103,731	740,318	490,801
Amortization of intangible assets	5	114,696	99,880	329,136	299,656
Depreciation of property and equipment		3,016	3,257	8,670	10,406
Foreign exchange (gain) loss		(71,949)	33,384	4,157	(40,169)
Interest income		(5,473)	(23,266)	(18,822)	(97,761)
		264,164	216,986	1,063,459	662,933
<b>Loss before income taxes</b>		(704,744)	(998,826)	(2,830,464)	(2,316,853)
Income tax expense		-	-	-	-
<b>Net loss</b>		(704,744)	(998,826)	(2,830,464)	(2,316,853)
<b>Other comprehensive (loss) income</b>					
Foreign exchange (loss) gain on translation of foreign operations, net of income tax		(38,963)	3,301	13,681	(17,665)
<b>Comprehensive loss</b>		(743,707)	(995,525)	(2,816,783)	(2,334,518)
<b>Net loss per share</b>					
Basic		(0.01)	(0.01)	(0.02)	(0.02)
Diluted		(0.01)	(0.01)	(0.02)	(0.02)
<b>Weighted average number of shares:</b>					
Basic		117,186,756	114,975,378	116,435,705	114,246,452
Diluted		117,186,756	114,975,378	116,435,705	114,246,452

Please see the accompanying notes to the consolidated financial statements.

**OneSoft Solutions Inc.**
**Condensed Interim Consolidated Statements of Changes in Equity**

For the nine months ended September 30, 2021 (unaudited) and year ended December 31, 2020 (audited)

		Common	Share	Warrants		Contributed		Accumulated Other Comprehensive	Total
	Notes	Shares #	Capital \$	#	\$	Surplus \$	Deficit \$	Income (Loss) \$	\$
<b>Balance, December 31, 2019</b>		<b>112,940,813</b>	<b>17,646,248</b>	<b>600,000</b>	<b>135,780</b>	<b>1,779,891</b>	<b>(10,045,993)</b>	<b>20,651</b>	<b>9,536,577</b>
Warrants expiry		-	-	(600,000)	(135,780)	135,780	-	-	-
Exercise of stock options		2,660,000	566,102	-	-	(219,452)	-	-	346,650
Stock-based compensation		-	-	-	-	589,241	-	-	589,241
Net loss		-	-	-	-	-	(3,256,082)	-	(3,256,082)
Foreign exchange loss on translation of foreign operations		-	-	-	-	-	-	(22,502)	(22,502)
<b>Balance, December 31, 2020</b>		<b>115,600,813</b>	<b>18,212,350</b>	<b>-</b>	<b>-</b>	<b>2,285,460</b>	<b>(13,302,075)</b>	<b>(1,851)</b>	<b>7,193,884</b>
Share issuance	7	120,000	79,200	-	-	-	-	-	79,200
Exercise of stock options	7	2,213,334	782,307	-	-	(386,174)	-	-	396,133
Stock-based compensation	7	-	-	-	-	740,318	-	-	740,318
Net loss		-	-	-	-	-	(2,830,464)	-	(2,830,464)
Foreign exchange gain on translation of foreign operations		-	-	-	-	-	-	13,681	13,681
<b>Balance, September 30, 2021</b>		<b>117,934,147</b>	<b>19,073,857</b>	<b>-</b>	<b>-</b>	<b>2,639,604</b>	<b>(16,132,539)</b>	<b>11,830</b>	<b>5,592,752</b>

Please see the accompanying notes to the consolidated financial statements.

**OneSoft Solutions Inc.****Condensed Interim Consolidated Statements of Cash Flows**

For the nine months ended September 30, 2021 and 2020 (unaudited)

	Nine Months Ended September 30, 2021 \$	Nine Months Ended September 30, 2020 \$
<b>Operating activities</b>		
Net loss	(2,830,464)	(2,316,853)
Items not involving cash:		
Stock-based compensation	740,318	490,801
Amortization of intangible assets	329,136	299,656
Depreciation of property and equipment	8,670	10,406
Net loss adjusted for non-cash items	(1,752,340)	(1,515,990)
Cash flow (to) from working capital accounts:		
Trade and other receivables	(370,677)	(50,217)
Prepaid expenses and deposits	(67,626)	(4,871)
Accounts payable and accrued expenses	(213,639)	(217,221)
Deferred revenue-current	1,104,606	(675,625)
Changes in working capital accounts	452,664	(947,934)
Increase in long-term deferred revenue	378,885	-
Cash flow used in operating activities	(920,791)	(2,463,924)
<b>Investing activities</b>		
Purchase of equipment	(7,364)	(12,027)
Software development costs capitalized	(94,351)	(50,887)
Acquisition of software	(170,421)	-
Cash flow used in investing activities	(272,136)	(62,914)
<b>Financing activities</b>		
Exercise of stock options	396,133	223,450
Cash flow provided by financing activities	396,133	223,450
<b>Net change in cash and cash equivalents</b>	(796,794)	(2,303,388)
Effect of foreign exchange fluctuation on cash and cash equivalents in foreign operations	39,571	40,711
<b>Cash and cash equivalents, beginning of period</b>	7,223,241	10,512,039
<b>Cash and cash equivalents, end of period</b>	6,466,018	8,249,362
<b>Supplementary cash flow information</b>	<b>\$</b>	<b>\$</b>
Interest received	20,454	161,249

*Please see the accompanying notes to the consolidated financial statements.*

## OneSoft Solutions Inc.

### Notes to the Condensed Interim Consolidated Financial Statements

#### 1.0 Corporate information

OneSoft Solutions Inc. (the "Company" or "OSS") is a public company incorporated in Alberta and its common shares are traded on the TSX Venture Exchange under the symbol "OSS" and on the OTCQB market in the USA under "OSSIF". It has its corporate office at Suite 4217, 10230 Jasper Avenue, Edmonton, Alberta, Canada T5J 4P6. The Company conducts its operations through its wholly owned and controlled subsidiaries: OneBridge Solutions Canada Inc. ("OBS CA"), OneBridge Solutions, Inc. ("OBS USA") and OneCloudCo Limited ("OCC").

On January 1, 2020, OneBridge Solutions Inc. ("OBS") and CloudCo Solutions Inc. ("CCS"), both wholly owned by OSS, were combined through statutory amalgamation to create a new company, OneBridge Solutions Canada Inc. ("OBS CA"). OBS was incorporated in Alberta on June 16, 2015 and provides software services to the oil and gas pipeline industry consisting of cognitive software solutions incorporating machine learning, predictive analytics and other data science techniques. CCS was incorporated in Alberta, Canada on July 15, 2014, and provided software development services to OCC. It was inactive on the amalgamation date.

OBS USA was incorporated in the State of Delaware, USA on November 19, 2015. It provides software development services to OBS CA and performs sales and marketing activities for OBS CA in the USA and internationally.

OCC was incorporated in the State of Delaware, USA, on July 18, 2014. OCC discontinued providing software solutions to clients in July 2016.

#### 2.0 Basis of presentation

These unaudited condensed interim consolidated financial statements:

- are prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting". They do not contain all the necessary annual disclosures in accordance with International Financial Reporting Standards ("IFRS") and accordingly should be read in conjunction with the annual audited consolidated financial statements of the Company for the year ended December 31, 2020.
- in all material respects, follow the same accounting policies and method of application as the annual audited consolidated financial statements of the preceding fiscal year.
- are reported in Canadian dollars, the functional currency of the reporting entity, OneSoft Solutions Inc.
- were authorized for issue by the Board of Directors on November 9, 2021.

#### 3.0 Cash and cash equivalents

Cash and cash equivalents are comprised of the following:

	September 30, 2021 \$	December 31, 2020 \$
Short-term deposits (USD)	157,329	258,502
Short-term deposits (CDN)	294,188	258,201
Interest-bearing deposits	872,603	3,007,019
Interest bearing investments (CDN)	2,330,610	2,320,046
Interest bearing investments (USD)	2,798,606	1,366,801
Restricted cash (USD)	12,682	12,672
Cash and cash equivalents	6,466,018	7,223,241

The restricted cash is a security deposit for issuance of credit cards to the Company.

**OneSoft Solutions Inc.**
**Notes to the Condensed Interim Consolidated Financial Statements**
**4.0 Trade and other receivables**

	September 30, 2021 \$	December 31, 2020 \$
Trade receivables	516,616	7,740
Sales tax and other receivables	63,677	187,519
Trade and other receivables	580,293	195,259

**5.0 Intangible assets**

	Internally Generated Software \$	Acquired Software \$	Trademark \$	License Agreement and Customer list \$	Total \$
<b>Cost</b>					
Balance at December 31, 2019	2,061,308	616,022	19,898	174,672	2,871,900
Software development costs capitalized	50,887	-	-	-	50,887
Balance at December 31, 2020	2,112,195	616,022	19,898	174,672	2,922,787
Addition, acquired software	-	249,621	-	-	249,621
Software development costs capitalized	94,351	-	-	-	94,351
Balance at September 30, 2021	2,206,546	865,643	19,898	174,672	3,266,759
<b>Amortization and impairment</b>					
Balance at December 31, 2019	(936,181)	(612,742)	(7,051)	(174,672)	(1,730,646)
Amortization	(395,583)	(1,908)	(4,584)	-	(402,075)
Effect of foreign exchange	26	(5)	-	-	21
Balance at December 31, 2020	(1,331,738)	(614,655)	(11,635)	(174,672)	(2,132,700)
Amortization	(302,404)	(23,294)	(3,438)	-	(329,136)
Effect of foreign exchange	-	(14)	-	-	(14)
Balance at September 30, 2021	(1,634,142)	(637,963)	(15,073)	(174,672)	(2,461,850)
<b>Carrying amount</b>					
As at December 31, 2020	780,457	1,367	8,263	-	790,087
As at September 30, 2021	572,404	227,680	4,825	-	804,909

On March 8, 2021, the Company's subsidiary, OneBridge Solutions Canada Inc., acquired pipeline risk evaluation software from an individual in the USA. The total cost of the acquired software was \$249,621, comprised of a cash payment of \$126,600, the issuance of 120,000 common shares at \$0.66 per share for a total value of \$79,200 (Note 7), legal fees of \$6,370, and software development costs of \$37,451 for its integration into the Company's software solutions. The software is being amortized over five years. The Company also capitalized software development costs of \$94,351 developing other software modules.

6.0 Deferred revenue

	September 30, 2021 \$	December 31, 2020 \$
Balance, beginning of period	413,546	1,639,879
New deposits	3,937,543	1,849,192
Applied or consumed	(2,434,721)	(3,032,901)
Effect of foreign exchange	21,389	(42,624)
Balance, end of period	1,937,757	413,546
Deferred revenue - current	1,558,872	413,546
Deferred revenue - noncurrent	378,885	-
Total deferred revenue	1,937,757	413,546

Deferred revenue represents prepayments from customers for the right to access and use the Company's software in future periods. The current portion of the deferred revenue is the amount expected to be earned within the next twelve months.

7.0 Share capital

Common shares

On March 8, 2021, the Company issued 120,000 common shares at a market price of \$0.66 per share to an individual in the USA for the acquisition of an intellectual property (Note 5). As required by TSX Venture Exchange, these shares were subject to a four month plus one day hold from the date of issuance.

Changes in Stock Option Plan, stock options and stock-based compensation

On May 4, 2021, the Company approved a stock option plan which allows the grant of stock options equal to 10% of the issued and outstanding common shares of the Company provided the plan is approved annually at the annual general and special meetings of the shareholders. Stock options have been issued to directors, employees and consultants with vesting periods of immediate to three years and terms of five years at prices reflective of the trading price of the Company shares on the TSX Venture Exchange at time of grant. On September 30, 2021, the maximum number of stock options that may be granted was 11,793,415 (December 31, 2020 – 11,560,081). The number of options available under the Plan for granting purposes as at September 30, 2021 was 921,748 (December 31, 2020 – 2,025,080).

	September 30, 2021		December 31, 2020	
	Number of share options #	Weighted average exercise price \$	Number of share options #	Weighted average exercise price \$
Outstanding, beginning of period	9,535,001	0.41	10,170,001	0.32
Granted	3,650,000	0.62	2,125,000	0.49
Exercised	(2,213,334)	0.18	(2,660,000)	0.13
Forfeited	(100,000)	0.49	(100,000)	0.67
Outstanding, end of period	10,871,667	0.53	9,535,001	0.41
Exercisable, end of period	6,671,673	0.49	7,243,338	0.38



As at	Options Outstanding				Options Exercisable	
	Exercise price \$	Outstanding number of share options #	Weighted average exercise price \$	Weighted average remaining contractual life in years #	Stock option #	Weighted average exercise price \$
September 30, 2021	0.21 – 0.27	1,296,667	0.24	0.50	1,296,667	0.24
	0.28 – 0.48	2,425,000	0.43	1.94	1,975,002	0.43
	0.49 – 0.55	1,800,000	0.50	2.94	1,400,003	0.50
	0.56 – 0.65	4,650,000	0.62	4.02	1,333,334	0.61
	0.66 – 0.92	700,000	0.90	2.68	666,667	0.91
<b>September 30, 2021</b>		<b>10,871,667</b>	<b>0.53</b>	<b>2.87</b>	<b>6,671,673</b>	<b>0.49</b>
December 31, 2020	0.15 – 0.20	1,613,334	0.17	0.58	1,613,334	0.17
	0.21 – 0.27	1,896,667	0.23	1.11	1,880,001	0.23
	0.28 – 0.48	2,375,000	0.43	2.62	1,800,000	0.43
	0.49 – 0.55	1,900,000	0.50	3.74	933,335	0.49
	0.56 – 0.65	1,050,000	0.60	2.79	383,334	0.62
	0.66 – 0.92	700,000	0.90	3.43	633,334	0.91
<b>December 31, 2020</b>		<b>9,535,001</b>	<b>0.41</b>	<b>2.28</b>	<b>7,243,338</b>	<b>0.38</b>

Compensation expense in respect of stock options for the nine months ended September 30, 2021 was \$740,318 (September 30, 2020 - \$490,801).

## 8.0 Segmented reporting

Operating segments are identified based on internal reports that are regularly reviewed by the Company's chief operating decision maker, the Chief Executive Officer. The Company has a single reporting segment which is the sale of subscriptions to use its software and provision of software related services.

The following table presents revenue from contracts with customers disaggregated by geographic location, service type and contract type to depict how the nature, amount, timing and uncertainty of revenue and cash flows could be affected by economic factors.

**OneSoft Solutions Inc.**
**Notes to the Condensed Interim Consolidated Financial Statements**

Segments	Three Months		Nine Months	
	September 30,	September 30,	September 30,	September 30,
	2021	2020	2021	2020
	\$	\$	\$	\$
Primary geographical markets				
U.S.A.	1,171,228	794,998	3,102,058	3,083,705
Australia	41,706	-	118,458	-
Canada	19,966	-	19,966	6,250
	<u>1,232,900</u>	<u>794,998</u>	<u>3,240,482</u>	<u>3,089,955</u>
Major services:				
Subscriptions to use software	1,171,920	751,706	3,019,131	2,954,800
Software related services	60,980	-	200,096	85,613
Software licensing and production trials	-	43,292	21,255	49,542
	<u>1,232,900</u>	<u>794,998</u>	<u>3,240,482</u>	<u>3,089,955</u>
Timing of revenue recognition				
Services transferred over contract term	838,106	471,424	2,206,809	1,501,551
Services transferred at a point in time	394,794	323,574	1,033,673	1,588,404
	<u>1,232,900</u>	<u>794,998</u>	<u>3,240,482</u>	<u>3,089,955</u>

The Company earned revenue from some customers, each of whom comprised greater than 10% of its revenue. During the nine months ended September 30, 2021 and 2020, revenue from these customers was as follows: customer A \$794,236 (September 30, 2020 - \$810,036), customer B \$757,850 (September 30, 2020 - \$1,629,602), and customer C \$340,965 (September 30, 2020 - \$nil). The amount receivable from these customers on September 30, 2021 was \$92,311 (December 31, 2020 - \$nil).

The Company's non-current assets (other than financial instruments) are divided into the following geographical areas:

	September 30, 2021 \$	December 31, 2020 \$
<b>Canada</b>		
Property and equipment	15,429	15,727
Intangible assets	804,875	789,167
Goodwill	155,693	155,693
Total Canada	<u>975,997</u>	<u>960,587</u>
<b>United States</b>		
Property and equipment	5,457	6,457
Intangible assets	34	921
Total United States	<u>5,491</u>	<u>7,378</u>
Consolidated total	<u>981,488</u>	<u>967,965</u>

**9.0 Related party transactions**

The Company's related parties are its Board of Directors and its key management personnel who are the Chief Executive Officer, Chief Financial Officer, Secretary and Presidents.

Key management and Board remuneration consisted of the following:

	<b>Nine Months Ended September 30, 2021</b>	<b>Nine Months Ended September 30, 2020</b>
	<b>\$</b>	<b>\$</b>
Salaries, benefits, management fees and directors' fees	683,979	696,210
Stock based compensation	289,609	247,435
Total	973,588	943,645

Stock based compensation is the amount of expense recognized in the condensed interim consolidated Statements of Comprehensive Loss relating to the identified key management and directors. Included in accounts payable and accrued liabilities is \$10,250 (December 31, 2020 – \$157,987) due to key management personnel.