ONESOFT SOLUTIONS INC.

ANNUAL INFORMATION FORM

For the Year Ended December 31, 2023

DATED: March 26, 2024

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FORWARD LOOKING STATEMENTS

This Annual Information Form for the year ended December 31, 2023, (the "**AIF**") contains historical information, descriptions of current circumstances and statements about potential future developments and anticipated financial results, performance or achievements of the Company and its subsidiaries. The latter statements, which are forward-looking statements, are presented to provide guidance to the reader but their accuracy depends on several assumptions and are subject to various known and unknown risks and uncertainties.

Forward-looking statements are included under the headings "Relationship with Microsoft Inc.", "Product Development", "Products", "Revenue" and ensuing description and discussion of, "CIM Sales and Revenue Growth", "Sales and Marketing Strategies", "Business Outlook for 2024", "Competitive Conditions". "Business Cycles", "Changes to Contracts", "Environmental, Social and Governance (ESG) Performance", and the section entitled "Risks and Uncertainties". When used in the AIF, such statements may contain such words as "may," "will," "intend," "should," "expect," "believe," "outlook," "predict," "remain," "anticipate," "estimate," "potential," "continue," "plan," "could," "might," "project," "targeting" or the negative of these terms or other similar terminology. Forward looking information in the AIF includes, without limitation, statements regarding funding requirements. These statements are based on management's current expectations regarding future events and operating performance, are based on information currently available to management, speak only as of the date of the AIF and are subject to risks described herein and in the Company's public filings on the Canadian Securities Administrators' website at www.sedar.com ("SEDAR") and as updated from time to time, and would include, but are not limited to, the emergence of the COVID-19 world pandemic, dependence on market economic conditions, sales and margin risk, the efficacy of the Company's software, acquisition and integration risks, competition, information system risks, risks associated with the introduction of new products, product design risk, environmental risks, customer and vendor risks, credit risks, currency risks, tax risks, risks of legislative changes, risks relating to remote operations, key executive risk and litigation risks. In addition, there are numerous risks associated with an investment in the Company's common shares, which are updated from time to time in the Company's other public filings on SEDAR. These risks and uncertainties may cause actual results to differ materially from those expressed in forward-looking statements.

Such statements reflect management's current views and are based on certain assumptions. Some of the key assumptions include, but are not limited to, assumptions regarding the performance of the Canadian and the United States economies, interest rates, exchange rates, capital availability, the amount of the Company's cash flow from operations; tax laws; laws and regulations relating to the protection of the environment; and capital spending requirements or planning in respect thereto, including but not limited to the performance of any such business and its operation. They are, by necessity, only estimates of future developments and actual developments may differ materially from these statements due to several known and unknown factors. Investors are cautioned not to place undue reliance on these forward-looking statements.

All forward-looking information in the AIF is qualified by these cautionary statements. Although the forward-looking information contained in this AIF is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in the AIF may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than this AIF.

The forward-looking statements contained in the AIF are made as of the date of this report and should not be relied upon as representing management's views as of any date after the date of this report. Except as required by applicable law, the Company undertakes no obligation to publicly update or otherwise revise any forward-looking statement, whether because of new information, future events, or otherwise.

CORPORATE STRUCTURE

Name, Address and Incorporation

OneSoft Solutions Inc. ("**OneSoft**", "**OSS**" or the "**Company**" or the "**Corporation**") is a corporation formed by certificate of incorporation issued pursuant to the provisions of the Alberta *Business Corporations Act* on September 6, 1996 under the name Discovery Acquisitions Inc. On October 15, 2002, the Company amended its Articles of Incorporation to change its name to Vision HRM Software Inc. and on December 2, 2004, the Company changed its name to Serenic Corporation. On July 28, 2014, the Company changed its name to OneSoft Solutions Inc.

The head office of the Company is located at 4220 Enterprise Square, 10230 Jasper Avenue, Edmonton, Alberta, T5J 4P6 and its telephone number is 780-248-5794. The registered office of the Company is located at 1700 Enbridge Centre, 10175 - 101 Street, Edmonton, Alberta, T5J 0H2.

OneSoft is a public company whose common shares trade on the TSX Venture Exchange under the trading symbol "OSS" and on the OTCQB Venture market in the USA under the symbol "OSSIF".

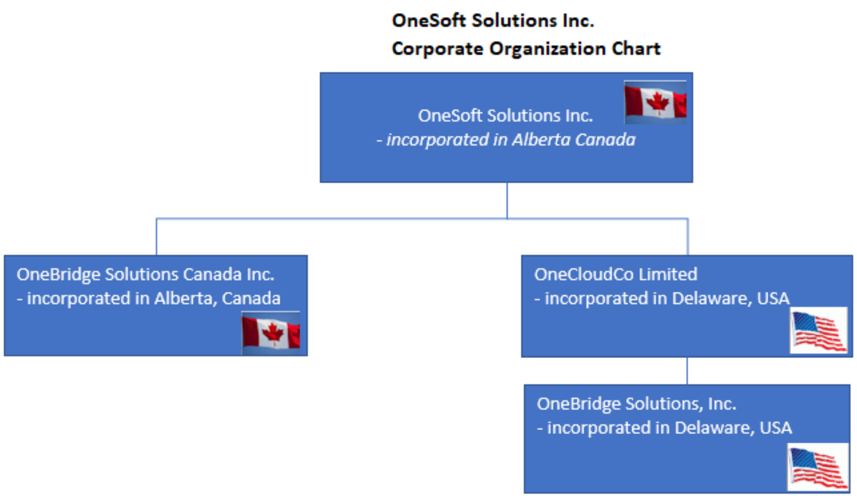
Intercorporate Relationships

The Company conducts its operations through its wholly owned and controlled subsidiaries, OneBridge Solutions Canada Inc., OneCloudCo Limited and OneBridge Solutions, Inc.

On January 1, 2020, OneBridge Solutions Canada Inc. was incorporated in the province of Alberta in Canada and formed through the amalgamation of two predecessor companies formed in 2015. It provides software development services to the oil and gas pipeline industry.

OneBridge Solutions, Inc. was incorporated in the State of Delaware, USA, on November 19, 2015 for the purpose of selling and marketing the Company's software-as-a-solution ("**SaaS**") products owned by OneBridge Solutions Canada Inc. OneCloudCo Limited is an inactive company.

As at January 1, 2023, the Company's corporate structure is as follows.



DESCRIPTION AND DEVELOPMENT OF THE BUSINESS

Summary

OneSoft Solutions Inc. is a provider of next generation software solutions for select niche markets which are designed to operate on Microsoft's cloud computing platform and leverage Azure, Power BI, data science and machine learning technologies. OneSoft's business strategy is to seek opportunities to disrupt and replace legacy business practices and on-premise software applications with scalable and more cost-efficient SaaS solutions that are optimized for Microsoft cloud computing.

The Company's solutions assist oil and gas pipeline operators to achieve their common objective of zero pipeline failures by providing advanced data management and predictive analytics capabilities and thereby reducing operational costs and risks. All commercial business operations are conducted through the OneBridge Solutions subsidiaries. OneBridge Solutions, Inc. is licensed to sell rights to access and use the Company's SaaS products in the USA and in select international markets. OneBridge Solutions Canada Inc. owns all the Company's intellectual property and may sell rights to access and use the Company's products in certain markets.

Company History and Progress

The corporate history of OneSoft is summarized as follows:

- The Company was incorporated as a junior capital pool company pursuant to the provisions of the Alberta *Business Corporations Act* on September 6, 1996 under the name Discovery Acquisitions Inc. and began trading as a public company in 1997 on the Alberta Stock Exchange (now part of the Toronto Venture Exchange).
- Discovery Acquisitions Inc. changed its name to Vision HRM Software Inc. when it acquired Vision Pay Inc. of Edmonton, Alberta on October 1, 2002, which sold payroll and human resource management software to users of Microsoft Navision accounting products within North America.
- Vision HRM Software Inc. acquired Serenic Software, Inc. of Lakewood, Colorado on July 1, 2004, which developed and marketed a comprehensive ERP fund accounting software solution based on Microsoft Navision technology to non-profit and non-government organizations. Vision HRM Software Inc. subsequently changed its name to Serenic Corporation and Vision Pay Inc. changed its name to Serenic Canada Inc. Serenic Software (EMEA) Inc. was established in England in October 2012 as another wholly owned operating subsidiary, to facilitate expansion of business operations in Europe and Africa. The Serenic companies enjoyed a collaborative working relationship with Microsoft, who assisted Serenic to market and sell its products in selected global markets.
- On July 28, 2014, Serenic Corporation sold its Serenic operating subsidiaries and its on-premise payroll and ERP software products to Sylogist Ltd. Most of the gain on sale was distributed to shareholders through issuance of a special dividend and return of capital. The Company retained approximately $2 million to restructure operations and finance its next business operation, to focus on cloud computing opportunities.
- Following the sale of the Serenic subsidiaries, Serenic Corporation's name was changed to OneSoft Solutions Inc. OneSoft retained its intellectual property ("**IP**") and personnel who had pioneered its cloud computing IP, with an initial plan to develop and market cloud-based accounting solutions for not-for-profit organizations. Given the Company's early work in cloud computing, OneSoft pivoted to seek opportunities to develop disruptive SaaS solutions that could leverage new machine learning and data science technologies that Microsoft was introducing in 2015.
- On July 17, 2015, the Company established OneBridge Solutions Canada Inc. as a wholly owned operating subsidiary, which acquired the assets of Bridge Solutions Inc. ("**Bridge**"), a private Alberta company. Bridge had developed technology that enabled pipeline operators to meet pipeline public awareness requirements in the USA and had significant pipeline knowledge. All rights, title and interest in and to the Bridge intellectual properties were acquired at a price of $818,077, paid by issuance of 11,733,024 OneSoft treasury shares. Thereafter, OneSoft divested its cloud accounting business assets on February 29, 2016, to focus solely on its vision to pursue machine learning and data science opportunities for pipeline operators.

The Company's operational progress up to and including Fiscal 2022 is summarized as follows:

- In late 2015, Microsoft invited software developers worldwide to apply to participate in Microsoft's first Accelerator for machine learning and data science. OneSoft was selected as one of nine companies, chosen from 721 software vendors who applied, to participate in this Accelerator. Two of OneSoft's personnel resided in Seattle for the first half of 2016, to facilitate collaborative work efforts with the Microsoft teams who were then in process of initiating sales of Azure machine learning, Power BI, and other components of Microsoft's new cloud computing platform.
- Microsoft contributed extensive assistance, support and funding to accelerate development of the Company's prototype SaaS Cognitive Integrity Management ("**CIM**") solution, which was introduced to Houston-based Phillips 66 in mid-2016. Phillips 66 was a pipeline industry technology leader at that time, having developed a comprehensive on-premise software application that addressed functionality required to manage its pipeline assets. With interest in exploring potential benefits of machine learning, Phillips 66 provided data to OneSoft, which was used to develop initial iterations of machine learning algorithms for CIM. CIM was immediately able to identify threats to pipeline failures that were previously unknown to Phillips 66 and following field excavations to inspect the predicted threats that CIM identified, Phillips became OneSoft's first commercial customer in January 2017.
- In January 2018, after experiencing the advantages and benefits of machine learning and cloud computing, Phillips 66 provided their intellectual property that had been under development for more than a decade to

OneBridge, to migrate to Microsoft's cloud platform. OneBridge re-developed the Phillips IP functionality as integrated components of CIM, with assistance from Microsoft and input from two additional pipeline operators. This resulted in a new version of CIM that was completed in late 2018. OneBridge owns all intellectual property and rights associated with this new CIM solution, which encompasses end-to-end integrity management and business processes typically required by midstream pipeline operators.

- CIM disrupts legacy pipeline integrity management systems and processes by leveraging cloud computing, machine learning and advanced data science technologies to deliver advanced predictive analytics and enable digital transformation. We have achieved multiple successes with our customers in assisting them to reduce pipeline failures, save significant operating costs and better manage their pipelines as smart infrastructure.

- The Company's customers, primarily Fortune 50/100/500 companies and including two of the industry's global supermajors, increased from 2 in 2018, to 6 in 2019, to 11 in 2021, to 15 in 2022 and 18 in 2023. Two additional pipeline operators added in 2023 were acquired by existing customers by the end of calendar year 2023 and so were not counted independently. All of these companies extensively researched and validated CIM prior to entering into multi-year SaaS license agreements, which ranged between 1- and 10-year terms.

- CIM is currently contracted for approximately 134,764 miles of pipelines, of which 90,158 miles had been ingested into CIM as at December 31, 2023. CIM initially processed inline inspection ("**ILI**") or pipeline inspection gauge ("**PIG**") data and has since added capability to ingest and analyze other data sets that operators track to manage their assets, optimize efficiencies, mitigate risk and comply with regulatory mandates applicable to pipeline operations.

- The Company's objective is to assist the integrity management of all oil and gas ("**O&G**") pipelines, including infrastructure for which ILI data has not been collected – for instance, pipelines managed under "direct assessment" or "**DA**" methodologies. While CIM technology is currently focused on midstream pipeline assets, we believe that CIM technology may potentially be applied to other markets, including upstream and downstream O&G, water and wastewater and rail transit industries.

- OneSoft closed a $9.2 million financing in April 2019, to fund accelerated research and development efforts which we believe has allowed the Company to increase its competitive moat. We believe we have aggregated the most extensive feature data applicable to pipeline integrity, and our proprietary algorithms have generated significant learnings using advanced predictive analytics analyzing tens of thousands of miles of O&G pipelines and more than 60 million features that contribute to pipe deterioration and eventual failure.

- We believe that our solutions align with several disruptive technology trends that enhance future opportunity and value creation, including the following:

    - Customers must keep pace with the digital world – real time, on demand and data driven. OneSoft's "as-a-service" technology model drives cost-effective efficiencies for operational logistics.

    - The Company's modern cloud computing and machine learning technology captures and leverages data analytics to greatly improve legacy systems and processes. Adoption of modern CIM-type technology is no longer optional for customers who want to operate competitively.

    - COVID-19 and the migration from corporate offices to home offices changed employment patterns at a fundamental level, driving more dependence on technologies that enhance automation and efficiencies, particularly with CIM functionality that enables less experienced workers to perform tasks that traditionally required deep expertise and more experienced workers to perform higher value work.

    - Much of the increasingly specialized services expertise can be automated with CIM technology, rather than hiring additional services personnel to do the work manually, as has been done historically with legacy systems.

- On June 23, 2022 the Company announced the acquisition of Bass Engineering's Integrity Management business operations ("IM Operations") from Tulsa-based Mesa Products, Inc. The acquired assets included a highly experienced staff, RIPL risk and RiskCat high consequence area management software solutions, associated IP and customers for which specialized pipeline risk software and services are provided.

  IM Operations had generated approximately USD $1.5 million in consulting and RIPL software revenues and approximately USD $200,000 of profits annually during the fiscal years 2019 through 2021. OneSoft's acquisition cost consisted of cash payments totaling USD $375,000 over a period of 3 years and the issuance of 1,828,125 OneSoft shares, of which 609,375 shares will become free trading on each of the first- second- and third-year anniversary of the transaction closing date.

The Company's intention is to convert the on-premise RIPL software into a SaaS cloud solution, in accordance with current CIM protocols, and market this along with the IM staff expertise and associated services.

- On June 29, 2022 the Company released a new Internal Corrosion SaaS Solution for the general market.
- On October 12, 2022 the Company announced the addition of Jemena as a multi-year customer, who owns and operates gas pipelines in Australia.

Fiscal 2023 Operational Update

In October, the Company hosted its first annual user group event at the Microsoft Executive Center in Houston. Based on customer feedback, Management believes that customers are highly referenceable and that peer-to-peer positive comments in the pipeline integrity community are highly supportive of OneSoft's reputation and business. We believe there is a very good probability that our customer retention will continue to be near 100% unless a OneBridge customer is acquired by another pipeline operator who mandates adoption of its own integrity management processes. As of the date of this report, we know of no customer that intends to stop using our solutions.

Management estimates that the CIM platform is currently being used for approximately 20% of the piggable pipeline infrastructure in the U.S.A. – i.e., approximately 135,000 of 642,000 piggable pipeline miles are now under multi-year SaaS agreements with OneBridge. The balance of piggable miles is currently managed using legacy systems and processes and, with no known competing cloud solution, we believe this represents significant future opportunity for the Company.

Management is optimistic that new functionality modules that integrate with the CIM platform, including Internal Corrosion Management ("**ICM**"), External Corrosion Management ("**ECM**"), Crack Management ("**CM**"), Probabilistic Risk Management ("**RM**") and Geohazard Strain Management ("**GS**") will be embraced by current and future customers. Certain customers have already added ICM to their annual SaaS renewal purchase orders and others have engaged as private preview users of the modules still under development. Management's optimism is bolstered by expressions of interest from customers and from the formalized steering committee initiated at the October 2023 user group event, comprised of senior industry personnel whose roles generally direct integrity management functions and control the associated budgets.

Management is pleased with the continued evolution of internal operational processes that occurred during Fiscal 2023, including those that optimize efficiencies pertaining to sales, marketing, client support, product development, financial and corporate initiatives. In 2023, the Company's marketing team updated marketing collateral to align with our evolving technology and product development and adopted new taglines "*Where Data and Integrity Converge*", "*Integrity Management made smarter*" and "*Visualize. Predict. Mitigate.*" Sales, marketing and customer support materials and processes have been organized within "Wiki" libraries, to document and share knowledge and improve operational and cost efficiencies. New marketing software was implemented to capture data that assists our employees to better understand and serve our stakeholders, including metrics regarding website visitors, unique contacts, blog views, email outreach and gated downloads that track visitors who view white paper and informational videos posted on our website. The Company's sales, development and customer support teams were reorganized in Fiscal 2023 to support additional marketing and sales tactics in Fiscal 2024 using new and existing customer success plans and strategic prospect playbooks.

The Company attended several key O&G industry tradeshow and exhibition events during Fiscal 2023, including the Pipeline Pigging and Integrity Management ("**PPIM**"), the American Gas Association ("**AGA**") conference and biennial exhibition, the Pipeline Technology Conference in Berlin, Germany, and the annual Banff Pipeline Conference and participated in industry educational events wherein Company personnel presented white paper research learnings. Additionally, OneBridge hosted its first annual User Group Conference, in collaboration with the Microsoft team that focuses on O&G customers. Microsoft considers OneBridge to be a "managed partner" and some of its O&G sales team members continue to collaborate with OneBridge personnel to pursue joint sales opportunities involving our CIM platform and Microsoft's Azure cloud platform.

Use of the CIM platform by customers increased in accordance with Management's expectations during Fiscal 2023, with higher pipeline miles operated by customers and miles under SaaS subscriptions driving revenue. OneBridge onboarded five additional pipeline operators during Fiscal 2023, who became new CIM users due to direct sales efforts or after being acquired by existing CIM customers. Some customers expanded their use of the CIM platform to include ICM and other new functionality modules, a trend we believe will generate additional revenue in future periods.

The Company's development team consisted of 21 employees and a 7-person offshore team as at the end of Fiscal 2023. This team released 6 major CIM platform updates during the year, evolved the ICM, ECM, CM, RM and GS functionality modules, evolved various data science and machine learning projects and assisted customer service and implementation teams to onboard five new pipeline operators during Fiscal 2023. One new customer presented an atypical challenge, requiring more than 18,000 pipeline data miles to be ingested into CIM, "going live" with the CIM platform within a 6-month period (which was essentially completed in early 2024), and customizing various integrations between CIM and the customer's internal systems. During Fiscal 2023, this team also addressed 221 User Stories, 180 Bugs and 2,496 commitments for customers and upgraded the CIM platform to .NET 6 status.

The Company's client services team addressed 17 projects during Fiscal 2023, primarily involving 6 clients and 5 core CIM platform implementations, collectively involving 15 divisional operators and more than 700 pipeline systems. Projects included work associated with integrity management and compliance, geographic information system ("**GIS**") integrations, loading of more than 3,700 ILI assessments and 67 million anomalies into CIM, migrating data from legacy systems into CIM, integrating with various customer software applications and training.

The Company's employee roster continued to increase with 20 new hires completed during the past 20 months and employee retention remained high. Development staff trained in new Microsoft technologies and systems during Fiscal 2023 and this, together with our new customer additions, resulted in the Company earning the Microsoft Solutions Partner designation for "Digital and App Innovation (Azure)". This provides the Company access to accelerated support and discounted or free internal user rights for a wide swath of Microsoft products.

Update Regarding Estimated Addressable Market for OneSoft SaaS Solutions

The Company last published its estimates of total addressable market ("**TAM**") in its MD&A for FYE December 31, 2020. The following tables provide updated estimates of potential TAM, which reflect the Company's current SaaS development roadmap and priorities expressed by our customers.

USA Mileage estimates were updated in H2 2023 based on 2022 U.S.A. mileage figures as published by the Pipelines and Hazardous Materials Safety Association ("**PHMSA**"), the U.S. regulator for O&G gas pipeline operators. There are approximately 3 million miles of liquid and gas pipelines in the U.S.A., as shown in the following charts.

Management has made certain assumptions in determining its TAM estimates, including evaluations of the various segments of pipelines that are believed to represent addressable markets for the Company's different SaaS products/modules and input from customers and prospective customers that is considered for planning of the Company's technology development roadmap.

This data has been researched and compiled to assist Management to determine the Company's go-forward strategies. Readers are cautioned that estimated TAM figures are not meant to project revenue for the Company; rather, TAM figures potentially represent Management's estimate of 100% of the potential market opportunity for the various SaaS products/modules listed.

Liquid and Gas Pipeline Mileage (2022 data) as reported by PHMSA

System Type (2022) - Liquid	Miles
Biofuel	18
CO2	5,385
Crude Oil	84,389
Highly Volatile Liquids (HVL) Flamm Toxic	75,456
Refined Petroleum Products (PP)	64,082
Grand Total	229,331

System Type (2022) - Gas	Miles
Gas Distribution (Main Miles)	1,356,332
Gas Distribution (Service Miles)	965,165
Gas Gathering	112,034
Gas Transmission	300,797
Grand Total	2,734,328

TAM Estimate by OneSoft Management

Oil & Gas - Estimated Total Addressable Market (TAM) USA, Rest of World & Global						
	Est USA % of Global Infrastructure			*60%*	*40%*	*100%*
SaaS Product/Module	**Product/Market Status**	**USA Applicable Mileage [(1)]**	**Rate (US$)**	**TAM USA (US$)**	**TAM Rest of World (US$)**	**TAM Global (US$)**
Core CIM	Developed	642,162	100	64,216,200	42,810,800	107,027,000
Internal Corrosion (Chemical) [(2)]	Developed/Early	642,162	15	9,632,430	6,421,620	16,054,050
Crack (PCFA)	Developed/Early	642,162	5	3,210,810	2,140,540	5,351,350
External Corrosion - CIS/CP/ACVG/DCVG [(3)]	Under Development/Mature	1,113,424	25	27,835,593	18,557,062	46,392,656
Risk	Under Development/Mature	1,886,460	25	47,161,500	31,441,000	78,602,500
Geohazard	Under Development/Early	642,162	10	6,421,620	4,281,080	10,702,700
ML/AI Application (Data Augmentation)	Under Development/Early	1,886,460	10	18,864,600	12,576,400	31,441,000
Mobile (Field Submission)	Potential	1,886,460	10	18,864,600	12,576,400	31,441,000
Acoustics	Potential	229,331	10	2,293,310	1,528,873	3,822,183
Facilities [(4)]	Potential	500	50,000	25,000,000	16,666,667	41,666,667
Asset Mgmt	Potential	1,886,460	10	18,864,600	12,576,400	31,441,000
				$ 242,365,263	**$ 161,576,842**	**$ 403,942,106**

[(1)] PHMSA source data 2022. Data Source: US DOT Pipeline and Hazardous Materials Safety Administration. Portal Data t /17/2023. Excludes Type R Gas Gathering.
[(2)] Internal Corrosion includes liquid and gas gathering and transmission as well as some facilities.
[(3)] External Corrosion includes liquid and gas gathering, transmission pipelines as well as Steel Cathodically Protected (CP) and Steel Cathodically Protected (CP) bare Gas Distribution pipelines.
[(4)] Facilities includes, refineries, tankfarms, chemical and other downstream facilities.

Notes:

- The SaaS product/Modules column describes the development projects that comprise the Company's technology development roadmap.
- The Product/Market Status column reflects the modules considered developed and commercialized, under development and potential functionality that may or may not be developed in the future as well as current market maturity.
- The Rate Column reflects Management's estimate of potential revenue that may be generated from the product/module. Rate estimates are based on preliminary market research the Company has conducted regarding costs that competing solution vendors may charge for similar functionality and input from OneBridge customers.
- TAM USA represents the calculation of USA Mileage multiplied by the Rate.
- TAM Rest of World is calculated on the assumption that U.S. O&G pipeline asset infrastructure comprises approximately 60% of global infrastructure, which percentage figure is estimated by Management based on discussions with customers and anecdotal industry estimates.
- TAM Global column is the sum of TAM USA and TAM Rest of World.

Fiscal 2023 Corporate Update

Management attended several in-person investor events in Canada and U.S.A during Fiscal 2023 and hosted numerous one-on-one meetings with current and prospective shareholders of OneSoft. The Company renewed the appointment of Sophic Capital Inc. to provide investor relations and capital markets advisory services for Fiscal 2024.

In Fiscal 2022, the OneSoft Board of Directors and Management took steps to review and implement succession plans for the Company's senior executive management team and Board of Directors, which initiatives are ongoing. Two individuals relinquished their roles as Directors in 2023 and one new Director has been appointed to date.

During Fiscal 2023, Management and Directors continued to consider alternatives that can potentially advance the Company, including pursuit of organic revenue growth initiative and M&A scenarios that might further accelerate Company advancement and revenue growth, with the overall objectives of increasing shareholder value and positioning the Company to better serve all its stakeholders.

SOC 2 Type 2 Certification, December 2022 and renewal in 2023

Because our solutions store customer data in the cloud, Management believes it is mandatory to demonstrate its commitment to security and data privacy by seeking SOC 2 certification. The Company invested early in the initiative in Fiscal 2022. Certification was achieved following a rigorous preparation process involving numerous hours of staff time followed by an independent audit performed by a third-party CPA firm and the issuance of SOC 2 Type 2 certification, confirming the effectiveness of OneSoft's design of internal controls associated with security, confidentiality and SaaS system availability and that OneSoft had fulfilled its service commitments and system requirement procedures in 2022. The certification status was renewed in 2023 following an audit performed in 2023 by a third-part CPA firm skilled in SOC 2 auditing.

OneSoft's SOC 2 Type 2 certification provides assurances to Company stakeholders that our information security measures can withstand the challenging requirements of today's cloud computing environments and provides assurance that we are able to secure sensitive information. Data security is highly important for our customers and compliance with this operational standard is recognized in the industry as a mandatory or preferred practice to maximize information security management and mitigate potential data breaches.

"SOC 2" refers to the comprehensive internal control framework developed by the American Institute of Certified Public Accountants for software service organizations. A SOC 2 Type I Certification report describes the security rules a company follows but does not judge its effectiveness. SOC 2 Type 2 certification, which OneSoft obtained, is more comprehensive in that it analyzes the company's rules and policies for security and service and also evaluates a company's adherence to the stated security processes and practices for a stated time period.

Access to Further Information

The OneBridge website contains numerous case studies, whitepapers and webinars that can be accessed here.

Long Serving Personnel

The majority of the senior management team have been involved in management of the Company since 2002, including during the start-up through divestiture phases of Vision Pay and Serenic and the startup and growth of OneBridge operations.

Relationship with Microsoft Inc.

OneSoft's technological strategy is closely aligned with Microsoft, as OneSoft's management believes that Microsoft's success with its technology as the global cloud platform of choice will have a significant influence on OneSoft's future success. Participation in Accelerator enabled OneBridge to fast-track the design and development of CIM. Microsoft's decision to support the OneSoft project has been highly valuable to date, including the ongoing collaboration with Microsoft's technology, sales and marketing teams.

Microsoft Accelerator alumnus status allows OneSoft the use of Microsoft's world-wide sales and marketing facilities and resources and continuing collaboration on sales and marketing initiatives with Microsoft's sales teams who sell to oil and gas pipeline customers. Sales meetings with large prospective customers often include Microsoft personnel who address the value and security benefits of Microsoft's cloud computing platform, which is highly valuable given the industry's prevailing attitudes on maximizing confidentiality and security of their data. Microsoft is motivated to assist OneSoft as the successful deployment of OneBridge's solutions at enterprise level oil and gas companies drives consumption of Microsoft's cloud platform and services, thereby increasing their revenues.

Product Development

Product development is done in-house by Company employees, several of which are educated to the Masters and Ph.D. levels, and augmented by a contracted offshore development team. Development costs consist of staff salaries and benefits, contractual amounts paid to the offshore development team and Microsoft Azure cloud computing costs. Specialized skill and knowledge regarding cloud computing, machine learning, advanced data science, pipeline integrity and pipeline industry regulatory requirements are all required to develop our products. The Company has a highly engaged customer base today who contribute input and direction for enhancing current products and determining future product development roadmaps.

Products

"**CIM**" or "**Cognitive Integrity Management**™ "is the Company's software-as-a-service software technology that address the end-to-end business process flow of oil and gas pipeline integrity processes including: assessment planning, integrity compliance, dig management, threat monitoring, data management and analyses of the various datasets that apply to asset integrity. CIM is comprised of several modules, as follows:

- "ILI Management" is the Company's first software module developed that automatically (irrespective of the multiple data schemas used by different ILI vendors over decades), normalizes, ingests, aligns and analyzes pipeline in-line inspection ("ILI") data files using data science and proprietary machine learning algorithms. Revenue generation from ILI Management commenced in January 2017.

- Management believes this module is revolutionary when compared with legacy processes currently used in the industry. Legacy ILI data matching typically requires multiple weeks for highly trained engineers or consultants using Excel spreadsheets to align and analyze only a subset of data from ILI data sets. Typically only two ILI datasets are analyzed with legacy processes, (i.e., the most current and next most current ILI datasets) and such analytics are extrapolated to the remainder of the pipeline, yielding only approximated results. Typical costs for consultants to perform this task with legacy systems vary between US$5,000 and US$8,000 to match two ILI data sets, depending upon the volume of data that is aligned and matched. A larger pipeline company may analyze 150 such data sets in a year.

- CIM ILI Management, by leveraging cloud computing capacity to handle big data, machine learning and data science automatically ingests and aligns 100% of the data, for any number of ILI datasets, in only minutes or hours (depending upon the volume of historic data being analyzed), essentially by dragging and dropping the ILI data files onto CIM and pressing a key to start the process. In addition to significant time and cost savings, CIM analytics to assess pipe conditions are greatly improved by using 100% of the data collected over time, compared to extrapolating results from only sample data points from two ILI data sets.

- **"CIM Core"** is the Company's software module that addresses the core operational logistics and regulatory compliance functions that pipeline operators typically perform to operate their pipelines. CIM Core functionality includes: ILI Management; Assessment Planning; Dig Management (including selection of PIG vendor and management of excavations, inspections and repairs); Threat Monitoring; GIS Data Correlation; Logistical System and Process Management Systems; and extensive Reporting and Data Visualization functions.

- After using and validating the Company's ILI Management software during 2017, Phillips 66 decided to provide their on-premise software and IP that they used to conduct pipeline integrity management processes (which they developed over the course of approximately 15 years) along with funding assistance, for OneSoft to integrate into CIM to operate on Microsoft's cloud platform. This became the Company's second revenue generating module in 2019 and provides functionality required by all pipeline operators.

- CIM Core's capability to store and align disparate data allows holistic integration of departmental operations and enables the capability to query big data for unique relationships. For example, a user can identify all instances where a crack and a dent near a girth-weld exist on pipelines situated within high consequence areas, thereby encompassing ILI, pipe properties, map and regulatory data by querying a single database, rather than combing through siloed, un-aligned and unconnected data sets.

- Mandatory regulatory compliance requirements call for certain highly complex data relationship assessments. Garnering input from early adopter clients, CIM Core now contains algorithms and queries that can detect and report on nearly 300 pipeline threats and excavation criteria, inclusive of both regulatory and operator best practices.

- **"CIM Platform"** is the data hub structure that evolved from CIM ILI and CIM Core modules, wherein data ingestion, normalization and analytics capabilities were enhanced to process multiple additional data sets that pipeline operators use to perform other aspects of pipeline asset and operational management. The architecture of the CIM Platform was initially determined using "frog" design software concepts introduced during our collaborative work with Microsoft at their Accelerator in 2016 and optimized to leverage big data management and analytics using machine learning and cloud computing. Management believes that our approach uniquely differentiates OneSoft from other O&G software vendors, who still perpetuate legacy software development methodologies that favor stand-alone modules destined to operate in siloed fashion, without capability to deliver CIM-type benefits. The CIM Platform is foundational to the Company's other CIM modules and may potentially be monetized for third party applications by other industry vendors.

- **"Corrosion Management"** is the Company's software module currently under development to address internal and external corrosion, with data management and analytics for corrosion coupons, sampling, pigging, transported material flow velocity and flow mode, chemical usage and external pipeline corrosion caused by elements in the atmosphere and surrounding environment. Corrosion Management data is correlated to ILI data to monitor trends, forecast chemical spend and pipeline forecasted life to determine overall corrosion mitigation effectiveness. This module is marketed using the Consumption Economics model.

- **"Crack Management"** is the Company's software module to assist pipeline operators with data analytics concerning integrity and threat management associated with pipeline cracks, generally in accordance with recommended operating practices pursuant to API RP 1176 and both U.S. and Canadian regulations. This module is marketed using the Consumption Economics model.

- **“Risk Management”** is the Company’s quantitative risk software module currently under development. Risk Management embeds C-FER Technologies’ nine probabilistic threat models into CIM (External Corrosion; Internal Corrosion; Stress Corrosion Cracking; Manufacturing-Related Defects; Welding/Fabrication Defects; Equipment; Third Party / Mechanical Damage; Weather & Outside Force; and Incorrect Operation) which collectively address pipeline operations regulation ASME B31.8S. When completed, this module will be marketed using the Consumption Economics model.
- **“Geohazard Management and Bending Strain” is** the software module currently being researched and developed in the Company’s Innovation Lab to assess seismic, earth movement, soil and water factors that contribute to potential pipeline strain and failures. The Company is seeking private preview users to provide input and feedback to assist in development efforts for the MVP of Geohazard Strain functionality, wherein failure threats due to pipeline movement within the ground can potentially be monitored and mitigated using IMU data collected by PIGs. When completed, this module will be marketed using the Consumption Economics model.

IM Operations Products:

- Risk management is one of the essential components of pipeline integrity management. U.S. state and federal regulations require pipeline operators to identify sections of their systems that could, in the event of a product release, impact specially designated areas of concerns called High Consequence Areas (HCA). Examples of HCA are environmentally sensitive areas, highly populated areas and potable water reservoirs. Continual risk assessments are required for HCAs that contain pipeline assets.
- IM Operations’ personnel conduct risk assessment and HCA modeling using two of the Company’s software applications. RIPL Software is used by Company personnel in the provision of services for certain customers who prefer contracted risk assessment services and is also licensed to other customers who conduct such services using their own personnel. RiskCAT software, used to conduct HCA modeling, is used only by Company personnel in the provision of consulting services and is not licensed to customers.

REVENUE

The Company currently derives revenue from several sources, including from CIM SaaS user fees which are contracted in multi-year agreements with customers; from one-time development projects for specific customer-requested functionality, which are undertaken only if such product development will ultimately enhance the Company’s solutions; from IM Operations for consulting services involving risk and HCA assessments; and from recurring software maintenance fees from customers who have installed and use RIPL software on their own computers (“**TS&M**”).

All products are developed by OneBridge Solutions Canada Inc. and marketed by OneBridge Solutions, Inc. to pipeline operators in North America and select international markets.

Analysis of Revenue

	Year ended December 31		
	2023	**2022**	**2021**
	$	**$**	**$**
Major services:			
Pipeline software subscriptions	8,253,821	5,739,727	4,072,522
Risk and HCA services	1,229,618	836,633	-
Software related services	870,587	299,444	306,002
Licensing, production trials and commission	37,985	12,768	63,428
	10,392,011	**6,888,572**	**4,441,952**

Revenue by Geographic segments

	Year ended December 31		
	2023	2022	2021
	$	$	$
Primary geographical markets			
U.S.A.	9,979,175	6,603,492	4,192,408
Canada	264,371	243,247	118,982
Australia	148,465	41,833	130,562
	10,392,011	**6,888,572**	**4,441,952**

Revenue categorized by repeatability

	Year ended December 31		
	2023	2022	2021
	$	$	$
Annual recurring revenue	8,253,821	5,739,727	4,072,522
Other revenue	2,138,190	1,148,845	369,430
	10,392,011	**6,888,572**	**4,441,952**

Description of Revenue categorized by repeatability.

Management categorizes revenue into two buckets: "Recurring" and "Other".

Annual Recurring Revenue ("**ARR**") revenue includes the following:

- Data-mile Subscription Fee. Some customers may choose a pricing model wherein the CIM monthly usage fee is charged per mile of ingested pipeline data. In this alternative, the Subscription, New and Historic ILI Log Ingestion Fees described below are not charged.
- SaaS Subscription Fee. This monthly fee is fixed to the customer once set based upon the total number of pipeline miles under management by the operator. This fee provides the customer with 24/7 access to a base of commonly required functions within CIM.
- ILI Log Ingestion Fee. Customers pay a fee for each ILI data set ("**Log**" or **"Assessment"**) uploaded to CIM. Customers pay reduced fees to ingest historic ILI Logs, as compared to new/current ILI Logs. We anticipate that most historic ILI logs will generally be loaded in the first 12 to 18 month's use of CIM and generate a temporary rise in revenue during this time. ILI Log ingestion fees are recurring but variable in timing and by number of Logs processed, in that customers typically run tools through (i.e., "**PIG**") their pipelines on regular schedules to inspect their full infrastructure over a few years, and in any event within the five- or seven-year requirement as mandated by U.S. regulators. For example, an operator that is required to inspect 10,000 miles of pipeline on a five-year schedule might PIG 2,000 miles of pipeline each year. Assuming an average of 30 miles per PIG run, the customer would therefor expect to load 67 New ILI Logs into CIM each year on average, which represents recurring revenue for the Company.

  From the customer's perspective, ingestion of historic and new ILI Logs enables CIM to perform "pit-to-pit" alignment of features (i.e., matching of points of corrosion and other anomalies detected by inspection tools over multiple PIG runs) and thereby track historic growth of anomalies from which future failure points can be predicted. From OneBridge's perspective, each log ingested into CIM provides new learnings which are continually incorporated into and reiterate enhancements of our proprietary machine learning algorithms. It is highly advantageous for both the customer and OneBridge to load both historic and new ILI Logs, as they serve to provide more extensive data for better predictive analytics.
- Microsoft Azure fees are charged where customers choose to use OneBridge's Azure subscription rather than their own to host CIM. This monthly fee is based on the costs of OneBridge's Azure subscription costs and staff time required to manage the subscription.
- Specialized Functionality Module Fee. The Company has adopted an "Economic Consumption" revenue model wherein fees are charged using the Company's SaaS deployment model to access and use software functionality on an as-required basis which are invoiced on either a fixed monthly or annual basis and / or as a variable fee based on the quantity of data being ingested and managed by CIM.
- TS&M is the provision of technical support and software maintenance services to IM Operations customers who have installed RIPL software on their computers.

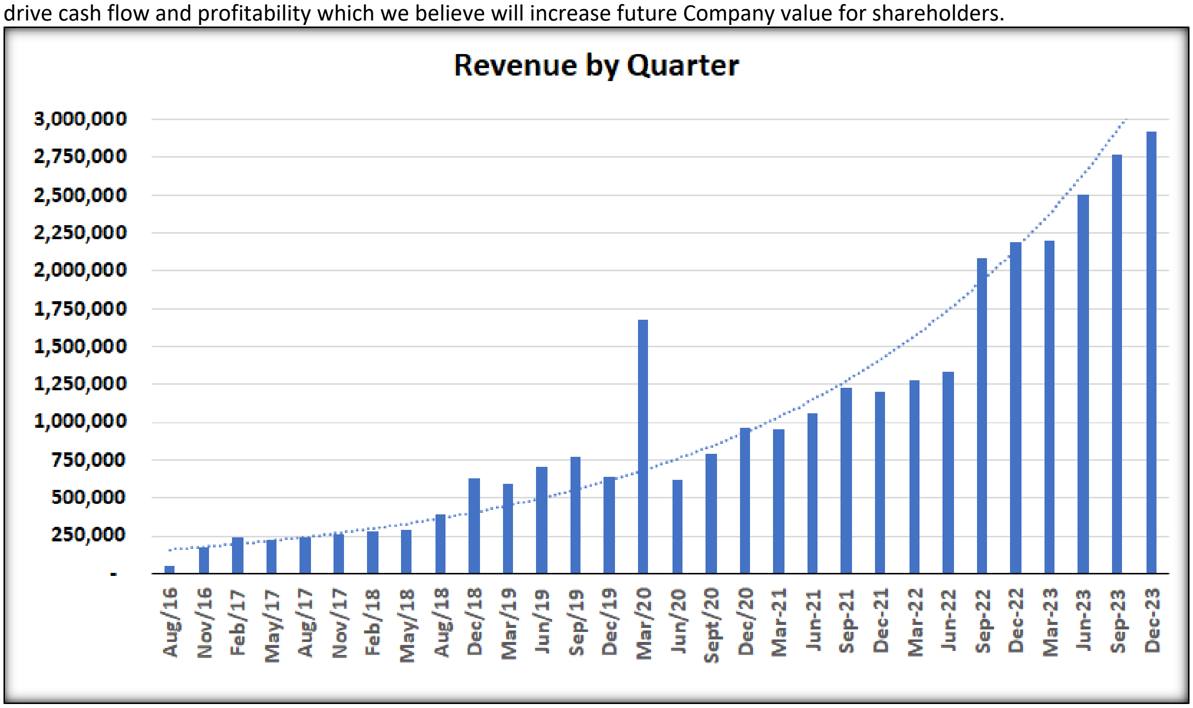
Other Revenue includes the following:

- Risk and HCA Assessments: Risk assessments are the analysis of a pipeline's design, performance and environment to identify segments that at risk of failure so operators can plan refurbishment and threat mitigation. Additionally, state and federal regulations require pipeline operators to identify sections of their systems that could, in the event of a product release, impact specially designated areas of concerns called High Consequence Areas (HCA). Examples of HCA are environmentally sensitive areas, highly populated areas, and drinking water reservoirs. If an operator determines the presence of an HCA that could be affected by segments of their system, the operator is required to conduct a risk assessment. HCA studies report on the risks that pipelines engender in HCA areas.

- Production Trials (formerly referred to as Proof of Concept) ("POC") Fees. In some cases, the Company may invoice prospective customers for costs associated with CIM trial use including data cleansing services and reimbursement of Azure computing costs. Microsoft may pay a portion or all a particular POC Fee, depending upon certain factors as determined by Microsoft.
- Services Fees. Services Fees include various billings associated with on-boarding of customers such as data cleansing, loading of Logs, training, project management and other CIM-associated work.
- One-time Projects. In December 2018, Company migrated Phillips 66 IP to operate on Microsoft's Azure cloud platform. With the establishment of the OneBridge Innovation Lab announced on February 13, 2020, future revenue may be generated by these one-time development projects that could supplement the Company's IP.

Quarterly Revenues

The chart below shows revenue for the past thirty quarters (7.5 years). Quarterly revenue increased as a result of continued addition of new customers, expanded use of CIM by existing customers and augmented by the acquisition of IM Operations' customers acquired June 30, 2022. Management's objective is to continue to increase revenues to drive cash flow and profitability which we believe will increase future Company value for shareholders.



COMPETITIVE CONDITIONS

Management believes that OneSoft continues to have a significant technological lead, which at this point poses a significant barrier for potential competitors to catch up to or surpass. OneSoft's technological lead resulted from several factors, three of which are key differentiators that competitors are unlikely to replicate at this point:

- Microsoft's assistance commencing with our participation in their first Accelerator for data science and machine learning in H1 of 2016 and their technical and marketing collaboration which has continued to date.
- The Company's opportunity to incorporate Phillips 66's internally developed software and IP into CIM, which has significantly reduced CIM development time.
- Unlike ILI vendors, OneSoft is viewed as a neutral, safe partner for pipeline operators to share data with. Data sharing with ILI vendors carries potential risk for operators to become dependent on single-sourcing ILI services, which doesn't exist with the Company's vendor-agnostic data management capabilities.

Management believes that these factors have significantly impacted the Company's first mover advantage, generating a significant head start. Potential competitors that do not have access to these collaborative efforts will be disadvantaged to replicate CIM and attract early adopter validation. Management is aware of several other parties, including software competitors and large pipeline operators, that have attempted to develop CIM-like solutions, without success thus far.

INTANGIBLE PROPERTIES

CIM was developed by and is wholly owned by the Corporation. One element of CIM uses, in part, the proprietary software of Phillips 66 Company and the Corporation is committed to pay minimum royalties of U.S. $2.25 million over a ten-year period ending December 20, 2027 based on the revenue earned from the components of CIM that uses elements of the Phillips 66 intellectual properties contained with it. As of December 31, 2023, total royalties of US$1,581,524 have been recorded. Royalties are paid 30 days after each quarter end.

The Company has trademarked the phrase “Flow Forward” and the phrase “Cognitive Integrity Management” is also similarly protected having been placed on a secondary schedule of the Patent Office.

BUSINESS CYCLES

Pipeline failures are very expensive to remediate and damaging to pipeline operators’ reputations and therefore pipeline operators are highly motivated to avoid them. Pipelines are in use continuously all year generating corrosion and other threats which must be continually addressed. Additionally, industry regulation stipulates the frequency of when pipelines must be pigged and timing of the analysis of data for the existence of threatening conditions which could lead to failure. The Company’s products are used by pipeline companies to identify anomalies in their pipelines, predict potential failures, optimize refurbishment schedules and to assist complying with rigorous pipeline operating standards for which non-compliance is financially punitive. The Company believes the utility of its software in all these matters will encourage customers to use the software continually all year after it has been adopted and to pay regular monthly payments. The Company believes that there will be a continued use of fossil fuels for many years into the future and as the industry evolves to other fuel sources, the Company will transition with them. Given this, the Company believes its products will result in revenue generation that is neither cyclical nor seasonal.

CHANGES TO CONTRACTS

As at the date of this document, key CIM customers have signed long-term commercial contracts. Several customers have engaged in production trials which may convert to long-term commercial contracts after the production trial has completed. The discontinuance of these relationships would affect the Corporation’s planned revenue generation.

ENVIRONMENTAL PROTECTION

There are no environmental protection regulations which would affect the normal day to day operation of the Company. Externally, the Company’s customers must continually take affirmative action to comply with ever increasing pipeline regulations designed to protect people and the environment and to maintain their pipeline assets to prevent failures, which could be affected by environmental change. In this regard, the Company is a benefactor of environmental change regulations and increasingly strict regulations designed to enhance protection of the environment.

EMPLOYEES

As at December 31, 2023, the Company employed 42 people. The Company also employs seven staff through a subcontractor arrangement it has with an offshore software development firm.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE

The Company’s Board of Directors and senior executive team recognize the importance of appropriate “tone at the top” and consistently foster ethical practices to govern the Company’s business conduct.

Our Board of Directors adheres to strong corporate governance practices. It has adopted a Board of Directors Mandate, Board committee charters, and other policies to ensure it has a progressive corporate governance framework. Information about shareholder rights and executive compensation can be found in our most recent publicly filed information circular/proxy statement. Three of four members of OneSoft’s Board of Directors are independent, one has professional corporate director certification, three have professional designations and the Company maintains and has implemented policies on Whistle Blowing, Code of Conduct and Business Ethics, Disclosure, Diversity and Inclusion and Corruption of Foreign Officials. Our Board of Directors oversees our ESG program and exercises risk oversight over corporate governance, cybersecurity and compensation.

OneSoft’s products are designed to assist pipeline companies to achieve their common objective of zero failures, protect the environment, save lives and reduce operating costs. OneSoft extends the same concern for the environment into its daily practices. Since reorganizing the Company in 2014 to pursue cloud computing opportunities, employees have worked from home offices, which reduces the carbon footprint caused by commuting to and maintaining a common workplace. The Company provides personal computers for employees’ use but does not own computer servers that need constant replacement due to technology obsolescence, and instead uses Microsoft's cloud computing platform which is more efficient and requires less energy, power and equipment resources. The distributed nature of our workforce results in more reliance on electronic documents and filing systems, while reducing the need for paper document production and storage. Using modern communication systems such as Microsoft Teams, the Company, where possible, attempts to reduce business travel to reduce the Company's environmental impact.

OneSoft is mindful of social issues and has workplace policies that foster an informed, egalitarian and productive employee team. Our Employee Handbook contains policies on diversity, inclusion and equity, harassment and discrimination, personal conduct and cyber security. Employees and contractors are provided fair and competitive rates of pay and employee benefits packages and staff are actively encouraged to fully consume vacations and personal days off as allowed by policy to maintain appropriate work/ life balance. Employee turnover since 2014 has been low, which signals that OneSoft provides a workplace that personnel enjoy contributing to and being a part of. The Board and Management intend to continue to stress and influence good corporate and community citizenship by influencing all Company personnel and by taking appropriate actions as required.

Energy companies and people world-wide are generally paying more attention to threats caused by climate change and the environment. The Company, through commercial deployment of its solutions, effectively contributes to mitigation of these threats in two ways. Firstly, the Company's CIM solution plays what we believe is a significant role in assisting our clients to reduce or eliminate pipeline failures. Our first commercial client, Phillips 66, was awarded a well-earned recognition for achieving their objective of zero pipeline failures for two consecutive years, a notable achievement to which CIM contributed. Secondly, the Company will continue to play an important role in mitigation of threats to pipeline assets into the foreseeable future, regardless of whether pipelines transport oil and gas as they do today, or whether they will be re-purposed to transport hydrogen or other green fuels at some point in the future. We believe that despite the advancements being made to develop and implement viable alternative energy sources, the world will still need to rely on oil and gas for decades to come, and therefore OneSoft's contributions to protect the environment will continue for the O&G industry and will be adapted to future energy technologies as changes are made.

OneSoft holds itself to the highest standards of trust and security. Pipeline operators in North America and Australia have leveraged our software programs to store their highly sensitive pipeline assessment data and to perform time-critical analyses to keep their pipelines safe while operating them at optimal capacities. We are committed to maintaining security, privacy, compliance and availability that pipeline operators have come to expect and trust. We earned a SOC 2 Type 2 designation in 2022 and retained that designation in 2023 after audit by an independent CPA firm skilled in this type of audit. All employees are trained on matters of security, privacy and ethics. We have ongoing security awareness programs tailored to our employees as well as training that employees are required to complete. OneSoft's Code of Conduct reflects our commitment to ethical business practices, including safeguarding customer and user information, and applies it to all employees.

As ESG practices evolve, OneSoft's leadership team intends to continue educating itself regarding these issues, with intention to improve current practices and assume a leadership role for issues that the Company is most suited to influence.

BUSINESS OUTLOOK FOR 2024

Fiscal 2023 was a pivotal year for OneSoft, with the Company achieving its key objectives of: (a) exceeding $10 million revenue; (b) achieving near zero adjusted EBITDA for the year; and (c) gaining more traction to become the next generation data management and analytics platform for the O&G pipeline industry. Management believes the Company has securely crossed the new technology adoption chasm wherein its technology and solutions have been strongly validated by industry innovators and visionary early adopters. The Company's 2024 objectives include completing the new functionality modules currently under development, integrating them into the CIM platform and advancing its role as the sole SaaS vendor to fulfill customers' functionality requirements regarding data management and analytics. Recent new customer acquisitions confirm that the Company has successfully progressed to attract more pragmatic customers, who are conservative in their adoption of new technology and represent the majority of opportunities in the marketplace.

The Company is also investigating alternatives to accelerate revenue growth and business development, potentially through synergistic M&A activities. Management is optimistic that OneSoft is well positioned to capitalize on its first mover technology advantage to deliver enhanced benefits to customers and increase value for shareholders.

RISKS AND UNCERTAINTIES

OneSoft is subject to business and economic risks including:

The Company's products are new and different from current industry solutions and may not gain enough acceptance

Machine learning, predictive analytics and other data science applications are relatively new technologies which the Company believes can be used to improve the safety and/or operation of oil and gas pipelines. While the Company believes that such applications may potentially render very favourable results, there can be no assurance that such applications will be successful, or that the Company's potential customers will adopt these new technologies, products and/or practices. Failure of potential customers to adopt these new technologies and products could materially reduce the Company's potential revenue.

Demand for the Company's products is unknown as potential customers may choose to continue to use legacy solutions or alternative technology/solutions. Pipeline operators may currently be using technologies, processes and procedures which they may consider to be adequate to address the guidelines and regulations that govern the safe operation of oil and gas pipelines. While the Company believes the value proposition of its new cloud technology and products is compelling, there can be no assurance that potential customers will adopt the Company's products or be willing to change their current practices.

The introduction of new products or new technologies could render the Company's products and/or the Company's future products that are currently being planned or developed obsolete. The computer software industry, particularly regarding new machine learning, cloud and data science technologies, is undergoing rapid and constant change, and new technologies, equipment and processes are being introduced to the pipeline industry on a regular basis. The Company believes it must bring its products to market on a rapid timeline to ensure its software applications are not rendered obsolete or inferior by potentially more efficient and effective competitive products, or otherwise lose market opportunity because of superior products which may be developed and marketed by competing vendors. Such events could materially reduce or eliminate the market for the Company's products.

The Company's software deployment and pricing models are different from current industry practices and may not be accepted by the industry

There is no guarantee that the Company will be able to sell its products and services at the prices anticipated by the Company. There can be no assurance that our pricing models will be acceptable to and be embraced by our prospective customers. While the Company currently believes its fees and pricing structures are reasonable with respect to revenue assumptions, there can be no assurance that the Company's current pricing model will not need to be altered in the future, and that such potential changes may materially alter the Company's current estimate of the revenue it can earn from its addressable market. Additionally, new competitors could enter and compete in the Company's intended marketplace. Any or all these factors could materially alter the Company's current estimate of its total addressable market and the revenue it can generate from it.

The Company's reliance on the Microsoft cloud platform and services

Management believes that the Company currently has a degree of competitive advantage because it was an early adopter of Microsoft's cloud platform and services commencing in 2011, and it was a participant in Microsoft Venture's first Accelerator program for Machine Learning and Data Science involving big data in 2016. Microsoft is working collaboratively with the Company to assist with the introduction, marketing and sale of our products to selected enterprise level customers within the USA and other parts of the world. There can be no assurance that other software vendors will not develop competing products that are also based on Microsoft's cloud platform and services, and/or on competing cloud technology platforms. Risks associated with the Company's reliance upon Microsoft include Microsoft increasing its rates for its cloud platform and services that power the Company's products, which might render the Company's products uncompetitive because of high cost; and the possibility that Microsoft may elect to work with other software vendors so they can compete with the Company. Potential changes to Microsoft's current cloud platform and services pricing model could materially alter the Company's current estimate of and generation of future revenue.

Personnel and Key Employee risks

The Company is reliant on its ability to retain current personnel and attract future employees who have specialized knowledge and expertise pertaining to technology development, data sciences, sales, marketing and servicing of products for oil and gas pipeline customers. There can be no assurance that the Company will be able to replace current employees or hire new employees in the future who have the specialized knowledge that is required to advance our business. The Company's potential inability to replace current skillsets and expertise and/or expand our teams to accommodate growth in a timely manner could materially alter the Company's current estimate of market size and generation of revenue therefrom.

The Company has entered into employment agreements with its officers and other key employees. OneSoft's operational success depends strongly on the abilities and experience of its executive officers and key employees. Competition for highly skilled management, technical, research and development, and other key employees is significant in the software industry, and the loss of key employees could disrupt operations and impair the Company's ability to compete effectively. As part of our software offerings, we provide services that require highly specialized knowledge of the Microsoft Cloud, software training, end-user support, and the determination of best practices. There can be no assurance that the Company will retain its key personnel, or in the event of a key person leaving the Company, that a suitable replacement will be found in a timely manner.

Our business could be harmed if we fail to manage our growth effectively

Our growth may place a significant strain on our managerial, administrative, operational, financial and other resources. We intend to further expand our overall business, including headcount, with no assurance that our revenues will continue to grow.

Risks regarding a patent of the Company's intellectual property and dependence on Intellectual Property Rights

The Company to date has not patented its software. The Company's success and ability to compete may be enhanced by effective copyright, trade secret, and trademark law to protect its technology and the technology licensed to it by third parties; however, the Company may or may not be successful in being granted a patent or patents should it apply for them, and effective trademark protection may not be available for the Company's intellectual property, trademarks or the trademarks licensed by it. The lack of a patent may make the Company's products vulnerable to being copied or infringed upon by a competitor and may negatively impact the ability of the Company to compete effectively in its addressable markets. If the Company is successfully awarded a patent or patents, it will be necessary to reveal certain details regarding the Company's technology and intellectual property secrets, which could introduce additional risks associated with competitors who may not respect patent protection rights or may otherwise not be bound by patent protection rights because of the geographic location they operate from. Any or all these factors could materially alter the Company's current estimate of its market and its generation of revenue therefrom and there can be no assurance that misappropriation of our technology, trade dress or agreements entered for that purpose will be enforceable.

Investment in our current research and development efforts may not provide a sufficient, timely return

The development of new software products and strategies is a costly, complex and time-consuming process, and the investment in software product development often involves a prolonged time until a return is achieved on such an investment. We have made, and will continue to make, significant investments in software development and related product opportunities. Investments in new products are inherently speculative and risky. Commercial success depends on many factors including the degree of innovation of the products developed, sufficient support from our strategic partners, and effective distribution and marketing. Accelerated product introductions and short product life cycles require high levels of expenditures for new development. These expenditures may adversely affect our operating results if they do not generate revenue increases. We believe that we must continue to dedicate significant resources to our development efforts to maintain our competitive position; however, significant revenue from new product and service investments may not be achieved for a prolonged period, if at all.

Current and future competitors could have a significant impact on our ability to generate future revenue and profits

The markets for our products are intensely competitive and are subject to rapid technological change and other pressures created by changes within our industry. We expect competition to increase and intensify in the future as additional companies enter our markets, including competitors who may offer similar solutions but provide them through different means. We may not be able to compete effectively with current competitors and potential entrants into our marketplace. We could experience diminished market share if our current or prospective competitors introduce new competitive products, add new functionality to existing products, acquire competitive products, reduce prices, or form strategic alliances with other companies. If competitors were to engage in aggressive pricing policies with respect to their products, or if the dynamics in our marketplace resulted in increasing bargaining power by the consumers of our products and services, we might need to lower the prices we charge for the products we offer. This could result in lower revenues or reduced margins, either of which may materially and adversely affect our business and operating results.

If we have overestimated the size of our total addressable market, our future growth rate may be limited.

We have estimated the size of our total addressable market based on internally generated data and assumptions, as well as data published by third parties, which we have not independently verified. While we believe our market size estimates are reasonable, such information is inherently imprecise and subject to a high degree of uncertainty. If our third-party or internally generated data proves to be inaccurate or we make errors in our assumptions based on that data, our actual market may be more limited than our estimates. In addition, these inaccuracies or errors may cause us to misallocate capital and other critical business resources, which could harm our business. Even if our total addressable market meets our size estimates and experiences growth, we may not continue to grow our share of the market.

We have in the past, and may in the future, engage in acquisition and investment activities, which could divert the attention of management, disrupt our business, dilute stockholder value and adversely affect our operating results and financial condition.

As part of our business strategy, we continually evaluate opportunities to acquire or invest in businesses, products or technologies that we believe could complement or expand our products and solutions, enhance our technical capabilities or otherwise offer growth opportunities. In the future, we may be unable to identify suitable acquisition candidates and, even if we do, we may not be able to complete desired acquisitions on favorable terms, if at all. If we are unable to complete acquisitions, we may not be able to strengthen our competitive position or achieve our goals. Future acquisitions (including investigations of), and investments may result in unforeseen operating difficulties and expenditures, including disrupting our ongoing operations, diverting management attention, increasing our expenses, and subjecting us to additional liabilities. An acquisition may also negatively affect our financial results because it may:

- require us to incur charges or assume substantial debt;
- cause adverse tax consequences or unfavorable accounting treatment;
- expose us to claims and disputes by third parties, including intellectual property and disputes;
- not generate sufficient financial return to offset additional costs and expenses related to the acquisition;
- cause us to incur liabilities for activities of the acquired company before the acquisition;
- cause us to record impairment charges associated with goodwill and other acquired intangible assets; and
- cause other unforeseen operating difficulties and expenditures.

Moreover, to pay for an acquisition or investment, we would have to use cash, incur debt and/or issue equity securities, each of which may affect our financial condition or the value of our common stock and (in the case of equity financing) could result in dilution to our stockholders.

In addition, a failure to successfully integrate the operations, personnel or technologies of an acquired business could impact our ability to realize the full benefits of such an acquisition. Our limited experience acquiring companies increases these risks. If we are unable to achieve the anticipated strategic benefits of an acquisition or if the integration or the anticipated financial and strategic benefits, including any anticipated cost savings, revenue opportunities or operational synergies, of such an acquisition are not realized as rapidly as or to the extent anticipated by us, our business, operating results and financial condition could suffer.

We may become involved in legal matters that may materially adversely affect our business.

From time to time in the ordinary course of our business, we may become involved in various legal proceedings, including commercial, product liability, employment, class action and other litigation and claims, as well as governmental and other regulatory investigations and proceedings. Such matters can be time-consuming, divert management's attention and resources and cause us to incur significant expenses. Furthermore, because litigation is inherently unpredictable, and can be very expensive, the results of any such actions may have a material adverse effect on our business, operations or financial condition.

Our systems and security measures may be compromised or subject to data breaches, cybersecurity attacks, or other malicious activity

The Company stores all its information, software applications, customer data and internal financial system on remote servers in the Microsoft Azure Cloud Platform. The Company provides customers access to the software applications housed on those remote servers using online ID and password systems. All computers are protected by antivirus software, multi-factor authentication, the use of personal IDs and passwords and other means to prevent unauthorized access. The Azure platform is continually tested by Microsoft, who represents it maintains compliance with the very latest and highest level of computer industry security certifications and Microsoft provides guidance to its customers to allow them to adopt these same protections and comply with very high cyber security standards. The Company places a high reliance on those certifications to protect the data it stores on those servers.

In Fiscal 2022, the Company completed an initiative to become compliant with SOC 2 Type 2 data confidentiality and protection standards to further strengthen the Company's protection of customer data. This SOC 2 Type 2 designation was renewed in Fiscal 2023 after the Company was audited by an independent CPA auditing firm skilled in SOC 2 audits.

Despite those protections, the Company acknowledges it may be susceptible to a cybersecurity attack which could potentially lead to the loss of sensitive data and the loss of customers and the related revenue they pay to the Company, and / or cause the Company to suffer remediation costs which could be very expensive or perhaps fatal to the Company. There can be no assurance that Company security policies would be effective to ward off all threats to its cybersecurity protections.

We obtain and process a large amount of sensitive customer data. Any real or perceived improper use of, disclosure of, or access to such data could harm our reputation, as well as have an adverse effect on our business.

We receive, store and process confidential industrial and commercial (but not personal) information and other data from our customers. Our data handling is subject to contractual obligations and industry standards. We have internal and publicly posted policies regarding our collection, processing, use, disclosure, deletion and security of information. Although we endeavor to comply with our policies and documentation, we may at times fail to do so or be accused of having failed to do so. Our actual or perceived failure to comply with our stated policies and in contravention of our contracts with customers could harm our business and we may be forced to implement new measures to reduce our exposure to this liability. This may require us to expend substantial resources or to discontinue certain solutions, which would negatively affect our business, operating results and financial condition. In addition, the increased attention focused upon liability issues as a result of lawsuits, if any, could harm our reputation or otherwise impact the growth of our business. Any costs incurred as a result of this potential liability could harm our business and operating results. Additionally, any failure or perceived failure by us to comply with policies, legal or contractual obligations or industry standards relating to privacy or data security, may result in litigation, penalties or adverse publicity, and could cause our customers to lose trust in us, which could have an adverse effect on our reputation and business.

If our software contains serious errors or defects, we may lose revenue and market acceptance.

Software such as ours may contain errors, defects, security vulnerabilities or software bugs that are difficult to detect and correct, particularly when first introduced or when new versions or enhancements are released. Despite internal testing, our platform may contain serious errors or defects, security vulnerabilities or software bugs that we may be unable to successfully correct in a timely manner or at all, which could result in lost revenue, significant expenditures of capital, a delay or loss in market acceptance and damage to our reputation and brand, any of which could have an adverse effect on our business, financial condition and results of operations.

Since our customers use our services for processes that are important to their businesses, errors, defects, security vulnerabilities, service interruptions or software bugs in our platform could result in losses to our customers. Our customers may seek significant compensation from us for any losses they suffer or cease conducting business with us altogether. Further, a customer could share information about bad experiences on social media or elsewhere, which could result in damage to our reputation and loss of future sales. There can be no assurance that provisions typically included in our agreements with our customers that attempt to limit our exposure to claims would be enforceable or adequate or would otherwise protect us from liabilities or damages with respect to any particular claim. Even if not successful, a claim brought against us by any of our customers would likely be time-consuming and costly to defend and despite insurance policies we carry to protect against such damaging costs, could seriously damage our reputation and brand, making it harder for us to sell our solutions.

If we fail to offer high-quality support, our business and reputation could suffer.

Many of our customers rely on our customer support and professional services personnel to deploy and use our products and solutions successfully. High-quality support is important for the renewal and expansion of our agreements with existing customers. The importance of high-quality support will increase as we expand our business and pursue new customers. If we do not help our customers quickly resolve issues and provide effective ongoing support, our ability to sell our products and solutions to existing and new customers could suffer and our reputation with existing or potential customers could be harmed.

Because we recognize revenue from subscriptions over the term of the relevant contract, downturns or upturns in sales contracts are not immediately reflected in full in our operating results.

We recognize revenue over the term of each of our contracts which are typically one year in length but may be longer. As a result, much of our revenue is generated from the recognition of contract liabilities from contracts entered into during previous periods. Consequently, a shortfall in demand for our products and solutions and professional services or a decline in new or renewed contracts in any one quarter may not significantly reduce our revenue for that quarter but could negatively affect our revenue in future quarters. Our revenue recognition model also makes it difficult for us to rapidly increase our revenue through additional sales contracts in any period, as revenue from new customers is recognized over the applicable term of their contracts.

If we fail to forecast our revenue accurately, or if we fail to match our expenditures with the corresponding revenue, our operating results could be adversely affected.

You should not rely on the revenue growth of any prior quarterly or annual period as an indication of our future performance. As a result of our rapid growth and limited operating history, our ability to accurately forecast our future operating results is limited. New expenditures may not generate desired future returns or the returns may be delayed adversely affecting current results. Future growth rates are also subject to a number of assumptions and uncertainties, including the effectiveness of our sales and growth strategy and general macro-economic conditions. For example, it has been, and may continue to be, difficult for us to forecast our operating results due to recent macro-economic events, including interest rate hikes and rising rates of inflation and concerns about a potential economic downturn. Accordingly, we may be unable to prepare accurate internal financial forecasts or replace anticipated revenue that we do not receive as a result of delays arising from these factors. If we do not address these risks successfully, our operating results could differ materially from our estimates and forecasts or the expectations of investors, causing our business to suffer and our stock price to decline.

We are exposed to fluctuations in currency exchange rates, which could negatively affect our operating results.

Our sales contracts are primarily denominated in U.S. dollars, and therefore substantially all of our revenue is subject to foreign currency risk. A strengthening of the U.S. dollar could increase the real cost of our offerings to our customers outside of the U.S., which could adversely affect our operating results. In addition, an increasing portion of our operating revenues and operating expenses are earned or incurred inside of the U.S., and an increasing portion of our assets is held in the U.S. These operating revenues, expenses and assets are denominated in U.S. dollars and are subject to fluctuations due to changes in foreign currency exchange rates. If we are not able to successfully manage the risks associated with currency fluctuations, our operating results could be adversely affected. Additionally, global events as well as geopolitical developments, including regional conflicts in Europe, fluctuating commodity prices, trade tariff developments and inflation have caused, and may in the future cause, global economic uncertainty and uncertainty about the interest rate environment, which could amplify the volatility of currency fluctuations. We have not engaged in the hedging of foreign currency transactions to date, so we may not be able to effectively offset the adverse financial impacts that may result from unfavorable movements in foreign currency exchange rates, which could adversely affect our operating results.

We could be required to collect additional sales taxes or be subject to other tax liabilities that may increase the costs our clients would have to pay for our offering and adversely affect our operating results.

A successful assertion by one or more states in the USA requiring us to collect taxes where we presently do not do so, or to collect more taxes in a jurisdiction in which we currently do collect some taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest. Any imposition by state governments or local governments of sales tax collection obligations on out-of-state sellers could also create additional administrative burdens for us, put us at a competitive disadvantage if they do not impose similar obligations on any actual or perceived competitors and decrease our future sales, which could have a material adverse impact on our business and operating results.

FINANCIAL INSTRUMENTS

Categories of financial instruments

The carrying amounts presented in the consolidated statements of financial position relate to the following categories of assets and liabilities:

	December 31, 2023	December 31, 2022
	$	$
Cash and cash equivalents	4,854,486	4,391,942
Trade and other receivables	367,528	292,548
	5,222,014	4,684,490
Accounts payable and accrued expenses	1,460,463	1,097,964
Acquisition price payable - current	119,336	189,950
Acquisition price payable - noncurrent	115,647	233,262
	1,695,446	1,521,176

Measurement of fair value

Accounts payable and accrued expenses are short-term in nature, and their fair value approximates their carrying value. Acquisition price payable is initially measured at fair value and subsequently measured at amortized cost and adjusted for period end exchange rate.

Financial instrument risks

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are foreign currency risk, interest rate risk, credit risk and liquidity risk. The Company's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets.

The Company does not actively engage in the trading of financial assets for speculative purposes. The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency sensitivity

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company operates on an international basis and is subject to foreign exchange risk exposures arising from transactions denominated in foreign currencies. The Company's objective with respect to foreign exchange rate risk is to minimize the impact of the volatility related to financial assets and liabilities denominated in a foreign currency through effective cash flow management. Most of the Company's revenue, and a large portion of its expenses, are transacted in US dollars.

The Company has a natural hedge to foreign exchange risk as much of its revenue and a large portion of its expenses are being transacted in foreign currency and the uncertainty of timing between collections and disbursements is managed by its ability to maintain cash balances in the currency and country of the Company's choice.

The Company had the following monetary assets and liabilities denominated in US dollars included in its financial statements.

	December 31, 2023 $ (USD)	**December 31, 2022 $ (USD)**
Cash and cash equivalents	2,369,676	1,732,625
Trade and other receivables	270,502	208,070
Accounts payable and accrued liabilities	(600,472)	(440,672)
Business acquisition price payable	(177,668)	(307,566)
Total exposure	1,862,038	1,192,457

The following illustrates the sensitivity of profit and equity regarding the Company's financial assets and financial liabilities and the USD/CDN exchange rates.

It assumes a +/- 10% change of the $/USD exchange rate for the year ended December 31, 2023 (year ended December 31, 2022 - 10%). This percentage was determined based on the average market volatility in the exchange rate in each reporting period. The sensitivity analysis is based on the Company's foreign currency financial instruments held at each reporting date and considers forward exchange contracts that offset effects from changes in currency exchange rates.

Strengthening or weakening of the Canadian dollar against the USD by 10% (December 31, 2022 - 10%) would have had the following applicable positive or negative impact on the net loss:

	Net loss (income) **$**
December 31, 2023	99
December 31, 2022	65,768

Exposures to foreign exchange rates vary during the year depending on the volume of international transactions. The analysis above is representative of the Company's exposure to currency risk.

Interest rate sensitivity

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Company's objective in managing interest rate risk is to monitor expected volatility in interest rates while also minimizing the Company's financing expense levels. Interest rate risk arises from fluctuations in interest rates and the related impact on the return earned on cash and cash equivalents. On an ongoing basis, management monitors changes in short term interest rates and considers longer term forecasts to assess the potential cash flow impact to the Company. The Company holds financial instruments which exposes it to interest rate risk. No financial instruments are held to mitigate that risk.

The following table illustrates the sensitivity of profit and equity to a reasonably possible change in interest rates of +/- 1% (December 31, 2022: +/- 1%). These changes are reasonably possible based on observation of current market conditions. The calculations are based on a change in the average market interest rate for each period, and the financial instruments held at each reporting date that are sensitive to changes in interest rates. All other variables are held constant. As of December 31, 2023, approximately 85.3% (December 31, 2022 – 76.2%) of the Company's cash balance were held in interest bearing bank deposits and fixed interest rate GICs.

	Net (loss) income
	$
December 31, 2023	32,106
December 31, 2022	25,778

Credit risk analysis

Credit risk is the risk that a counterparty fails to discharge an obligation to the Company. The Company's maximum exposure to credit risk is limited to the carrying amount of financial assets recognized at the reporting date, as summarized below:

	December 31, 2023	December 31, 2022
	$	$
Classes of financial assets - carrying amounts:		
Cash and cash equivalents	4,854,486	4,391,942
Trade and other receivables	367,528	292,548
Carrying amount	5,222,014	4,684,490

The Company continuously monitors defaults of customers and other counterparties, identified either individually or by group, and incorporates this information into its credit risk controls. The Company mitigates its credit risk by encouraging customers to pay in advance or invoicing with short credit terms and actively collecting its accounts receivable. The Company is exposed to credit risk through its cash. The Company manages the credit risk associated with its cash by holding its funds with reputable financial institutions. Company policy only allows investments in very low risk financial instruments.

Customer accounts are closely monitored for the amount and age of balances outstanding. Due to its credit practices, the Company has recorded nominal bad debt expense over the last several years. The Company's customers primarily consist of very large pipeline operating companies that are considered to be of very good credit quality.

The aging of accounts receivable was:

			December 31, 2023
	Gross trade and other receivables	Allowance for doubtful accounts	Net trade and other receivables
	$		$
Current	357,528	-	357,528
Total	357,528	-	357,528

			December 31, 2022
	Gross trade and other receivables	Allowance for doubtful accounts	Net trade and other receivables
	$		$
Current	262,629	-	262,629
Past due 30 to 90 days	29,919	-	29,919
Total	292,548	-	292,548

The Company reviews its trade receivables accounts regularly and an estimate of credit loss is recorded to reduce the accounts receivable to their expected realizable value when the account is determined not to be fully collectable. It is management's view that amounts receivable outstanding from customers will be collected.

Liquidity risk analysis

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages this risk by regularly evaluating its liquid resources to fund its current and long-term obligations in a cost-effective manner.
The Company's exposure to liquidity risk is mitigated through its continued ability to sell subscriptions to use its software and services and the prompt collection of accounts receivable. The Company controls its liquidity risk by managing its cash and cash flows.

The Company's financial liabilities are comprised of accounts payable and accrued expenses and acquisition price payable. Accounts payable and accrued expenses are short-term in nature and payment is due within one year. Acquisition price payable as at December 31, 2023 represents the present value of two equal installments of US$91,666 each that will be paid on June 30, 2024 and 2025. Financial liabilities outstanding as at December 31, 2023 were $1,695,446 (December 31, 2022 - $1,521,176).

The Company considers the cash flows from financial assets of $5,222,014 (December 31, 2022 - $4,684,490) in assessing and managing liquidity risk. The Company's existing cash resources and trade receivables exceed its current cash outflow requirements. Cash flows from trade and other receivables are contractually due within two months.

Letter of Credit Facility

The Company is in the process of contracting with a potential foreign customer and is required to provide a bid bond and a performance bond. The Company opened a credit facility with a Canadian Bank in November 2023 to support the issuance of two Letters of Credit ("LCs") in lieu of the bonding. The customer may draw from the LCs should the Company not remediate any contract non-compliances within the allowed time to do so. The credit facility has a limit of US$500,000 with an initial term of one year and can be renewed upon review. Any draw from the LCs by the customer will be charged an annual interest rate equal to the prime rate plus 2.5% until the balance is repaid. As at December 31, 2023, the outstanding balance is $nil.

The Company has obtained a performance security guarantee from a third party as collateral for the credit facility and purchased insurance from the same party to insure against any unauthorized draws from the LCs by the customer.

SIGNIFICANT ACQUISITIONS

The acquisition of the assets of Bridge Solutions Inc. on July 5, 2015 described on page 5 of this document was a significant acquisition by the Company although disclosure was not required by the Company pursuant to Part 8 of National Instrument 51-102.

On March 8, 2021, 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, legal fees of $6,370, and capitalized employees' salaries and benefits of $37,451 for its integration into the Company's software solutions.

On June 30, 2022 OneBridge Solutions Canada Inc. acquired the Integrity Management business unit ("**IM Operations**") from Mesa Products, Inc. and assumed operational control effective July 1, 2022. IM's assets acquired included software technology and solutions, rights to its customers, and a highly experienced team of employees with deep domain expertise. OneBridge also acquired a small group of customers who have installed RIPL software on their computers and who pay annual fees to be provided technical support and software maintenance. The acquisition cost consisted of cash payments totaling USD $375,000 over a period of 3 years and the issuance of 1,828,125 OneSoft shares, of which 609,375 shares become free trading on each of the first- second- and third-year anniversary of the transaction closing date. This transaction was conducted on an arms-length basis with no finders' fees paid, no debt being assumed and transaction costs of $66,341 being expensed.

DIVIDENDS AND DISTRIBUTIONS

The directors of the Company have the discretion to declare and pay dividends on any class or classes of shares or any series within a class of shares issued and outstanding, subject to any rights, privileges, restrictions and conditions which the directors may have attached to a series of preferred shares and subject to corporate and security laws.

The Company's current practice is not to pay dividends in order to retain cash to grow the business.

DESCRIPTION OF CAPITAL STRUCTURE

The Company is authorized to issue an unlimited number of common shares with no-par value and an unlimited number of preferred shares with no-par value.

Common Shares

Holders of common shares are entitled to one vote per common share at meetings of shareholders of the Company, to receive dividends if and when declared by the board of directors and to receive pari passu together with the preferred shareholders, the Company's assets upon the winding-up, liquidation or dissolution of the Company, subject to the prior rights and privileges attaching to any series of preferred shares of the Company, of which there are currently none.

Preferred Shares

The authorized preferred shares may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. Holders of preferred shares are not entitled to receive notice or vote at any general meeting of the Company. The shareholders have equal rights on dissolution, liquidation, winding-up or other distribution of the Company's property among its shareholders for the purpose of winding-up its affairs.

Shares Outstanding

On April 9, 2019, the Company entered a bought deal stock offering with Clarus Securities Inc., Beacon Securities Inc and Cormark Securities Inc. and issued and sold an aggregate of 11,500,000 commons shares at a price of $0.80 per share. The gross proceeds from this offering was $9,200,000.

Associated with the stock offering, the Company issued 600,000 stock warrants to the underwriters as part of the underwriting compensation. Each stock warrant could purchase one common share at a price of $1 per share. The stock warrants expired unexercised on April 25, 2020.

On May 23, 2023, the Company adopted a new Omnibus Security Compensation Plan as approved by disinterested shareholders at the Company's Annual General and Special Meeting of the shareholders. The Plan allows for the granting of stock options on a rolling basis of up to 10% of the issued and outstanding shares of the Company and for Net Settlement of stock options whereby the optionee receives the intrinsic value of the stock option in Company shares valued at the volume-weighted average trading price of the Company's shares on the TSX Venture Exchange in the five days preceding the exercise. The Plan also allows for the granting of Performance Share Units, Deferred Share Units, Restricted Share Units and other forms of incentive stock compensation up to a fixed amount of 10% of the issued and outstanding shares of the Company. All outstanding stock options at the time of the adoption of the new Plan were automatically accepted into the new Plan.

As at December 31, 2023, the Company had outstanding:

- 122,081,561 common shares;
- 10,802,004 stock options with an average strike price of $0.57 and an average remaining life of 2.8 years. Of these, 6,505,016 are exercisable at an average strike price of $0.55. The number of options available under the Stock Option Plan for granting purposes was 1,406,152.
- 2,729,000 Restricted share units ("**RSU**s"). RSUs vest equally on the anniversary date of the grant over three years or over five years. RSUs are required to be exercised in the calendar year they vest.
- The Company has no warrants outstanding.

In Fiscal 2023:

- 3,239,002 stock options were granted with an average strike price of $0.63.
- 710,835 options were exercised for an equal number of common shares, generating $337,563 proceeds.
- 2,541,835 stock options were exercised on a Net Exercise basis in exchange for 703,787 common shares and generating $nil proceeds.
- 224,000 stock options with a weighted average price of $0.48 were cancelled or forfeited.
- 66,668 options expired without exercise with a weighted average price of $0.63.
- 300,000 Performance Share units were granted and cancelled as the Company and the employee agreed to replace them with RSUs.
- 2,729,000 RSUs have been granted.

Additional information on the capital structure of the Company can be found in the audited financial statements for the year ended December 31, 2023 filed on SEDAR+ at sedarplus.ca.

Market for Securities

The Company's common shares are listed for trading on the TSX Venture Exchange under the symbol "OSS" and on the U.S. OTCQB Venture Market under the symbol "OSSIF".

The following table presents the monthly price range and volume traded of the Company's common shares on the TSX Venture Exchange for each month from January 2022 to December 2023.

Year	Month	Share Prices			Share
		High	Low	Closing	Volume
2022	Jan	$ 0.540	$ 0.395	$ 0.420	718,188
	Feb	$ 0.490	$ 0.390	$ 0.420	798,705
	Mar	$ 0.500	$ 0.420	$ 0.435	764,010
	Apr	$ 0.450	$ 0.350	$ 0.350	911,015
	May	$ 0.440	$ 0.280	$ 0.340	983,588
	Jun	$ 0.350	$ 0.280	$ 0.280	606,620
	Jul	$ 0.300	$ 0.260	$ 0.265	589,103
	Aug	$ 0.550	$ 0.250	$ 0.475	3,979,212
	Sep	$ 0.490	$ 0.405	$ 0.460	1,130,300
	Oct	$ 0.490	$ 0.410	$ 0.410	502,997
	Nov	$ 0.430	$ 0.380	$ 0.410	511,280
	Dec	$ 0.450	$ 0.390	$ 0.430	739,048
		$ 0.550	**$ 0.250**	**$ 0.430**	**12,234,066**
2023	Jan	$ 0.530	$ 0.390	$ 0.500	1,181,449
	Feb	$ 0.520	$ 0.465	$ 0.480	1,207,096
	Mar	$ 0.510	$ 0.410	$ 0.435	1,088,780
	Apr	$ 0.490	$ 0.430	$ 0.450	297,078
	May	$ 0.510	$ 0.410	$ 0.490	916,935
	Jun	$ 0.560	$ 0.480	$ 0.520	1,169,497
	Jul	$ 0.780	$ 0.500	$ 0.760	3,144,638
	Aug	$ 0.850	$ 0.690	$ 0.820	2,560,317
	Sep	$ 0.850	$ 0.660	$ 0.750	819,358
	Oct	$ 0.760	$ 0.620	$ 0.660	689,507
	Nov	$ 0.790	$ 0.620	$ 0.690	1,123,027
	Dec	$ 0.780	$ 0.670	$ 0.750	407,950
		$ 0.850	**$ 0.390**	**$ 0.750**	**14,605,632**

Escrowed Securities and Securities Subject to Contractual Restrictions on Transfer

Designation of Class	Number of Securities held in escrow or subject to a contractual restriction on transfer	Percentage of Class (%)
Common Shares	nil	nil%

DIRECTORS AND OFFICERS

Name, Occupation and Security Holding

The following table sets out the names of the directors and executive officers of OneSoft, the province or state and country of residence, the position held by such director or officer of the Company, their principal occupations for the five preceding years, the period for which each has been a director of the Company, and the number of common shares of the Company or any of its subsidiaries beneficially owned by each, directly or indirectly, or over which control or direction is exercised. The term of office of each of the directors expires at the next annual general meeting of the shareholders.

Name, Province and Country of Residence	Position and Year First Elected as Director	Principal Occupation During Past Five Years	Common Shares Owned or Controlled Directly and Indirectly as at December 31, 2023,
R. Dwayne Kushniruk (1) (2) Edmonton, Alberta Canada	Director, January 2000	Chief Executive Officer of the Corporation since August 1, 2014 prior to which he was Chairman and Director of Business Development of the Corporation	10,406,000 (8.5%) (3)
Doug Thomson, FCA (1) (2) Edmonton, Alberta Canada	Chair of the Board and Director, April 2010	Corporate Director; Retired;	2,109,759 (1.7%)
David Webster, P.Eng. (1) Calgary, Alberta	Director, June 2021	Corporate Director, Retired. Vice-President & General Manager, Pipelines and Vice-President and Director of Pipeline Projects, Worley Canada, Inc., April 2010 to June 2016	2,500
Nizar Somji, Edmonton, Alberta, Canada	Appointed May 26, 2023	President & CEO, Jaffer Inc, Edmonton, Alberta, Dec. 2005 to present. CEO, Consentia Inc, Edmonton, Alberta - May 2015 to present. Board Chair, Contexture Inc. Edmonton, Alberta – Jan. 2022 to present. Director – EPCOR Utilities Inc., Edmonton, Alberta – Sept 2015 to present. Chair, Kanvi Private Equity, Sept. 2016 - present.	Nil
Brandon Taylor Boise, Idaho USA	President and Chief Operating Officer	President and Chief Operating Officer, since October 2018, previously Chief Technology Officer and President, OneBridge Solutions, Inc.	5,545,389 (4.5%) (4)
David Tam, Edmonton, Alberta, Canada	Corporate Secretary February, 1998	Partner, Parlee McLaws LLP legal firm, Edmonton, Alberta, Canada	2,436.535 (2.0%)
Paul Johnston Edmonton, Alberta Canada	Chief Financial Officer	Chief Financial Officer since 1995. Mr. Johnston is an accredited CPA CMA and has more than 35 years of accounting and finance experience.	2,098,667 (1.7%)
Tim Edward(5)	President, OneBridge Solutions Canada Inc.	President of OneBridge Solutions Canada Inc. since 2016.	8,534,343 (7.0%)

(1) Member of audit committee.

(2) Member of corporate governance and compensation committee.

(3) R. Dwayne Kushniruk, a director of the Company, owns, directly or indirectly, 4,399,470 common shares of record and beneficially owns 1,431,250 common shares though his wholly owned corporations. He controls 4,575,280 common shares through his partial ownership of Bridge Solutions Inc. which owns 11,731,486 common shares.

(4) Brandon Taylor directly owns 4,254,926 common shares of record and controls 1,290,463 common shares through his partial ownership of Bridge Solutions Inc. which owns 11,731,486 common shares.

(5) Tim Edward directly owns 2,668,600 common shares of record and controls 5,865,743 common shares through his partial ownership of Bridge Solutions Inc. which owns 11,731,486 shares.

Committees of the Board

The Board of Directors has an audit committee and a governance and compensation committee.

Audit Committee

The Audit Committee assists the Board in fulfilling its responsibilities for oversight and supervision of financial and accounting matters. The committee oversees the adequacy of internal accounting controls and financial reporting practices and procedures and the quality and integrity of audited and unaudited financial statements, which includes discussions with external auditors. The committee monitors the management of financial risk throughout our organization.

Our audit committee operates under a written charter that sets out its responsibilities and composition requirements. A copy of this charter is attached as Appendix "A" to this Annual Information Form.

Cease Trade Orders, Bankruptcies, Penalties or Sanctions

No director or executive officer of the Company in the 10 years preceding the date of this Annual Information Form, was a director, chief executive officer or chief financial officer of any company that was (a) the subject of a cease trade or similar order or an order that denied any such company access to any exemption under securities legislation for a period of more than 30 consecutive days, while that person was acting in the capacity as director, chief executive officer or chief financial officer, or (b) subject to an order that was issued after such person ceased to be a director, chief executive officer or chief financial officer which resulted from an event that occurred whicle that person was acting in the capicity as director, chief executive officer or chief financial officer.

No director or executive officer of the Company and, to the knowledge of the Company, no shareholder holding a sufficient number of securities of the Company to materially affect its control is or was, in the 10 years preceding the date of this Annual Information Form, within a year of such person ceasing to act in that capacity, became bankrupt, made a proposal under any bankruptcy or insolvency related legislation or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Legal Proceedings

On July 27, 2020, OBS CA filed a Statement of Claim (the "**Lawsuit**") against Cylo Technologies Incorporated ("**Cylo**") and its principals. Under a Software License Agreement ("**SLA**") signed October 24, 2014, Cylo is a licensee of intellectual property owned by OBS CA. The Lawsuit alleged multiple breaches of the SLA including interfering with OneBridge's rights of ownership of its intellectual property, non-payment of royalties and unspecified commercial damages. On May 10, 2023, action was settled. The terms of the settlement include discontinuance of the Lawsuit on a without costs basis, the assignment to OneBridge of two Patents and one Patent Application registered by Cylo which embodied portions of past generation OneBridge technology, payment by Cylo of $39,375 including GST in settlement of unpaid royalties, non-competition and non-solicitation agreements, cancellation of the prior Software License Agreement and adoption of a replacement agreement which allows Cylo to continue to use OneBridge past-generation technology.

Interest of Management and Others in Material Transactions

Other than what may have been discussed herein, no director or executive officer of the Company, or any person or company that beneficially owns, or who exercises control over, directly or indirectly, more than 10% of the outstanding common shares of the Company, or any associate or affiliate of such persons, had any material interest, direct or indirect, in any transaction or any proposed transaction within the three most recently completed financial years or during the current financial year which has materially affected or would materially affect the Company or any of its subsidiaries.

Private placements

On July 30, 2015, the Company completed a non-brokered private placement consisting of 20,000,000 units of the Company at a price of $0.05 per unit for gross proceeds of $1,000,000. Each Unit was comprised of one (1) common share and one (1) common share purchase warrant entitling the holder to purchase one (1) additional common share of the Company at a price of $0.10 per common share for a period of thirty-six (36) months following the date of closing, subject to an acceleration clause.

In March 2016, the Company closed a private placement of an aggregate of 16,666,666 units of the Company at a price of $0.075 per unit for gross proceeds of $1,250,542. Each unit was comprised of one common share and one common share purchase warrant entitling the holder to purchase one additional common share of the Company at a price of $0.15 per common share for a period of twenty-four months following the date of closing, subject to an acceleration clause.

Directors and executive officers participated directly or indirectly in these private placements.

All warrants pertaining to the private placements have been exercised.

TRANSFER AGENTS AND REGISTRARS

The transfer agent and registrar for the common shares is Computershare Trust Company of Canada at its office in Calgary, Alberta.

MATERIAL CONTRACTS

There are no material contracts, other than contracts entered in the normal course of business, which have been filed with the Canadian securities regulators pursuant to section 12.2 of National Instrument 51-102, *Continuous Disclosure Obligations,* within the most recently completed financial year, or before the most recently completed financial year and remain in effect, with the exception of the following material contract:

In December 2017, the Company and a major customer entered a contract to transform the customer's on-premise pipeline asset management software to a remote-access, SaaS software application to be offered to customers. The contract successfully concluded in December 2018. The Company provisionally owns the software, which will become absolute provided minimum royalties of U.S. $2.25 million are paid based on revenue generated by rights to use the components of the software in the ten-year period ending December 20, 2027. To December 31, 2023, royalties of U.S. $1,077,442 have been expensed and U.S. $935,759 has been paid since contract inception.

INTEREST OF EXPERTS

Ernst & Young LLP, Chartered Professional Accuntants audited the financial statements for the years ended December 31, 2022 and 2023. Grant Thornton LLP, Edmonton, Chartered Professional Accountants, audited the financial statements for the years ended February 28, 2007 to December 31, 2021. On May 27, 2022, the Company filed a Notice stating the resignation of Grant Thornton from being the Company's auditors on May 24, 2022. There were no reportable events for disagreements or consultations (as those terms are defined in NI 51-102) in connection with the change of auditor.

Ernst & Young LLP have advised that it is independent with respect to the Company in accordance with Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Alberta.

ADDITIONAL INFORMATION

Additional information, including directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans, is contained in the most recent Management Information Circular. Additional financial and other information with respect to the Company is contained in the Company's audited consolidated financial statements for the year ended December 31, 2023, and the Company's Management's Discussion and Analysis for the fiscal period ended December 31, 2023.

All information and filings relating to the Company may be found on SEDAR+ at sedarplus.ca.

APPENDIX A: THE AUDIT COMMITTEE'S CHARTER

Purpose

The overall purpose of the Audit Committee (the "Committee") of OneSoft Solutions Inc. (the "Corporation") is to ensure that the Corporation's management has designed and implemented an effective system of internal financial controls, to review and report on the integrity of the consolidated financial statements and related financial disclosure of the Corporation, and to review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, taxation matters and disclosure of financial information. It is the intention of the Board that through the involvement of the Committee, the external audit will be conducted independently of the Corporation's Management to ensure that the independent auditors serve the interests of Shareholders rather than the interests of Management of the Corporation. The Committee will act as a liaison to provide better communication between the Board and the external auditors. The Committee will monitor the independence and performance of the Corporation's independent auditors.

Composition, Procedures and Organization

1. The Committee shall consist of at least three members of the Board of Directors (the "Board").

2. A majority of the members of the Committee shall be independent and who, in the opinion of the Board, would be free from a relationship which would interfere with the exercise of the Committee members' independent judgment. At least two (2) members of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices applicable to the Corporation. For the purposes of this Charter, an individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Corporation's financial statements.

3. The Board, at its organizational meeting held in conjunction with each annual general meeting of the shareholders, shall appoint the members of the Committee for the ensuing year. The Board may at any time remove or replace any member of the Committee and may fill any vacancy in the Committee.

4. Unless the Board shall have appointed a chair of the Committee, the members of the Committee shall elect a chair and a secretary from among their number.

5. The quorum for meetings shall be a majority of the members of the Committee, present in person or by telephone or other telecommunication device that permits all persons participating in the meeting to speak and to hear each other.

6. The Committee shall have access to such officers and employees of the Corporation and to the Corporation's external auditors, and to such information respecting the Corporation, as it considers to be necessary or advisable in order to perform its duties and responsibilities.

7. Meetings of the Committee shall be conducted as follows:

    (a) the Committee shall meet at least four times annually at such times and at such locations as may be requested by the chair of the Committee. The external auditors or any member of the Committee may request a meeting of the Committee;

    (b) the external auditors shall receive notice of and have the right to attend all meetings of the Committee; and

    (c) management representatives may be invited to attend all meetings except private sessions with the external auditors.

8. The external auditors shall have a direct line of communication to the Committee through its chair and may bypass management if deemed necessary. The Committee, through its chair, may contact directly any employee in the Corporation as it deems necessary, and any employee may bring before the Committee any matter involving questionable, illegal or improper financial practices or transactions.

Roles and Responsibilities

9. The overall duties and responsibilities of the Committee shall be as follows:

    (a) to assist the Board in the discharge of its responsibilities relating to the Corporation's accounting principles, reporting practices and internal controls and its approval of the Corporation's annual and quarterly consolidated financial statements and related financial disclosure;

(b) to establish and maintain a direct line of communication with the Corporation's internal and external auditors and assess their performance;

(c) to ensure that the management of the Corporation has designed, implemented and is maintaining an effective system of internal financial controls; and

(d) to report regularly to the Board on the fulfillment of its duties and responsibilities.

10. The duties and responsibilities of the Committee as they relate to the external auditors shall be as follows:

(a) to recommend to the Board a firm of external auditors to be engaged by the Corporation, and to verify the independence of such external auditors;

(b) to review and approve the fee, scope and timing of the audit and to approve the engagement of, and fee of, the external auditors for any other related services rendered by the external auditors;

(c) review the audit plan of the external auditors prior to the commencement of the audit;

(d) to review with the external auditors, upon completion of their audit:

i) contents of their report;

ii) scope and quality of the audit work performed;

iii) adequacy of the Corporation's financial and auditing personnel;

iv) co-operation received from the Corporation's personnel during the audit;

v) internal resources used;

vi) significant transactions outside of the normal business of the Corporation;

vii) significant proposed adjustments and recommendations for improving internal accounting controls, accounting principles or management systems; and

viii) the non-audit services provided by the external auditors;

(e) to discuss with the external auditors the quality and not just the acceptability of the Corporation's accounting principles; and

(f) to implement structures and procedures to ensure that the Committee meets the external auditors on a regular basis in the absence of management.

11. The duties and responsibilities of the Committee as they relate to the Corporation's internal auditors, if applicable, are to:

(a) periodically review the internal audit function with respect to the organization, staffing and effectiveness of the internal audit department;

(b) review and approve the internal audit plan; and

(c) review significant internal audit findings and recommendations, and management's response thereto.

12. The duties and responsibilities of the Committee as they relate to the internal control procedures of the Corporation are to:

(a) review the appropriateness and effectiveness of the Corporation's policies and business practices which impact on the financial integrity of the Corporation, including those relating to internal auditing, insurance, accounting, information services and systems and financial controls, management reporting and risk management;

(b) review compliance under the Corporation's business conduct and ethics policies and to periodically review these policies and recommend to the Board changes which the Committee may deem appropriate;

(c) review any unresolved issues between management and the external auditors that could affect the financial reporting or internal controls of the Corporation; and

(d) periodically review the Corporation's financial and auditing procedures and the extent to which recommendations made by the internal audit staff or by the external auditors have been implemented.

13. The Committee is also charged with the responsibility to:

(a) review the Corporation's quarterly statements of earnings, including the impact of unusual items and changes in accounting principles and estimates and report to the Board with respect thereto;

(b) review and approve the financial sections of:

i) the annual report to shareholders;

ii) the annual information form, if required;

iii) annual and interim MD&A;

iv) prospectuses;

v) news releases discussing financial results of the Corporation; and

vi) other public reports of a financial nature requiring approval by the Board, and report to the Board with respect thereto;

(c) review regulatory filings and decisions as they relate to the Corporation's consolidated financial statements;

(d) review the appropriateness of the policies and procedures used in the preparation of the Corporation's consolidated financial statements and other required disclosure documents, and consider recommendations for any material change to such policies;

(e) review and report on the integrity of the Corporation's consolidated financial statements;

(f) review the minutes of any audit committee meeting of subsidiary companies;

(g) review with management, the external auditors and, if necessary, with legal counsel, any

litigation, claim or other contingency, including tax assessments that could have a material effect upon the financial position or operating results of the Corporation and the manner in which such matters have been disclosed in the consolidated financial statements;

(h) review the Corporation's compliance with regulatory and statutory requirements as they relate to financial statements, tax matters and disclosure of financial information; and

(i) develop a calendar of activities to be undertaken by the Committee for each ensuing year and to submit the calendar in the appropriate format to the Board of Directors following each annual general meeting of shareholders.

14. The Committee shall have the authority:

(a) to engage independent counsel and other advisors as it determines necessary to carry out its duties,

(b) to set and pay the compensation for any advisors employed by the Committee; and

(c) to communicate directly with the external auditors.

ITEM 2: COMPOSITION OF THE AUDIT COMMITTEE

The current members of the Committee are Doug Thomson, David Webster and Dwayne Kushniruk. All members, with the exception of Dwayne Kushniruk, are considered independent, and all of the members are financially literate. "Independent" and "financially literate" have the meaning used in NI 52-110 of the Canadian Securities Administrators.

ITEM 3: RELEVANT EDUCATION AND EXPERIENCE

Mr. Thomson has over 40 years of senior executive and financial experience in a variety of roles and industries. He has a Bachelor of Commerce from the University of Alberta, is a Chartered Professional Accountant, a Fellow of the Chartered Professional Accountants of Alberta and holds the ICD.D designation as a certified director from the Institute of Corporate Directors. He is a former President of the Institute of Chartered Accountants of Alberta.

Mr. Webster has over 40 years of senior executive and engineering experience in the pipeline and pipeline integrity industries. He has a Bachelor of Applied Science (Mechanical Engineering) from the University of Toronto and is a Professional Engineer who was a member of the senior management team of Worley Canada Inc., (a global provider of professional project and asset services in the energy, chemicals, and resources sectors), until his retirement in 2016. Mr. Webster has experience serving as a member of the Board of Directors of publicly traded and private companies.

Mr. Kushniruk has been directly involved in the startup, financing and ongoing management of several financial software companies during the past 30 years, including several TSX Venture Exchange listed (or equivalent) companies. During this period, he has developed an extensive understanding of financial systems, financial statements and accounting standards, Canadian and international capital markets and listed company disclosure requirements.

ITEM 4: AUDIT COMMITTEE OVERSIGHT

At no time since the commencement of the Corporation's most recently completed financial year was a recommendation of the Committee to nominate or compensate an external auditor (currently, Ernst & Young LLP, Chartered Professional Accountants) not adopted by the Board.

ITEM 5: RELIANCE ON CERTAIN EXEMPTIONS

Since the effective date of NI 52-110, the Corporation has not relied on the exemptions contained in sections 2.4 or 8 of NI 52-110. Section 2.4 provides an exemption from the requirement that the audit committee must pre-approve all non-audit services to be provided by the auditor, where the total amount of fees related to the non-audit services are not expected to exceed 5% of the total fees payable to the auditor in the fiscal year in which the non-audit services were provided. Section 8 permits a company to apply to a securities regulatory authority for an exemption from the requirements of NI 52-110, in whole or in part.

ITEM 6: PRE-APPROVAL POLICIES AND PROCEDURES

The Audit Committee must review and approve the fee, scope and timing of the audit and must approve the engagement of, and fee of, the external auditors for any other related services rendered by the external auditors.

ITEM 7: EXTERNAL AUDITOR SERVICE FEES:

The aggregate fees invoiced to the Corporation by the external auditor during the period of the last two fiscal years are as follows:

	Year ended December:	
	2023	2022
Audit fees	$211,531	$125,994
Tax fees	37,529	21,102
Total Fees:	$249,060	$147,096

ITEM 8: EXEMPTION

In respect of the most recently completed financial year, the Corporation is relying on the exemption set out in section 6.1 of NI 52-110 with respect to compliance with the requirements of Part 3 (Composition of the Audit Committee) and Part 5 (Reporting Obligations) of NI 52-110.