

iLOOKABOUT Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the six months ended June 30, 2018 (the "Period")

The information set forth below has been prepared as at August 29, 2018, and is derived from, and should be read in conjunction with, iLOOKABOUT Corp.'s (iLOOKABOUT or the "Company") unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2018 (the "Reporting Date"), including the accompanying notes (the "Interim Financial Statements"), which can be found on SEDAR at www.sedar.com. This Management Discussion and Analysis (MD&A) is intended to assist in understanding the dynamics of the Company's business and key factors underlying its financial results. The Company's Annual Information Form (AIF) can also be found on SEDAR at www.sedar.com.

The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34) using accounting policies consistent with International Financial Reporting Standards (IFRS). By their nature, the Interim Financial Statements do not include all the information required for full annual financial statements, and so should be read in conjunction with the Company's 2017 audited annual consolidated financial statements prepared in accordance with IFRS, which can be found on SEDAR at www.sedar.com. With the exception of new accounting policies that were adopted January 1, 2018, see "Changes in Accounting Policies" section below, the Interim Financial Statements were prepared using the accounting policies disclosed in our annual financial statements.

All dollar figures referred to herein are Canadian dollars unless otherwise stated. For narrative purposes, all dollar amounts have been rounded to thousands unless otherwise stated.

Company Overview

iLOOKABOUT is a software, data analytics, data aggregation and visual intelligence company focused on real property, serving primarily the property assessment, property taxation, municipal, insurance, and appraisal sectors, both public and private, in Canada and the United States (US). The Company's primary offerings are noted below.

GeoViewPort and StreetScape

GeoViewPort (GVP) is a real property focused web-based application that targets the property assessment and appraisal industry by providing a leading-edge desktop review tool. GVP enables assessment professionals to simultaneously generate customized portals to view multiple elements related to a property, including iLOOKABOUT's StreetScape and other street-level imagery, aerial imagery, advanced mapping tools, property valuation details, comparable property analysis, and structural characteristics, amongst others. GVP has developed into one of iLOOKABOUT's core product offerings, upon which a software architecture has been built to support a full suite of add-on tools and services.

To support the Company's customers' need to monitor the progress of assessment initiatives, the productivity of individual staff, and to audit activities, iLOOKABOUT has developed the GVP Management Module as an addition to the GVP suite of product offerings. GVP Management Module has now been implemented by a number of customers in the US responsible for property assessments.

The Company has also launched a beta version of GVP Mobile Appraiser, rounding out the GVP suite. Designed to facilitate physical property inspections, the GVP Mobile Appraiser provides automated task management for data collection, optimized routing, real-time navigation to support data entry, sketch review and photo capture capabilities. In combination with the additional features of geo-location recording, geo-controlled data entry and user labeling and notation, GVP Mobile Appraiser offers productivity enhancements to the workflow of the infield appraiser. GVP Mobile Appraiser is both cross-browser and cross-device compatible.

Since 2007, iLOOKABOUT has been collecting and processing street-level images from public streets in targeted geographic areas to create a database of images and associated metadata (data about data or content items). Through the utilization of proprietary hardware and software systems for the capturing, processing and geo-coding of image data from a moving vehicle, each high-resolution StreetScape

image is captured with a digital camera and geo-coded using publicly available Global Positioning Systems (GPS). The iLOOKABOUT StreetScape image database is accessible via GVP, as well as all major mapping applications, including, but not limited to, Google, Bing, Pictometry, ESRI, Intergraph, Bentley and Autodesk, through a secure web service.

To support the integration of its technology into customers' existing enterprise applications, the Company delivers professional programming and software development services in connection with its products to aid in customer implementation. This includes custom configuration and user interface modifications to suit the needs of the customers' user groups and tailoring of the application to the particular end-user's needs.

Real Property Tax Analytics

Real Property Tax Analytics (RPTA) is a web-based application that facilitates property assessment analytics by combining data attributes of more than 5.1 million properties in Ontario, integrating mapping, imagery and census data to deliver insightful comparable modeling and predictive valuations using proprietary algorithms. RPTA is currently being used primarily by municipal finance and taxation departments across Ontario. Regarded as a leading tool to support assessment-based management programs, this evolving offering is strategic for both large and small municipalities.

Other Applications

The Company has developed and/or supports web-based map applications, which leverage much of the architecture and data rendering techniques utilized in GVP, to service constituents of the tax assessment and appraisal process, including property assessors/appraisers, taxpayers and other municipal stakeholders.

Data Commercialization

iLOOKABOUT has developed products and services for customers looking to commercialize their assessment data through the delivery of reports and individual data requests to users through secure ecommerce transactions or by account. In addition to standardized reports, the Company also provides customized reports through an assisted fulfillment process.

Managed Services

The Company provides various real property related data processing, analysis and validation services, both directly and through the use of sub-contracted resources.

Professional Services

To support users that require a facilitated experience to the Company's technology, iLOOKABOUT provides municipal property tax consulting and support services focused on the property and valuation sectors. These services are provided through Municipal Tax Advisory Group Inc. (MTAG), a wholly-owned subsidiary of iLOOKABOUT Corp., and MTAG Paralegal Professional Corporation, an entity indirectly controlled by the Company.

iLOOKABOUT is actively researching new product development opportunities through both leveraging its existing technologies and developing new products that serve a broader audience including, but not limited to, private sector end users.

iLOOKABOUT's Common Shares are traded on the TSX Venture Exchange (TSXV) under the symbol ILA.

Significant developments in the second quarter of 2018 include:

- In April 2018, the Company executed a non-binding letter of intent to acquire Stratus Data Systems Inc, a US-based MLS software provider with a technology platform used by real estate boards and brokers in Canada and the US.
- In April 2018, the Company executed a consulting agreement with Cherre, Inc (Cherre), a US-based developer of an inter-connected market platform that provides residential real estate data to investors and brokerage firms. Under this agreement, Cherre will work collaboratively with iLOOKABOUT on the development of a platform to facilitate a real estate data marketplace utilizing blockchain technology.

Under the terms of the consulting agreement, Cherre will receive a fixed monthly fee as well as 1,000,000 stock options, such options having an exercise price of \$0.30 and vesting on mutually agreed upon milestones.

- In April 2018, in accordance with an executive employment agreement, the Company issued 1,000,000 stock options to the Company's Chair of the Board and CEO, such options having an exercise price of \$0.20 and vesting 25% upon grant and 25% on each of the three anniversaries of the grant thereafter and an expiry five years after the grant date.
- In June 2018, the Company announced its intent, subject to regulatory approval, to commence a normal course issuer bid. The Company intends to purchase up to 5,674,609 Common Shares in the capital of the Company (the "Common Shares"), representing approximately 6.7% of the Company's issued and outstanding Common Shares and 10% of the Company's "public float" (as such term is defined under the TSX-V Corporate Finance Manual).

Significant developments subsequent to the second quarter of 2018 include:

- In July 2018, the Company received approval from the TSXV with respect to the Company's normal course issuer bid application.
- In July 2018, the Company purchased 84,000 of its Common Shares at a price of \$0.175 per Common Shares, which Common Shares were subsequently cancelled.
- In July 2018, the Company announced the appointment of Mr. Jordan Ross as Chief Operating Officer of the Company. The Company issued 850,000 Stock Options, with an exercise price of \$0.20 and vesting 50% upon grant and 25% on each of the two anniversaries of the grant thereafter, which options will expire on the fifth anniversary of the date of issuance if not then exercised, to Mr. Ross pursuant to the terms in his employment agreement.
- In July 2018, the Company issued 1,000,000 Stock Options, with an exercise price of \$0.20 and vesting 25% upon grant and 25% on each of the three anniversaries of the grant thereafter, which options will expire on the fifth anniversary of the date of issuance if not then exercised, to certain employees of the Company pursuant to the terms of their employment agreements.

Changes in Accounting Policies

IFRS 9 - Financial Instruments

Effective January 1, 2018, the Company adopted IFRS 9, which sets out requirements for recognition and measurement, impairment, derecognition and general hedge accounting. This standard simplifies the classification of a financial asset as either at amortized cost or at fair value as opposed to the multiple classifications which were permitted under IAS 39. This standard also requires the use of a single impairment method as opposed to the multiple methods permitted under IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. The standard also adds guidance on the classification and measurement of financial liabilities.

Cash and trade and other receivables that were classified as loans and receivables under IAS 39 are classified as financial assets measured at amortized cost. There is no change to the initial measurement of the Company's financial assets. Impairment of financial assets is based on an expected credit loss ("ECL") model under IFRS 9, rather than the incurred loss model under IAS 39. ECLs are a probability-weighted estimate of credit losses. The Company calculated ECLs based on consideration of customer-specific factors and actual credit loss experience. As a percentage of revenue, the Company's actual credit loss experience has not been significant.

The adoption of IFRS 9 has not had an effect on the Company's accounting policies related to financial liabilities.

There was no material impact of transition to IFRS 9 on the Company's statement of financial position at January 1, 2018.

IFRS 15 - Revenue from Contracts with Customers

Effective January 1, 2018, the Company adopted IFRS 15 which introduces a single model for recognizing revenue from contracts with customers. Under the standard, revenue is recognized when a customer obtains control of promised goods or services in an amount that reflects the consideration the entity expects to receive in exchange for those goods or services. In addition, the standard requires disclosure of the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. IFRS 15 also provides guidance relating to the treatment of contract acquisition and contract fulfillment costs.

Upon initial adoption, the Company has applied IFRS 15 with full retrospective application, subject to certain practical expedients. Therefore, the comparative information has been restated as if IFRS 15 had been in effect since January 1, 2017.

The Company used the practical expedients on adoption of IFRS 15 as follows:

- Did not restate completed contracts, including completed contracts at the beginning of the earliest period presented and those that commenced and ended within the same annual reporting period;
- Did not recognize the incremental costs of obtaining contracts as an asset if the amortization period of the assets would have been one year or less;
- Did not adjust the total consideration over the contract term for effects of a financing component, if the period between the transfer a promised good or service to the customer and the customer's payment for the good or service would be one year or less; and
- Did not disclose the amount of consideration allocated to the remaining performance obligations and an explanation of when the Company expects to recognize that amount as revenue for all reporting periods presented before the date of initial application.

The Company's revenue recognition accounting policy in accordance with IFRS 15 is as follows:

Revenue is recognized in a manner that depicts the transfer of promised goods or services to a customer and at an amount that reflects the expected consideration receivable in exchange for transferring those goods or services. This is achieved by applying the following five steps:

1. Identify the contract with a customer;
2. Identify the performance obligations in the contract;
3. Determine the transaction price;
4. Allocate the transaction price to the performance obligations in the contract; and
5. Recognize revenue when (or as) the entity satisfies a performance obligation.

Revenue from contracts with customers:

The Company earns revenue primarily from providing access to real property related data and imagery, access to real property related web-based applications and other related services, on either a subscription or usage basis. The Company also generates revenue from the provision of professional and other services on either a time and materials or fixed fee basis.

Subscription-based revenue is recognized ratably over the contract period commencing on the date an executed contract exists and the customer has the right and ability to access the application. Billing terms of such subscriptions are typically in advance of service on a monthly, quarterly or annual basis. Revenue from subscription-based arrangements that involve complex implementation or customization that is not distinct, is recognized as a combined performance obligation and recognized ratably over the remaining contract term, including any expected renewal periods.

Usage-based revenue is recorded at a point in time, being when the buyer takes control of the asset (i.e. the point at which the Company has no current or future obligations to the buyer). Generally, usage-based revenue is billed monthly in arrears.

Professional and other services revenue is typically billed monthly in arrears of services provided on a time and material basis, and revenue is recognized over time as the services are performed. For professional and other

services contracts billed on a fixed-price basis, revenue is recognized over time based on the proportion of services performed.

The services and products offered by the Company can be sold on a stand-alone basis or in a sales arrangement containing multiple performance obligations. Revenue from sales arrangements that include multiple performance obligations is allocated based on an estimated stand-alone selling price of each performance obligation in the contract. The best evidence of a stand-alone selling price is the observable price of a service or product when it is sold separately in similar circumstances and to similar customers. If a stand-alone selling price is not directly observable, the stand-alone selling price is estimated taking into account reasonably available information relating to market conditions and entity-specific factors.

At each reporting period, there are unfulfilled performance obligations for which the Company has collected funds and deposits. These amounts relate to various licenses and services and are recorded as current and non-current unearned revenues.

Contract acquisition and fulfillment costs:

Acquisition costs that are incremental to obtaining the contract and contract fulfillment costs that are directly attributable to a sales contract, that enhance the resources of the Company to satisfy performance obligations of the sales contract in the future, and that are expected to be recovered are recorded as a contract asset. Contract assets are recognized as an expense on a systematic basis that is consistent with the transfer to the customer of the goods and services to which the asset relates.

Such contract acquisitions assets of the Company are typically comprised of royalties and commissions, and such contract fulfillment assets are typically comprised of imagery capture and processing costs.

Critical estimates and judgements in applying IFRS 15:

The initial adoption and ongoing application of IFRS 15 requires management to make estimates and judgements. These estimates and judgements can have an effect on the amounts recognized in the financial statements.

Management is required to make judgements as to whether multiple products or services sold in a contract are considered distinct and should be accounted as separate performance obligations, or together as a combined performance obligation.

Revenue from sales arrangements that include multiple performance obligations is allocated based on an estimated stand-alone selling price of each performance obligation in the contract. Stand-alone selling price is established based on observable prices for the same or similar service when sold separately, or estimated using a cost plus margin approach.

For arrangements recognized over a period of time, management uses judgement as to the pattern of recording the revenue and expected renewal options in the contract.

In certain sales arrangements, Management must also use judgement in determining whether the Company is acting as an agent or principal in a transaction based on an evaluation of which party controls the asset before it is transferred to the buyer. Judgement is required in each applicable sales arrangement and all relevant facts and circumstances must be considered.

Primary changes on adoption of IFRS 15:

A. Bundled products and services

IAS 15 allows for judgement in establishing a suitable method for estimating the stand-alone selling price of elements (i.e. performance obligations) within multiple element arrangements when the stand-alone selling price is not directly observable. Typical multiple element arrangements of the Company include a combination of the licensing of a web-based application, web-based access for a period of time to the Company's StreetScape imagery database for a defined geographic area, and selection of preferred property images for each property in the defined geographic area. For these arrangements, the Company's methodology for allocating the transaction price under

IFRS 15 will result in less revenue being allocated to delivery of the preferred property images, which is at a point in time, and more revenue being recognized over time, being the term of access to the street-level imagery database and the web-based application.

B. Costs to obtain and fulfill a sales contract

Prior to adopting IFRS 15, contract acquisition and fulfillment costs were expensed as they were incurred. Under IFRS 15, contract acquisition and fulfillment costs, that meet certain criteria, are capitalized as contract assets and are recognized as an expense on a systematic basis that is consistent with the transfer to the customer of the goods and services to which the asset relates. Such contract assets of the Company are typically comprised of image capture costs, sub-contractor fees, royalties and commissions. The nature of some of the Company's sales agreements is that a substantial amount of costs are incurred at the outset of the arrangement over a period of a few months, while a portion of the related revenue is recognized over a period of years. Adoption of IFRS 15 will provide for greater alignment between the periods in which revenues and directly attributable expenses are recorded.

C. Principal and agent assessment

Prior to adopting IFRS 15, the evaluation of whether an entity is performing as a principal or an agent was focused on assessing the transfer of risks and rewards. IFRS 15 focuses the evaluation on which party controls the asset before it is transferred to the customer. As a result of applying IFRS 15, the Company has concluded it is performing as the agent with respect to a specific sales arrangement, whereas under previous IFRS it was acting as a principal, which results in the reporting of revenue at the net amount as opposed to the gross amount.

The following tables summarize the impacts of adopting IFRS 15 on the Company's previously reported Condensed Interim Consolidated Financial Statements for the three and six months ended June 30, 2017 and as at January 1, 2017 and as at December 31, 2017.

	As at January 1, 2017			As at December 31, 2017		
	As previously reported	Adjustments	Restated	As previously reported	Adjustments	Restated
Assets						
Current Assets:						
Cash	\$ 2,221,432	-	\$ 2,221,432	\$ 7,139,614	\$ -	\$ 7,139,614
Trade and other receivables, net	677,125	-	677,125	798,130	-	798,130
Contract assets	-	266,606	266,606	-	306,240	306,240
Prepaid expenses and other current assets	163,575	(20,074)	143,501	204,829	(20,074)	184,755
	3,062,132	246,532	3,308,664	8,142,573	286,166	8,428,739
Non-current Assets:						
Contract assets	-	268,885	268,885	-	91,253	91,253
Equipment	429,736	-	429,736	355,564	-	355,564
Intangible assets	1,851,643	-	1,851,643	1,628,484	-	1,628,484
	2,281,379	268,885	2,550,264	1,984,048	91,253	2,075,301
Total Assets	\$ 5,343,511	\$ 515,417	\$ 5,858,928	\$ 10,126,621	\$ 377,419	\$ 10,504,040
Liabilities and Shareholders' Equity						
Current Liabilities:						
Accounts payable and accrued liabilities	\$ 1,205,631	-	\$ 1,205,631	\$ 1,566,660	\$ -	\$ 1,566,660
Unearned revenue	980,084	345,129	1,325,213	844,838	352,150	1,196,988
Current portion of long-term debt	10,947	-	10,947	11,523	-	11,523
	2,196,662	345,129	2,541,791	2,423,021	352,150	2,775,171
Non-current Liabilities:						
Unearned revenue	531,228	402,594	933,822	283,692	60,936	344,628
Long-term debt	18,066	-	18,066	6,543	-	6,543
	549,294	402,594	951,888	290,235	60,936	351,171
Shareholders' Equity	2,597,555	(232,306)	2,365,249	7,413,365	(35,667)	7,377,698
Total Liabilities and Shareholders' Equity	\$ 5,343,511	\$ 515,417	\$ 5,858,928	\$ 10,126,621	\$ 377,419	\$ 10,504,040

	Three months ended June 30, 2017			Six months ended June 30, 2017		
	As previously reported	Adjustments	Restated	As previously reported	Adjustments	Restated
Revenue	\$ 2,476,217	(51,974)	\$ 2,424,243	\$ 4,556,832	(158,270)	\$ 4,398,562
Direct operating expenses	848,301	(115,600)	732,701	1,575,294	(239,822)	1,335,472
Gross margin	1,627,916	63,626	1,691,542	2,981,538	81,552	3,063,090
Other operating expenses:						
Technology	502,588	-	502,588	941,853	-	941,853
Selling and business development	248,745	-	248,745	461,941	-	461,941
General and administration	1,074,766	-	1,074,766	1,838,790	-	1,838,790
	1,826,099	-	1,826,099	3,242,584	-	3,242,584
Loss from operations	(198,183)	63,626	(134,557)	(261,046)	81,552	(179,494)
Finance costs	39	-	39	(220)	-	(220)
Foreign exchange loss	(43,714)	-	(43,714)	(56,790)	-	(56,790)
Loss for the period	\$ (241,858)	63,626	\$ (178,232)	\$ (318,056)	81,552	\$ (236,504)
Other comprehensive income (loss):						
Items that will not be reclassified to loss for the period:						
Foreign exchange loss on the translation of foreign operations	21,248	-	21,248	27,130	-	27,130
Comprehensive loss for the period	\$ (220,610)	63,626	\$ (156,984)	\$ (290,926)	81,552	\$ (209,374)
Weighted average number of common shares						
Basic and diluted	76,699,784		79,699,784	69,537,951		69,537,951
Loss per share						
Basic and diluted	\$ -		\$ -	\$ -		\$ -

Accounting Pronouncements Not Yet Adopted

The IASB has issued new standards and amendments to existing standards. These changes in accounting were not yet effective at December 31, 2017 and could have an impact on future periods.

IFRS 16 - Leases

In January 2016, the IASB issued the final publication of the IFRS 16 - Leases standard, which will supersede the current IAS 17 - Leases standard. IFRS 16 introduces a single accounting model for lessees and for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee will be required to recognize a right-of-use asset, representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments. The accounting treatment for lessors will remain largely the same as under IAS 17.

The standard is effective for annual periods beginning on or after January 1, 2019, with early adoption permitted, but only if the entity is also applying IFRS 15. The Company will have the option to either:

- apply IFRS 16 with full retrospective effect; or
- recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application.

Management is assessing the impact of this standard on the consolidated financial statements.

Use of Non-GAAP Financial Measures

Management has included two non-GAAP financial measures to supplement information contained in this MD&A. These non-GAAP measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures employed by other reporting issuers. The non-GAAP measures contained in this MD&A are:

- (i) Adjusted Working Capital, which is defined and calculated by the Company as current assets less current liabilities, excluding items that are not financial assets or financial liabilities. Management believes Adjusted Working Capital provides meaningful information with respect to the liquidity of the Company. A reconciliation of working capital to Adjusted Working Capital is provided in the section entitled *“Liquidity and Capital Resources – Adjusted Working Capital”*.
- (ii) Adjusted EBITDA, which is defined and calculated by the Company as comprehensive income (loss) before interest, taxes, depreciation/amortization of equipment and intangible assets, share-based compensation expense and other costs or income of a non-operating and/or non-recurring nature. The Company classifies income or costs as non-recurring if income or costs similar in nature are not reasonably expected to occur within the next two years nor have occurred during the prior two years, and such costs are significant. Prior to the fourth quarter of 2017, the Company’s definition and calculation of Adjusted EBITDA did not include adjustments related to costs or income of a non-operating and/or non-recurring nature. The revision of this calculation had no impact on Adjusted EBITDA for prior periods presented herein. Management believes Adjusted EBITDA provides meaningful information with respect to the financial performance and value of the Company, as items that may obscure the underlying trends in the business performance are excluded. A reconciliation of comprehensive income (loss) to Adjusted EBITDA is provided in the section entitled *“Overall Performance and Results of Operations – Adjusted EBITDA Reconciliation.”*

These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of financial performance prepared in accordance with IFRS. iLOOKABOUT’s non-GAAP measures may not be comparable to those of other reporting issuers.

Overall Performance and Results of Operations

Summary of Quarterly Results

The financial information set forth below is derived from, and should be read in conjunction with, iLOOKABOUT's Interim Financial Statements for the three and six months ended June 30, 2018 (the "Reporting Date"), which can be found on SEDAR at www.sedar.com.

	Three months ended				Year ended
	March 31	June 30	Sept 30	Dec 31	Dec 31
Fiscal 2018 (Reported under IFRS 15)					
Revenue	\$ 2,391,938	\$ 2,323,085			
Earnings (loss)	146,518	(389,875)			
Comprehensive income (loss)	116,606	(405,023)			
Earnings (loss) per share - basic	-	-			
Earnings (loss) per share - diluted	-	-			
Adjusted EBITDA, Unaudited*	\$ 197,695	\$ 85,440			
Fiscal 2017 (Restated under IFRS 15)					
Revenue	\$ 1,974,319	\$ 2,424,243	\$ 2,432,136	\$ 2,336,533	\$ 9,167,231
Earnings (loss)	(58,271)	(178,232)	134,418	(136,011)	(238,096)
Comprehensive income (loss)	(52,389)	(156,984)	175,485	(140,283)	(174,171)
Earnings (loss) per share - basic	-	-	-	-	-
Earnings (loss) per share - diluted	-	-	-	-	-
Adjusted EBITDA, Unaudited*	\$ 87,934	\$ 62,634	\$ 297,486	\$ 411,155	\$ 859,209
Fiscal 2017 (Reported under IAS 18)					
Revenue	\$ 2,080,615	\$ 2,476,217	\$ 2,461,007	\$ 2,385,508	\$ 9,403,347
Earnings (loss)	(76,198)	(241,858)	110,839	(227,519)	(434,736)
Comprehensive income (loss)	(70,315)	(220,610)	151,907	(231,790)	(370,810)
Earnings (loss) per share - basic	-	-	-	-	(0.01)
Earnings (loss) per share - diluted	-	-	-	-	(0.01)
Adjusted EBITDA, Unaudited*	\$ 70,008	\$ (992)	\$ 273,908	\$ 319,646	\$ 662,570
Fiscal 2016 (Reported under IAS 18)					
Revenue	\$ 2,149,704	\$ 2,192,692	\$ 2,255,283	\$ 2,193,277	\$ 8,790,956
Earnings (loss)	(154,814)	(295,592)	125,902	(172,855)	(497,359)
Comprehensive income (loss)	(112,157)	(295,354)	121,719	(190,844)	(476,640)
Earnings (loss) per share - basic	-	-	-	-	(0.01)
Earnings (loss) per share - diluted	-	-	-	-	(0.01)
Adjusted EBITDA, Unaudited*	\$ 51,504	\$ (82,250)	\$ 305,697	\$ 44,134	\$ 319,085

*Adjusted EBITDA is a non-GAAP measure and is defined above.

While there are certain quarter-over-quarter variations in the Company's financial results during the periods presented in the above table, the overall trends in the Company's financial performance have been (i) increasing revenue; (ii) improvements in comprehensive income (loss) and Adjusted EBITDA; and (iii) nominal change in basic and diluted earnings (loss) per share. The overall trend of improvements in comprehensive income (loss) changed significantly in the second quarter of 2018 as the Company began incurring expenditures with respect to a strategic initiative, being the development of a new platform to facilitate a real estate data marketplace utilizing

blockchain technology, discussed further herein. This initiative is in the early stage of development and thus no related revenue has yet to be generated.

These improved trend results with respect to revenue are primarily attributable to (i) new sales contracts awarded to the Company, and (ii) the growth of certain transactional revenue due to increased customer usage.

Variations in revenue on a quarter-over-quarter basis are primarily due to the timing of the delivery of products and services.

Variations in expenses on a quarter-over-quarter basis are generally due to (i) increases or decreases in the direct expense of licensing third-party data, which is driven by transactional sales volumes; (ii) the seasonal timing of image capture and post-collection processing; and (iii) fluctuating professional service and human resource related expenses to support strategic initiatives.

In the second quarter of 2018, significant increases in professional service fees (i.e. legal and consulting) were incurred, primarily to support the development of a platform to facilitate a real estate data marketplace utilizing blockchain technology (the “ReBloc Platform”) and related infrastructure. Such expenses primarily included (i) legal fees with respect to development of an appropriate corporate structure and supporting contractual agreements related to the ReBloc Platform; and (ii) consulting fees with respect to development of the ReBloc Platform. These expenses totalled approximately \$250,000 for the three months ended June 30, 2018, and have been included as non-operating and/or non-recurring items in the calculation of Adjusted EBITDA (see the “*Adjusted EBITDA*” section herein). Included in the total Adjusted EBITDA adjustment with respect to share-based compensation expenses, is approximately \$33,000 related to a grant of options for the development of the ReBloc Platform.

In the fourth quarter of 2017, the Company incurred out of the ordinary employment termination-related costs of approximately \$337,500. These termination-related costs were included as a non-operating and/or non-recurring item in the calculation of Adjusted EBITDA for the three months and year ended December 31, 2017.

Adjusted EBITDA Reconciliation

The following tables present reconciliations of Comprehensive Income (Loss) to Adjusted EBITDA, for the periods presented.

	Three months ended				Year ended
	March 31	June 30	September 30	December 31	December 31
Fiscal 2018 (Reported under IFRS 15)					
Comprehensive income (loss)	\$ 116,606	\$ (405,023)			
Add back:					
Amortization of equipment	22,458	23,981			
Amortization of intangible assets	58,500	58,180			
Finance (income) costs	(14,573)	(15,470)			
Share-based compensation expense	14,704	173,611			
Non-operating and/or non-recurring items	-	250,161			
Adjusted EBITDA, Unaudited*	\$ 197,695	\$ 85,440			
Fiscal 2017 (Restated under IFRS 15)					
Comprehensive income (loss)	\$ (52,389)	\$ (156,984)	\$ 175,485	\$ (140,283)	\$ (174,171)
Add back:					
Amortization of equipment	34,891	28,260	28,257	16,406	107,814
Amortization of intangible assets	58,175	57,230	57,978	58,610	231,993
Finance (income) costs	259	(39)	(10,843)	(13,578)	(24,201)
Share-based compensation expense	46,998	134,167	46,609	152,500	380,274
Non-operating and/or non-recurring items	-	-	-	337,500	337,500
Adjusted EBITDA, Unaudited*	\$ 87,934	\$ 62,634	\$ 297,486	\$ 411,155	\$ 859,209
Fiscal 2017 (Reported under IAS 18)					
Comprehensive income (loss)	\$ (70,315)	\$ (220,610)	\$ 151,907	\$ (231,792)	\$ (370,810)
Add back:					
Amortization of equipment	34,891	28,260	28,257	16,406	107,814
Amortization of intangible assets	58,175	57,230	57,978	58,610	231,993
Finance (income) costs	259	(39)	(10,843)	(13,578)	(24,201)
Share-based compensation expense	46,998	134,167	46,609	152,500	380,274
Non-operating and/or non-recurring items	-	-	-	337,500	337,500
Adjusted EBITDA, Unaudited*	\$ 70,009	\$ (992)	\$ 273,908	\$ 319,646	\$ 662,570
Fiscal 2016 (Reported under IAS 18)					
Comprehensive income (loss)	\$ (112,157)	\$ (295,354)	\$ 121,719	\$ (190,848)	\$ (476,640)
Add back:					
Amortization of equipment	33,101	33,218	45,072	37,958	149,349
Amortization of intangible assets	57,552	58,052	58,282	58,283	232,169
Finance costs	11,449	3,131	308	412	15,300
Share-based compensation expense	61,559	118,703	80,316	138,329	398,907
Non-operating and/or non-recurring items	-	-	-	-	-
Adjusted EBITDA, Unaudited*	\$ 51,504	\$ (82,250)	\$ 305,697	\$ 44,134	\$ 319,085

*Adjusted EBITDA is a non-GAAP measure and is defined above.

Discussion of Results of Operations

	Unaudited		Unaudited	
	Three months ended		Six months ended	
	June 30, 2018	June 30, 2017 (Restated)	June 30, 2018	June 30, 2017 (Restated)
Revenue	\$ 2,323,085	\$ 2,424,243	\$ 4,715,023	\$ 4,398,562
Direct operating expenses	717,542	732,701	1,464,898	1,335,472
Gross margin	1,605,543	1,691,542	3,250,125	3,063,090
Other operating expenses:				
Technology	575,326	502,588	1,034,769	941,853
Selling and business development	255,092	248,745	464,927	461,941
General and administration	1,220,006	1,074,766	2,126,891	1,838,790
	2,050,424	1,826,099	3,626,587	3,242,584
Loss from operations	(444,881)	(134,557)	(376,462)	(179,494)
Finance income (costs)	15,470	39	30,043	(220)
Foreign exchange gain (loss)	39,536	(43,714)	103,062	(56,790)
Loss for the period	\$ (389,875)	\$ (178,232)	\$ (243,357)	\$ (236,504)
Other comprehensive income:				
<i>Items that will not be reclassified to income (loss) for the year:</i>				
Foreign exchange gain (loss) on the translation of foreign operations	(15,148)	21,248	(45,060)	27,130
Comprehensive loss for the period	\$ (405,023)	\$ (156,984)	\$ (288,417)	\$ (209,374)
Income (loss) per share, basic and diluted	\$ -	\$ -	\$ -	\$ -
Adjusted EBITDA, Unaudited*	\$ 85,440	\$ 62,634	\$ 283,135	\$ 150,567

*Adjusted EBITDA is a non-GAAP measure and is defined above.

Revenue

Nature of Services:

The Company generates revenue from the provision of visual and data services and from consulting services. See "Company Overview" section above for further details.

	Three months ended		Six months ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Restated - Note 3a)		(Restated - Note 3a)	
Visual and data services	\$ 2,078,219	\$ 2,229,564	\$ 4,181,562	\$ 3,978,023
Consulting services	244,866	194,679	533,461	420,539
Total	\$ 2,323,085	\$ 2,424,243	\$ 4,715,023	\$ 4,398,562

Revenue decreased 4% to \$2,323,000 from \$2,424,000 for the three months ended June 30, 2018 and 2017, respectively. While revenue related to consulting services increased approximately \$50,000 for the second quarter of 2018 as compared to the same period in the prior year, this increase was offset by (i) a decrease of approximately \$117,000 of revenue attributable to third-party data licensing, and (ii) a decrease of approximately \$28,000 in revenue generated from managed services including data verification, change detection and property related data processing.

Revenue increased 7% to \$4,715,000 from \$4,399,000 for the six months ended June 30, 2018 and 2017, respectively. This increase is primarily attributable to (i) an increase of approximately \$181,000 in revenue generated from the licensing of the Company's real property focused applications and StreetScape imagery; (ii) an increase of approximately \$112,000 in revenue related to consulting services, and (iii) an increase of approximately \$108,000 of revenue generated from managed services, particularly with respect to data verification and property related data processing. These increases are offset to some extent by a decrease in revenue related to third-party data licensing of approximately \$85,000.

Geographic Information:

	Three months ended		Six months ended	
	June 30, 2018	June 30, 2017	June 30, 2018	June 30, 2017
	(Restated - Note 3a)		(Restated - Note 3a)	
Canada	\$ 1,805,060	\$ 1,932,214	\$ 3,690,650	\$ 3,619,087
United States	518,025	492,029	1,024,373	779,475
Total	\$ 2,323,085	\$ 2,424,243	\$ 4,715,023	\$ 4,398,562

The Company's US-based revenue increased 5% to \$518,000, and 31% to \$1,024,000 for the three months and six months ended June 30, 2018, respectively. These increases are primarily attributable to a sales contract for the provision of StreetScape imagery, access to the Company's GeoViewPort application, data verification and change detection services, for which service delivery commenced in the second quarter of 2017.

Significant Customers:

Customers representing more than 10% of the Company's revenue are classified as significant customers.

For the three months ended June 30, 2018, the Company had one significant customer; representing 50% of total revenue. For the three months ended June 30, 2017, the Company had one significant customer; representing 50% of total revenue.

For the six months ended June 30, 2018, the Company had one significant customer; representing 50% of total revenue. For the six months ended June 30, 2017, the Company had two significant customers; one represented 51% and the other represented 11% of total revenue.

Gross margin

Direct operating expenses included in the calculation of gross margin primarily include: image capture and processing costs, fees for subcontracted services to generate revenue, third-party data licensing fees, royalties and commissions.

Gross margin decreased from \$1,692,000 to \$1,606,000 for the three months ended June 30, 2017 and 2018, respectively. This decrease is mainly attributable to decreased revenue for the reasons noted in the "Revenue" section above. Gross margin as a percentage of revenue was 69% for the three months ended June 30, 2018, as compared to 70% for the same period of the prior year.

Gross margin increased from \$3,063,000 to \$3,250,000 for the six months ended June 30, 2017 and 2018, respectively. This increase is mainly attributable to increased revenue for the reasons noted in the "Revenue" section above.

section above. Gross margin as a percentage of revenue was 69% for the six months ended June 30, 2018, as compared to 70% for the same period of the prior year.

Comprehensive loss

Comprehensive loss increased from \$157,000 to \$405,000 for the three months ended June 30, 2017 and 2018, respectively. This increase is primarily attributable to the following:

- Decrease in gross margin of approximately \$86,000 for the reasons noted in the “*Revenue*” and “*Gross Margin*” sections above;
- Increase in legal and consulting fees of approximately \$212,000, primarily to support new product development and strategic initiatives; and
- Increase in promotion and travel costs of approximately \$39,000.

The above noted increases in expenditures are offset to some extent by the following for the three months ended June 30, 2018, as compared to the same period of the prior year:

- Positive foreign exchange impact of approximately \$47,000, attributable to fluctuating U.S. foreign exchange rates and U.S. dollar denominated items;
- Decrease in facility related costs of approximately \$25,000 due to the closing of the Company’s Campbellville location in May 2017 when it was determined that the space was no longer required; and
- Various other fluctuations having a net impact of a decrease of approximately \$16,000 in expenditures.

Comprehensive loss increased from \$209,000 to \$288,000 for the six months ended June 30, 2017 and 2018, respectively. While gross margin for the six months ended June 30, 2018, increased approximately \$187,000 as compared to the same period in the prior year, for the reasons noted in the “*Revenue*” and “*Gross Margin*” sections above, this increase is offset by the following:

- Increase in legal and consulting fees of approximately \$418,000, primarily to support new product development and strategic initiatives; and
- Increase in promotion and travel costs of approximately \$43,000.

The above noted increases in expenditures are offset to some extent by the following for the six months ended June 30, 2018, as compared to the same period of the prior year.

- Positive foreign exchange impact of approximately \$88,000, attributable to fluctuating U.S. foreign exchange rates and U.S. dollar denominated items;
- Net decrease in human resource related costs, as increased costs related to new product development were more than offset by decreased costs related to staff composition, compensation and the subcontracting of certain services with respect to a pilot project in 2017 for which there was not a comparable project in 2018;
- Decrease in facility related costs of approximately \$44,000 due to the closing of the Company’s Campbellville location in May 2017 when it was determined that the space was no longer required; and
- Various other fluctuations having a net impact of a decrease of approximately \$1,300 in expenditures.

Adjusted EBITDA

	Unaudited		Unaudited	
	Three months ended		Six months ended	
	June 30, 2018	June 30, 2017 (Restated)	June 30, 2018	June 30, 2017 (Restated)
Comprehensive loss for the period	\$ (405,023)	\$ (156,984)	\$ (288,417)	\$ (209,374)
Add back:				
Amortization of equipment	23,981	28,260	46,439	63,151
Amortization of intangible assets	58,180	57,230	116,680	115,405
Finance (income) costs	(15,470)	(39)	(30,043)	220
Share-based compensation expense	173,611	134,167	188,315	181,165
Non-operating and/or non-recurring items	250,161	-	250,161	-
Adjusted EBITDA, Unaudited*	\$ 85,440	\$ 62,634	\$ 283,135	\$ 150,567

*Adjusted EBITDA is a non-GAAP measure and is defined herein.

Adjusted EBITDA increased to \$85,000 from \$63,000 for the three months ended June 30, 2018 and 2017, respectively, and increased to \$283,000 from \$151,000 for the six months ended June 30, 2018 and 2017, respectively.

Explanations for the changes in Revenue, Gross Margin and Comprehensive Loss, which drove the improvement in Adjusted EBITDA, are described in the sections above.

Included in the calculation of Adjusted EBITDA for the three and six months ended June 30, 2018 are non-operating and/or non-recurring items totaling approximately \$250,000. These items relate to costs incurred to support the development the ReBloc Platform, a platform to facilitate a real estate data marketplace utilizing blockchain technology, and the related infrastructure. Such expenses primarily include (i) legal fees with respect to development of an appropriate corporate structure and supporting contractual agreements; and (ii) consulting fees with respect to technology development. Included in the total Adjusted EBITDA adjustment with respect to share-based compensation expenses, is approximately \$33,000 related to a grant of options for the development of the ReBloc Platform.

Outstanding Share Data and Dividends

As at June 30, 2018, iLOOKABOUT had:

- 85,095,784 Common Shares issued and outstanding;
- 3,198,054 Deferred Share Units convertible into an equal number of Common Shares;
- Warrants outstanding to purchase 2,044,000 Common Shares, exercisable at prices ranging from \$0.25 to \$0.40 per share; and
- Options outstanding to purchase 6,650,850 Common Shares, exercisable at prices ranging from \$0.145 to \$0.335 per share.

Subsequent to June 30, 2018 the following share-related events occurred:

- In July 2018, the Company granted 1,850,000 stock options to certain employees of the Company, such options having an exercise price of \$0.20 and vesting over terms of two to three years from the date of grant of the stock options.
- In July 2018, under a normal course issuer bid, the Company purchased 84,000 of its Common Shares at a price of \$0.175 per share. Such Common Shares were subsequently cancelled.

The Company did not declare any dividends in the Period.

Liquidity and Capital Resources

Adjusted Working Capital

Adjusted Working Capital (a non-GAAP measure; see section entitled “*Use of Non-GAAP Financial Measures*” above) is defined and calculated by the Company as current assets less current liabilities (as shown on the consolidated Statement of Financial Position), excluding items that are not financial assets or financial liabilities. Management believes Adjusted Working Capital provides more meaningful information with respect to the liquidity of the Company than does Working Capital.

	June 30, 2018		December 31, 2017	
				(Restated)
Working Capital (GAAP measure)	\$	5,724,340	\$	5,653,568
Less: Prepaid expenses and other current assets		(284,853)		(184,755)
Less: Contract assets, current portion		(213,254)		(306,240)
Add: Unearned revenue, current portion		1,365,631		1,196,988
Adjusted Working Capital (Non-GAAP measure)	\$	6,591,864	\$	6,359,561

There was not a material change in Adjusted Working Capital between December 31, 2017 and June 30, 2018.

Cash Flows

Cash flows used in operating, financing and investing activities for the three and six months ended June 30, 2018 and 2017 are presented below.

Cash flow provided by (used in)	Six months ended			
	June 30, 2018		June 30, 2017	
				(Restated)
Operating activities	\$	(144,033)	\$	(182,666)
Financing activities		216,425		4,800,954
Investing activities		(166,778)		(27,752)
Effect of exchange rate fluctuations on cash		81,641		(28,050)
	\$	(12,745)	\$	4,562,486

The changes in cash sources and uses for the three and six months ended June 30, 2018 as compared to the same period in the prior year are explained below.

- (i) There was not a significant change in cash used in operating activities for the six months ended June 30, 2018 as compared to the same period of the prior year.
- (ii) Cash flow provided by financing activities for the six months ended June 30, 2018, primarily related to proceeds of \$222,150 resulting from the exercise of warrants. For the six months ended June 30, 2017, cash flow provided by financing activities primarily resulted from the completion of a public offering for net proceeds of \$4,557,196, and the exercise of warrants for net proceeds of \$222,150.
- (iii) The increase in cash used in investing activities is largely attributable to leasehold improvements and the purchase of furniture and fixtures completed in the first two quarters of 2018.

The following are the carrying amounts and the remaining contractual cash outflows of financial liabilities and commitments at June 30, 2018.

As at June 30, 2018	Carrying Amounts	Contractual cash outflows				
		Total	within 1 year	1 - 2 years	2 - 5 years	More than 5 years
Accounts payable and accrued liabilities	\$ 1,467,941	\$ 1,467,941	\$ 1,467,941	\$ -	\$ -	\$ -
Debt financing of vehicles	12,341	12,341	12,341	-	-	-
Operating leases	-	840,667	249,895	247,471	343,301	-
Purchase commitments	-	4,472,500	290,000	290,000	845,000	3,047,500
	\$ 1,480,282	\$ 6,793,449	\$ 2,020,177	\$ 537,471	\$ 1,188,301	\$ 3,047,500

The purchase commitments included in the table above are composed primarily of annual base fixed fees under a consulting agreement with Yeoman & Company Paralegal Professional Corporation, disclosed in the section below entitled “*Transactions with Related Parties*”, of \$265,000, which continue until December 2034. Committed payments for the period of July 2018 to December 2034 total \$4,372,500.

In addition to the above-noted contractual cash flows, the Company expects to incur future capital expenditures, primarily with respect to replacement of its image capture equipment and expansion of its computer hardware which hosts the Company’s imagery. Image capture equipment, which includes vehicles, cameras and lenses, is replaced as this equipment is depleted or the purchase of improved equipment is determined to be appropriate. The extent of these capital expenditures will be based on the Company’s planned future image capture activities and the age of existing equipment. The Company expects that capital expenditures required in the remainder of 2018 will be approximately \$260,000.

Off-Balance Sheet Arrangements

As at June 30, 2018, iLOOKABOUT had no off-balance sheet arrangements, such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market or credit risk to the Company, and the Company does not expect to enter into any in the near to mid-term.

Financial Instruments

iLOOKABOUT’s financial instruments consist of cash, trade and other receivables, accounts payable and accrued liabilities, current portion of long-term debt and long-term debt. Management does not believe that these financial instruments expose iLOOKABOUT to any significant interest, currency or credit risks.

Transactions with Related Parties

Equity transaction:

In January 2018, 1,481,000 Series J purchase warrants previously issued in connection with a private placement to the Chair of the Board and Chief Executive Officer of the Company were exercised for 1,481,000 Common Shares at an exercise price of \$0.15 per share, resulting in proceeds of \$222,150.

Consulting services:

To provide for ongoing support and development of certain software initially licensed then purchased from Yeoman & Company Paralegal Professional Corporation (öYCPö), in December 2014 the Company entered into a consulting agreement with YCP (öConsulting Agreementö). The Consulting Agreement has a term of twenty years and provides for an annual fee of \$265,000 plus 15% of consideration received by the Company from customers (the öYCP Feesö) for use of the Software. For the three and six months ended June 30, 2018, the Company paid YCP Fees of \$66,253 and \$204,694 (three and six months ended June 30, 2017 - \$97,759 and \$214,379) to YCP, which were included in direct operating expense and technology expense. Two of the principals of YCP are the sons of the

Chair of the Board and Chief Executive Officer of the Company.

Software licensing:

YCP relicenses and/or utilizes the Company's software in order to provide certain services to YCP's customers. Included in revenue for the three and six months ended June 30, 2018 are software licence fees of \$nil and \$3,900 (three and six months ended June 30, 2017 of \$9,188 and \$18,375).

Real property rental:

One of the premises occupied by the Company is rented on an annual basis from a related company owned, in part, by a director and President of the Company. For the three and six months ended June 30, 2018, the Company paid rent to the related company of \$3,000 and \$6,000, (three and six months ended June 30, 2017 - \$3,000 and \$6,000), which is included in general and administration expense.

Consolidated entity:

As required under the *Law Society Act* (Ontario) and applicable regulations, MTAG Paralegal Professional Corporation is a separate professional corporation. The Chair of the Board and Chief Executive Officer of the Company, a paralegal licensed in the Province of Ontario, is the sole shareholder of this professional corporation; however, the Company controls the entity through contractual arrangements, which also provide that all economic benefit or loss resulting from the entity will be received or incurred by the Company. In September 2017, MTAG Paralegal Professional Corporation commenced the delivery of paralegal services.

These transactions are in the normal course of operations and are measured at the transaction amount, being the amount of consideration established and agreed to by the related parties.

Forward-Looking Statements

This MD&A contains certain forward-looking statements within the meaning of applicable securities laws and regulations, related to, amongst other things, expected future events and anticipated financial and operating results of the Company. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "anticipate", "plan", "foresee", "believe" or "continue" or the negatives of these terms or variations of them or similar terminology. Forward-looking statements are based on Management's expectations as at the date of this MD&A and are subject to various known and unknown risks and uncertainties that may cause the Company's actual results in future periods to differ materially from those expressed or implied in this MD&A. While Management considers the assumptions upon which such forward-looking statements are based to be reasonable and appropriate in light of the current information available to it, there is risk that such assumptions may not be correct or complete.

Certain factors that could cause actual results to differ materially from those expressed or implied in any forward-looking statements included in this MD&A include, but are not limited to, risks associated with general economic conditions, risks associated with the Company's stage of development, operational risks (such as risks involved in developing new products and services, product performance warranties, risks associated with doing business with partners, risks from regulatory and legal proceedings, risks relating to the Company's dependence on certain customers, and human resource risks), financing risks (such as risks relating to liquidity and access to capital markets or debt financing) and market risks (including foreign currency fluctuations and changing interest rates). Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. Additional information about some of these risk factors can be found in the Company's Annual Information Form which is incorporated herein by reference and can be found at www.sedar.com. Unless otherwise required by applicable securities laws, the Company expressly disclaims any intention, and assumes no obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Additional Information

Additional information relating to iLOOKABOUT, including the Company's 2017 Annual Consolidated Financial Statements and Annual Information Form for the year ended December 31, 2017, can be found on SEDAR at www.sedar.com.