**iLOOKABOUT Corp.**

**Management's Discussion and Analysis of Financial Condition and Results of Operations for the six months ended June 30, 2019 (the "*Period*")**

The information set forth below has been prepared as at August 27, 2019, and is derived from, and should be read in conjunction with, iLOOKABOUT Corp.ôs (ñiLOOKABOUTò or the ñCompanyò) unaudited condensed interim consolidated financial statements for the six months ended June 30, 2019 (the ñReporting Dateò), including the accompanying notes (the ñInterim Financial Statementsò), which can be found on SEDAR at www.sedar.com. This Management Discussion and Analysis (ñMD&Aò) is intended to assist in understanding the dynamics of the Companyôs business and key factors underlying its financial results. The Companyôs Annual Information Form (ñAIFò) 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 (ñIAS 34ò) using accounting policies consistent with International Financial Reporting Standards (ñIFRSò). 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 Companyôs 2018 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, 2019 (see ñ*Changes in Accounting Policies*ò section below), the Interim Financial Statements were prepared using the accounting policies disclosed in the annual financial statements.

All dollar figures referred to herein are Canadian dollars unless otherwise stated. For narrative purposes, all dollar amounts, with the exception of per share amounts, have been presented in thousands of dollars.

## 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 (ñUSò). The Companyôs primary offerings are noted below.

*GeoViewPort™ and StreetScape™*

GeoViewPortÊ (ñGVPò) is a real property focused web-based platform 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 iLOOKABOUTôs StreetScapeÊ imagery 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 customer needs 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 add-on application to the GVP platform. The Company has also launched the GVP Mobile Appraiser application, rounding out the GVP platform add-on applications. 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 (ñGPSò). 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 customersô 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 customerôs user groups and tailoring of the application to the particular end-user's needs.

*Real Property Tax Analytics*

Real Property Tax Analytics (ñRPTAò) is a web-based platform that facilitates property assessment analytics by combining data attributes of more than 5.2 million properties in Ontario, integrating mapping, imagery and census data to deliver insightful comparable modeling and predictive valuations using proprietary algorithms. Currently, RPTA is being used primarily by municipal finance and taxation departments across Ontario to help ensure that they are not losing tax revenues nor overcharging and thus creating future liabilities. Regarded as a leading tool to support assessment-based management programs, this evolving offering benefits both large and small municipalities. Recently, integration of the Appeals Management module (previously known as the Realty Tax Management software when it was purchased by the Company) was completed and is now being offered as an additional application available for licensing and use on the RPTA platform. Appeals Management was developed to assist municipalities in the management of Municipal Act and Assessment Act appeals.

*Other Applications*

The Company has developed and/or supports web-based map applications, which leverage much of the architecture and data rendering techniques utilized within 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.

*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. The Company utilizes the RPTA platform, including the Appeals Management module, to support its delivery of professional services to clients.

*New Product Development*

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.

*ReBloc Platform*

The Company has undertaken a joint initiative with Cherre Inc., a US-based software development company, for the research and development of a decentralized real estate data validation marketplace enabled by innovative technology to be built on three main components: (i) an independent data validation layer that provides buyers with a data quality confidence regardless of the source of the data; (ii) state of the art privacy mechanism to give providers of data confidence that their data will not be exposed to other data providers or the general public; and (iii) a data indexing protocol to prevent the need for data to be uploaded to a central repository. The ReBloc platform is expected to be utilized by public and private real property data holders including data aggregators, lenders, insurance companies, asset managers, software companies and real property owners. The ReBloc platform is in the early stages of development.

iLOOKABOUTôs Common Shares are traded on the TSX Venture Exchange (ñTSXVò) under the symbol ILA and on the US OTCQB under the symbol ILATF.

**Significant developments**

There were no significant developments in the second quarter of 2019.

In July 2019, the Company completed the acquisition of Clarocity Inc. and its wholly owned subsidiaries, Clarocity Valuations Services LLC and Valuation Vision Inc. (collectively, ñClarocityò). As a result, the Company now holds 100% of the outstanding shares of Clarocity Inc., Clarocity Valuation Services LLC and Valuation Vision Inc. Based in Carlsbad, California, Clarocity provides real estate valuation solutions and platform technologies designed to address today's housing market. Government-sponsored entities, financial institutions, and investors rely on Clarocityôs proprietary solutions to value assets, fund loans, and securitize portfolios. Clarocity provides a full spectrum of appraisal and alternative valuation solutions to the US market.

The Company satisfied the purchase price in respect of its acquisition of Clarocity as follows.

Note: The following amounts have not been presented in thousands.

a. 23,000,000 common shares of the Company (ñCommon Sharesò);

b. 19,000,000 warrants to purchase Common Shares of the Company (ñConsideration Warrantsò); 14,000,000 of such Consideration Warrants have a term of three (3) years and are exercisable into a single Common Share of the Company and 5,000,000 of such Consideration Warrants to purchase Common Shares of the Company have a term of eighteen (18) months and are exercisable into a single Common Share of the Company. 10,000,000 of the Consideration Warrants with a term of three years have an exercise price of $0.20 per Common Share, 4,000,000 of the Consideration Warrants with a term of three (3) years have an exercise price of $0.30 per Common Share, and 5,000,000 of the Consideration Warrants with a term of eighteen (18) months have an exercise price of $0.25 per Common Share;

c. Convertible debentures in an aggregate principal amount of $8,700,000 (the ñConsideration Debenturesò), which have a three (3) year maturity date (extendable for an additional one (1) year term at the same rate as year three (3) at the option of the Company and subject to regulatory approvals) and are payable at the election of the Company, in either cash or Common Shares to be issued at the greater of (a) a 10% discount to the 20-day volume weighted average price at such time; and (b) the lowest price per share permitted by the TSXV. The Company will have the option to redeem up to $4,000,000 of the Consideration Debentures in cash at any time. The holders of the Consideration Debentures have the right to convert a minimum amount owing under the Consideration Debentures into Common Shares at any time at a conversion price of $0.30 per Common Share. Non-compounding interest will accrue under the Debentures, but will only be payable in fiscal years during which Clarocity is generating positive operating cash flow and net profit. Interest will accrue at the followings rates: 0% per annum during the period between the date of issuance (the ñIssuance Dateò) and the one (1) year anniversary of the Issuance Date; at a rate of 3% per annum during the period between the first year anniversary of the Issuance Date and the second year anniversary of the Issuance Date; and at a rate of 6% per annum during the period between the second year anniversary of the Issuance Date and the third year anniversary of the Issuance Date; and

d. Extinguishment of the Note Receivable described in Note 5 herein which, at the time of closing of the transaction, totaled $2,029,000.

The Company is in the process of determining the purchase price allocation and expects to include a preliminary version in its September 30, 2019 condensed interim consolidated financial statements.

**Changes in Accounting Policies**

**IFRS 16 - Leases**

Effective January 1, 2019, the Company adopted IFRS 16, which specifies how to recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all major leases. IFRS 16 supersedes previous accounting standards for leases, including IAS 17, Leases and IFRIC 4 ï Determining whether an arrangement contains a lease. As a result of adopting IFRS 16, the Company has recognized a significant increase to both assets and liabilities on the Consolidated Statements of Financial Position, as well as a decrease in rent expense, with a corresponding increase in amortization (due to depreciation of the right-of-use assets) and increase in finance costs (due to accretion of the lease liability).

The Companyôs accounting policy under IFRS 16 is as follows:

At inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured based on the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received. The assets are depreciated to the earlier of the end of useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Companyôs incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Companyôs estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company has elected to apply the practical expedient of not recognizing right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The lease payments associated with these leases is recognized as an expense on a straight-line basis over the lease term.

**Impact of adoption of IFRS 16**

Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective approach and accordingly the information presented for 2018 has not been restated. It remains as previously reported under IAS 17 and related interpretations.

On initial application, the Company has elected to record right-of-use assets based on the corresponding lease liability. Right-of-use assets and lease obligations of $1,179 were recorded as of January 1, 2019, with no net impact on retained earnings (deficit). When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 4.5%.

The Company has elected to apply the practical expedient to account for leases for which the lease term ends within 12 months of the date of initial application as short-term leases.

The following table reconciles the Companyôs operating lease obligations at December 31, 2018, as previously disclosed in the Companyôs consolidated financial statements, to the lease obligations recognized on initial application of IFRS 16 at January 1, 2019 (presented in thousands of Canadian dollars):

| | | |
|---|---|---|
| Operating lease commitments at December 31, 2018 | $ | 722 |
| Discounted using the incremental borrowing rate at January 1, 2019 | $ | 670 |
| Non-lease components included within operating lease commitments | | (134) |
| Recognition exemption for short term leases | | (2) |
| Extension options reasonably certain to be exercised | | 645 |
| Lease obligations recognized at January 1, 2019 | $ | 1,179 |

**IFRIC 23 Uncertainty over Income Tax Treatments**

On June 7, 2017, the IASB issued IFRIC Interpretation 23 Uncertainty over Income Tax Treatments. The Interpretation is applicable for annual periods beginning on or after January 1, 2019. Early application is permitted.

The interpretation clarifies the accounting for income tax treatments (current and deferred tax) that have yet to be accepted by tax authorities. The Company adopted the Interpretation in its financial statements effective January 1, 2019. Adoption of the Interpretation did not have a material impact on the 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:

(a) ñAdjusted Working Capitalò, 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".*

(b) ñAdjusted EBITDAò, which is defined and calculated by the Company as earnings (loss) before interest, taxes, depreciation/amortization of property and equipment, intangible assets and right-of-use assets, share-based compensation expense and other costs or income that are: (i) non-operating; (ii) non-recurring; and/or (iii) related to strategic initiatives. 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. 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 earnings (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.

## 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, iLOOKABOUTôs Interim Financial Statements for the three and six months ended June 30, 2019 (the ñReporting Dateò), which can be found on SEDAR at www.sedar.com.

| | Three months ended[1] | | | | Year ended |
|---|---|---|---|---|---|
| **(In thousands of Canadian dollars, except per share amounts)** | **March 31** | **June 30** | **Sept 30** | **Dec 31** | **Dec 31** |
| **Fiscal 2019** | | | | | |
| Revenue | $ 2,634 | $ 2,512 | | | |
| Loss | (26) | (359) | | | |
| Comprehensive loss | (23) | (344) | | | |
| Earnings (loss) per share - basic | - | - | | | |
| Earnings (loss) per share - diluted | - | - | | | |
| Adjusted EBITDA, Unaudited[2] | $ 476 | $ 258 | | | |
| **Fiscal 2018[3]** | | | | | |
| Revenue | $ 2,392 | $ 2,323 | $ 2,226 | $ 2,271 | $ 9,212 |
| Earnings (loss) | 147 | (390) | (520) | 394 | (370) |
| Comprehensive income (loss) | 117 | (405) | (506) | 397 | (397) |
| Earnings (loss) per share - basic | - | - | (0.01) | - | - |
| Earnings (loss) per share - diluted | - | - | (0.01) | - | - |
| Adjusted EBITDA, Unaudited[2] | $ 326 | $ 225 | $ 171 | $ 351 | $ 1,073 |
| **Fiscal 2017[3]** | | | | | |
| Revenue | $ 1,974 | $ 2,424 | $ 2,432 | $ 2,337 | $ 9,167 |
| Earnings (loss) | (58) | (178) | 134 | (136) | (238) |
| Comprehensive income (loss) | (52) | (157) | 175 | (140) | (174) |
| Earnings (loss) per share - basic | - | - | - | - | - |
| Earnings (loss) per share - diluted | - | - | - | - | - |
| Adjusted EBITDA, Unaudited[2] | $ 82 | $ 276 | $ 271 | $ 505 | $ 1,135 |

[1] Quarterly results are Unaudited.
[2] Adjusted EBITDA is a non-GAAP measure and is defined herein.
[3] Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective method. Under this method, the comparative information is not restated. See ñChanges in Accounting Policiesò herein.

### *Adjusted EBITDA Reconciliation*

The following tables present reconciliations of Earnings (loss) to Adjusted EBITDA, for the periods presented.

| | Three months ended[1] | | | | Year ended |
|---|---|---|---|---|---|
| **(In thousands of Canadian dollars)** | **March 31** | **June 30** | **September 30** | **December 31** | **December 31** |
| **Fiscal 2019** | | | | | |
| Loss | $ (26) | $ (359) | | | |
| Add back (deduct): | | | | | |
| Amortization of property and equipment | 26 | 27 | | | |
| Amortization of intangible assets | 57 | 61 | | | |
| Amortization of right-of-use assets[3] | 45 | 46 | | | |
| Finance (income) costs | 10 | 10 | | | |
| Share-based compensation expense | 46 | 125 | | | |
| Costs or income related to non-operating items, non-recurring items and/or strategic initiatives[1] | 318 | 348 | | | |
| Adjusted EBITDA, Unaudited[2] | $ 476 | $ 258 | | | |
| **Fiscal 2018[3]** | | | | | |
| Earnings (loss) | $ 147 | $ (390) | $ (520) | $ 394 | $ (370) |
| Add back (deduct): | | | | | |
| Amortization of property and equipment | 22 | 24 | 26 | 31 | 103 |
| Amortization of intangible assets | 59 | 58 | 57 | 57 | 231 |
| Finance (income) costs | (15) | (15) | (15) | (11) | (56) |
| Share-based compensation expense | 15 | 174 | 129 | 93 | 410 |
| Costs or income related to non-operating items, non-recurring items and/or strategic initiatives[1] | 99 | 374 | 494 | (212) | 755 |
| Adjusted EBITDA, Unaudited[2] | $ 326 | $ 225 | $ 171 | $ 351 | $ 1,073 |
| **Fiscal 2017[3]** | | | | | |
| Earnings (loss) | $ (58) | $ (178) | $ 134 | $ (136) | $ (238) |
| Add back (deduct): | | | | | |
| Amortization of property and equipment | 35 | 28 | 28 | 16 | 108 |
| Amortization of intangible assets | 58 | 57 | 58 | 59 | 232 |
| Finance (income) costs | - | - | (11) | (14) | (24) |
| Share-based compensation expense | 47 | 134 | 47 | 153 | 380 |
| Costs or income related to non-operating items, non-recurring items and/or strategic initiatives[1] | - | 235 | 15 | 427 | 677 |
| Adjusted EBITDA, Unaudited[2] | $ 82 | $ 276 | $ 271 | $ 505 | $ 1,135 |

[1] Results are Unaudited.

[2] Adjusted EBITDA is a non-GAAP measure and is defined herein.

[3] Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective method. Under this method, the comparative information is not restated. See ñChanges in Accounting Policiesò herein.

## Discussion of Results of Operations

| (In thousands of Canadian dollars) | Unaudited Three months ended June 30, 2019 | Unaudited Three months ended June 30, 2018[1] | Unaudited Six months ended June 30, 2019 | Unaudited Six months ended June 30, 2018[1] |
|---|---|---|---|---|
| **Revenue** | **$ 2,512** | **$ 2,323** | **$ 5,145** | **$ 4,715** |
| Direct operating expenses | 783 | 718 | 1,492 | 1,465 |
| **Gross margin** | **1,729** | **1,605** | **3,653** | **3,250** |
| **Other operating expenses:** | | | | |
| Technology | 512 | 575 | 1,193 | 1,035 |
| Selling and business development | 239 | 255 | 436 | 465 |
| General and administration | 1,297 | 1,220 | 2,332 | 2,127 |
| | 2,048 | 2,050 | 3,961 | 3,627 |
| **Loss from operations** | **(319)** | **(445)** | **(308)** | **(377)** |
| Finance income (costs) | (10) | 15 | (20) | 30 |
| Foreign exchange gain (loss) | (30) | 40 | (57) | 103 |
| **Income (loss) for the period** | **$ (359)** | **$ (390)** | **$ (385)** | **$ (244)** |
| **Other comprehensive income (loss):** | | | | |
| ***Items that will not be reclassified to income (loss) for the period:*** | | | | |
| Change in fair value of investment | (26) | - | (54) | - |
| Foreign exchange gain (loss) on the translation of foreign operations | 41 | (15) | 74 | (45) |
| **Comprehensive loss for the period** | **$ (344)** | **$ (405)** | **$ (365)** | **$ (289)** |
| **Adjusted EBITDA, Unaudited[2]** | **$ 258** | **$ 225** | **$ 734** | **$ 551** |

[1] Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective method. Under this method, the comparative information is not restated. See ñChanges in Accounting Policiesò herein.

[2]Adjusted EBITDA is a non-GAAP measure and is defined herein.

### *Revenue*

Nature of Services and Geographic Information:

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

| (In thousands of Canadian dollars) | Unaudited Three months ended June 30, 2019 | Unaudited Three months ended June 30, 2018 | Unaudited Six months ended June 30, 2019 | Unaudited Six months ended June 30, 2018 |
|---|---|---|---|---|
| Visual and data services | $ 2,264 | $ 2,078 | $ 4,591 | $ 4,182 |
| Consulting services | 248 | 245 | 554 | 533 |
| Total | $ 2,512 | $ 2,323 | $ 5,145 | $ 4,715 |

Revenue increased to $2.51 million from $2.32 million for the three months ended June 30, 2019 and 2018, respectively. This increase was attributable to the following approximate increases in revenue:

- Software and proprietary image and data licensing revenue increase of $206 thousand, primarily attributable to the timing of delivery of US-based StreetScape imagery projects and an increase in RPTA licensing revenue;
- Third-party data licensing revenue increase of $18 thousand; and
- Consulting services revenue increase of $3 thousand.

The above-noted increases were offset to some extent by a decrease in managed services revenue of approximately $38 thousand.

Revenue increased to $5.15 million from $4.72 million for the six months ended June 30, 2019 and 2018, respectively. This increase was attributable to the following approximate increases in revenue:

- Software and proprietary image and data licensing increase of $491 thousand, primarily attributable to the timing of delivery of US-based StreetScape imagery projects, an increase in RPTA licensing revenue, an increase in data licensing to support a clientôs project, and the delivery of a custom development project;
- Consulting services revenue increase of $20 thousand; and
- Third-party data licensing revenue increase of $22 thousand.

The above-noted increases were offset to some extent by a decrease in managed services revenue of approximately $103 thousand, which primarily related to the timing of delivery of sub-contracted verification services with respect to a US-based contract and volume variances.

Significant Customers:

Customers representing more than 10% of revenue are classified as significant customers.

For the three months ended June 30, 2019, the Company had one significant customer; representing 53% of total revenue. For the three months ended June 30, 2018, the Company had one significant customer; representing 50% of total revenue.

For the six months ended June 30, 2019, the Company had two significant customers; one represented 52% and the other represented 10% of total revenue. For the six months ended June 30, 2018, the Company had one significant customer; representing 50% 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, human resource costs directly attributable to the generation of revenue and royalties and commissions.

Gross margin increased to $1.73 million from $1.61 million for the three months ended June 30, 2019 and 2018, respectively, primarily due to an increase of approximately $189 thousand in revenue for the three months ended June 30, 2019 as compared to the same period of the prior year. Gross margin as a percentage of revenue was 69% for both the three months ended June 30, 2019 and the same period of the prior year.

Gross margin increased to $3.65 million from $3.25 million for the six months ended June 30, 2019 and 2018, respectively, primarily due to an increase of approximately $430 thousand in revenue for the six months ended June 30, 2019 as compared to the same period of the prior year. Gross margin as a percentage of revenue was 71% for the six months ended June 30, 2019, as compared to 69% for the same period of the prior year.

***Comprehensive loss***

Comprehensive loss for the three months ended June 30, 2019 was $344 thousand, as compared to $405 thousand for the three months ended June 30, 2018. The decrease in comprehensive loss is primarily attributable to increased gross margin of approximately $124 thousand. Other significant variances for the comparative periods are noted below.

- Increase in human resource related costs, excluding share-based compensation expense, of approximately $139 thousand, primarily incurred to support new product development and strategic initiatives;
- Increase in legal and other professional fees of approximately $40 thousand;
- Decrease in share based compensation expense of approximately $49 thousand; and
- Various other fluctuations represented a net increase in expense of approximately $37 thousand.

In addition to the above noted variances, increases in expense were partially offset by scientific research and experimental development tax credits, recorded as an expense reduction, of approximately $106 thousand which were recognized in the second quarter of 2019, whereas such tax credits were recognized in the third quarter of the prior year.

Comprehensive loss for the six months ended June 30, 2019 was $365 thousand, as compared to $289 thousand for the six months ended June 30, 2018. While gross margin increased approximately $403 thousand, this increase was more than offset by the following increases in expenses:

- Increase in human resource related costs, excluding share-based compensation expense, of approximately $418 thousand, primarily incurred to support new product development and strategic initiatives;
- Increase in foreign exchange losses and decline in fair value of investment of approximately $96 thousand, attributable to the impact of fluctuating U.S. exchange on U.S. dollar denominated items and the translation of foreign operations;
- Increase in legal and other professional fees of approximately $57 thousand; and
- Various other fluctuations represented a net increase in expense of approximately $12 thousand.

In addition to the above noted variances, increases in expense were partially offset by scientific research and experimental development tax credits, recorded as an expense reduction, of approximately $106 thousand, which were recognized in the second quarter of 2019, whereas such tax credits were recognized in the third quarter of the prior year.

***Adjusted EBITDA***

| | Unaudited | | Unaudited | |
|---|---|---|---|---|
| | Three months ended | | Six months ended | |
| **(In thousands of Canadian dollars)** | **June 30, 2019** | **June 30, 2018[1]** | **June 30, 2019** | **June 30, 2018[1]** |
| **Income (loss) for the period** | **$ (359)** | **$ (390)** | **$ (385)** | **$ (244)** |
| Add back (deduct): | | | | |
| Amortization of property and equipment | 27 | 24 | 53 | 46 |
| Amortization of intangible assets | 61 | 58 | 118 | 117 |
| Amortization of right-of-use assets[1] | 46 | - | 91 | - |
| Finance (income) costs | 10 | (15) | 20 | (30) |
| Share-based compensation expense | 125 | 174 | 171 | 189 |
| Costs (income) related to non-operating items, non-recurring items and/or strategic initiatives | 348 | 374 | 666 | 473 |
| **Adjusted EBITDA, Unaudited[2]** | **$ 258** | **$ 225** | **$ 734** | **$ 551** |

[1] Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective method. Under this method, the comparative information is not restated. See ñChanges in Accounting Policiesò herein.

[2]Adjusted EBITDA is a non-GAAP measure and is defined herein.

Adjusted EBITDA increased to $258 thousand from $225 thousand for the three months ended June 30, 2019 and 2018, respectively. For the six months ended June 30, 2019, Adjusted EBITDA increased to $734 thousand, as compared to $551 thousand for the same period of the prior year.

Included in the calculation of Adjusted EBITDA for the three and six months ended June 30, 2019 are non-operating items, non-recurring items and/or costs to support strategic initiatives, totaling approximately $348 and $666 thousand, respectively. These adjustments included in the calculation of Adjusted EBITDA relate primarily to (i) legal and other professional fees; and (ii) human resource related costs. These costs were primarily incurred to support new product development and other corporate initiatives undertaken to position the Company for future growth, including the acquisition of Clarocity.

**Outstanding Share Data and Dividends**

As at June 30, 2019, iLOOKABOUT had:

- 85,651,784 Common Shares issued and outstanding;
- 4,397,124 Deferred Share Units convertible into an equal number of Common Shares;
- Warrants outstanding to purchase 1,000,000 Common Shares, exercisable at $0.40 per share; and
- Options outstanding to purchase 6,832,100 Common Shares, exercisable at prices ranging from $0.175 to $0.335 per share.

In July 2019, the Company issued common shares, common share purchase warrants and convertible debentures as consideration for the purchase of Clarocity (see section entitled *Significant Developments* above for further details).

In August 2019, the Company issued 50,000 stock options to an employee.

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.

| **(In thousands of Canadian dollars)** | | **June 30, 2019[1]** | | **December 31, 2018[2]** |
|---|---|---|---|---|
| **Working Capital (GAAP measure)** | $ | 4,991 | $ | 4,471 |
| Less: Prepaid expenses and other current assets | | (530) | | (373) |
| Less: Contract assets, current portion | | (113) | | (110) |
| Add: Unearned revenue, current portion | | 1,209 | | 2,198 |
| **Adjusted Working Capital (Non-GAAP measure)** | **$** | **5,557** | **$** | **6,186** |

[1] Quarterly results are Unaudited.

[2] Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective method. Under this method, the comparative information is not restated. See ñ*Changes in Accounting Policies*ò herein.

Changes in Adjusted Working Capital (in thousands of Canadian dollars) are presented in the table below.

| | | |
|---|---|---|
| As at December 31, 2018 | $ | 6,186 |
| *Increases (decreases):* | | |
| Cash | | (1,453) |
| Trade and other receivables | | 147 |
| Note receivable | | 1,056 |
| Accounts payable and accrued liabilities | | (215) |
| Current portion of lease obligations | | (169) |
| Current portion of long-term debt | | 5 |
| As at June 30, 2019 | **$** | **5,557** |

The most significant changes were as follows:

- A decrease in cash of approximately $1.45 million, which was primarily attributable to the increase in amounts advanced to a third party under a secured promissory note of approximately $1.06 million;
- Effective January 1, 2019, the Company adopted IFRS 16 - *Leases* using the modified retrospective method. Under this method, the comparative information is not restated, which resulted in the recognition of a current lease obligation of approximately $169 thousand as at June 30, 2019 as compared to a balance of nil as at December 31, 2018; and
- A net decrease of $68 thousand related to changes in trade and other receivables and accounts payable and accrued liabilities, primarily attributable to timing differences in collections and payments.

*Cash Flows*

Cash flows provided by and used in operating, financing and investing activities for the six months ended June 30, 2019 and 2018 are presented below.

| | | Unaudited | | |
|---|---|---|---|---|
| **(In thousands of Canadian dollars)** | | **Six months ended** | | |
| **Cash flow provided by (used in)** | | **June 30, 2019** | | **June 30, 2018[1]** |
| Operating activities | $ | (365) | $ | (144) |
| Financing activities | | 8 | | 216 |
| Investing activities | | (1,091) | | (167) |
| Effect of exchange rate fluctuations on cash | | (5) | | 82 |
| | **$** | **(1,453)** | **$** | **(13)** |

[1] Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective method. Under this method, the comparative information is not restated. See *"Changes in Accounting Policies"* herein.

The changes in cash sources and uses for the six months ended June 30, 2019 as compared to the same period in the prior year are explained below.

(i) The increase in cash used in operating activities is primarily attributable to increases in expenditures required to support strategic initiatives which commenced in the second quarter of 2018, and changes attributable to the timing of cash collections and payments related to accounts receivable and payable.

(ii) In the first and second quarters of 2019, cash used for financing activities, of approximately $80 thousand, primarily related to the repayment of lease obligations, with no comparative amount for the same period of the prior year, due to the adoption effective January 1, 2019, of IFRS 16 - *Leases* using the modified retrospective method. Under this method, the comparative information is not restated. In the first and second quarters of 2019, cash provided by financing activities of approximately $93 thousand was the result of proceeds received by the Company from the exercise of stock options by directors and officers of the Company. In the first and second quarters of 2018, cash provided by financing activities of approximately $222 thousand was the result of proceeds received by the Company from the exercise of warrants by the Chair and Chief Executive Officer of the Company.

(iii) The increase in cash used in investing activities is largely attributable to advances of approximately $1.06 million made by the Company Clarocity (see section entitled ñ*Significant Developments"* herein) under a secured promissory note.

The following are the carrying amounts and the remaining contractual cash outflows of financial liabilities and commitments at June 30, 2019.

| As at June 30, 2019 | Carrying Amounts | Contractual cash outflows | | | | |
|---|---|---|---|---|---|---|
| | | Total | within 1 year | 1 - 2 years | 2 - 5 years | More than 5 years |
| Accounts payable and accrued liabilities | $ 1,199 | $ 1,199 | $ 1,199 | $ - | $ - | $ - |
| Debt financing of vehicles | 1 | 1 | 1 | - | - | - |
| Lease commitments[1] | 1,123 | 1,445 | 256 | 249 | 635 | 305 |
| Purchase commitments | - | 4,587 | 371 | 311 | 907 | 2,998 |
| | $ 2,323 | $ 7,232 | $ 1,827 | $ 560 | $ 1,542 | $ 3,303 |

[1] Contractual cash flows in relation to leases are undiscounted, include non-lease components (i.e. common area maintenance expenses) and include periods covered by an option to extend if the Company is reasonably certain to exercise that option.

The purchase commitments included in the table above are comprised primarily of annual, fixed-base fees under a consulting agreement with Yeoman & Company Paralegal Professional Corporation, disclosed in the section below entitled *"Transactions with Related Parties"*. Committed payments for the period of April 2019 to December 2034 total $4.45 million.

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 Companyôs 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 Companyôs planned future image capture activities and the age of existing equipment. The Company expects that capital expenditures required in the remainder of 2019 will be approximately $150 thousand.

**Transactions with Related Parties**

*Consulting services:*

To provide for ongoing support and development of certain software purchased from Yeoman & Company Paralegal Professional Corporation (ñYCPò), the Company entered into a consulting agreement with YCP (the ñConsulting Agreementò) that expires in December 2034. The Consulting Agreement provides for an annual fee of $265 thousand, with annual increases in line with any increases in the Consumer Price Index, plus 15% of consideration received by the Company from end customers (the ñYCP Feesò) for use of this software. For the three and six months ended June 30, 2019, the Company paid $92 thousand and $230 thousand, respectively (three and six months ended June 30, 2018 ï $66 thousand and $205 thousand, respectively) to YCP under the Consulting Agreement, which was included in direct operating expense and technology expense. Two of the principals of YCP are the sons of the Chair and Chief Executive Officer of the Company.

*Real Property Rental:*

One of the premises occupied by the Company is rented on a month to month basis from a related company owned, in part, by a director of the Company. For the three and six months ended June 30, 2019, the Company paid rent to the related company of $3 thousand and $6 thousand, respectively (three and six months ended June 30, 2018 - $3 thousand and $6 thousand, respectively), 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 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 provide, among other things, that all economic benefit or loss resulting from the entity will be received or borne by the Company.

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.

**Off-Balance Sheet Arrangements**

As at June 30, 2019, 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**

iLOOKABOUTôs financial instruments consist of cash, trade and other receivables, note receivable, investment, accounts payable and accrued liabilities, lease obligations and long-term debt. Management does not believe that these financial instruments expose iLOOKABOUT to any significant interest, currency or credit risks.

**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 ñmayò, ñwillò, ñexpectò, ñintendò, ñanticipateò, ñplanò, ñforeseeò, ñbelieveò or ñcontinueò or the negatives of these terms or variations of them or similar terminology. Forward-looking statements are based on Managementôs expectations as at the date of this MD&A and are subject to various known and unknown risks and uncertainties that may cause the Companyôs 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 Companyôs 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 Companyôs 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 Companyôs 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 Companyôs 2018 Annual Consolidated Financial Statements and Annual Information Form for the year ended December 31, 2018, can be found on SEDAR at www.sedar.com.