

iLOOKABOUT Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the three months ended March 31, 2019 (the "Period")

The information set forth below has been prepared as at May 28, 2019, and is derived from, and should be read in conjunction with, iLOOKABOUT Corp.'s (the "iLOOKABOUT" or the "Company") unaudited condensed interim consolidated financial statements for the three months ended March 31, 2019 (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 (the "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 (the "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 (the "IAS 34") using accounting policies consistent with International Financial Reporting Standards (the "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 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 "Changes in Accounting Policies" 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 (the "US"). The Company's primary offerings are noted below.

GeoViewPort™ and StreetScape™

GeoViewPort (the "GVP") 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 iLOOKABOUT's StreetScape 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 (the "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 customer's 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 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. These services are now provided exclusively through MTAG Paralegal Professional Corporation, an entity indirectly controlled by the Company.

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.

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

Significant developments

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

Significant developments subsequent to the first quarter include:

- In April 2019, the Company announced the termination of the non-binding term sheet with Clarocity Corporation (‘‘Clarocity’’) and StableView Asset Management Inc. (‘‘StableView’’), which was entered in November 2018. In April 2019, StableView, as the principal holder of debentures and the lender representative under the several trust indentures, announced its intent to begin enforcement proceedings of its debentures to enforce the security underlying the operating assets of Clarocity. As a result, iLOOKABOUT and StableView signed a letter agreement for the acquisition by iLOOKABOUT of Clarocity’s operating assets which include Clarocity Inc., Valuation Vision Inc. and Clarocity Valuation Services, LLC businesses. The security documents supporting the loan that iLOOKABOUT agreed to advance to Clarocity in November 2018 remain in effect and will provide for security in excess of the originally expected advance amounts. Subsequent to March 31, 2019, the Company advanced a further \$25 CAD and \$200 USD to Clarocity.
- In May 2019, the Company became listed on the US OTCQB, trading under the symbol ILATF.

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 – 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 Company’s 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 Company’s 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 Company's 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 not to recognize 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 Company's operating lease obligations at December 31, 2018, as previously disclosed in the Company's 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.

Accounting Pronouncements Not Yet Adopted

The IASB has not issued any new standards or amendments to existing standards that were not yet effective at March 31, 2019, and that could have a material impact on future periods.

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 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, iLOOKABOUT's Interim Financial Statements for the three months ended March 31, 2019 (the "Reporting Date"), which can be found on SEDAR at www.sedar.com.

(In thousands of Canadian dollars, except per share amounts)	Three months ended ¹				Year ended
	March 31	June 30	Sept 30	Dec 31	Dec 31
Fiscal 2019					
Revenue	\$ 2,634				
Earnings (loss)	(26)				
Comprehensive income (loss)	(23)				
Earnings (loss) per share - basic	-				
Earnings (loss) per share - diluted	-				
Adjusted EBITDA, Unaudited ²	\$ 476				
Fiscal 2018³					
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 2017³					
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 "Changes in Accounting Policies" herein.

Adjusted EBITDA Reconciliation

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

(In thousands of Canadian dollars)	Three months ended ¹				Year ended
	March 31	June 30	September 30	December 31	December 31
Fiscal 2019					
Earnings (loss)	\$ (26)				
Add back (deduct):					
Amortization of property and equipment	26				
Amortization of intangible assets	57				
Amortization of right-of-use assets ¹	45				
Finance (income) costs	10				
Share-based compensation expense	46				
Costs or income related to non-operating items, non-recurring items and/or strategic initiatives	318				
Adjusted EBITDA, Unaudited ²	\$ 476				
Fiscal 2018³					
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	99	374	494	(212)	755
Adjusted EBITDA, Unaudited ²	\$ 326	\$ 225	\$ 171	\$ 351	\$ 1,073
Fiscal 2017³					
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	-	235	15	427	677
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 "Changes in Accounting Policies" herein.

Discussion of Results of Operations

(In thousands of Canadian dollars)	Unaudited			
	Three months ended			
	March 31, 2019		March 31, 2018 ¹	
Revenue	\$	2,634	\$	2,392
Direct operating expenses		709		747
Gross margin		1,925		1,645
Other operating expenses:				
Technology		681		459
Selling and business development		198		210
General and administration		1,036		907
		1,915		1,576
Income from operations		10		68
Finance income (costs)		(10)		15
Foreign exchange gain (loss)		(26)		64
Income (loss) for the period	\$	(26)	\$	147
Other comprehensive income (loss):				
<i>Items that will not be reclassified to income (loss) for the period:</i>				
Change in fair value of investment		(29)		-
Foreign exchange gain (loss) on the translation of foreign operations		32		(30)
Comprehensive income (loss) for the period	\$	(23)	\$	117
Adjusted EBITDA, Unaudited²	\$	476	\$	326

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.

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 "Company Overview" section above for further details.

(In thousands of Canadian dollars)	Unaudited			
	Three months ended			
	March 31, 2019		March 31, 2018	
Canada	\$	2,169	\$	1,886
United States		465		506
Total	\$	2,634	\$	2,392

Revenue increased to \$2.63 million from \$2.39 million for the three months ended March 31, 2019 and 2018, respectively. This increase was attributable the following approximate increases in revenue:

- Software and proprietary image and data licensing increase of \$285 thousand, primarily attributable to a non-recurring increase in data licensing and the delivery of a custom development project;
- Consulting services revenue increase of \$17 thousand; and
- Third-party data licensing revenue increase of \$5 thousand.

The above-noted increases were offset to some extent by a decrease in managed services revenue of approximately \$65 thousand.

The Company's US-based revenue decreased to \$465 thousand from \$506 thousand for the three months ended March 31, 2019 and 2018, respectively. This decrease is primarily due to the timing of delivery of performance obligations.

Significant Customers:

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

For the three months ended March 31, 2019, the Company had two significant customers; one represented 52% of total revenue and the other represented 11% of total revenue. For the three months ended March 31, 2018, the Company had one significant customer who represented 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 \$1.93 million from \$1.65 million for the three months ended March 31, 2019 and 2018, respectively, primarily due to an increase of approximately \$242 thousand in revenue for the three months ended March 31, 2019 as compared to the same period of the prior year. Gross margin as a percentage of revenue was 73% for the three months ended March 31, 2019, as compared to 69% for the same period of the prior year.

Comprehensive loss

Comprehensive loss for the three months ended March 31, 2019 was \$23 thousand, as compared to comprehensive income of \$117 thousand for the three months ended March 31, 2018. While revenue increased approximately \$242 thousand, this increase was more than offset by the following increases in expenses:

- Increase in human resource related costs, including share based compensation expense, of approximately \$324 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 \$57 thousand, attributable to the impact of fluctuating U.S. exchange on U.S. dollar denominated items and the translation of foreign operations; and
- Increase in legal and other professional fees of approximately \$24 thousand.

The above-noted increases in expenses were offset by various other fluctuations totaling a net decrease in such expenditures of approximately \$23 thousand.

Adjusted EBITDA

(In thousands of Canadian dollars)	Unaudited	
	Three months ended	
	March 31, 2019	March 31, 2018 ¹
Income (loss) for the period	\$ (26)	\$ 147
Add back (deduct):		
Amortization of property and equipment	26	22
Amortization of intangible assets	57	59
Amortization of right-of-use assets ¹	45	-
Finance (income) costs	10	(15)
Share-based compensation expense	46	15
Costs (income) related to non-operating items, non-recurring items and/or strategic initiatives	318	99
Adjusted EBITDA, Unaudited²	\$ 476	\$ 326

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.

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

Adjusted EBITDA increased to \$476 thousand from \$326 thousand for the three months ended March 31, 2019 and 2018, respectively.

Included in the calculation of Adjusted EBITDA for the three months ended March 31, 2019 are non-operating items, non-recurring items and/or costs to support strategic initiatives, totaling approximately \$318 thousand. These adjustments included in the calculation of Adjusted EBITDA relate primarily to human resource related costs incurred to support development of the ReBloc Platform described above, and other corporate initiatives undertaken to position the Company for future growth.

Included in the calculation of Adjusted EBITDA for the three months ended March 31, 2018 are non-operating items, non-recurring items and/or costs to support strategic initiatives, totaling approximately \$99 thousand. These adjustments included in the calculation of Adjusted EBITDA relate primarily to costs to support corporate initiatives initiated early in 2018.

Outstanding Share Data and Dividends

As at March 31, 2019, iLOOKABOUT had:

- 85,011,784 Common Shares issued and outstanding;
- 3,883,237 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 7,812,725 Common Shares, exercisable at prices ranging from \$0.145 to \$0.335 per share.

There were no share-related events subsequent to March 31, 2019.

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)	March 31, 2018¹	December 31, 2018²
Working Capital (GAAP measure)	\$ 4,609	\$ 4,471
Less: Prepaid expenses and other current assets	(556)	(373)
Less: Contract assets, current portion	(98)	(110)
Add: Unearned revenue, current portion	1,845	2,198
Adjusted Working Capital (Non-GAAP measure)	\$ 5,800	\$ 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 “Changes in Accounting Policies” herein.

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

As at December 31, 2018	\$ 6,186
<i>Increases (decreases):</i>	
Cash	(960)
Trade and other receivables	185
Note receivable	760
Accounts payable and accrued liabilities	(207)
Current portion of lease obligations	(167)
Current portion of long-term debt	3
As at March 31, 2019	\$ 5,800

The most significant changes were as follows:

- A decrease in cash of approximately \$960 thousand, which was primarily attributable to the increase in amounts advanced under the note receivable of approximately \$760 thousand;
- 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 \$167 thousand as at March 31, 2019 as compared to a balance of nil as at December 31, 2018; and
- A net decrease of \$22 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 three months ended March 31, 2019 and 2018 are presented below.

(In thousands of Canadian dollars)	Unaudited			
	Three months ended			
	March 31, 2019		March 31, 2018 ¹	
Cash flow provided by (used in)				
Operating activities	\$	(146)	\$	264
Financing activities		(42)		219
Investing activities		(773)		(116)
Effect of exchange rate fluctuations on cash		1		40
	\$	(960)	\$	407

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 three months ended March 31, 2019 as compared to the same period in the prior year are explained below.

- (i) The change from cash provided by operating activities to cash used in operations 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 quarter of 2019, cash used for financing activities 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 quarter of 2018, cash provided by financing activities was the result of proceeds received by the Company from the exercise of warrants.
- (iii) The increase in cash used in investing activities is largely attributable to advances made by the Company to a third party under a secured promissory note.

The following are the carrying amounts and the remaining contractual cash outflows of financial liabilities and commitments at March 31, 2019.

As at March 31, 2019	Carrying Amounts	Contractual cash outflows (In thousands of Canadian dollars)				
		Total	within 1 year	1 - 2 years	2 - 5 years	More than 5 years
Accounts payable and accrued liabilities	\$ 1,192	\$ 1,192	\$ 1,192	\$ -	\$ -	\$ -
Debt financing of vehicles	3	3	3	-	-	-
Lease commitments ¹	1,164	1,509	255	249	658	347
Purchase commitments	-	4,698	411	311	907	3,069
	\$ 2,359	\$ 7,402	\$ 1,861	\$ 560	\$ 1,565	\$ 3,416

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, base-fixed 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 \$4.5 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 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 2019 will be approximately \$300 thousand.

Transactions with Related Parties

Consulting services:

To provide for ongoing support and development of certain software purchased from Yeoman & Company Paralegal Professional Corporation (the “YCP”), the Company entered into a consulting agreement with YCP (the “Consulting Agreement”) 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 “YCP Fees”) for use of this software. For the three months ended March 31, 2019, the Company paid \$138 thousand (three months ended March 31, 2018 - \$138 thousand) 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 months ended March 31, 2019, the Company paid rent to the related company of \$3 thousand (three months ended March 31, 2018 - \$3 thousand), 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 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 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 March 31, 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

iLOOKABOUT’s 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 "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 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.