

iLOOKABOUT Corp.

Management's Discussion and Analysis of Financial Condition and Results of Operations for the six months ended June 30, 2020 (the "Period")

The information set forth below has been prepared as at August 25, 2020, and is derived from, and should be read in conjunction with, iLOOKABOUT Corp.'s (ILA or the Company) unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2020 (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 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 2019 audited annual consolidated financial statements prepared in accordance with IFRS, which can be found on SEDAR at www.sedar.com. 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

ILA is a transformational data analytics organization that provides transparency to the valuation of real estate assets.

ILA licenses software and data, and provides technology managed services to the real estate industry, serving primarily the property lending and property tax sectors, both public and private, in the United States (US) and Canada.

The Company's primary offerings are noted below.

Software and Data Licenses:

FusionOMS

Fusion OMS is a web-based platform that enables collaborative next-generation real property valuation solutions to enterprises by leveraging a US nationwide repository of public record and multiple listing service data and providing high velocity automated workflows and interactive reporting.

FusionOMS was developed by Clarocity Inc. and its subsidiaries (collectively, Clarocity Group), which were acquired by ILA in July 2019.

GeoViewPort™

GeoViewPortTM (GVP) is a web-based platform that empowers the real property assessment industry with a leading-edge desktop review tool. GVP enables assessment professionals to simultaneously generate customized portals to view multiple elements related to a property, including street level imagery, aerial imagery, advanced mapping tools, property valuation details, comparable property analysis, and structural characteristics, amongst others. GVP's architecture has been built to support a full suite of add-on tools and services, including workflow management and mobile functionality.

Real Property Tax Analytics

Real Property Tax Analytics (RPTA) is a web-based platform that analyzes property assessments by leveraging real property data to deliver insightful comparable modeling and predictive valuations using proprietary algorithms. Integration with ILA's Appeals Management module, which assists public entities in the management of property assessment appeals, has been completed and is now being offered as an additional application available for licensing on the RPTA platform.

Other Software 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 property tax assessment and appraisal process, including property assessors/appraisers, taxpayers and other public stakeholders.

Data Commercialization

ILA has developed products and services for clients looking to commercialize their 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.

Technology Managed Services:

Valuation Management Solutions

The Company provides real estate valuation solutions by leveraging its proprietary technology, FusionOMS, to deliver full-spectrum appraisal and broker price opinion services. This offering commenced upon ILA's acquisition of Clarocity Group in July 2019.

Property Tax Solutions

The Company provides property tax solutions utilizing the RPTA platform, including the Appeals Management module, to support clients that require a facilitated experience with the Company's technology, and support services focused on the real property assessment sector.

Other Services

The Company also provides services to clients seeking to outsource real property related services to benefit from the efficiencies the Company can provide using its proprietary technology.

ILA'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 in the second quarter of 2020:

- In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and US governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and have resulted in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable.

The COVID-19 pandemic has had a significant negative impact on the Company's revenue in the second quarter of 2020, which was anticipated to be greater than actual results. Specifically, the current US moratorium on certain foreclosures, currently expected to be imposed until August 31, 2020, has negatively impacted the Company as a significant portion of the Company's US-based revenue is derived from the facilitation of real property valuations related to properties in default. General economic uncertainty due to the pandemic has also negatively impacted previously expected growth stemming from new initiatives.

The most significant impact to the Company's Canadian-based revenue has been requests from clients for the deferral of payment for services, moderate transactional revenue decreases and delays of new initiatives that would otherwise have progressed at a more rapid pace.

- In the second quarter of 2020, as a result of the COVID-19 pandemic, the Company received funding of \$253 under the Canada Emergency Wage Subsidy (CEWS) program, and \$488 USD under the U.S. based Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security Act (the CARES Act). See the *Liquidity and Capital Resources* section below for further detail.

Significant developments subsequent to the second quarter of 2020:

- The Company has obtained a Term Sheet and is currently negotiating with the Company's bank to obtain additional financing and to renegotiate the financial covenants of the Company's current term loan.

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) 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"*.
- (b) 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, foreign exchange gains (losses) recorded through profit and loss, 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.

Prior to the fourth quarter of 2019, foreign exchange gains (losses) recorded through profit and loss were not included in the Company's definition of Adjusted EBITDA.

The table below presents Adjusted EBITDA as calculated under the prior definition and as calculated under the revised definition adopted in the fourth quarter of 2019.

	Three months ended ¹				Year ended Dec 31
	March 31	June 30	Sept 30	Dec 31	
Fiscal 2019					
Adjusted EBITDA ² , as previously defined	\$ 476	\$ 258	\$ 143	\$ (872)	\$ 5
Adjusted EBITDA ² , under revised	\$ 502	\$ 289	\$ (52)	\$ (641)	\$ 98
Fiscal 2018³					
Adjusted EBITDA ² , as previously defined	\$ 326	\$ 225	\$ 171	\$ 351	\$ 1,073
Adjusted EBITDA ² , under revised	\$ 263	\$ 185	\$ 209	\$ 302	\$ 959

¹ Results are Unaudited.

² Adjusted EBITDA is a non-GAAP measure and is defined above in *"Use of Non-GAAP Financial Measures"*.

³ Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective method. Under this method, the comparative information is not restated.

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, ILA's Interim Financial Statements for the six months ended June 30, 2020 (the "Reporting Date"), which can be found on SEDAR at www.sedar.com.

(In thousands of Canadian dollars, except per share amounts)	March 31	Three months ended ¹			Year ended Dec 31
		June 30	Sept 30	Dec 31	
Fiscal 2020					
Revenue	\$ 5,111	\$ 4,498			
Loss	(261)	(2,004)			
Comprehensive loss	(221)	(1,997)			
Loss per share - basic and diluted	(0.00)	(0.02)			
Adjusted EBITDA, Unaudited ²	\$ (665)	\$ (683)			
Fiscal 2019					
Revenue	\$ 2,634	\$ 2,512	\$ 4,810	\$ 4,978	\$ 14,934
Loss	(26)	(359)	(799)	(699)	(1,883)
Comprehensive loss	(23)	(344)	(164)	(638)	(1,169)
Loss per share - basic and diluted	-	-	(0.01)	(0.01)	(0.02)
Adjusted EBITDA, Unaudited ²	\$ 502	\$ 289	\$ (52)	\$ (641)	\$ 98
Fiscal 2018³					
Revenue	\$ 2,392	\$ 2,323	\$ 2,226	\$ 2,271	\$ 9,212
Earnings (loss)	147	(390)	(521)	394	(370)
Comprehensive income (loss)	117	(405)	(506)	397	(397)
Loss per share - basic and diluted	-	-	(0.01)	-	-
Adjusted EBITDA, Unaudited ²	\$ 263	\$ 185	\$ 209	\$ 302	\$ 959

¹ Results are Unaudited.

² Adjusted EBITDA is a non-GAAP measure and is defined above in "Use of Non-GAAP Financial Measures".

³ Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective method. Under this method, the comparative information is not restated.

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 December 31
	March 31	June 30	September 30	December 31	
Fiscal 2020					
Loss	\$ (261)	\$ (2,004)			
Add back (deduct):					
Amortization of property and equipment	45	33			
Amortization of intangible assets	450	464			
Amortization of right-of-use assets	93	95			
Gain on derivative asset	-	(166)			
Finance costs, net	285	288			
Income tax expense (recovery)	(25)	200			
Share-based compensation expense	17	13			
Foreign exchange loss (gain) through profit and loss	(1,389)	590			
Costs (income) related to non-operating items, non-recurring items and/or strategic initiatives ¹	120	(196)			
Adjusted EBITDA, Unaudited ²	\$ (665)	\$ (683)			
Fiscal 2019					
Loss	\$ (26)	\$ (359)	\$ (799)	\$ (699)	\$ (1,883)
Add back (deduct):					
Amortization of property and equipment	26	27	47	52	152
Amortization of intangible assets	57	61	436	372	926
Amortization of right-of-use assets	45	47	95	49	235
Loss (gain) on derivative asset	-	-	(213)	213	-
Finance costs, net	10	10	134	218	372
Income tax recovery	-	-	-	(645)	(645)
Share-based compensation expense	46	125	20	118	309
Foreign exchange loss (gain) through profit and loss	26	31	(195)	232	93
Costs (income) related to non-operating items, non-recurring items and/or strategic initiatives ¹	317	348	422	(550)	538
Adjusted EBITDA, Unaudited ²	\$ 502	\$ 289	\$ (52)	\$ (641)	\$ 98
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	(15)	(15)	(15)	(11)	(56)
Share-based compensation expense	15	174	129	93	410
Foreign exchange loss (gain) through profit and loss	(63)	(40)	38	(49)	(114)
Costs (income) related to non-operating items, non-recurring items and/or strategic initiatives ¹	99	374	494	(212)	755
Adjusted EBITDA, Unaudited ²	\$ 263	\$ 185	\$ 209	\$ 302	\$ 959

¹ Results are Unaudited.

² Adjusted EBITDA is a non-GAAP measure and is defined above in “Use of Non-GAAP Financial Measures”.

³ Effective January 1, 2019, the Company adopted IFRS 16 using the modified retrospective method. Under this method, the comparative information is not restated.

Discussion of Results of Operations

(In thousands of Canadian dollars)	Unaudited		Unaudited	
	Three months ended		Six months ended	
	June 30, 2020	June 30, 2019	June 30, 2020	June 30, 2019
Revenue	\$ 4,498	\$ 2,512	\$ 9,608	\$ 5,145
Direct operating expenses	2,413	783	5,100	1,492
Gross margin	2,085	1,729	4,508	3,653
Other operating expenses:				
Technology and operations	1,435	512	2,933	1,193
Selling and business development	350	239	856	436
General and administration	1,644	1,297	3,454	2,332
	3,429	2,048	7,243	3,961
Loss from operations	(1,344)	(319)	(2,735)	(308)
Other income	253	-	253	-
Change in fair value of financial derivative	166	-	166	-
Finance costs, net	(289)	(10)	(573)	(20)
Foreign exchange gain (loss)	(590)	(30)	799	(57)
Loss before income tax expense	\$ (1,804)	\$ (359)	\$ (2,090)	\$ (385)
Income tax expense	(200)	-	(175)	-
Loss for the period	\$ (2,004)	\$ (359)	\$ (2,265)	\$ (385)
Other comprehensive income (loss):				
<i>Items that will not be reclassified to income (loss) for the period:</i>				
Change in fair value of investment	(69)	(26)	91	(54)
Foreign exchange gain (loss) on the translation of foreign operations	76	41	(44)	74
Comprehensive loss for the period	\$ (1,997)	\$ (344)	\$ (2,218)	\$ (365)
Adjusted EBITDA, Unaudited¹	\$ (683)	\$ 289	\$ (1,348)	\$ 791

¹ Adjusted EBITDA is an unaudited non-GAAP measure and is defined above in “Use of Non-GAAP Financial Measures”.

Revenue

Nature of Services and Geographic Information:

The Company generates revenue from the provision of software and data licenses and technology-managed services in the US and Canada.

(In thousands of Canadian dollars)	Three months ended			Three months ended		
	June 30, 2020			June 30, 2019		
	United States	Canada	Total	United States	Canada	Total
Software and data licenses	\$ 318	\$ 1,538	\$ 1,856	\$ 407	\$ 1,708	\$ 2,115
Technology managed services	2,332	310	2,642	100	297	397
Total	\$ 2,650	\$ 1,848	\$ 4,498	\$ 507	\$ 2,005	\$ 2,512

	Six months ended			Six months ended		
	June 30, 2020			June 30, 2019		
	United States	Canada	Total	United States	Canada	Total
Software and data licenses	\$ 696	\$ 3,148	\$ 3,844	\$ 768	\$ 3,528	\$ 4,296
Technology managed services	5,038	726	5,764	203	646	849
Total	\$ 5,734	\$ 3,874	\$ 9,608	\$ 971	\$ 4,174	\$ 5,145

Revenue increased to \$4,498 from \$2,512 for the three months ended June 30, 2020 and 2019, respectively. For the six months ended June 30, 2020 and 2019, revenue increased to \$9,608 from \$5,145, respectively. These increases are primarily attributable to an increase in US-based technology managed services, which is composed primarily of valuation management solutions provided by Clarocity Group, which was acquired by the Company in July 2019.

The COVID-19 pandemic has had a significant negative impact on the Company's revenue in the second quarter of 2020, which was anticipated to be greater than actual results. Specifically, the current US moratorium on certain foreclosures, currently expected to be imposed until August 31, 2020, has negatively impacted the Company as a significant portion of the Company's US-based revenue is derived from the facilitation of real property valuations related to properties in default. General economic uncertainty due to the pandemic has also negatively impacted previously expected growth stemming from new initiatives.

Significant Customers:

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

For the three months ended June 30, 2020, the Company had two significant customers; one represented 27% of total revenue and the other represented 14% of total revenue. For the three months ended June 30, 2019, the company had one significant customer, representing 53% of total revenue.

For the six months ended June 30, 2020, the Company had two significant customers; one represented 26% of total revenue and the other represented 13% of total revenue. For the six months ended June 30, 2019, the Company had two significant customers; one represented 52% of total revenue and the other represented 10% of total revenue.

Gross margin

Direct operating expenses included in the calculation of gross margin primarily include fees for subcontracted services to generate revenue, third-party data licensing fees, image capture and processing costs, and human resource costs, including commissions, which are directly attributable to specific sales.

Gross margin increased to \$2,085 from \$1,729 for the three months ended June 30, 2020 and 2019, respectively. For the six months ended June 30, 2020 and 2019, gross margin increased to \$4,508 from \$3,653, respectively. These increases are primarily attributable to the increase in revenue noted in the "Revenue" section above, offset to some extent by increases in direct operating expenses required to support the related revenue.

Comprehensive loss

Comprehensive loss increased to \$1,997 from \$344 for the three months ended June 30, 2020 and 2019, respectively. The increase in comprehensive loss of approximately \$1,653 is attributable to the changes noted below:

- Increase in human resource related costs of approximately \$735 attributable primarily to (i) the acquisition of Clarocity Group in July 2019, of which the most significant operating expenses are human resource related, and (ii) additional human resources to support new product development and strategic initiatives. The increase in human resource related costs has been mitigated to some extent by the implementation of temporary wage reductions in response to the COVID-19 pandemic;
- Fluctuating exchange on U.S. dollar denominated items and the translation of foreign operations generated a foreign exchange loss of approximately \$514 versus a foreign exchange gain of approximately \$11 for the three months ended June 30, 2020 and 2019, respectively, resulting in a net change of \$525;
- Increase in amortization expense of approximately \$459, primarily attributable to the commencement of amortization of intangible assets recorded upon the acquisition of Clarocity Group;
- Increase in finance costs of approximately \$278 attributable primarily to (i) accretion of the equity discount with respect to the Convertible Debentures issued in connection with the acquisition of Clarocity Group, (ii) interest on the Term Facility obtained in October 2019, and (iii) amortization of debt issuance costs with respect to the Convertible Debentures and Term Facility;
- Increase in licensing fees not included in cost of sales of approximately \$280 related primarily to data, software and regulatory compliance fees required by Clarocity Group for the delivery of services;
- Increase in income tax expense of approximately \$200 related to change in deferred tax liability which is estimated on an entity by entity basis;
- Increase in bad debt expense of \$65 based on Management's assessment of expected credit losses primarily with respect to one client; and
- Various other fluctuations represented a net increase in operating expense of approximately \$95.

The above-noted increases in expenses were reduced to some extent by the changes noted below:

- Increase in gross margin of approximately \$356 for the reasons noted in the "*Gross Margin*" section above;
- Decrease in insurance and professional fees of approximately \$171 primarily attributable to (i) significant legal and other professional fees were incurred in the second quarter of 2019 with respect to the acquisition of Clarocity Group, which was completed in July 2019; and (ii) a reduction of expenditures related to strategic initiatives and investor relations to preserve funds in response to the COVID-19 pandemic. These decreases were offset to some extent by an increase in the Company's audit fees;
- Increase in government assistance and tax credits of approximately \$253 related to the CEWS program, but offset by approximately \$87 related to timing of the receipt of Scientific Research and Experimental Development tax credits, providing a net increase of \$166;
- Increase in the change in fair value of a financial derivative related to the Convertible Debentures of \$166, which change was driven primarily by changes in interest rates and the Company's share price; and
- Decrease in travel and promotional expenses of approximately \$125 primarily attributable to the travel restrictions imposed due to the COVID-19 pandemic.

Comprehensive loss increased to \$2,218 from \$365 for the six months ended June 30, 2020 and 2019, respectively. The increase in comprehensive loss of approximately \$1,853 is attributable to the changes noted below:

- Increase in human resource related costs of approximately \$1,712 attributable primarily to (i) the acquisition of Clarocity Group in July 2019, of which the most significant operating expenses are human resource related, and (ii) increased human resource related costs to support new product development and strategic initiatives. The increase in human resource related costs has been mitigated to some extent by the implementation of temporary wage reductions in response to the COVID-19 pandemic;
- Increase in amortization expense of approximately \$918 primarily attributable to the commencement of amortization of intangible assets recorded upon the acquisition of Clarocity Group;

- Increase in finance costs of approximately \$553 attributable primarily to (i) accretion of the equity discount with respect to the Convertible Debentures issued in connection with the acquisition of Clarocity Group, (ii) interest on the Term Facility obtained in October 2019, and (iii) amortization of debt issuance costs with respect to the Convertible Debentures and Term Facility;
- Increase in licensing fees not included in cost of sales of approximately \$516 related primarily to data, software and regulatory compliance fees required by Clarocity Group for the delivery of services;
- Increase in income tax expense of approximately \$175 related to change in deferred tax liability which is estimated on an entity by entity basis;
- Increase in bad debt expense of \$90 based on Management's assessment of expected credit losses primarily with respect to one client; and
- Various other fluctuations represented a net increase in operating expense of approximately \$142.

The above noted increases in expenses were reduced to some extent by the changes noted below:

- Increase in gross margin of approximately \$855 for the reasons noted in the “*Gross Margin*” section above;
- Fluctuating exchange on U.S. dollar denominated items and the translation of foreign operations generated an increase in foreign exchange gain of approximately \$738;
- Decrease in insurance and professional fees of approximately \$182 primarily attributable to (i) significant legal and other professional fees were incurred in the first and second quarters of 2019 with respect to the acquisition of Clarocity Group, which was completed in July 2019; and (ii) a reduction of expenditures related to strategic initiatives and investor relations to preserve funds in response to the COVID-19 pandemic. These decreases were offset to some extent by an increase in the Company's audit fees;
- Increase in government assistance and tax credits of approximately \$253 related to the CEWS program, but offset by approximately \$87 related to timing of the receipt of Scientific Research and Experimental development tax credits, providing a net increase of \$166;
- Increase in the change in fair value of a financial derivative related to the Convertible Debentures of \$166, which change was driven primarily by changes in interest rates and the Company's share price; and
- Change in fair value of a US-dollar denominated investment of approximately \$146 related to changes in foreign exchange rates.

Adjusted EBITDA

(In thousands of Canadian dollars)	Unaudited		Unaudited	
	Three months ended		Six months ended	
	June 30, 2020 ¹	June 30, 2019 ¹	June 30, 2020 ¹	June 30, 2019 ¹
Loss for the period	\$ (2,004)	\$ (359)	\$ (2,265)	\$ (385)
Add back (deduct):				
Amortization of property and equipment	33	27	78	53
Amortization of intangible assets	464	61	914	118
Amortization of right-of-use assets	95	47	188	92
Change in fair value of financial derivative	(166)	-	(166)	-
Finance costs, net	288	10	573	20
Income tax expense	200	-	175	-
Share-based compensation expense	13	125	30	171
Foreign exchange loss (gain) through profit and loss	590	31	(799)	58
Costs (income) related to non-operating items, non-recurring items and/or strategic initiatives	(196)	348	(76)	665
Adjusted EBITDA, Unaudited²	\$ (683)	\$ 289	\$ (1,348)	\$ 791

¹ Results are Unaudited.

² Adjusted EBITDA is a non-GAAP measure and is defined above in “*Use of Non-GAAP Financial Measures*”.

Adjusted EBITDA decreased to (\$683) from \$289 for the three months ended June 30, 2020 and 2019, respectively; and to (\$1,348) from \$791 for the six months ended June 30, 2020, respectively. Explanations for the changes in Revenue, Gross Margin and Comprehensive Loss, which drove much of the change in Adjusted EBITDA, are described in the sections above.

Included in the calculation of Adjusted EBITDA are costs and income related to non-operating items, non-recurring items and/or strategic initiatives. These items relate primarily to costs incurred and income recognized with respect to (i) government assistance received with respect to the COVID-19 pandemic which is not expected to be recurring; (ii) new product development; (iii) corporate marketing initiatives; and (iv) other strategic initiatives.

Outstanding Share Data and Dividends

As at June 30, 2020, the Company had the following securities issued and outstanding:

- 108,651,784 Common Shares;
- 4,877,278 Deferred Share Units convertible into an equal number of Common Shares;
- Warrants to purchase 20,000,000 Common Shares, exercisable at prices ranging from \$0.20 to \$0.40 per share;
- Options to purchase 4,075,000 Common Shares, exercisable at prices ranging from \$0.13 to \$0.30 per share; and
- \$8,700 Convertible Debentures, with a conversion price of \$0.30 per share.

The Company did not declare any dividends in the Period.

There were no share-related transactions subsequent to 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.

Changes in Adjusted Working Capital are presented in the table below.

(In thousands of Canadian dollars)	June 30, 2020 ¹	December 31, 2019
Working Capital (GAAP measure)	\$ (731)	\$ 895
Less: Prepaid expenses and other current assets	(573)	(640)
Less: Contract assets, current portion	(118)	(70)
Add: Unearned revenue, current portion	1,027	1,389
Adjusted Working Capital (Non-GAAP measure)	\$ (395)	\$ 1,574

¹ Quarterly results are Unaudited.

The most significant changes in Adjusted Working Capital for the Period were as follows:

- A decrease in cash of approximately \$1,542 which was primarily attributable to (i) operating losses of the Company's US-based technology managed services operations; (ii) decrease in cash inflow from sales due to the impact of the COVID-19 pandemic, and (iii) expenditures made with respect to strategic initiatives. In the second quarter of 2020, as a result of the COVID-19 pandemic, the Company received funding of \$253 under the CEWS program and \$488 USD under the U.S. based PPP program. Receipt of these funds offset, to some extent, the decline in cash related to the above noted items.
- A decrease in accounts payable and accrued liabilities of approximately \$274 primarily attributable to (i) differences related to timing of invoicing and payment of vendor invoices; and (ii) a credit that was received with respect to certain professional fees; and
- An increase of approximately \$675 related to the current portion of long term debt which is attributable to the requirement for the Company to commence principal repayments with respect to (i) the Term Loan obtained in October 2019, commencing in October 2020; and (ii) any unforgiven portion of the PPP Loan, if any, commencing in November 2020.

Cash Flows

Cash flows provided by and used in operating, financing and investing activities for the six months ended June 30, 2020 and 2019 are presented below.

(In thousands of Canadian dollars)	Unaudited	
	Six months ended	
Cash flow provided by (used in)	June 30, 2020	June 30, 2019
Operating activities	\$ (2,008)	\$ (365)
Financing activities	476	8
Investing activities	(10)	(1,091)
Effect of exchange rate fluctuations on cash	-	(5)
	\$ (1,542)	\$ (1,453)

The changes in cash sources and uses for the six months ended June 30, 2020 as compared to the same period in the prior year are explained below.

- The increase in cash used in operating activities of approximately \$1,643 is primarily attributable to operating losses of the Company's US-based technology managed services, which is primarily composed of the operations of Clarocity Group which was acquired in July 2019. This increased use of cash is offset to some extent by funds received under the CEWS program in the Period, with no comparable amount being received in the prior year.
- The increase in cash provided by financing activities of approximately \$468 is primarily attributable to the receipt of funds of approximately \$685 received in the Period under the US PPP forgivable loan program, with no comparable amount received in the prior year. This increase was offset to some extent by (i) an increase in the repayment of lease obligations due to the increase in the Company's real property lease obligations upon the acquisition of Clarocity Group in July 2019; and (ii) proceeds from the exercise of

stock options of approximately \$93 received in the second quarter of 2019, with no comparable receipt in the Period.

- The decrease in cash used for investing activities of approximately \$1,081 is primarily attributable to advances being made under a secured note receivable in the first and second quarters of 2019, whereas no such advances were made by the Company in the Period, as this note receivable related to the acquisition of Clarocity Group that was completed in July 2019.

Contractual cash outflows:

The following are the carrying amounts and the remaining contractual cash outflows of financial liabilities and commitments at June 30, 2020.

As at June 30, 2020	Carrying Amounts	Total	Contractual cash outflows			
			within 1 year	1 - 2 years	2 - 5 years	More than 5 years
Accounts payable and accrued liabilities	\$ 3,463	\$ 3,463	\$ 3,463	\$ -	\$ -	\$ -
Long-term debt	2,005	2,441	959	1,222	260	-
Lease obligations	1,650	1,826	418	431	977	-
Purchase commitments	-	5,327	451	454	1,194	3,228
	\$ 7,118	\$ 13,057	\$ 5,291	\$ 2,107	\$ 2,431	\$ 3,228

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 Company also has obligations related to its Convertible Debentures and related interest which have been excluded from the above table as the Company has the option to settle the Convertible Debentures and related interest by the issuance of the Company's Common Shares.

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 July 2020 to December 2034 total \$4,865.

Credit facilities:

Term Loan:

The Company has a three-year Term Loan of \$1,500, which has a maturity date of October 11, 2022. The Company is required to pay interest only for the first twelve months of the term, and thereafter pay equal monthly instalments of principal and interest over the final two years of the loan. The Company may, at its discretion, repay the balance of the Term Loan in whole or in part at any time after twenty-four (24) months following the closing date without penalty or obligation for future interest payments otherwise payable had the Term Loan not been repaid. Interest is set at Bank of Montreal's Prime Rate plus 4.0% per annum.

Operating Facility:

The Company has a \$1,500 revolving credit facility. Availability of funds under this facility is limited to the lesser of \$1,500 and the sum of 75% of eligible Canadian domiciled accounts receivable and 60% of eligible U.S. domiciled accounts receivable, less priority payables. As at June 30, 2020, the Company has not drawn on the Operating Facility. Interest is set at Bank of Montreal's Prime Rate plus 2.5% per annum.

The Facilities are secured by assets of ILA, which primarily consist of intellectual property and accounts receivable. The Facilities contain customary financial and restrictive covenants. The Company was not in violation of any of the required covenants as at June 30, 2020, for which a waiver was not obtained.

PPP Forgivable Loan:

In April 2020, the Company received \$488 USD under the PPP program. The PPP funding is in the form of a forgivable loan, with forgiveness to be granted provided that the Company uses the funds for approved uses, staff levels based on prescribed calculations are maintained, and wage levels are not reduced beyond 25% for the

prescribed measurement period. The Company expects that the majority, if not all, of amounts received under the PPP loan will be forgiven.

Other:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. This has resulted in governments worldwide, including the Canadian and US governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, have caused material disruption to businesses globally and have resulted in an economic slowdown. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions however the success of these interventions is not currently determinable.

To date, the Company's US-based technology-managed services revenues have been negatively impacted the most significantly due to the current US moratoriums on certain foreclosures, currently expected to remain in place until August 31, 2020. This line of business facilitates, through a technology-based platform, real property valuations with client concentration in the default and foreclosure segment.

The most significant impact to the Company's Canadian-based revenue has been requests from clients for the deferral of payment for services, moderate transactional revenue decreases and delays of new initiatives that would otherwise have progressed at a more rapid pace.

The current challenging economic climate may lead to adverse changes in cash flows, working capital levels, and/or debt balances, which may also have a direct impact on the Company's operating results and financial position in the future. Decreases in cash flows and results of operations may have an impact on the inputs and assumptions used in significant accounting estimates, including Management's assessment of future compliance with financial covenants, and potential impairments of goodwill, long-lived assets and investment. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and our business are not known at this time.

Transactions with Related Parties

Consulting services:

To provide for ongoing support and development of certain software purchased from Yeoman & Company Paralegal Professional Corporation (YCP), the Company entered into a consulting agreement with YCP (Consulting Agreement) that expires in December 2034. The Consulting Agreement provides for an annual base fee of \$265, 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. Effective May 2020, YCP has temporarily reduced its base fee by 15% in response to the impact of COVID-19 on the Company. For the three and six months ended June 30, 2020, the Company paid \$99 and \$222 (three and six months ended June 30, 2019 - \$92 and \$230) 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, 2020, the Company paid rent to the related company of \$3 and \$6 (three and six months ended June 30, 2019 - \$3 and \$6, 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 also provide that all economic benefit or loss resulting from the entity will be received 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, 2020, the Company 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

The Company's financial instruments consist of cash, trade and other receivables, equity investment, accounts payable and accrued liabilities, long-term debt and convertible debentures. Management does not believe that these financial instruments expose the Company to any significant interest, currency or credit risks.

Risk Factors

Risks Related to Business and Industry

The Company is dependent on its key customers/partners and if it is unable to maintain and renew its existing agreements with these customers/partners on commercially favourable terms, its revenue will be materially adversely affected.

Customers representing more than 10% of the Company's revenue are classified as significant customers. For the six months ended June 30, 2020, the Company had two significant customers; one represented 26% and the other represented 13% of total revenue. It is expected that these customers will continue to represent a material concentration of the Company's total revenue. If the Company is unable to maintain and/or renew its existing agreements with these customers on commercially favourable terms, its revenue will be materially adversely affected.

Competitive products and technologies may reduce demand for the Company's products and technologies.

The Company's success depends upon maintaining its competitive position in the commercialization of products and technologies in its area of expertise. Additional competitors to the Company may arise as a result of developing similar technology and products/related products. Some of the Company's existing competitors have substantially greater research and development capabilities, experience and distribution networks, and/or financial and managerial resources than the Company and represent a significant competitive threat. There is no assurance that developments by others will not render the Company's products or technologies non-competitive or obsolete, or that the Company's products will be able to maintain the level of acceptance within the targeted market sectors necessary to compete successfully. The success of the Company's competitors and their products may have a material adverse impact on the Company's business, financial condition and results of operations.

If the Company fails to hire or retain key personnel, the implementation of its business plan could slow its business and future growth could suffer.

The Company's success depends in large part upon its ability to attract and retain highly qualified personnel, particularly in the areas of engineering, programming, geo-spatial information systems, database development, database administration and sales and marketing. Competition for such resources from other companies, academic institutions, government entities and other organizations is intense, and the Company's financial resources may place the Company at a competitive disadvantage in respect to compensation and benefit matters. In particular, the Company depends on its senior management team. There is no assurance that the Company will retain its current key personnel or will be able to continue to attract additional qualified personnel as required, and any failure to do so could slow implementation of its business plan or future growth. Should certain key management positions need to be replaced, there would likely be a significant adverse financial impact to the Company.

The Company's operations could be disrupted if it is unable to retain certain licenses required to operate.

The Company requires certain licenses to operate in the US property appraisal market, which licenses are provided on a state-by-state basis. If such licenses are suspended or are unable to be renewed, the Company's operating results could be materially impacted.

The Company's operations could be disrupted if its information systems fail or if it is unsuccessful in implementing necessary technical upgrades.

The Company's business depends on the operation and connectivity of its servers, which store and process the imagery and associated data collected with its proprietary technology. Although the Company has implemented numerous redundancy initiatives to protect its image library, due to resource constraints, the Company has not yet

fully implemented its planned comprehensive redundancy program for its systems. If some of its systems were to fail or the Company was unable to successfully expand the capacity of these systems or integrate new technologies into its existing systems as required, the Company's operations and financial results could suffer. For example, any connectivity or operation failure of its servers may result in the Company's customers being unable to access image data, which may result in the Company being in default of its contractual obligations to certain existing customers or negatively impact its ability to obtain new ones. Furthermore, any catastrophic failure to its servers could result in the partial or complete loss of image data collected by the Company to date. While the Company maintains a comprehensive insurance program to mitigate these and other potential losses, it cannot be guaranteed to what extent such insurance coverage would address this risk.

Much of the Company's potential success and value lies in its ownership and use of intellectual property and its failure or inability to protect its intellectual property could negatively affect its business.

The Company has a number of patents and has filed a number of patent applications, primarily in Canada and the US. The patent positions of technology companies can be highly uncertain and involve complex legal and factual questions. Therefore, there can be no assurance that any patent applications made by or on behalf of the Company will result in the issuance of patents, that it will develop additional proprietary products that are patentable, that any patents issued or licensed to the Company will provide iLOOKABOUT with any competitive advantage or will not be challenged by third parties, or that the intellectual property of others will not be able to circumvent the patents issued to the Company. Furthermore, there can be no assurance that others will not independently develop similar products, duplicate any of iLOOKABOUT's products or, if patents are issued to the Company, design around the Company's patented products.

Since patent applications are maintained in secrecy for a period of time after filing, and since publication of discoveries in the scientific or patent literature often lag behind actual discoveries, the Company cannot be certain that its inventor of its patents was the first creator of inventions covered by pending applications, or that it was the first to file patent applications for such inventions. There can be no assurance that the Company's patents, as or if issued, will be held valid or enforceable by a court or that a competitor's technology or product would be found to infringe such patents.

As the development of the Company's products continue, the potential uses of such products may overlap with those of other products and, as a result, may increasingly become subject to claims of infringement. There can be no assurance that third parties will not assert infringement claims against the Company in the future or require the Company to obtain a license for the intellectual property rights of third parties. There can be no assurance that such licenses, if required, will be available on reasonable terms or at all. If the Company does not obtain such licenses, it could encounter delays in the delivery or fulfilment of its contractual obligations or could find that the licensing of its intellectual property to customers is prohibited or materially limited.

Much of the Company's know-how and technology may not be patentable, and to protect its rights, the Company requires employees, consultants, advisors and collaborators to enter into confidentiality agreements. There can be no assurance that these agreements will provide meaningful protection for the Company's trade secrets, know-how or other proprietary information in the event of any unauthorized use or disclosure.

Litigation may be necessary to enforce the Company's rights in its intellectual property or to determine the scope and validity of a third party's proprietary rights. The Company could incur substantial costs if litigation is required to defend itself in any intellectual property rights suit brought by third parties or if it initiates a patent infringement claim against a third party, and there can be no assurance that the Company would prevail in any such actions. An adverse outcome in litigation or in an interference or other proceeding in a court or patent office could subject the Company to significant liabilities, require disputed rights to be licensed from other parties or require the Company to cease using certain technology or products, any of which may have a material adverse effect on the Company and its operations.

The iLOOKABOUT StreetScape™ product may capture images that are made available to third parties in violation of applicable privacy laws.

Most jurisdictions have laws relating to personal privacy rights that may or may not be infringed when a person's face or other personal identifying information is captured and forms part of the Company's image data, including that collected using iLOOKABOUT's StreetScapeTM technology. If such image data is determined to violate such rights or laws, the Company could face costly litigation, penalties or fines and the diversion of Management's attention and resources to deal with such issues. Certain customer agreements entered into by the Company require that the images provided under such agreement comply with all applicable privacy legislation. While the Company has developed algorithms that automate the scanning for personal identifying images and blurring such information,

the ability of such algorithms to identify all offending images has yet to be determined. As a response, the Company may have to develop additional or alternative operational or technical means to avoid any such infringement, which will require additional resources and may delay or prevent the Company from meeting its business objectives.

Risks Related to Financial Condition

The Company's quarterly revenues and operating results may fluctuate.

Factors which may cause our revenues and operating results to fluctuate include:

- the demand for our software and other products and the market conditions for technology spending;
- patterns of capital spending and changes in budgeting cycles by our customers;
- our ability to acquire or develop (independently or through strategic relationships with third parties), to introduce and to market new and enhanced versions of our software products on a timely basis;
- the number, timing and significance of new software product announcements and releases by us or our competitors;
- the level of software product and price competition;
- the geographical mix of our sales, together with fluctuations in foreign currency exchange rates;
- market acceptance of new and enhanced versions of our software products;
- changes in personnel and related costs; the amount and timing of operating costs and capital expenditures relating to the expansion of our business;
- changes in the pricing and the mix of software and other solutions that we sell and that our customers demand;
- timing of the receipt and recognition of funding obtained under various government programs and tax credits; and
- seasonal variations in our sales cycles.

In addition, potential new customer related revenue may fluctuate significantly on a quarterly and annual basis in the future, as a result of a number of factors, many of which are outside of our control. Attracting new customers requires them to make decisions on selecting from different providers that is a significant decision process that is not made quickly or without significant due diligence.

The Company has a history of operating losses and negative cash flow from operations. If the Company does not achieve sufficient revenues or profitability in the future to be self-sustaining, the Company may require additional financing. The Company cannot assure that such additional financing will be available on terms acceptable to it, if at all.

Since the inception of the Company and its predecessors, the business has incurred significant losses and negative cash flow from operations. The Company cannot assure that it will achieve sufficient revenues from sales of its products to achieve profitability or positive cash flow from operations.

Should the Company be unable to generate sufficient cash resources through its operating activities on a consistent basis, the Company would need to raise additional funds to be utilized for general working capital purposes, marketing and business development activities, additional data capture and continued research and development activities. These funds may be raised through public or private equity or debt financings, collaborative arrangements with third parties and/or from other sources. The Company cannot assure that additional financing will be available on terms acceptable to it, if at all. Any such financing may have a dilutive effect on the holdings of shareholders.

If adequate funds are not available as required, the Company may be required to reduce its investment in strategic initiatives, reduce the scope of its image data capture initiatives, significantly scale back or cease operations, sell or license some of its proprietary technology on terms that are less favourable than it otherwise might have been if it were in a better financial position, or consider merging with another company or positioning itself to be acquired by a third party.

The Company's operating results may be subject to currency fluctuations.

Prior to the acquisition of Clarocity Group in July 2019, the Company's operations have largely been based in Canada and/or are compensated in Canadian dollars. However, given the recent expansion and planned continued

expansion in the US, the Company expects that a significant portion of its future revenues and expenses will be denominated in US dollars. The exchange rate between the Canadian dollar and the US dollar, or other foreign currencies, is subject to day-to-day fluctuations in the currency markets and these fluctuations in market exchange rates are expected to continue in the future. The Company does not engage in currency hedging activities at this time. The Company may be subject to risks associated with these currency fluctuations, which may, from time to time, impact its financial position and results.

The Company's intangible assets and goodwill may be subject to impairment losses.

The Company periodically reviews the estimated value of acquired intangibles and goodwill to determine whether any impairment exists and we could write-down a portion of our intangible assets and goodwill as part of any such future review, which occurs when impairment indicators exist or, in the case of goodwill, at least once annually. Any write-down of intangible assets or goodwill in the future could affect our results of operations materially and adversely and as a result our share price may decline.

The Company may have exposure to unforeseen tax liabilities.

The Company is subject to federal, provincial and state taxes as well as non-income based taxes, in Canada and the US and our tax structure is subject to review by numerous taxation authorities. Significant judgment is required in determining our provision for income taxes and other tax liabilities. There are many intercompany transactions and calculations where the ultimate tax determination is uncertain. Although we strive to ensure that our tax estimates are reasonable, we cannot assure you that the final determination of any tax audits and litigation will not be different from what is reflected in our historical income tax provisions, accruals and/or disclosures, and any such differences may materially affect our operating results for the affected period or periods. We also have exposure to additional non-income tax liabilities. We are subject to non-income taxes, such as payroll, sales, use, property and goods and services taxes, in Canada and the US.

Risks Related to the Company's Securities

The market price and trading volume of the Company's securities may be volatile.

The market price of the Company's Common Shares may experience significant volatility, which could be in response to numerous factors, including quarterly variations in results of operations; announcements of new customer contracts and data capture progress or technological innovations or new products by it, its customers or competitors; government regulations; developments concerning proprietary rights; litigation; announcements of acquisitions or dispositions; general fluctuations in the stock market; or actual revenues and results of operations being below the expectations of the public market. Any of these, or other factors, could result in significant fluctuations in the market price of the Company's securities.

The market capitalization for the Company's listed Common Shares is relatively small and as a result, the trading in such shares may be subject to limitations in liquidity and greater price volatility. As a result, holders of the Company's Common Shares may be required to hold their shares for an indefinite period of time or sell them at a loss.

The Company does not intend to pay any cash dividends in the short or medium term.

The Company does not expect to pay cash dividends in the foreseeable future. If the Company generates earnings in the short to medium term, these funds will be retained to finance further growth and, when appropriate, retire its outstanding debt. The Company's Board of Directors will determine if and when dividends should be declared and paid in the future based on the Company's financial position at the relevant time and its future cash requirements.

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. 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 ILA, including the Company's 2019 Annual Consolidated Financial Statements and 2019 Management's Discussion and Analysis, can be found on SEDAR at www.sedar.com.