ONESOFT SOLUTIONS INC.

Q3

Management's Discussion & Analysis

Three and nine months ended November 30, 2018

This Management's Discussion and Analysis is dated January 22, 2019.

INTRODUCTION

OneSoft Solutions Inc.'s Management's Discussion and Analysis ("MD&A") of the results of operations, cash flows and financial position as at November 30, 2018, should be read in conjunction with the unaudited interim condensed consolidated financial statements for the three and nine months ended November 30, 2018, the audited consolidated financial statements for the year ended February 28, 2018 and the Management's Discussion and Analysis for the year ended February 28, 2018. The financial statements, prior MD&A and additional Company information are available to view on www.sedar.com. References in this MD&A to "OneSoft", the "Company", "OSS", "us", "we", and "our" mean OneSoft Solutions Inc. and its subsidiaries, unless the context otherwise suggests.

Change in year-end:

Effective in 2018, the Company changed its financial year-end from February 28 to December 31 to synchronize with common fiscal reporting periods for technology and oil and gas companies. The change in year-end will result in the Company filing a one-time, ten-month transition year financial statement covering the period of March 1, 2018 to December 31, 2018. Subsequent to the transition year, the Company's financial year will be the period January 1 to December 31.

The Company's consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS") and include the accounts of OSS and its four wholly-owned subsidiaries: OneBridge Solutions Inc., OneBridge Solutions, Inc. (together, "OneBridge") OneCloudCo Limited and CloudCo Solutions Inc. All figures presented in this MD&A are in Canadian dollars unless otherwise specified.

OneSoft's shares trade on the TSX Venture Exchange in Canada, under the symbol "OSS", and are listed on the OTCQB market in the USA, under the symbol "OSSIF".

This MD&A contains forward-looking information based on certain expectations, projections and assumptions. This information is subject to many risks and uncertainties, many of which are beyond the Company's control. Users of this information are cautioned that actual results may differ materially. For additional information refer to the "Advisory Regarding Forward- Looking Statements" section on page 11 and in prior MD&A.

MD&A FOR THE YEAR ENDED FEBRUARY 28, 2018

We reference the reader to the Management's Discussion and Analysis for the year ended February 28, 2018, which can be found on www.sedar.com. On pages 4 through 14, Management presents an extended discussion of the Company's market opportunity, its products and the significance of the Company technology, Business Outlook including marketing and sales strategies, market metrics, factors affecting revenue growth, the Technology Adoption Curve and Fiscal 2018 operational highlights. We highly recommend that individuals seeking detailed information about the Company read that document.

This MD&A updates that discussion with events transpiring since that report.

INNOVATIVE PRODUCTS AND ADDRESSABLE MARKETS

The Company, through its OneBridge Solutions' operating subsidiaries ("OneBridge"), has developed Cognitive Integrity Management™ ("CIM 2.0"), a software-as-a-service ("SaaS") application that uses the Microsoft Azure Cloud Platform and services including machine learning ("ML"), predictive analytics, business intelligence reporting and other data science components to assist pipeline companies to prevent pipeline failures. Fees charged to use our software are variable and dependent on key metrics such as the miles of pipeline data analyzed, number of pipeline assessments ingested into CIM 2.0, Azure usage costs and the functionality that clients choose to use. OneSoft maintains a close business relationship with Microsoft which commenced with a technology focus in 2016 and has evolved into marketing and sales collaboration. This arrangement is considered highly advantageous and uniquely opportunistic by Management.

CIM 2.0 features revolutionary Pattern Detection and Interacting Threats algorithms which embody data science and proprietary machine learning techniques. CIM 2.0 is designed to ingest inline inspection ("ILI") pipeline data using a simple "drag and drop" routine after which the data is normalized, anomalies are aligned to prior ILI data sets, and anomaly growth rates are calculated using predictive analytics, resulting in detection of threats to pipelines. CIM 2.0 also provides advanced business intelligence, intuitive graphical presentations, dashboard reporting and natural data query language capability that enables operators to manage their pipeline infrastructure with more efficiency than legacy systems and processes that don't utilize cloud computing.

As was announced on January 12, 2018, OneBridge entered into an agreement with Phillips 66 Company to develop CIM 3.0 (codenamed "Polaris"), an advanced pipeline integrity management solution for industry operators, by migrating functionality from Phillips 66's PT-DMS internally-developed software applications to a cloud-based SaaS solution the embeds OneBridge machine learning, data science and certain CIM 2.0 functionality. CIM 3.0 is designed to address four major areas of functionality additional to what CIM 2.0 provides, as follows:

- assessment planning, including enterprise level planning, scheduling and business intelligence;
- integrity compliance, wherein internal company policy and regulatory compliance for US pipeline regulations CFR 192 & 195 can be addressed with the push of a button;
- threat monitoring, for which actionable workflow and job information for every threat is identified;
- business intelligence, comprised of data analytics, SQL reporting, 3D visualizations and dashboards with filtering and natural query language capability.

CIM 3.0 is designed to be scalable for global use by a wide range of pipeline companies, from small operators to very large organizations who manage a large number of pipeline miles. The commercial pricing model includes monthly fees at various levels for the use of it, based on the number of miles of pipeline operated and number of ILI assessments ingested, and the fees charged for the specific functionality used.

Management believes CIM 3.0 and CIM 2.0 will represent compelling, comprehensive, cost-effective and scalable integrated solutions for both large oil and gas pipeline operators who use internal resources to manage their operational and integrity programs, as well as for smaller pipeline operators who engage outside consultants for integrity management services. Although OneBridge's primary and secondary focuses are currently the USA and Canadian markets, our products are all designed for global use.

QUARTER HIGHLIGHTS

From an operational perspective, during the quarter we focused on completion of the Polaris ("CIM 3.0") software development project and progressed marketing and sales efforts, both directly with prospective clients and collaboratively with our sales partners, Microsoft and WorleyParsons.

As announced on September 17, 2018, we engaged four potential clients in software trial programs, who collectively operate 68,000 miles of oil and gas pipeline infrastructure in North America. On September 24, 2018 OneBridge engaged its first multi-year client for CIM 3.0, and the Company subsequently released CIM 3.0 for general commercial availability on October 18, 2018.

On October 30, 2018 OneBridge was awarded the prestigious 2018 ASTech Foundation award, for *Outstanding Achievement in Energy and Environmental Innovation.* We believe this recognition will assist creating positive awareness of the Company's innovative technologies, particularly with Canadian oil and gas pipeline operators and governmental agencies, who are seeking counter measures to debunk the socially negative narratives that have effectually stalled new oil and gas pipeline construction projects.

Other quarter highlights include the following:

- Q3 revenue increased by 95.4% year over year, from $260,343 last year to $508,732 this year, which included approximately $110,000 of revenue from our first CIM 3.0 commercial client.
- One software trial project completed in quarter, contributing approximately $92,000 in Pilot Project revenue.
- Microsoft continued to provide valuable marketing and sales assistance, including End Customer Investments Fund contributions which totaled approximately $39,000.
- One Private Preview client essentially completed their trial investigation of OneBridge solutions during the quarter, which we believe will lead to a multi-year commercial use agreement commencing in early 2019.
- Negotiations with several prospective clients continued during the quarter, which we believe will result in additional Pilot Project software trials in the imminent future.
- The Company attended and presented at OPEX for Oil and Gas Houston event and the Pipeline Conference in Calgary during the quarter.
- The Company, with an outside consulting group, initiated reviewing its pricing and sales strategies to improve the perception by clients of the high value proposition that CIM provides. We wish to quantify and better articulate the value that CIM, digital transformation, and cloud computing can provide to clients, as well as identify the avoidable expenses inherent in not using CIM solutions.
- A senior sales executive increased his presence in Houston to near full-time status for the winter months to be closer to the customers and better execute sales activities.

SUBSEQUENT TO QUARTER END

Subsequent to the quarter end the Company made several announcements about its business progress, in accordance with previously disclosed expectations, as follows:

- On January 7, 2019, the Company announced that two new clients, including one industry Super-major, adopted CIM solutions for long term use. Management believes that this was a key milestone because of stringent vulnerability assessment testing conducted by the Super-major prior to choosing CIM and the inherent credibility associated therewith, which may contribute to accelerated adoption of OneBridge solutions by other prospective customers in the future.

On January 14, 2019, the Company published a business update, announcing completion of the Polaris development project. As a result of recent operational events, revenue for the newly-adopted fiscal year ended December 31, 2018 (for ten months of operations) will quadruple over the prior fiscal year (12 months of operations), to exceed $4 million. This revenue bump arose from recognizing $2 million of deferred revenue previously recorded and additional revenue associated with the Polaris development project, and other sales. While the revenue bump is not all SaaS recurring revenue, it is conceivable that the Company may undertake similar development projects in the future which may produce similar revenue events.

BUSINESS OUTLOOK

The Company’s past research and development (“R&D”) activities and focus on early innovator and adopter clients, who have assisted OneBridge to validate its technology and create solutions that serve functionality requirements of a wide range of industry operators, is now evolving to position the Company for growth. While revenue has been minimal during the R&D phase, we anticipate that revenue growth will accelerate, as more clients adopt our solutions. As discussed in prior MD&As, the chart below summarizes factors that are generally consistent with the adoption of new technologies to replace legacy systems, such as our revolutionary cloud-computing solutions that incorporate machine learning and data science technologies.

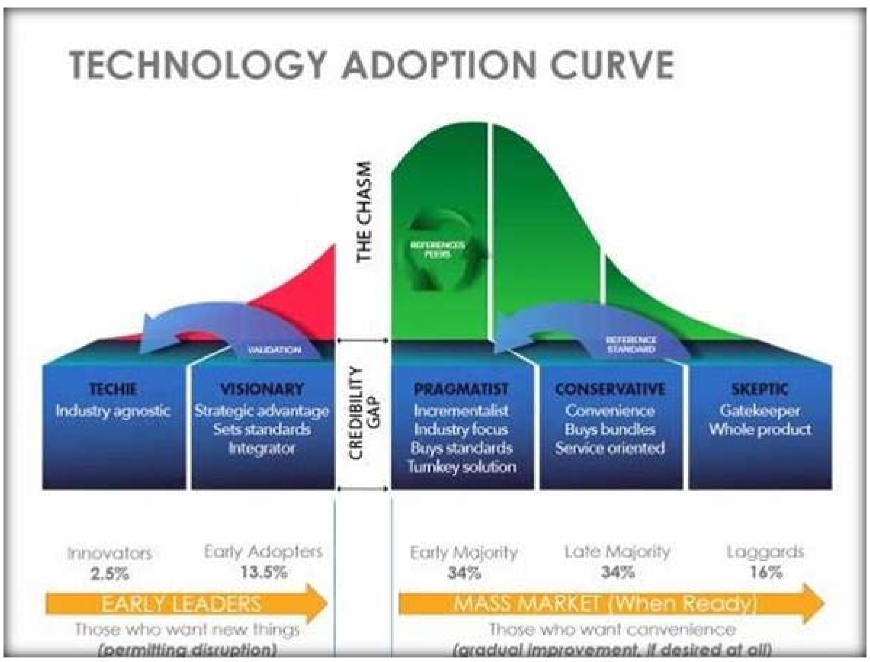

Chart reproduced from Geoffrey Moore, “Crossing the Chasm: Marketing and Selling High Tech Products To Mainstream Customers” New York Harper Business Essentials, 1991, revised 1999 and 2014.

With four clients, including several Fortune 500 and one Super-major organization, now contracted to use our technology, we believe that OneBridge solutions have met an important industry credibility threshold that is critically necessary to successfully cross the technology adoption chasm depicted in the chart above. The information in the chart is generalized to represent the adoption of new technologies by target market participants, and it is difficult to pin-point with precision where OneBridge is positioned today in the spectrum. Regardless, we believe that the credibility gap factor may now be well on its way to being successfully addressed, and that it can be leveraged to increase sales. Ultimately, when crossing of the chasm does occur, this will represent a tipping point that we anticipate will enable a large revenue opportunity, as market potential to the right of the chasm represents the vast majority of potential addressable sales opportunities for the Company.

We are optimistic for near-term progress in this regard for several reasons:

- As the experiences of our innovator and early adopter clients becomes known within the industry, and particularly regarding those who are highly regarded as leaders in innovation by industry peers, reluctance to embrace our new technology solutions is anticipated to diminish. Whereas relatively few companies wish to incur risks associated with being first, the majority of companies tend to pile on once value of new technology is proven by industry peer leaders.

- Although sales cycles in the oil and gas industry tend to be lengthy, a number of our prospective customers have by now been engaged in sales processes for many months, thus we anticipate approaching decision points with several of our prospective customers. These interactions have provided valuable insight into a wide range of client operational strategies, as well as access to a vast amount of data which has allowed us to refine our machine learning algorithms and thereby deliver continually increasing shared learning functionality for clients. Analyses of data from multiple operators that represent a wide range of operational processes is highly advantageous over single operator, or single tool manufacturer, datasets. Our algorithms allow operators to retain their data confidentiality, while still benefiting from the shared learning that is gleaned across all operators' data. We believe that this is a primary consideration that may eventually motivate even the pipeline operators who currently depend on in-house software systems, as their analyses will only ever contemplate their own data, without access to benefits of shared learning.

- In discussions with numerous companies to date, we are not aware of any other solution based on machine learning, data science and cloud computing that is operational today and considered a competitive threat to CIM. Presumably, if and when such competitors attempt to enter the market with similar technology solutions, they will likewise be required to manoeuvre through the lengthy and risky development and validation cycles that OneBridge commenced in early 2016. By necessity, this will include engagement of beta users and subsequently trial users who require proof of validation before adopting new technology solutions to address the mission-critical processes they depend upon to safely operate their pipelines.

- A myriad of factors were responsible and necessary for the Company to achieve its successes to date. These include the Company's early investment as a cloud computing pioneer commencing in 2011, its extensive expertise regarding pipeline integrity management and operations, and OneBridge's fortuitous opportunity to participate in Microsoft's first Accelerator for Machine Learning and Data Science in February 2016, which has since evolved to operational, marketing and sales collaboration not only for North America, but for international markets. All of these factors, which the Company has successfully aligned and integrated to create a competitive moat, are very challenging to execute individually, let alone in aggregate, and it is not surprising that competitive solutions not yet appeared to challenge the Company's solutions and vision.

- With respect to long sales cycles, it is worth noting that lengthy sales cycles may actually be advantageous for the Company at this juncture. Presumably, if and when competitors attempt to enter the market with new competing solutions, they will likewise be required to manoeuvre through the validation processes that OneBridge encountered. Because client research, due diligence associated with investigation of new solutions prior to selecting them for long term use, and validation requirements are very extensive, the probability that clients will replace their use of CIM is diminished, providing we continue to enhance our technology and solutions.

- We believe that being first to market, with validation by industry leaders, collaboration with key technology and sales partners with global reach, and a strategy to continue to deliver cutting-edge technology solutions, collectively provide a significant competitive advantage that the Company can leverage for the foreseeable future.

Revenue for the 3 fiscal quarters ending November 30, 2018 increased by approximately 65% year over year, however, we anticipate that total revenue for the revised fiscal year end (which will be December 31, 2018, and initially reflect only ten months of operations) will exceed $4 million, which will represent an increase exceeding 300% over the prior year (which encompasses a full 12 months of operations). This revenue bump occurred largely as a result of completion of the Polaris development project, and while it is not all SaaS recurring revenue, it is not necessarily a one-time event as it is conceivable that the Company may undertake similar development projects in the future which may produce similar revenue bumps.

As a result of these recent operational events, the Company expects cash to increase by $1.5 million to approximately $3.3 million by the end of February, 2019. Management's objective is to achieve cash positive operations during calendar 2019 through on-boarding of new clients, and we anticipate the Company will not require further financings to fund the business plan as currently envisioned.

SUMMARY OF QUARTERLY RESULTS

For the Fiscal Quarters ended:

	FY 2019			FY 2018				FY 2017
($ 000's, per Share in Dollars)	Nov 30	Aug 31	May 31	Feb 28	Nov 30	Aug 31	May 31	Feb 28
Revenue	509	389	293	283	260	238	223	243
Gross profit	394	337	280	250	216	238	206	160
Expenses (net of software development costs capitalized)	1,234	1,051	1,014	1,064	869	1,030	721	931
Net loss:								
Continuing operations	(738)	(729)	(767)	(964)	(629)	(786)	(501)	(655)
Discontinued operations	-	-	-	-	-	-	-	(66)
All operations	(738)	(729)	(767)	(964)	(629)	(786)	(501)	(721)
Basic and diluted loss per share:								
Continuing operations	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)
Discontinued operations	-	-	-		-	-	-	-
All operations	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)

Three months ended November 30, 2018 compared to November 30, 2017

	Three months ended November 30			
	2018	2017	Change	%
CIM Revenue	$ 377,258	$ 188,802	$ 188,456	99.8%
Other revenue	$ 131,474	$ 71,541	$ 59,933	83.8%
Total Revenue	**$ 508,732**	**$ 260,343**	**$ 248,389**	**95.4%**

CIM revenue grew due to increased ingestion of ILI assessments in the quarter. Non-CIM revenue was higher due to increased Azure fees invoiced, the completion of a large Pilot Project and fees associated with other Pilot Projects. Gross profit rose to $394,153 from $215,944 due to the increase in revenue and the gross margin decreased marginally to 77.5% from 82.9% due to a commission paid to a sales referral agent and royalties expense related to components of CIM 3.0, now that revenue is being earned it.

Salaries and employee benefits increased by $140,954 or 23.6% due to the addition of personnel in the last year to develop the CIM 3.0 application and selective increases were made to staff wages. Stock-based compensation decreased by $31,910 or 35.9%. as a result of previously recorded expense reversing in the current quarter due to cancellation of certain stock options.

General and administrative costs increased by $82,470 or 122.9%. In the prior year, all the Company's Azure usage was absorbed by a grant received from Microsoft for the Company's participation in the Microsoft Ventures Accelerator in 2016. That grant (initially set in 2016 at USD $500,000) exhausted earlier this year, resulting in the Company recording approximately $65,000 in consumption costs in the quarter, for internal use. The Company continues to optimize its Azure consumption to reduce this cost and to offset it with fee increases to customers where applicable.

Sales and marketing expense increased by $170,786 or 328.8%. Fees of $118,262 were paid to a consulting group assisting the Company to optimize its sales process and revamp product pricing strategies, with a view to decrease sales cycles and better capitalize on the high value metrics that OneBridge solutions provide clients. Trade show costs increased by $35,260 due to the Company presenting and exhibiting at industry conferences and tradeshows in Houston, Calgary and Chicago during the quarter. Investor relations expense increased over the comparative quarter last year as the Company engaged an investor relations group late in November 2017.

Amortization and depreciation decreased by $136,930 due to certain intangible assets being written down due to impairment in the prior fiscal year. In the current quarter, the Company capitalized development costs of $98,560 associated with the CIM 3.0 product and development of new algorithms and proprietary technology. While the majority of the development and data science teams are involved in this activity, some time was diverted to other projects and cost capitalization decreased by $41,406 as compared to same quarter last year.

Other income decreased $20,288 this quarter. The Company's quarterly revaluation of its contingently issued shares liability created income of $23,852 last year and this became an expense of $1,027 this year due to the increase in the trading price of the Company's shares. On September 24, 2018, the contingently issued shares were released to the shareholder and this income (expense) activity has terminated as at that date.

The Company recorded a loss in the quarter of $738,084, an increase from the $629,229 loss recorded in the comparable quarter last year. The primary factors contributing to the higher loss were personnel additions, royalties and commissions payable, engagement of the consulting group and higher Azure costs in the current quarter.

Nine months ended November 30, 2018 compared to November 30, 2017

	Nine months ended November 30			
	2018	2017	Change	%
CIM Revenue	$ 833,356	$ 541,952	$ 291,404	53.8%
Other revenue	$ 357,167	$ 179,891	$ 177,276	98.5%
Total Revenue	**$ 1,190,523**	**$ 721,843**	**$ 468,680**	**64.9%**

Total revenue for the period increased 64.9% period over period, due to a second commercial client's use of CIM, additional Azure fee revenue and higher revenue generated from pilot programs than in the prior year.

Gross profit increased from $660,605 to $1,010,893 due to the higher revenue. The gross margin reduced from 91.5% to 84.9% due to $66,807 in Azure costs incurred this period, versus $nil last year when Microsoft Accelerator sponsorship funds absorbed these costs. Direct costs incurred in the third quarter included a sales referral fee paid to a sales agent and royalties related to components of CIM 3.0 which served to reduce the gross margin.

Salaries and employee benefits increased by $559,838 or 32.2%. Personnel costs increased due to additions to the development team for the CIM 3.0 project and for marketing and sales positions, and selective increases were made to staff wages. Stock based compensation increased $8,398 or 2.5% over last year, due to the granting of new and additional stock options to new and existing staff members and partially offset by the reversal of unvested stock-based compensation expense in the current quarter.

General and administrative costs increased by $70,646 or 22.2%. The Company's use of the Azure platform increased third party internal software expense by $123,966. Last year, these Azure costs were being absorbed by a sponsorship grant the Company had received from participating in the Microsoft Ventures Accelerator program. Legal fees have reduced by $47,611. Last year, the Company incurred fees to list on the U.S. OTCQB market and to block a possible patent of the Company's intellectual property by a third party and no similar fees for these activities have been incurred to date this year. Initial corporate and listing fees associated with the US OTCQB market have subsided to sustaining fees only, a reduction of $16,547 on a comparative basis with last year.

Sales and marketing expense increased by $246,449 or 129.4%. Fees of $118,262 were paid to a consulting firm assisting the Company to optimize its sales process and revamp product pricing strategies, with a view to decrease sales cycles and better capitalize on the high value metrics that OneBridge solutions provide clients. Increased promotion of the Company's technology and solutions at industry trade show and seminar events caused costs to rise by $56,520, and attendance at investor conferences increased expense by $10,814 year over year. The engagement of an investor relations group late last year caused expenses to increase by $41,464. Sales travel expense increased by $12,270 due to costs incurred housing a sales executive in Houston for part of the year to promote sales.

Amortization and depreciation decreased by $265,555 due to certain intangible assets being written down last year as impaired and not having to amortize them this year. The Company has been focused on creating its new CIM 3.0 product, resulting in the capitalization of $477,408 in deferred development costs. Last year, the Company capitalized costs of $441,401 related to the development of its CIM 2.0 software.

In total, operating expenses, after software development cost capitalization, increased by $583,769 or 22.3% over the comparative period.

Fluctuations in the Company's share price caused the fair value of the contingently issued shares held in escrow to change, creating $67,014 in expense this year and income of $51,274 last year. On September 24, 2018, the contingently issued shares were released from escrow, which terminates the recording of any similar expense or income in the future. Additional items contributing to other income this year include interest earnings of $24,881 on invested cash and a $10,000 cash receipt from the AsTech Foundation for winning its Outstanding Achievement in Energy and Environmental Innovation award in October 2019.

While income, gross profit and other income have increased, the higher expenses caused the comprehensive loss to increase to $2,233,812 this period versus $1,912,477 in the comparable period last year.

FINANCIAL CONDITION & LIQUIDITY

In this fiscal year to date, shareholders exercised 4,200,333 warrants, generating cash of $567,050. The warrants were the last of those issued in Private Placements completed in 2015 through 2017 and had expiry dates in March 2018. Employees have exercised 600,000 stock options to date, contributing $101,000 of cash to the Company.

In the current fiscal year, the Company consumed cash of $1,616,359 in operating activities after adjustment for non-cash items. A further $24,962 cash was consumed in working capital changes, driven by the increase in accounts receivable and reduction in accounts payable, and partially offset by customer prepayments for CIM access which increased deferred revenue by $92,529. Cash of $496,434 was invested into the development of CIM 3.0, acquiring new equipment and in registering trademarks.

Cash used for operations and investment totaled $2,137,755 this year versus $1,496,566 similarly consumed last year. The growth in expenditures occurred essentially in accordance with Management's expectations, as required to execute the Company's business plan and strategies to position the Company for future revenue growth. This year's cash consumption has been financed by new shares issued by exercise of warrants and employee stock option exercises which totaled $668,050 in aggregate, and by a reduction in its cash and cash equivalents of $1,469,705

At the end of the current nine-month period, the Company had $2,191,352 in cash and cash equivalents and $nil debt. Based on revenue expectations, current expenses and barring any unexpected large costs, Management believes the Company will have sufficient cash to finance its current business plan for both the current and next fiscal years. Management remains focused on increasing revenues and intends to incur expenses necessary to do so. Management's objective is to achieve cash positive operations during the fiscal year ending December 31, 2019.

Total Assets

Total assets of the Company as at November 30, 2018 were $4,053,624, $1,069,283 less than assets of $5,122,907 as at February 28, 2018. Cash decreased $1,469,705 to finance the current loss and new investment. Accounts receivable increased by $94,300 due to the increase in revenue and protraction of payment terms by one customer while their pilot program completed. Intangible assets increased by a net $298,944 due to the cost capitalization of the CIM 3.0 development costs and decreasing due to amortization.

Total Liabilities

Total liabilities were $2,5597,104 as at November 30, 2018, a decrease of $351,988 from the amount reported as at February 28, 2018. The fair value of the contingently issued shares increased by $67,014 in the period due to the increase in the trading value of the Company's shares. On September 24, 2018, the value of this liability was transferred to share capital when the contingent shares were released to the shareholder, as had been approved at the annual general meeting of the shareholders on July 24, 2018 and the TSX Venture Exchange. Deferred revenue increased by $92,529 to $2,245,964, as customers' prepayments for CIM subscriptions and a software development project exceeded the deferred revenue earned in the period.

Commitment

The Company is committed to pay minimum royalties of U.S. $2.25 million over a ten-year period ending December 20, 2027 on the revenue earned from components of its CIM 3.0 solution for the use of certain embedded third-party intellectual property.

Related party transactions

In the period, the Company paid $150,000 (November 30, 2017 - $120,000) in respect of contractual management fees to a company owned by Dwayne Kushniruk, CEO. No other compensation was paid directly to him. On September 24, 2018, 4,503,188 contingently issued common shares paid to Bridge Solutions Inc. in June 2015 pursuant to the acquisition of IP which initiated the OneBridge company were released from escrow. Management of Bridge Solutions Inc. also hold certain senior management positions in OneSoft Solutions Inc.

SHARE DATA

In the nine-month period ended November 30, 2018, shareholders exercised 4,200,333 warrants to purchase an equal number of shares generating $567,050 of cash for the Company. Employees exercised 600,000 stock options at an average price of $0.17 generating an additional $101,000. The Company granted 2,400,000 stock options at an average strike price of $0.44 during the year, as part of compensation and incentive programs for employees, officers and directors. The options have vesting periods ranging from immediate to three years and will expire in five years from issuance date if unexercised. 400,000 stock options with an average exercise price of $0.35 were forfeited.

The Company has outstanding 101,024,147 common shares and 8,786,667 stock options with an average strike price of $0.24. All previously outstanding warrants have been exercised.

RISKS AND UNCERTAINTIES

OneSoft is subject to business and economic risks. The reader is directed to page 19 of the Management's Discussion and Analysis dated for the year end February 28,2018 for a full description of the risks and uncertainties the Company is subject to.

FINANCIAL INSTRUMENTS

Categories of financial instruments

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

Financial assets	November 30, 2018 $	February 28, 2018 $
Loans and receivables		
Cash and cash equivalents	2,191,352	3,661,057
Trade and other receivables	222,979	128,679
	2,414,331	3,789,736

Financial liabilities	November 30, 2018 $	February 28, 2018 $
Financial liabilities measured at amortized cost:		
Accounts payable and accrued liabilities	351,140	365,070
	351,140	365,070

Financial instruments measured at fair value

The carrying value of accounts receivable and accounts payable and accrued liabilities approximate their fair value because of the near term to maturity of these instruments. The carrying amount of the Company's USD denominated bank accounts of $9,969 (February 28, 2018 - $443,346) held by Canadian entities approximates the fair value as the exchange rates are quoted market rates. Due to their short-term nature, and liquidity of the Company's financial instruments, fair value approximates their carrying value.

Risk management objectives and policies

The Company is exposed to various risks in relation to financial instruments. The main types of risks are foreign currency risk, interest rate risk, credit risk and liquidity risk. The Company's risk management is coordinated at its headquarters, in close cooperation with the Board of Directors, and focuses on actively securing the Company's short to medium-term cash flows by minimizing the exposure to financial markets. Long-term financial investments are managed to generate lasting returns. The Company is exposed to market risk through its use of financial instruments and specifically to currency risk, interest rate risk and certain other price risks, which result from both its operating and investing activities.

Foreign currency sensitivity

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

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

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

	November 30, 2018 $ (USD)	February 28, 2018 $ (USD)
Cash and cash equivalents	1,057,740	1,720,478
Trade and other receivables	162,707	85,130
Accounts payable and accrued liabilities	(89,164)	(26,465)
Total exposure	1,131,284	1,779,143

Credit risk analysis

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

	November 30, 2018 $	February 28, 2018 $
Classes of financial assets - carrying amounts:		
Cash and cash equivalents	2,191,352	3,661,057
Trade and other receivables	222,979	128,679
Carrying amount	2,414,331	3,789,736

The Company mitigates its credit risk by invoicing with short credit terms and actively collecting its accounts receivable. The Company is exposed to credit risk through its cash. The Company manages the credit risk associated with its cash by holding its funds with reputable financial institutions.

Customer accounts are closely monitored for the amount and age of balances outstanding. The Company's target market primarily consists of large pipeline operating companies who are expected to reliably pay all amounts owed to the Company.

The aging of accounts receivable was:

	November 30, 2018		
	Gross trade and other receivables	Allowance for doubtful accounts	Net trade and other receivables
Current	$ 222,979	$ -	$ 222,979
Total	$ 222,979	$ -	$ 222,979

	February 28, 2018		
	Gross trade and other receivables	Allowance for doubtful accounts	Net trade and other receivables
Current	$ 122,117	$ -	$ 122,117
Past due more than 90 days	6,562	-	6,562
Total	$ 128,679	$ -	$ 128,679

Liquidity risk analysis

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Company manages this risk by regularly evaluating its liquid resources to fund its current and long-term obligations in a cost-effective manner.

The Company's exposure to liquidity risk is mitigated through its continued ability to sell subscriptions to use its software and services and the prompt collection of accounts receivable. The Company controls its liquidity risk by managing its cash and cash flows.

The Company's financial liabilities are short-term in nature and payment is due within one year. Financial liabilities outstanding at November 30, 2018 were $351,140 (February 28, 2018 - $365,070).

The Company considers cash flows from financial assets of $2,414,331 (February 28, 2018 - $3,789,736) in assessing and managing liquidity risk, and, its cash resources and trade receivables. The Company's existing cash resources and trade receivables do not exceed the current cash outflow requirements. Cash flows from trade and other receivables are contractually due within one month.

CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATES

When preparing the consolidated financial statements, management makes estimates and assumptions about the measurement of assets, liabilities, income and expenses. Actual results could differ from the estimates and assumptions made by management and the differences between estimates and actual results may be material.

Revenue and deferred revenue

Revenue is recognized when the revenue recognition criteria expressed in accounting policy note 6 Revenue Recognition in the consolidated financial statements for the year ended February 28, 2018 have been met. Judgment may be required when allocating revenue or discounts on sales amongst the various elements in a sale involving multiple deliverables.

Determination of functional currency

The determination of functional currency is a matter of determining the primary economic environment in which an entity operates. IAS 21 "The Effect of Changes in Foreign Exchange Rates" sets out several factors to apply in making the determination of the functional currency; however, applying the factors in IAS 21 does not always result in a clear indication of functional currency. When IAS 21 factors indicate differing functional currencies within a subsidiary, management uses judgment in the ultimate determination of that subsidiary's functional currency.

Useful lives of depreciable assets

Management reviews the useful lives of depreciable assets at each reporting date and estimates the expected future utility of the assets to the Company. Actual results may vary due to technical obsolescence, particularly for computer equipment.

Stock based compensation

The amount recognized for stock-based compensation is an estimated expense based on the Company's stock price, expected volatility, expected life and weighted average fair value.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of the business combination is measured as the aggregate of the consideration transferred, measured at the acquisition date at fair value. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3 Business Combinations are recognized at their fair values at the acquisition date. Acquisition costs incurred are expensed in the period in which they are incurred except for costs related to shares issued in conjunction with the business combination which are recorded as a deduction from share capital.

Goodwill is initially measured at the excess of the fair value of consideration transferred less the fair value of the net identifiable assets acquired and liabilities assumed. If this amount is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized immediately in the Consolidated Comprehensive Statement of (Loss) Income. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized but is subject to an annual impairment test. Goodwill impairment is evaluated annually or more frequently, if events or changes in circumstances indicate that the asset might be impaired.

Contingent consideration

Pursuant to a vote of the disinterested shareholders on July 24, 2018, certain shares issued for the acquisition of the assets and business of Bridge Solutions Inc. were released to the vendors from escrow on September 24, 2018 after a hold period as mandated by current regulations. The fair value of the contingent consideration and its subsequent revaluation was determined using a Black-Scholes Option Pricing Model which considers market conditions relating to the Company’s shares and the expected time before the shares will be released from escrow.

CHANGES IN ACCOUNTING POLICIES

Standards issued and adopted by the Company in the current year:

IFRS 9 – Financial instruments

IFRS 9, Financial instruments (“IFRS 9”) was issued by the IASB in November 2009 and it replaced IAS 39, “Financial Instruments: Recognition and Measurement” (IAS 39). IFRS 9 replaced the multiple rules in IAS 39 with a single approach to determine whether a financial asset is measured at amortized cost or fair value and a new mixed-measurement model for debt instruments having only two categories: amortized cost and fair value. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. This standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 was adopted effective March 1, 2018. It had no effect on the financial statements as the Company’s financial instruments are relatively simple in nature and the accounting of them did not change with the adoption of the new Standard.

IFRS 15 -- Revenue from Contracts with Customers

IFRS 15, Revenue from Contracts with Customers (“IFRS 15”) replaced IAS 18 - Revenue, IAS 11 - Construction Contracts and some revenue related interpretations. IFRS 15 established a new control-based revenue recognition model, changed the basis for deciding whether revenue is to be recognized over time or at a point in time, and improved disclosures about revenue. IFRS 15 provides more detailed guidance on contracts involving the delivery of two or more goods and services as to when to account separately for the individual performance obligations in a multiple element arrangement, how to allocate the transaction price and when to combine contracts. IFRS 15 also provides guidance on how to treat arrangements with variable pricing, such as performance-based pricing and how revenue can be determined. In addition, IFRS 15 provides guidance on time value of money and adjusting a contract price for a financing component. The Company adopted the standard effective March 1, 2018. It had no effect on the financial statements as the accounting treatment for the Company’s transactions was similar under both the new and old standard.

IFRS 16 - Leases

IFRS 16, Leases (“IFRS 16”) is a new standard which will require lessees to recognize assets and liabilities for most leases under a single accounting model, with certain exemptions. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Early adoption is permitted, provided the new revenue standard, IFRS 15 has been applied or is applied at the same date. The standard had no effect on the Company’s consolidated financial statements as it currently does not have any lease agreements.

ADVISORY REGARDING FORWARD LOOKING INFORMATION

This MD&A, the MD&A dated February 28, 2018 and the associated Q3 2019 unaudited Interim condensed consolidated Financial Statements and the audited consolidated Financial Statements dated February 28, 2018 (the “2019 Reporting Documents”) contain historical information, descriptions of current circumstances and statements about potential future developments and anticipated financial results, performance or achievements of the Company. The latter statements, which are forward-looking statements, are presented to provide guidance to the reader but their accuracy depends on several assumptions and are subject to various known and unknown risks and uncertainties. Forward-looking statements are included under the headings “company and Product”, “Q3 Fiscal 2019 Highlights”, “Market Opportunity and Significance of Company Technology”, “Technology and Products”, “Business Outlook”, “Fiscal 2019 Operational Highlights”, “Financial Condition and Liquidity” and “Risks and Uncertainties”. When used in the MD&A, such statements may contain such words as “may,” “will,” “intend,” “should,” “expect,” “believe,” “outlook,” “predict,” “remain,” “anticipate,” “estimate,” “potential,” “continue,” “plan,” “could,” “might,” “project,” “targeting” or the negative of these terms or other similar terminology. Forward looking information in the 2019 Reporting Documents includes, without limitation, statements regarding funding requirements. These statements are based on management’s current expectations regarding future events and operating performance, are based on information currently available to management, speak only as of the date of the 2019 Reporting Documents and are subject to risks which are described on page 8 of this MD&A and in the Company's public filings on the Canadian Securities Administrators' website at www.sedar.com ("SEDAR") and as updated from time to time, and would include, but are not limited to, dependence on market economic conditions, the efficacy of the Company's software products, sales and margin risk, acquisition and integration risks, competition, information system risks, risks associated with the introduction of new products, product design risk, environmental risks, customer and vendor risks, credit risks, currency risks, tax risks, risks of legislative changes, risks relating to remote operations, key executive risk and litigation risks. In addition, there are numerous risks associated with an investment in the Company's common shares, which are also further described in the "Risks and Uncertainties" section in this MD&A, and as updated from time to time, the Company's other public filings on SEDAR. These risks and uncertainties may cause actual results to differ materially from those contained in the statements. Such statements reflect management's current views and are based on certain assumptions. Some of the key assumptions include but are not limited to: assumptions regarding the performance of the Canadian and the United States economies; interest rates; exchange rates; capital availability; the amount of the Company's cash flow from operations; tax laws; laws and regulations relating to the protection of the environment; and capital spending requirements or planning in respect thereto, including but not limited to the performance of any such business and its operation. They are, by necessity, only estimates of future developments and actual developments may differ materially from these statements due to several known and unknown factors. Investors are cautioned not to place undue reliance on these forward-looking statements. All forward-looking information in the 2019 Reporting Documents is qualified by these cautionary statements. Although the forward-looking information contained these 2019 Reporting Documents is based upon what management believes are reasonable assumptions, there can be no assurance that actual results will be consistent with these forward-looking statements. Certain statements included in the 2019 Reporting Documents may be considered "financial outlook" for purposes of applicable securities laws, and such financial outlook may not be appropriate for purposes other than these 2019 Reporting Documents.

The forward-looking statements contained in the 2019 Reporting Documents are made as of the date of this report and should not be relied upon as representing management's views as of any date after the date of this report. Except as required by applicable law, the Company undertakes no obligation to publicly update or otherwise revise any forward-looking statement, whether because of new information, future events, or otherwise.