



URBANIMMERSIVE INC.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE THREE-MONTH PERIOD YEAR ENDED
DECEMBER 31, 2022 AND 2021**

DATED FEBRUARY 23, 2023

Urbanimmersive Inc.

Management discussion and analysis for the three-month period year ended December 31, 2022

This management's discussion and analysis of financial position and results of operations ("MD&A"), is prepared as of February 23, 2023, and complements the interim condensed financial statements of Urbanimmersive Inc. ("Urbanimmersive" or the "Corporation") for the period ended December 31, 2022, which are compared to the period ended December 31, 2021.

The interim condensed consolidated financial statements and related notes have been prepared in accordance with IAS 34, Interim Financial Reporting, as issued by the International Accounting Standards Board. They do not contain all the information required to be disclosed in annual financial statements. Certain information and notes usually provided in the annual financial statements have been omitted or condensed when not deemed essential to the understanding of the interim financial information of the Company. Therefore, this MD&A should be read in conjunction with the information contained in the annual audited consolidated financial statements of the Corporation and the notes thereto for the year ended September 30, 2022. All financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS") and all amounts are in Canadian dollars unless otherwise indicated.

The Corporation's independent auditors have not conducted a review of the interim condensed financial report in accordance with the standards established by the Canadian Institute of Chartered Accountants regarding the review of the interim financial report.

The interim condensed financial statements and the MD&A have been reviewed by the audit committee and approved by the Corporation's Board of Directors on February 23, 2023. These documents and more information about the Corporation are available on SEDAR at www.sedar.com.

FORWARD LOOKING STATEMENTS

Certain statements made in this MD&A are forward-looking statements or information. The Corporation is hereby providing cautionary statements identifying important factors that could cause the Corporation's actual results to differ materially from those projected in the forward-looking statements. Any statements that express, or involve discussions as to, expectations, beliefs, plans, objectives, assumptions or future events or performance (often, but not always, through the use of words or phrases such as "may", "is expected to", "anticipates", "estimates", "intends", "plans", "projection", "could", "vision", "goals", "objective" and "outlook") are not historical facts and may be forward-looking and may involve estimates, assumptions and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward-looking statements. In making these forward-looking statements, the Corporation has assumed that the current market will continue and grow and that the risks listed below will not adversely impact the business of the Corporation. By their nature, forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, which contribute to the possibility that the predicted outcomes may not occur or may be delayed. The risks, uncertainties and other factors, many of which are beyond the control of the Corporation that could influence actual results are summarized under the heading "Risks and Uncertainties".

Further, unless otherwise noted, any forward-looking statement speaks only as of the date of this MD&A, and, except as required by applicable law, the Corporation does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made or to reflect the occurrence of unanticipated events. New factors emerge from time to time, and it is not possible for management to predict all such factors and to assess in advance the impact of each such factor on the business of the Corporation, or the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement.

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ABOUT URBANIMMERSIVE

Urbanimmersive develops and commercializes real estate photography technologies and services focused on redefining industry visual content standards. The Company all-in-one platform enables high-volume photography businesses to increase operational productivity delivering feature-rich 3D tours and floor plans, leading-edge property websites and high-resolution AI-indexed images. The Company operating segments include software (SaaS), 3D photography equipment and, in a growing number of North American cities, technology-powered real estate photography service business units leading the industry photo-shoots standards transformation. Learn more at urbanimmersive.com.

HIGHLIGHTS

- For its first quarter ending December 31, 2022 (Q1-23), the Company generated revenues of \$3.2 million compared to \$1.0 million for Q1-22, an increase of \$2.2 million or 219%;
- For Q1-23, the Company generated adjusted EBITDA of \$31,000 compared to adjusted EBITDA loss of \$204,000 for Q1-22, an increase of \$235,000;
- In October 2022, the Company completed the strategic acquisition of HomeVisit, LLC, a major photography service agency in the United States owned by CoreLogic, LLC, for a purchase price of \$8.2 million, financed by the issuance of Company' shares (\$2.7 million) and a 5-year guaranteed debenture worth \$5.5 million. As part of this acquisition, the Company acquired a working capital of US\$ 1.2 million;
- The Company's liquidities totaled \$1.5 million as of December 31, 2022.

ACHIEVEMENTS

“During the most recent quarter, we have successfully integrated HomeVisit, the largest acquisition in Urbanimmersive’s history. This strategic acquisition brings technology, revenues, large U.S. customer base and opportunities to upsell Urbanimmersive’s solutions. This transaction positions Urbanimmersive to tap the \$1.5 billion addressable market for the photography of residential real estate. Concurrently to the acquisition, CoreLogic, the largest real estate technology provider in North America, became a shareholder of Urbanimmersive and has signed a strategic partnership with Urbanimmersive. This partnership, which is the result of several months of technology due diligence, allows Urbanimmersive to onboard MLS agencies and real estate brokers to its marketplace and benefit from our fully integrated and proprietary solutions. This deal fits perfectly with our U.S. expansion strategy”, said Ghislain Lemire, President and CEO of Urbanimmersive.

“Although we are still navigating in a difficult real estate market environment, the rapid integration of HomeVisit's activities into our state-of-the-art management system ('ERP') and our enhanced global product and service offering, including 3D visits, marketplace and metaverse experience, allows us to consider the future with optimism in terms of growth and financial performance”, added Mr. Lemire.

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OPERATING RESULTS ANALYSIS

	Three-month period ended Dec. 31, 2022	Three-month period ended Dec. 31, 2021
	In thousands \$	In thousands \$
Revenues	3,177	995
COGS and direct charges	1,722	439
Gross margin (before amortization)	1,454	556
Amortization	506	249
Operating expenses	2,040	868
EBITDA*	31	(204)
Other expenses (revenues)	3	36
Net income (loss)	(1,094)	(597)
Basic net income (loss) per share	(0.02)	(0.02)

* Q1-23 adjusted EBITDA includes \$617,000 for non-cash items related to share and share-based payments \$99,000 and non-recurring items such as transition costs \$473,000 and business acquisition costs \$45,000. Q1-22 adjusted EBITDA includes \$108,000 for non-cash items related to share and share-based payments \$47,000 and non-recurring items such as CEWS wage subsidies -\$3,000, restructuring charges \$60,000 and business acquisition costs \$33,000.

THREE-MONTH PERIOD ENDED DECEMBER 31, 2022 COMPARED TO THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2021

Net profit for Q1-23 was \$1.1 million compared to \$0.6 million for Q1-22, an increase of the net loss of \$0.6 million which is explained by the following changes:

REVENUES

In Q1-23, the Company's revenues totaled \$3.2 million compared to \$1.0 million for Q1-22, an increase of \$2.2 million or +219%. This increase is mainly explained by the significant increase in revenues from the Service segment of \$2.3 million as a result of the full 3-month contribution of the businesses acquired in late November/early December 2021 of \$0.9 million as well as the \$1.5 million contribution of HomeVisit, LLC acquired on October 20, 2022. Those additional revenues are partially offset by a year-over-year decrease in 3D photography equipment sales and royalties collected from a photography equipment supplier as well as a decrease in SaaS revenues.

The decrease in 3D photography equipment sales and royalties of \$0.1 million is explained by the termination in January 2022 of Immersolution's 3D cameras distribution agreement with Matterport.

GROSS MARGIN (BEFORE AMORTIZATION)

For Q1-23, the Company generated a gross margin (before amortization) of \$1.5 million (45.8%) compared to \$0.6 million (55.9%) for Q1-22, resulting in an increase of \$0.9 million (162%) and a decrease of 10.1 points.

This increase of \$0.9 million is mainly explained by the full 3-month contribution of photography businesses acquired in late November/early December 2021 as well as the contribution of HomeVisit, LLC acquired on October 20, 2022. The decrease in percentage is mainly explained by the more significant

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contribution from the photography service businesses acquired which have generated a gross margin of 42.2% during the quarter. For the software segment (SaaS), the gross margin generated was 67.0% for Q1-23 compared to 72.1% for Q1-22.

For Q1-23, the gross margin of 45.8% has improved by 1.9% while compared to the previous quarter (Q4-22) being at 43.9%. For the Service segment, the gross margin of 42.2% has improved by 10.7% while compared to the previous quarter (Q4-22) being at 31.5%. For the Software segment, the gross margin of 67.0% has decreased by 12.8% while compared to the previous quarter (Q4-22) being at 79.8%.

Direct costs of \$1.7 million are mainly composed of photographers' salaries of \$0.6 million, HomeVisit printing service team salaries of \$0.4 million, post-production salaries for 3D tours and plans floor of \$0.1 million, other subcontractors of \$0.5 million (i.e.: photo editing, aerial photography, etc.), as well as credit card fees (\$0.1 million), delivery charges (\$0.1 million) and travel expenses (\$0.1 million).

AMORTIZATION

The increase in amortization of \$0.3 million between Q1-22 and Q1-23 is mainly explained by the addition of intangible assets as part of the businesses acquired in 2022 and 2021 as well as by the amortization of additional investments made on the Company's transactional platforms in recent quarters.

OPERATING EXPENSES

Operating expenses totaled \$2.1 million for Q1-23 compared to \$0.9 million for Q1-22 for an increase of +\$1.2 million. This increase is mainly explained by the businesses acquired between November 2021 and October 2022 as well as non-recurring charges incurred for those acquisitions of \$0.5 million. The increase in operating expenses resulting from acquisitions include salaries and benefits of \$0.8 million, software licenses of \$0.1 million and hosting fees of \$0.1 million. For more details on the variations, refer to note 13 of the interim condensed consolidated financial statements as of December 31, 2022.

EBITDA

For Q1-23, EBITDA totalled \$31,000 compared to -\$204,000 for Q1-22, an improvement of \$235,000.

OTHER EXPENSES

Other expenses totaled \$3,000 for Q1-23 compared to other expenses of \$36,000 for Q1-22, a decrease in other expenses of \$33,000 which is mainly explained by a gain on reevaluation of the fair value of the earn-outs payables in Q1-23 of \$103,000 and partly offset by an increase in financial charges \$52,000 follow the grant of a \$2.0 million term loan in Q1-22.

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FINANCIAL POSITION ANALYSIS

	December 31, 2022	September 30, 2022
	In thousands \$	In thousands \$
Assets	\$26,862	18,914
Liabilities	\$12,412	6,075
Equity	\$14,451	12,838

ASSETS

Total assets as of December 31, 2022 amounted to \$26.9 million compared to \$18.9 million as of September 30, 2022, an increase of \$7.9 million mainly due to the acquisition of HomeVisit, LLC in October 2022, with the most important variations including intangible assets of \$3.0 million, goodwill of \$2.5 million, trade and other receivables of \$0.9 million, cash of \$0.5 million, right-of-use assets of \$0.4 million, property and equipment of \$0.3 million and prepaid expenses of \$0.2 million.

The increase in property and equipment of \$0.3 million is mainly explained by the purchase of 3D photography equipment for HomeVisit of \$0.1 million and other equipment acquired through HomeVisit acquisition. The increase in right-of-use assets of \$0.4 million is explained by the acquisition of new long-term lease agreements for printing equipment through the HomeVisit acquisition (refer to the Commitment section of this MD&A for more details). Please also refer to the cash flow analysis section for more details on the \$0.5 million year-over-year variation in cash.

LIABILITIES

Total liabilities as of December 31, 2022 amounted to \$12.4 million compared to \$6.1 million as of September 30, 2022, an increase of \$6.3 million which is mainly explained by the increase in long-term debt of \$5.4 million following the grant of a secured promissory note of a fair value of \$5.5 million to finance the acquisition of HomeVisit, the increase in lease liabilities of \$0.5 million following the acquisition of HomeVisit' lease agreements, an increase in accounts payable and other payables of \$0.5 million, the use of bank indebtedness of \$0.1 million and the increase in deferred liabilities of \$22,000, partially offset by the repayment of the balance of purchase of -\$0.1 million and a decrease in the fair value of earn-outs of -\$0.1 million.

EQUITY

As of December 31, 2022, equity amounted to \$14.4 million compared to \$12.9 million as of September 30, 2022, an increase of +\$1.6 million. This increase is mainly explained by the increase in share capital of \$2.7 million and the provision for share options and warrants of \$0.1 million, partially offset by the loss for the 3-month period of \$1.1 million and other comprehensive income items of -\$0.1 million.

The increase in share capital of \$2.7 million is explained by the issuance of shares to finance acquisition the acquisition of HomeVisit (\$2.7 million) and share payments of \$23,000, nets of costs related to share issuance of -\$21,000.

Readers are referred to annual consolidated statement of changes in equity for further details.

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2022

On October 7, 2021, the Company closed a non-brokered private placement of 134,894 units at a price of \$0.94 per unit (\$126,800) with \$106,566 which was allocated to share capital and the residual value of \$20,234 was allocated to the provision for share options and warrants. Each unit consists of one common share of the Corporation and one warrant entitling the holder to purchase one additional common share of the Company at a price of \$1.13 per share until September 29, 2023.

On November 24, 2021, the Corporation issued 103,093 common shares at a fair value of \$0.8366 per share for a total of \$86,248 as consideration paid for the acquisition of Immophoto Inc.

On November 24, 2021, the Corporation issued 15,464 common shares at a price of \$0.97 per share for a total of \$15,000 as consideration paid for the acquisition of the technological platform Tours Virtuales.

On December 3, 2021, the Corporation issued 585,829 common shares at a fair value of \$0.712 per share for a total of \$417,111 as consideration paid for the acquisition of Virtual Access Tours LP.

On December 10, 2021, the Corporation issued 349,828 common shares at a price of \$0.85 per share (\$297,354) as consideration paid for the acquisition of the technological platform Stilio.

On December 15, 2021, the Corporation issued 1,518,987 common shares at a fair value of \$0.6942 per share for a total of \$1,054,481 as consideration paid for the acquisition of Agento Marketing.

For its first quarter of 2022, the Corporation issued 202,560 common shares at a price of \$0.625 per share for a total of \$141,792, including \$15,192 coming from the reserve for the share options and warrants) upon conversion of warrants.

2023

On October 20, 2022, the Corporation issued 9,287,707 common shares at a fair value of \$0.29 per share for a total of \$2,727,800 as consideration paid for the acquisition of HomeVisit, LLC. As part of this issuance, the Corporation incurred fees totaling \$20,912.

For its first quarter of 2023, the Corporation issued 75,000 common shares at a price of \$0.30 per share for a total of \$22,500 as compensation paid in shares to Management.

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CASH FLOW ANALYSIS

	Three-month period ended Dec. 31, 2022	Three-month period ended Dec. 31, 2021
	In thousands \$	In thousands \$
Operating activities	(559)	(333)
Investing activities	1,408	(2,400)
Financing activities	(242)	2,039

THREE-MONTH PERIOD ENDED DECEMBER 31, 2022 COMPARED TO THE THREE-MONTH PERIOD ENDED DECEMBER 31, 2021

OPERATING ACTIVITIES

For Q1-23, operating activities used cash flows of \$0.6 million compared to used cashflows of \$0.3 million for Q1-22, a decrease of \$0.2 million which is explained by the net loss adjusted for the non-cash items of -\$0.3 million, partly offset by the variation in the change in non-cash working capital items of +\$45,000.

INVESTING ACTIVITIES

For Q1-23, investing activities of \$1.4 million include \$1.6 million of cash acquired through the acquisition of HomeVisit, net of capitalized R&D salaries of -\$48,000 in order to continue improving the SaaS platform and -\$0.1 million for the acquisition of property and equipment, mainly 3D photography equipment to service HomeVisit' photographs.

For Q1-22, investing activities required cash flows of \$2.4 million mainly for the acquisition of businesses net of the cash acquired of -\$2.3 million, purchase of photography equipment of -\$39,000 and R&D investments in the Company's SaaS platforms, notably for the interactive 3D tours, UiMeet3D and new designs.

FINANCING ACTIVITIES

For Q1-23, financing activities have used cash flows of -\$0.2 million for repayment of long-term debts of -\$0.2 million, lease liabilities of -\$0.1 million and balance of purchase of -\$0.1 million and the costs related to the issuance of shares of -\$21,000, nets of the use of bank indebtedness of \$0.1 million.

For Q1-22, financing activities generated cash flows of \$2.0 million which are mainly explained by a new term loan contracted to finance the acquisitions of \$2.0 million, the issuance of shares as part of a private placement of \$0.1 million and the exercise of warrants of \$0.1 million, partially offset by the payment of a balance of purchase of -\$0.1 million, long-term debts of -\$0.1 million and share issuance costs -\$26,000.

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OPERATING SEGMENT ANALYSIS

The Company operates three distinct operating segments: Software, Photography Equipment and Service. The Software segment offers a SaaS marketing platform to professional photographers and other immersive visual content providers. The Photography Equipment segment offers a resale service of 3D photography equipment. The Service segment offers photography services.

	Software		Photography Equipment		Service	
	3-month period ending Dec. 31, 22	3-month period ending Dec. 31, 21	3-month period ending Dec. 31, 22	3-month period ending Dec. 31, 21	3-month period ending Dec. 31, 22	3-month period ending Dec. 31, 21
	In thousands \$	In thousands \$	In thousands \$	In thousands \$	In thousands \$	In thousands \$
Segmented revenues	394	440	1	103 ⁽¹⁾	2,782	451
COGS and direct charges (excluding amortization)	(110)	(120)	29	(48)	(1,642)	(271)
Segmented gross margin	284	321	30	55	1,140	180
Segmented operating expenses	(459)	(348)	-	(43)	(1,245)	(187)
Segmented operating income	(175)	(27)	30	13	(106)	(7)

⁽¹⁾ Includes \$55,000 of royalties related to a photography equipment supplier

QUARTERLY RESULT TRENDS

The operating results for each of the last eight quarters are presented in the following table. Management considers that the information for each of those quarters was determined in the same way as for our audited consolidated financial statements for the year ended September 30, 2022.

	2023	2022				2021		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
In thousands \$	\$	\$	\$	\$	\$	\$	\$	\$
Revenues	3,177	2,310	2,850	2,182	995	1,090	1,102	982
Gross margin (excluding amortization)	1,454	1,015	906	1,192	556	668	733	664
EBITDA *	31	(103)	296	(68)	(204)	56	103	153
Net income (loss)	(1,094)	273	(285)	(981)	(597)	(1,577)	(249)	(551)
Basic net income (loss) per common share	(0.02)	0.01	(0.01)	(0.03)	(0.02)	(0.05)	(0.01)	(0.03)

*Adjusted for non-recurring and non-cash items

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LIQUIDITY AND SOURCES OF FINANCING

As of December 31, 2022, the Company had a cash position of \$1.2 million and unused lines of credit of \$0.3 million along with a positive working capital of \$1.2 million, when excluding the current portion of the long-term debts and lease liabilities.

The Company has prepared a budget using assumptions that management considers reasonable. Achieving budgeted results depends mainly on the increase of sales, compliance with the gross operating margin forecast, support of its financial partners and control of general and administrative. Based on its recent financial results and current liquidities, Management believes that the Company will be able to continue to execute its business plan and commercial strategy which will be adapted to its financial situation on an ongoing basis. Readers are invited to refer to the Risk and Uncertainties section for more information.

COMMITMENTS

As part of the EDC guarantee described in Note 17 of the interim condensed consolidated financial statements, the Company will have to pay a total guarantee fee of \$22,180, including \$19,840 in 2023 and \$2,340 in 2024.

Lease liabilities

The Corporation signed a lease for its Imoto office until February 2024 with remaining payments totaling \$US 27,300, including \$US 18,900 in 2023 and \$US 8,400 in 2024.

The Corporation signed a lease for its photography equipment until March 2027 with remaining payments totaling \$92,987, including \$16,827 in 2023, \$22,848 in 2024, 2025 and 2026 and \$7,616 in 2027.

The Corporation signed a lease for a vehicle until May 2024 with remaining payments totaling \$12,322, including \$6,523 in 2023 and \$5,799 in 2024.

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INFORMATION ON OUTSTANDING SECURITIES

As of December 31, 2022, the Company's authorized share capital consists in an unlimited number of common shares of which 46,681,697 are currently outstanding as well as 2,102,500 options and 3,152,510 warrants, with 3,017,616 warrants exercisable at \$1.20 and expiring on April 6th, 2023 and 134,894 warrants exercisable at \$1.13 and expiring on September 29, 2023.

The number of outstanding share options, as the date of the MD&A, that could be exercised for an equal number of common shares is as follow:

Expiry date	Exercise price	Number of option outstanding
March 28, 2023	0.400	236,800
March 29, 2024	0.375	100,000
January 13, 2025	0.300	133,200
February 8, 2025	0.925	20,000
January 14, 2026	0.850	255,000
April 6, 2026	1.100	35,000
September 29, 2026	0.940	80,000
January 24, 2027	0.720	900,000
September 14, 2027	0.350	20,000
November 9, 2027	0.300	322,500
		<hr/>
		2,102,500

RELATED PARTY TRANSACTIONS

Please refer to Note 16 of the interim condensed consolidated financial statements for the first quarter ended December 31, 2022 for key management personnel compensation.

The Corporation has not entered into any related party transaction.

OFF-BALANCE SHEET ARRANGEMENTS

The Corporation has no off-balance sheet arrangements.

ESTIMATES, JUDGMENTS AND ASSUMPTIONS

The Corporation prepares its consolidated financial statements in accordance with IFRS, which require management to make estimates and assumptions that affect the amounts of its assets and liabilities, the information provided with regard to future assets and liabilities as well as the amounts of revenues and expenses for the relevant periods.

The elements in the consolidated financial statements that require more use of estimates and judgment are disclosed in Note 5 of audited consolidated financial statements for the year ended September 30, 2022. Actual results may differ from these estimates, but management believes they will not result in material changes versus the results being presented.

RISKS RELATED TO FINANCIAL INSTRUMENTS

Readers are invited to refer to Note 24 of the audited consolidated financial statements for the year ended September 30, 2022, for a full description of these risks.

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RISKS AND UNCERTAINTIES

The following are certain factors relating to the business of the Corporation, which factors investors should carefully consider when making an investment decision concerning securities of the Corporation. These risks and uncertainties are not the only ones facing the Corporation. Additional risks and uncertainties not presently known to the Corporation, or that the Corporation currently deems immaterial, may also impair the operations of the Corporation. If any those risks actually occur, it could have a material adverse effect on the Corporation's business prospects, results of operation and financial condition. In any such case, the market price of the Corporation's shares could decline, and investors may lose all, or part of, their investment.

The Corporation may derive a significant amount of its revenues from activities which are sensitive to changes in economic conditions.

Given the nature of its target market, the Corporation is directly affected by the performances and trends of the residential real estate industry and the cyclical nature of home-buying patterns. As such, overall economic conditions as well as the fluctuations of the mortgage interest rates, property access requirements and broker-free sales trends could adversely impact its market base and results.

The Corporation depends on the leadership and services of key personnel and its business and growth prospects may be severely disrupted if the Corporation loses their services.

The Corporation's future success is dependent on its current and future executive management team. The Corporation relies on their industry expertise, experience and specialized technical knowledge in the Corporation's business operations, including their business vision, management skills, and working relationships with the Corporation's employees, its shareholders and many of the Corporation's customers, suppliers and partners. The Corporation does not maintain key-man life insurance for its key employees. Although all employees have entered into non-competition and non-solicitation agreements, these agreements may not be effective in helping the Corporation retain qualified personnel. If one of them was unable, or unwilling, to continue in his or her present position, the Corporation might not be able to replace this individual easily, or at all. Furthermore, this would result in a time-consuming disruption of the management's resources. As a result, the Corporation's business and growth prospects may be severely disrupted if the Corporation loses personnel or if the Corporation is unable to hire qualified personnel.

Failure to manage the Corporation's growth could strain the Corporation's management, operations and other resources and the Corporation may not be able to achieve anticipated levels of growth, which could materially and adversely affect the Corporation's business and growth potential.

The Corporation plans to continue to rapidly expand its operations. These plans will continue to result in substantial demands on the Corporation's management, operations and other resources. To manage its growth, the Corporation must develop and improve its existing administrative and operational systems and its financial and management controls and further expand, train and manage its work force.

The Corporation has limited operating experience of its revisited business model and recent acquisitions, which may make it difficult to evaluate its business and prospects.

The Corporation has a limited operating experience of its revised business model and recent acquisitions upon which its viability and sustainability and its acceptance by customers and partners can be evaluated. It is also difficult to evaluate the viability of the Corporation's business model because of the risks frequently encountered by companies diversifying and integration businesses operating in other business segments and in rapidly evolving markets. The Corporation may be unable to generate sufficient revenue to become profitable and have sustainable positive cash flows.

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In addition, the Corporation's quarterly operating results are difficult to predict and may fluctuate significantly from period to period due to numerous factors, such as the cyclic nature of the real estate industry. Finally, its limited operating experience could impact both its expansion projects, due to its limited recognition in the industry across North America, and its ability to broaden its market base.

The Corporation may not be able to manage its current or future operations effectively and efficiently or compete effectively in such markets. The Corporation may also not be able to hire, retain, integrate or motivate its current or new personnel. There can be no assurance that the Corporation will be able to efficiently or effectively manage the growth of its operations, recruit top talent and train its personnel. Any failure to efficiently manage its expansion may materially and adversely affect the Corporation's business and future growth.

The Corporation and the real estate industry are sensitive to changes in the global economic situation and to the impacts related to a major crisis such as the current health and economic crisis related to Covid-19.

The emergence of a new strain of coronavirus (Covid-19) resulted in a major global health crisis, which continues to affect the global economy and the financial markets at the time of development. These events are likely to cause material changes in assets or liabilities in this fiscal year or to have a material impact on future operations. The Corporation has taken and will continue to take actions following these events to minimize the impact. However, it is impossible to determine all the financial implications of these events in the future.

The Corporation's growth and success also depend on its capacity to protect its intellectual property and have its rights respected in the event of infringement.

The ability of the Corporation to successfully protect its exclusive methods and technology is important for its success. The Corporation relies, in part, on trade secrets and contractual restrictions, such as confidentiality agreements and licenses, but there is no assurance that they will constitute adequate protection against competitors' products and trademarks. The Corporation intends to promote its trademarks aggressively in order to build goodwill and to develop improvements to its products, which may be subject to legal protection. The Corporation's efforts could be unsuccessful and these improvements might not qualify for legal protection or produce a competitive advantage for the Corporation. Competitors may also produce products similar to those of the Corporation without infringing on its intellectual property rights. Competitors and other third parties could infringe on the Corporation's intellectual property rights which could result in significant litigation expenses. These expenses would reduce the Corporation's cash flow. The Corporation may lose potential or existing customers, suppliers or partners if it is not successful in protecting its intellectual property rights against such third-party infringements.

The Corporation faces competition, and if it does not compete successfully against new and existing competitors, the Corporation may lose its market share, and its profitability may be adversely affected.

The Corporation competes with other companies offering content exchange platforms to real estate professionals. The Corporation also competes for overall advertising and training spending with other web-based content exchange platforms. In the future, the Corporation may also face competition from new entrants into the real estate market. The Corporation's sector is characterized by relatively low entry costs, as is customary in the content exchange industry. As a result, the Corporation expects competition to intensify in the future as existing competitors introduce new, and more competitive, offerings alongside their existing products, and as market entrants introduce new products into these markets.

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Increased competition could reduce the Corporation's operating margins and profitability and result in a loss of market share. Some of the Corporation's existing and potential competitors may have competitive advantages, such as significantly greater financial, marketing or other resources, or exclusive arrangements with major clients, and others may successfully mimic and adopt the Corporation's business model. The Corporation cannot assure investors that it will be able to successfully compete against new or existing competitors.

The Corporation's services and products could suffer delays, failures or damage due to events that are beyond the Corporation's control, which could adversely affect its reputation and operating results.

The Corporation's information technology systems and infrastructures may be subject to damage or interruption following natural or man-made disasters such as earthquakes, floods, fires, power loss and sabotage, as well as interruptions from technology malfunctions arising from telecommunications failures, computer viruses, security breaches or cyber-attacks. Given that the Corporation hosts some of its content on third-party cloud providers' systems, sometimes located in the United States, and third-party credit card processing service providers, these risks could also be triggered by cyber-attacks on these third parties' systems. Even if those disruptions were to be found to result from those third parties, there can be no assurance that the Corporation would not be liable or would be able to enforce its contractual provisions against these third parties. Other potential service interruptions may result from unanticipated service requests or unanticipated forms of use from customers, suppliers or partners, which could result in the Corporation being unable to provide its hosting services, grant access to its content or incur significant data losses. Furthermore, the proliferation of viruses and cyber-attacks in the recent years, both deliberate and unintentional, could result in important remediation costs, increased security costs and loss in confidence by industry professionals. The Corporation may incur substantial costs in order to address, repair or replace hardware and software. Prolonged disruption of the Corporation's systems may reduce its efficiency or taint its entire operations, which could materially adversely affect its business. Data losses may also financially expose the Corporation and lead to mandatory disclosures of such a breach.

The Corporation may be subject to intellectual property infringement claims, which may force the Corporation to incur substantial legal expenses and, if determined adversely against the Corporation, may materially disrupt its business.

The Corporation cannot be certain that its platforms or other aspects of its business do not, or will not, infringe upon patents, copyrights or other intellectual property rights held by third parties. The Corporation may become subject to legal proceedings and claims from time to time relating to the intellectual property of third parties in the ordinary course of its business. Furthermore, the potential expansion of its activities in multiple jurisdictions may increase the risks of infringement on its intellectual property. The Corporation may incur substantial expenses in defending against these third-party infringement claims, regardless of their merit. Consequently, management may not be able to dedicate its time and resources on growth strategies, which may materially and adversely disrupt its business.

If the Corporation is found to have violated the intellectual property rights of third parties, it may then be forced to abandon applications or registrations for intellectual property protection, modify or discontinue production of its products in certain countries, or operate under different trademarks. The Corporation could be required to obtain a license from a third party holding the patent or other intellectual property right, if such third party agrees to give the Corporation a license to develop, manufacture, use, sell, offer for sale or market the products. Finally, the Corporation could also be limited in the marketing of new products. Successful infringement or licensing claims against the Corporation may result in substantial monetary liabilities, which may materially and adversely disrupt its business.

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The Corporation has a history of operating losses and may need additional capital and it may not be able to obtain it, which could adversely affect its liquidity and financial position.

The Corporation has a history of operating losses. To date, the Corporation has primarily been financed through operating revenues, share issuance, debt or convertible debt issuances, bank loans and government assistance. The ability of the Corporation to continue as a going concern basis is dependent on achieving profitable operations and future financing. There can be no assurance that financing will be available in amounts or on terms acceptable to the Corporation, if at all. Any failure by the Corporation to raise additional funds on terms favourable to it could have a material adverse effect on its liquidity, financial condition and the success of its business plan.

To raise additional capital, the Corporation may, in the future, offer additional shares or other securities to the public. As a result, shareholders may experience dilution of their interest. The Corporation cannot assure that it will be able to sell shares, or other securities, in any other offering at a price per share that is equal to, or greater than, the price per share paid by existing investors. The price per share at which the Corporation sells additional shares or other securities may be higher, or lower, than the price per share in a previous offering.

The Corporation is dependent on its relationships with a limited number of partners.

The Corporation relies on its partners for a significant percentage of the Corporation's revenue. Its dependence on these partners may increase in the future as the Corporation pursues its strategy of increasing penetration of some of these partners' existing markets. Furthermore, large customers and partners may move their technology assignments from one service provider to another or may divide their assignments among two or more service providers which would decrease the Corporation's revenues. Finally, service agreements being on a short-term basis make it difficult for the Corporation to evaluate the spending of current customers and partners for the next fiscal years and plan accordingly.

A significant reduction in the spending by, or the loss of one or more of, the Corporation's largest customers or partners, could have a material adverse effect on its prospects, business, financial condition and results of operations if not replaced by new customers or partners or an increase in business from existing customers or partners.

Fluctuation in currency exchange rates may affect the Corporation's business prospects and revenues.

A portion of the Corporation's revenues may be in foreign currencies, mainly in US dollars, and most of its expenses are in Canadian dollars. Therefore, the Corporation's results will be affected by the fluctuation of the Canadian dollar relative to currencies in which it transacts. This may lead to foreign exchange currency losses which could materially affect financial results.

If the Corporation is unable to adapt to changing technological trends, it will not be able to compete effectively and will be unable to increase or maintain its revenues, which may materially and adversely affect its business prospects and revenues.

The market for its Marketplace and Content Management System ("CMS") platforms requires the Corporation to continuously identify new technology trends and the needs of customers, which may require the Corporation to develop new features and enhancements for its platforms. Furthermore, even though few similar services are currently being offered to real estate professionals, competitors may develop new, or improved, technological responses to the real estate problematics that the Corporation addresses. Furthermore, the Corporation may fail to respond to these changing technology needs and to implement such changes on its products or fail to do so in a timely manner. The new systems and the

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update of the existing ones may not gain popularity with customers or may not maintain any achieved popularity. In such case, the Corporation's competitors, or future entrants into the market who do take advantage of such initiatives, could gain a competitive advantage over the Corporation.

The Corporation's failure to maintain existing relationships or obtain new relationships with partners would harm the Corporation's business and prospects.

The Corporation's ability to generate revenues outside of its immediate geographic market depends largely upon its ability to maintain and expand a network of partners and their ability to successfully commercialise the Corporation's suite of products. This, in turn, requires that the Corporation develop knowledge of the key players in the countries and regions where it wants to conduct business. If the Corporation fails to maintain its relationships with partners, or fails to develop new relationships with partners, its revenues could decline and its efforts to develop international sales, and its reputation, could suffer.

The Corporation may face increased expenses in order to achieve its growth.

As the Corporation continues its effort to grow and penetrate new markets, it may incur substantial costs and expend substantial resources in connection with any such expansion due to, among other things, different technology standards, legal considerations and cultural differences. The Corporation expansion plans could lead to an increase in fixed costs, notably if the need to open new physical offices arises. Finally, international sales and operations will expose the Corporation to additional risks as well as increase the costs of legal and regulatory compliance.

The Corporation's long-term strategy might impact its short-term results.

The Corporation aims at providing long-term solutions to its customers and partners. In order to achieve this goal, the Corporation will prioritize research and development investments, over other investments, which may impair its short-term results. The Corporation may also be required to incur development and acquisition costs in order to keep pace with new technology but the Corporation may not have the financial resources necessary to fund and implement future technological innovations or to replace obsolete technology, which may materially and adversely disrupt its business. In addition, in order to expand its business, the Corporation will need to invest in finding new ways to widen its market base. In order to do so, the Corporation might need to invest in educating some industry actors in order to create a competitive advantage for its technological solutions. Furthermore, the Corporation may need to invest to increase both the value generated for customers and partners as well as the accessibility of its services in order to reach new customers and partners.

There is uncertainty relating to the ability of the Corporation to enforce its rights under the representative or licensing agreements.

The Corporation intends to enter into representative or licensing agreements with partners in foreign jurisdictions which are subject to various legal obligations. If a representative or licensing agreement is breached, the Corporation may incur additional costs for determining its rights and obligations under the agreement under applicable foreign laws and to enforce the agreement in a foreign jurisdiction. The Corporation may not be able to enforce such rights or may determine that it would be too costly to enforce such rights.

The Corporation may be subject to, and may expend significant resources in defending against, actions and civil and regulatory suits based on the products, content and services it provides.

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Although the Corporation requires its users to comply, at all times, with all applicable laws, the Corporation has no assurance that its customers and partners do not provide items and content which may infringe third party intellectual property rights, privacy laws or other laws and regulations. Furthermore, the Corporation may be liable, or alleged to be liable, to third parties if the visual content is found to be indecent, misleading, negligent, fraudulent, defamatory or otherwise illegal. In the event that a customer, supplier or partner's content is in breach of such rights or regulations, the Corporation may be required to cease providing the relevant content to prevent any other infringement. In addition to the content hosted by the Corporation, customers are invited to provide reviews and feedback on their experience with suppliers. These comments, over which the Corporation has no control other than in its efforts to monitor them, might also expose the Corporation to potential liability. Any alleged liability could also harm the Corporation's business by damaging its reputation, requiring the Corporation to incur legal costs in defence, exposing the Corporation to awards of damages and costs and diverting management's attention which could have an adverse effect on the Corporation's business, results of operations and its financial condition.

Finally, given the sensitive nature of some of the information hosted on its Marketplace and CMS platforms, the Corporation is subject to privacy protection requirements. This legal framework is ever changing and the compliance with its various requirements may lead to increased financial obligations in the future as well as expose the Corporation to reputational damages. The Corporation's marketing strategies will also need to be tailored to comply with the various anti-spam regulations in Canada as well as in the various jurisdictions where the Corporation intends to develop its operations.

The market price of the shares may be volatile, which may make it difficult for holders to resell the shares when desired or at attractive prices.

In addition to market and industry factors, the price and trading volume for the shares may be highly volatile for specific business reasons. Factors such as variations in the Corporation's revenues, earnings and cash flow, announcements of new investments, cooperation arrangements or acquisitions, and fluctuations in market prices for the Corporation's services could cause the market price for the shares to change substantially. The Corporation's operating results may be below the expectations of public market analysts and investors. If this were to occur, then the market price of the shares would likely significantly decrease. Any of these factors may result in large and sudden changes in the volume and price at which the shares will trade. The Corporation cannot give any assurance that these factors will not occur in the future. Prospective investors should be aware that the value of an investment in the Corporation may go down as well as up and that the market price of the shares may not reflect the underlying value of the Corporation. Investors may therefore realize less than, or lose all of, their investment. The sale, or availability for sale, of substantial amounts of the shares could adversely affect their market price.

Sales of substantial amounts of the shares in the public market or the perception that these sales could occur, could adversely affect the market price of the shares and could materially impair the Corporation's future ability to raise capital through offerings of shares.

The return on investment from the shares depends on any future appreciation in the market price of the shares.

The Corporation currently intends to invest its future earnings, if any, to fund its growth. Any future determination to pay dividends on the shares would be at the discretion of the board of directors and would depend on, among other things, the Corporation's results, surplus, financial condition, solvency tests and other factors that the board of directors may deem relevant. Since the Corporation does not intend to pay dividends in the foreseeable future, the investors' ability to receive a return on their investment will depend

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on any future appreciation in the market price of the shares. There is no assurance that their shares will appreciate in price.

There may be a limited market for the shares.

The shares are currently listed on the TSXV. However, there may be a limited and volatile market for the shares, which may make it difficult for investors to resell the shares when desired, or at attractive prices. Financial markets have, in the past, experienced significant price and volume fluctuations that have particularly affected market prices, even though the performances, underlying asset values and prospects of the affected companies were healthy.

Accordingly, the market price of the shares may decline even if the Corporation's results have not changed.

Management believes it monitors these risks very closely. It is constantly watching each of these elements and takes the necessary action to mitigate its risks.

Readers are referred to the more detailed information described in other disclosure documents filed with the applicable Canadian securities regulatory authorities and available at www.sedar.com.