# Voxtur Analytics Corp.

## Management's Discussion and Analysis of Financial Condition and Results of Operations for the six months ended June 30, 2022 (the "*Period*")

The information set forth below has been prepared as at August 24, 2022, and is derived from, and should be read in conjunction with, Voxtur Analytics Corp.'s ("Voxtur," "VXTR" or the "Company") unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2022 (the "Reporting Date"), including the accompanying notes (the "Interim Financial Statements"), which can be found on SEDAR at www.sedar.com. This Management Discussion and Analysis ("MD&A") is intended to assist in understanding the dynamics of the Company's business and key factors underlying its financial results.

The Interim Financial Statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") using accounting policies consistent with International Financial Reporting Standards ("IFRS"). By their nature, the Interim Financial Statements do not include all the information required for full annual financial statements, and so should be read in conjunction with the Company's 2021 audited annual consolidated financial statements prepared in accordance with IFRS, which can be found on SEDAR at www.sedar.com. The Interim Financial Statements were prepared using the accounting policies disclosed in the annual financial statements.

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

### Company Overview

Voxtur is a transformational real estate technology company that is redefining industry standards in the real estate finance lifecycle. The Company offers automated workflows and targeted data analytics to simplify property valuation, tax solutions and settlement services for investors, lenders, government agencies and mortgage servicers. Voxtur's proprietary data hub and platforms accurately and efficiently value assets, service loans, securitize portfolios and evaluate tax assessments. The Company serves the property lending and property tax sectors, both public and private, in the United States ("US") and Canada.

The Company has developed a web-based enterprise platform and database to deliver the primary offerings noted below.

Software and Data Licenses:

- Software that automates and digitizes the appraisal process which includes order tracking, job assignment, collaboration, scheduling tools, and mobile apps for appraisers and enterprises by leveraging a North American repository of public, third party and proprietary data.
- Desktop review software for assessors and government agencies that generate customized portals to view multiple elements related to a property, including street level imagery, aerial imagery, building outline sketches, advanced mapping tools, property valuation details, comparable property analysis, and structural characteristics, amongst others. This architecture has been built to support a full suite of add-on modules and services, including workflow management, sketching software and mobile functionality.
- Software that analyzes the accuracy of property assessments by leveraging multiple property data sources to deliver insightful comparable modeling and predictive valuations using proprietary algorithms. Integration of this platform with the Company's proprietary appeal management module assists public entities in the management of property assessment appeals.
- Commercialization of client data through the delivery of reports and individual data requests through secure ecommerce transactions or by account. In addition to standardized reports, the Company also provides customized reports through an assisted fulfillment process.

Technology-Managed Services:

- The Company provides real estate valuation solutions by leveraging its proprietary technology to deliver full-spectrum appraisal and broker price opinion services.
- The provision of property tax solutions utilizing the Company's property tax analysis and appeal management platform and sketch software to support clients that require a facilitated experience with the Company's technology and databases.
- Services for clients seeking to outsource property-related services to benefit from the efficiencies the Company can provide using its proprietary technology.
- The provision of real estate technology and non-legal default services.

Settlement Services:

- The provision of full service title, escrow and closing services.

The Company's common shares ("Common Shares") are traded on the TSX Venture Exchange ("TSXV") under the symbol VXTR, and on the US OTCQB under the symbol VXTRF.

**Significant developments in the second quarter of 2022:**

- In May 2022, the Company closed a brokered private placement for gross proceeds of approximately $12,505, or $11,676 net of finder's fees and issuance costs. The Company issued a total of 12,260,000 Common Shares at $1.02 per Common Share. In connection with this private placement, the Company issued 367,800 broker warrants. Each full broker warrant entitles the holder to acquire one Common Share of the Company at a price of $1.02 per Common Share for a period of 24 months following the closing of the private placement. Net proceeds of this private placement will be used for future acquisitions, working capital and general corporate purposes.

**Significant developments subsequent to the second quarter of 2022:**

- In July 2022, the Company acquired Municipal Tax Equity Consultants Inc. ("MTEC") and the Company's associated entity, MTAG Paralegal Professional Corp., acquired MTE Paralegal Professional Corporation ("MTEP", and together with MTEC, "MTE"). The purchase price for the acquisition of MTEP is $900, payable in cash and the aggregate purchase price for the acquisition of MTEC by Voxtur is $3,500, subject to customary adjustments, paid in a combination of cash, totaling $2,200, and common shares of the Company, with $800 of the MTEC purchase price satisfied by the issuance of 808,080 Common Shares at closing, priced at $0.99 per Common Share, and $500 of the MTEC purchase price satisfied by the issuance of up to 505,050 Common Shares, subject to an escrow hold period of 18 months, priced at $0.99 per share. The number of escrowed shares to be issued following the escrow hold period are subject to a downward adjustment. In addition, $500 of the cash portion of the MTEC Purchase Price is subject to an escrow hold period of 18 months.
- In August 2022, the Company executed a purchase agreement for the acquisition of all of the issued and outstanding membership interests of Blue Water Financial Technologies Holding Company, LLC ("Blue Water"). The total purchase price for the arms-length Acquisition is approximately USD$101M, subject to adjustment prior to closing, which will be satisfied by the following: USD$30,000 cash to be paid at closing; issuance of approximately 101,000,000 Common Shares of Voxtur, to be issued in equal installments each quarter for the 16 quarters following the closing; and issuance of approximately 69,000,000 Common Shares, to be issued in three equal installments, the first within 30 days of the closing and the second and third on the first and second anniversaries of the closing, respectively, in satisfaction of certain obligations of Blue Water under Long-Term Incentive Plans adopted by Blue Water in 2019 and 2022. The issuance of Common Shares in connection with the Acquisition will not result in the creation of a new Control Person (as that term is defined in the policies of the TSXV) of the Company. Voxtur has received a commitment from the Bank of Montreal to increase the total size of its credit facility by USD$30,000 to fund the cash consideration of the purchase price and certain transaction expenses ("Financing"). The closing of the Acquisition is subject to the satisfaction of certain conditions, including receipt of required regulatory approvals.

## Use of Non-GAAP Financial Measures

Management has included two non-GAAP financial measures to supplement information contained in this MD&A. These non-GAAP measures do not have any standardized meaning prescribed under IFRS and therefore may not be comparable to similar measures employed by other reporting issuers. The non-GAAP measures contained in this MD&A are:

(a) "Adjusted Working Capital", which is defined and calculated by the Company as current assets less current liabilities, excluding items that are not financial assets or financial liabilities. Management believes Adjusted Working Capital provides meaningful information with respect to the liquidity of the Company. A reconciliation of working capital to Adjusted Working Capital is provided in the section entitled *"Liquidity and Capital Resources – Adjusted Working Capital"*.

(b) "Adjusted EBITDA", which is defined and calculated by the Company as earnings (loss) before interest, taxes, depreciation/amortization of property and equipment, intangible assets and right-of-use assets, share-based compensation expense, foreign exchange gains (losses) recorded through profit and loss, and other costs or income that are: (i) non-operating; (ii) non-recurring; and/or (iii) related to strategic initiatives. The Company classifies income or costs as non-recurring if income or costs similar in nature are not reasonably expected to occur within the next two years nor have occurred during the prior two years, and such costs are significant.

    Management believes Adjusted EBITDA provides meaningful information with respect to the financial performance and value of the Company, as items that may obscure the underlying trends in the business performance are excluded. A reconciliation of earnings (loss) to Adjusted EBITDA is provided in the section entitled *"Overall Performance and Results of Operations – Adjusted EBITDA Reconciliation."*

These measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of financial performance prepared in accordance with IFRS.

## Overall Performance and Results of Operations

### *Summary of Quarterly Results*

The financial information set forth below is derived from, and should be read in conjunction with, Voxtur's Interim Financial Statements for the three and six months ended June 30, 2022 (the "Reporting Date"), which can be found on SEDAR at www.sedar.com.

| (In thousands of Canadian dollars, except per share amounts) | Three months ended[1] March 31 | June 30 | Sept 30 | Dec 31 | Year ended Dec 31 |
|---|---|---|---|---|---|
| **Fiscal 2022** | | | | | |
| Revenue | $ 40,832 | $ 38,069 | | | |
| Loss | (11,740) | (4,140) | | | |
| Comprehensive loss | (13,648) | (458) | | | |
| Loss per share - basic and diluted | (0.02) | (0.01) | | | |
| Adjusted EBITDA, Unaudited[2] | $ (2,904) | $ (3,989) | | | |
| **Fiscal 2021** | | | | | |
| Revenue | $ 14,468 | $ 18,037 | $ 24,711 | $ 38,775 | $ 95,991 |
| Loss | (7,352) | (6,016) | (6,761) | (11,961) | (32,090) |
| Comprehensive loss | (8,475) | (7,830) | (3,868) | (12,648) | (32,821) |
| Loss per share - basic and diluted | (0.03) | (0.01) | (0.01) | (0.02) | (0.08) |
| Adjusted EBITDA, Unaudited[2] | $ 1,163 | $ 56 | $ (638) | $ 30 | $ 611 |
| **Fiscal 2020** | | | | | |
| Revenue | $ 5,111 | $ 4,498 | $ 4,920 | $ 5,982 | $ 20,511 |
| Loss | (261) | (2,004) | (1,766) | (2,134) | (6,166) |
| Comprehensive loss | (221) | (1,997) | (1,761) | (904) | (4,883) |
| Loss per share - basic and diluted | - | (0.02) | (0.01) | (0.01) | (0.05) |
| Adjusted EBITDA, Unaudited[2] | $ (665) | $ (683) | $ (189) | $ 506 | $ (1,031) |

[1] Results are Unaudited.
[2] Adjusted EBITDA is a non-GAAP measure and is defined above in *"Use of Non-GAAP Financial Measures"*.

### *Adjusted EBITDA Reconciliation*

The following tables present reconciliations of Loss to Adjusted EBITDA for the periods presented.

| | Three months ended[1] | | | | Year ended |
|---|---|---|---|---|---|
| **(In thousands of Canadian dollars)** | **March 31** | **June 30** | **September 30** | **December 31** | **December 31** |
| **Fiscal 2022** | | | | | |
| Loss | $ (11,740) | $ (4,140) | | | |
| Add back (deduct): | | | | | |
| Amortization of property and equipment | 43 | 45 | | | |
| Amortization of intangible assets | 3,519 | 3,535 | | | |
| Amortization of right-of-use assets | 164 | 155 | | | |
| Change in contingent consideration | (1,243) | (2,341) | | | |
| Finance costs, net | 494 | 470 | | | |
| Income tax expense (recovery) | 108 | (3,219) | | | |
| Share-based compensation expense | 3,049 | 1,847 | | | |
| Foreign exchange loss (gain) through profit and loss | 1,368 | (2,767) | | | |
| Costs (income) related to non-operating items, non-recurring items and/or strategic initiatives[1] | 1,334 | 2,426 | | | |
| Adjusted EBITDA, Unaudited[2] | $ (2,904) | $ (3,989) | $ - | $ - | $ - |
| **Fiscal 2021** | | | | | |
| Loss | $ (7,352) | $ (6,016) | $ (6,761) | $ (11,961) | $ (32,090) |
| Add back (deduct): | | | | | |
| Amortization of property and equipment | 33 | 41 | 44 | 46 | 164 |
| Amortization of intangible assets | 1,590 | 2,553 | 2,715 | 3,760 | 10,618 |
| Amortization of right-of-use assets | 89 | 88 | 61 | 480 | 718 |
| Change in contingent consideration | - | - | - | (146) | (146) |
| Finance costs, net | 688 | 462 | 539 | 558 | 2,247 |
| Income tax expense | 223 | (460) | (684) | (897) | (1,818) |
| Share-based compensation expense | 4,216 | 1,970 | 3,286 | 3,985 | 13,457 |
| Foreign exchange loss (gain) through profit and loss | 471 | 619 | (1,191) | 93 | (8) |
| Costs (income) related to non-operating items, non-recurring items and/or strategic initiatives[1] | 1,205 | 799 | 1,353 | 4,112 | 7,469 |
| Adjusted EBITDA, Unaudited[2] | $ 1,163 | $ 56 | $ (638) | $ 30 | $ 611 |

[1] Results are Unaudited.
[2] Adjusted EBITDA is a non-GAAP measure and is defined above in *"Use of Non-GAAP Financial Measures"*.

| | Three months ended[1] | | | | Year ended |
|---|---|---|---|---|---|
| **(In thousands of Canadian dollars)** | **March 31** | **June 30** | **September 30** | **December 31** | **December 31** |
| **Fiscal 2020** | | | | | |
| Loss | $ (261) | $ (2,004) | $ (1,766) | $ (2,134) | $ (6,166) |
| Add back (deduct): | | | | | |
| Amortization of property and equipment | 45 | 33 | 36 | 37 | 150 |
| Amortization of intangible assets | 450 | 464 | 442 | 663 | 2,019 |
| Amortization of right-of-use assets | 93 | 95 | 92 | 91 | 370 |
| Loss (gain) on derivative asset | - | (166) | 166 | - | 0 |
| Finance costs, net | 285 | 288 | 309 | 387 | 1,269 |
| Income tax expense (recovery) | (25) | 200 | (190) | 608 | 592 |
| Share-based compensation expense | 17 | 13 | 135 | 245 | 410 |
| Foreign exchange loss (gain) through profit and loss | (1,389) | 590 | 403 | 1,196 | 801 |
| Costs (income) related to non-operating items, non-recurring items and/or strategic initiatives[1] | 120 | (196) | 186 | (586) | (476) |
| Adjusted EBITDA, Unaudited[2] | $ (665) | $ (683) | $ (189) | $ 506 | $ (1,031) |

[1] Results are Unaudited.
[2] Adjusted EBITDA is a non-GAAP measure and is defined above in *"Use of Non-GAAP Financial Measures"*.

## Discussion of Results of Operations

| (In thousands of Canadian dollars) | Unaudited Three months ended June 30, 2022 | Unaudited Three months ended June 30, 2021 | Unaudited Six months ended June 30, 2022 | Unaudited Six months ended June 30, 2021 |
|---|---|---|---|---|
| **Revenue** | **$ 38,069** | **$ 18,037** | **$ 78,901** | **$ 32,506** |
| Direct operating expenses | 25,399 | 9,754 | 52,309 | 17,014 |
| **Gross profit** | **12,670** | **8,283** | **26,592** | **15,492** |
| **Other operating expenses:** | | | | |
| Technology and operations | 5,412 | 3,164 | 9,912 | 5,486 |
| Selling and business development | 1,780 | 1,109 | 3,749 | 2,400 |
| General and administration | 17,474 | 9,913 | 35,934 | 19,500 |
| | 24,666 | 14,186 | 49,595 | 27,386 |
| **Loss from operations** | **(11,996)** | **(5,903)** | **(23,003)** | **(11,894)** |
| Other income (expense) | - | 509 | (7) | 531 |
| Change in contingent consideration | 2,341 | - | 3,584 | - |
| Finance costs, net | (470) | (462) | (964) | (1,150) |
| Foreign exchange gain (loss) | 2,767 | (620) | 1,398 | (1,091) |
| **Loss before income tax** | **$ (7,359)** | **$ (6,476)** | **$ (18,992)** | **$ (13,604)** |
| Income tax recovery | 3,219 | 460 | 3,112 | 237 |
| **Net loss for the period** | **$ (4,140)** | **$ (6,016)** | **$ (15,880)** | **$ (13,367)** |
| **Other comprehensive income (loss):** | | | | |
| ***Items that will not be reclassified to income (loss) for the period:*** | | | | |
| Change in fair value of investment | 113 | (70) | 56 | 314 |
| Foreign exchange gain (loss) on the translation of foreign operations | 3,569 | (1,744) | 1,718 | (3,251) |
| **Comprehensive loss for the period** | **$ (458)** | **$ (7,830)** | **$ (14,106)** | **$ (16,304)** |
| **Adjusted EBITDA, Unaudited[1]** | **$ (3,989)** | **$ 56** | **$ (6,893)** | **$ 1,219** |

[1] Adjusted EBITDA is an unaudited non-GAAP measure and is defined above in *"Use of Non-GAAP Financial Measures"*.

### *Revenue*

Nature of Services and Geographic Information:
The Company generates revenue from the provision of software and data licenses and technology-managed services in the US and Canada, and settlement services in the US.

| | Three months ended June 30, 2022 | | | Three months ended June 30, 2021 | | |
|---|---|---|---|---|---|---|
| | United States | Canada | Total | United States | Canada | Total |
| Software and data licenses | $ 4,928 | $ 1,195 | $ 6,123 | $ 1,950 | $ 1,538 | $ 3,488 |
| Technology managed services | 28,493 | 331 | 28,824 | 8,299 | 470 | 8,769 |
| Settlement services | 3,122 | - | 3,122 | 5,780 | - | 5,780 |
| Total | $ 36,543 | $ 1,526 | $ 38,069 | $ 16,029 | $ 2,008 | $ 18,037 |

*All dollar figures referred to herein, with the exception of per share amounts, are presented in thousands of Canadian dollars unless otherwise stated.*

| | Six months ended June 30, 2022 | | | Six months ended June 30, 2021 | | |
|---|---|---|---|---|---|---|
| | United States | Canada | Total | United States | Canada | Total |
| Software and data licenses | $ 10,264 | $ 2,453 | $ 12,717 | $ 3,347 | $ 3,020 | $ 6,367 |
| Technology managed services | $ 58,608 | 165 | 58,773 | 14,663 | 883 | 15,546 |
| Settlement services | 7,411 | - | 7,411 | 10,593 | - | 10,593 |
| Total | $ 76,283 | $ 2,618 | $ 78,901 | $ 28,603 | $ 3,903 | $ 32,506 |

Revenue increased to $38,069 from $18,037 for the three months ended June 30, 2022 and 2021, respectively, and to $78,901 from $32,506 for the six months ended June 30, 2022 and 2021, respectively. These increases are primarily attributable to an increase in US-based revenue resulting from business acquisitions which closed in September and December of 2021.

### *Gross profit*

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

Gross profit increased to $12,670 from $8,283 for the three months ended June 30, 2022 and 2021, respectively, and to $26,592 from $15,492 for the six months ended June 30, 2022 and 2021, respectively. These increases are primarily attributable to the increases in revenue noted in the *"Revenue"* section above, offset to some extent by an increase in direct operating expense required to support this revenue.

### *Comprehensive loss*

Comprehensive loss was $458 and $7,830 for the three months ended June 30, 2022 and 2021, respectively. This decrease of approximately $7,372 is attributable to the changes noted below.

- Fluctuating exchange on U.S. dollar denominated items and the translation of foreign operations generated a foreign exchange gain of approximately $6,335 for the second quarter of 2022 compared to a foreign exchange loss of approximately $2,364 for the same period of the prior year, for a net change of approximately $8,699;
- Increase in income tax recovery of approximately $2,760 for the second quarter of 2022 compared to the same period of the prior year;
- Increase in gross profit of approximately $4,388 for the reasons noted in the *"Gross Profit"* section above;
- Increase in contingent consideration gain of approximately $2,341, which gain is driven by changes in the Company's share value, and for which there was no comparable amount in the same period of the prior year, as the related contingent consideration liability relates to an earnout provision with respect to a business acquisition completed in December 2021; and
- Increase in the fair value of a US-dollar investment of approximately $113 in the second quarter of 2022 as compared to a decrease in fair value of approximately $70 in the same period of the prior year, for a net change of approximately $183. These changes in fair value relate to fluctuating foreign exchange rates; and
- Various other fluctuations represented a net decrease in operating expense of approximately $158.

The above-noted decreases in expenses and increases in gains were reduced to some extent by the changes noted below.

- Increase in human resource related costs, not included in direct operating expense, of approximately $6,326 attributable primarily to business acquisitions completed in the latter half of 2021;
- Increase in technology and licensing fees not included in direct operating expense of approximately $1,921 related primarily to data, software, consulting services and regulatory compliance fees required for the delivery of services. The increase was primarily driven by (i) core technology expenses of businesses acquired in the latter half of 2021, and (ii) system integrations and the consolidation of information technology environments driven by business acquisitions;

- Increase in amortization of approximately $1,069, primarily attributable to the amortization of intangible assets related to the business acquisitions completed in the latter half of 2021;
- Decrease in government assistance of approximately $530 due to the discontinuation of certain pandemic related government programs in 2022;
- Increase in insurance, regulatory and professional fees of approximately $519 related primarily to increased legal and other costs required to pursue business acquisitions and other strategic initiatives, and to support the growth of the Company;
- Increase in office and administration expense of approximately $484 attributable primarily to business acquisitions completed in the latter half of 2021; and
- Increase in travel and promotion related expense of approximately $308 due to reduced pandemic related travel restrictions and expanded operations as a result of business acquisitions completed in the latter half of 2021.

Comprehensive loss was $14,106 and $16,304 for the six months ended June 30, 2022 and 2021, respectively. This decrease of approximately $2,198 is attributable to the changes noted below.

- Increase in gross profit of approximately $11,100 for the reasons noted in the *"Gross Margin"* section above;
- Fluctuating exchange on U.S. dollar denominated items and the translation of foreign operations generated a foreign exchange gain of approximately $3,115 for the second quarter of 2022 compared to a foreign exchange loss of approximately $4,342 for the same period of the prior year, for a net change of approximately $7,457;
- Increase in income tax recovery of approximately $2,875 for the second quarter of 2022 compared to the same period of the prior year; and
- Increase in contingent consideration gain of approximately $3,584, which gain is driven by changes in the Company's share value, and for which there was no comparable amount in the same period of the prior year, as the related contingent consideration liability relates to an earnout provision with respect to a business acquisition completed in December 2021; and
- Various other fluctuations represented a net decrease in operating expense of approximately $29.

The above-noted decreases in expenses and increases in gains were reduced to some extent by the changes noted below.

- Increase in human resource related costs, not included in direct operating expense, of approximately $12,739 attributable primarily to business acquisitions completed in the latter half of 2021;
- Increase in technology and licensing fees not included in direct operating expense of approximately $3,198 related primarily to data, software, consulting services and regulatory compliance fees required for the delivery of services. The increase was primarily driven by (i) core technology expenses of businesses acquired in the latter half of 2021, and (ii) system integrations and the consolidation of information technology environments driven by business acquisitions;
- Increase in amortization of approximately $3,071, primarily attributable to the amortization of intangible assets related to the business acquisitions completed in the latter half of 2021;
- Increase in office and administration expense of approximately $1,725 attributable primarily to business acquisitions completed in the latter half of 2021;
- Increase in travel and promotion related expense of approximately $594 due to reduced pandemic related travel restrictions and expanded operations as a result of business acquisitions completed in the latter half of 2021;
- Decrease in government assistance of approximately $564 due to the discontinuation of certain pandemic related government programs in 2022;
- Increase in bad debt expense of approximately $491;
- Increase in the fair value of a US-dollar investment of approximately $56 in the second quarter of 2022 as compared to an increase of approximately $314 in the same period of the prior year, for a net change of approximately $258. These changes in fair value relate to fluctuating foreign exchange rates; and
- Increase in insurance, regulatory and professional fees of approximately $207 related primarily to increased legal and other costs required to pursue business acquisitions and other strategic initiatives, and to support the growth of the Company.

### *Adjusted EBITDA*

| | Unaudited | | Unaudited | |
|---|---|---|---|---|
| | Three months ended | | Six months ended | |
| (In thousands of Canadian dollars) | June 30, 2022[1] | June 30, 2021[1] | June 30, 2022[1] | June 30, 2021[1] |
| | | Restated[1] | | Restated[1] |
| **Net loss for the period** | **$ (4,140)** | **$ (6,016)** | **$ (15,880)** | **$ (13,368)** |
| Add back (deduct): | | | | |
| Amortization of property and equipment | 45 | 41 | 88 | 74 |
| Amortization of intangible assets | 3,535 | 2,553 | 7,054 | 4,143 |
| Amortization of right-of-use assets | 155 | 88 | 319 | 177 |
| Change in fair value of derivative asset | - | - | - | - |
| Change in contingent consideration | (2,341) | - | (3,584) | - |
| Finance costs, net | 470 | 462 | 964 | 1,150 |
| Income tax expense (recovery) | (3,219) | (460) | (3,111) | (237) |
| Share-based compensation expense | 1,847 | 1,970 | 4,896 | 6,186 |
| Foreign exchange loss through profit and loss | (2,767) | 619 | (1,399) | 1,090 |
| Costs (income) related to non-operating items, non-recurring items and/or strategic initiatives | 2,426 | 799 | 3,760 | 2,004 |
| **Adjusted EBITDA, Unaudited[2]** | **$ (3,989)** | **$ 56** | **$ (6,893)** | **$ 1,219** |

[1] Results are Unaudited.
[2] Adjusted EBITDA is a non-GAAP measure and is defined above in *"Use of Non-GAAP Financial Measures"*.

Adjusted EBITDA was ($3,989) and $56 for the three months ended June 30, 2022 and 2021, respectively, and was ($6,893) and $1,219 for the six months ended June 30, 2022 and 2021, respectively. Explanations for the changes in Revenue, Gross Profit and Comprehensive income (loss), described in the sections above, drove much of the change in Adjusted EBITDA.

Included in the calculation of Adjusted EBITDA are costs and income related to non-operating items, non-recurring items and/or strategic initiatives. These items relate primarily to costs incurred with respect to (i) legal and other expense related to business acquisitions and other strategic initiatives; and (ii) corporate marketing initiatives.

## Outstanding Share Data and Dividends

As at June 30, 2022, the Company had the following securities issued and outstanding:

- 536,821,803 Common Shares;
- 1,437,978 Deferred Share Units convertible into an equal number of Common Shares;
- 9,513,042 Restricted Share Units convertible into an equal number of Common Shares;
- 14,603,502 share purchase warrants, including broker warrants, to purchase an equal number of Common Shares, exercisable at prices ranging from $0.20 to $1.02 per share;
- Stock Options to purchase 24,656,901 Common Shares, exercisable at prices ranging from $0.13 to $1.15 per share; and
- $120 convertible debentures, convertible to 348,580 Common Shares.

The Company did not declare any dividends in the Period.

Subsequent to June 30, 2022, the following share-related transactions occurred:

- 13,537,641 share purchase warrants were exercised resulting in the issuance of 13,537,641 Common Shares;
- 46,406 share purchase warrants expired, unexercised;
- 60,453 Common Shares were issued upon the exercise of convertible debentures; and
- 808,080 Common Shares were issued as a component of consideration related to the MTE acquisition, described above in the *"Significant developments subsequent to the second quarter"* section.

## Liquidity and Capital Resources

### *Adjusted Working Capital*

Adjusted Working Capital (a non-GAAP measure; see section entitled *"Use of Non-GAAP Financial Measures" above*) is defined and calculated by the Company as current assets less current liabilities (as shown on the consolidated Statement of Financial Position), excluding items that are not financial assets or financial liabilities. Management believes Adjusted Working Capital provides more meaningful information with respect to the liquidity of the Company than does Working Capital.

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

| **(In thousands of Canadian dollars)** | | **June 30, 2022[1]** | | **December 31, 2021** |
|---|---|---|---|---|
| **Working Capital (GAAP measure)** | $ | 17,855 | $ | 21,315 |
| Less: Prepaid expenses and other current assets | | (2,464) | | (1,134) |
| Less: Contract assets, current portion | | (226) | | (288) |
| Add: Unearned revenue, current portion | | 4,415 | | 4,854 |
| **Adjusted Working Capital[1]** | **$** | **19,580** | **$** | **24,747** |

[1]Adjusted Working Capital is an unaudited non-GAAP measure and is defined above in *"Use of Non-GAAP Financial Measures"*.

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

- A decrease in cash of approximately $6,838, described below in the section entitled *"Cash Flows"*;
- An increase of approximately $2,250 in net accounts receivable due to the timing of client invoicing and collections;
- An increase of approximately $1,329 in a convertible promissory note with respect to issuance of this convertible note in 2022; and
- An increase of approximately $1,810 in accounts payable and accrued liabilities due to the timing of vendor invoicing and payments.

### *Cash Flows*

Cash flows provided by and used in operating, financing and investing activities for the six months ended June 30, 2022 and 2021 are presented below.

| **(In thousands of Canadian dollars)** | **Six months ended** | |
|---|---|---|
| **Cash flow provided by (used in)** | **June 30, 2022[1]** | **June 30, 2021[1]** |
| Operating activities | $ (13,492) | $ (4,588) |
| Financing activities | 7,918 | 54,716 |
| Investing activities | (1,314) | (28,741) |
| Effect of exchange rate fluctuations on cash | 50 | (21) |
| | **$ (6,838)** | **$ 21,366** |

The changes in cash inflows and outflows for the six months ended June 30, 2022 as compared to the same period of the prior year are explained below.

- The increase in cash used in operating activities of approximately $8,904 is primarily attributable to changes in non-cash operating assets and liabilities primarily related to business acquisitions completed by the Company in the latter half of 2021, the timing of billing and collection of receivables and the timing of operating expenses and payments.
- The decrease in cash provided by financing activities of approximately $46,798 for the first two quarters of 2022 compared to the same period of the prior year is primarily attributable (i) a decrease in proceeds from the issuance of debt and equity, net of debt repayments and debt and equity issuance costs, of approximately $42,276 to the timing and magnitude of debt and equity financing, and (ii) a decrease in proceeds from the exercise of warrants of approximately $4,389.
- The decrease in cash used in investing activities of approximately $27,427 for the first two quarters of 2022 as compared to the same period of the prior year is primarily attributable to two business acquisitions completed in the first half of 2021. No business acquisitions were completed in the first two quarters of 2022.

### *Contractual cash outflows:*

The following are the carrying amounts and the remaining contractual cash outflows of financial liabilities and commitments as at June 30, 2022.

| | | **Contractual cash outflows** | | | | |
|---|---|---|---|---|---|---|
| **As at June 30, 2022** | **Carrying Amounts** | **Total** | **within 1 year** | **1 - 2 years** | **2 - 5 years** | **More than 5 years** |
| Accounts payable and accrued liabilities | $ 14,021 | $ 14,021 | $ 14,021 | $ - | $ - | $ - |
| Long-term debt | 22,818 | 26,932 | 8,066 | 7,563 | 11,303 | - |
| Lease obligations[1] | 906 | 971 | 688 | 203 | 80 | - |
| Purchase commitments | - | 4,251 | 392 | 336 | 1,007 | 2,516 |
| | $ 37,745 | $ 46,176 | $ 23,167 | $ 8,102 | $ 12,390 | $ 2,516 |

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

The Company also has obligations related to its outstanding convertible debentures and related interest which have been excluded from the above table as the Company has the option to settle these debentures, including related interest, by the issuance of the Company's Common Shares.

The purchase commitments included in the table above are comprised primarily of annual, base-fixed fees under a consulting agreement with Yeoman & Company Paralegal Professional Corporation, details of which are disclosed in the section below entitled *"Transactions with Related Parties"*. Committed payments for the period of July 2022 to December 2034 total $4,194.

***Credit facilities:***

Operating Facility:

The Company has a $1,500 revolving credit facility. Availability of funds under this facility is limited to the lesser of (i) $1,500 and (ii) the sum of 75% of eligible Canadian domiciled accounts receivable and 60% of eligible U.S. domiciled accounts receivable, less priority payables. As at March 31, 2022, the Company had drawn $450, in the form of a letter of credit, on the Operating Facility. Interest is set at Bank of Montreal's Prime Rate plus 2.5% per annum.

Term facilities:

*2019 Term Loan, Term Loan A and Term Loan C*

In February 2021, the Company expanded its credit facilities. Prior to this expansion, the Company had the following Term Loans:

i. 2019 Term Loan;
ii. Term Loan A; and
iii. Term Loan B.

Upon the establishment of the new facility in February 2021 ("Term Loan C"), the outstanding principal balances of the 2019 Term Loan and Term Loan A were fully paid down.

With respect to Term Loan C, the Company has drawn $27,000. Proceeds net of financing costs were $26,413. The Company will pay interest only for the first six months of the term, and thereafter interest and principal which is being amortized over 54 months. The Company may, at its discretion, repay the balance of Term Loan C in whole or in part at any time after eighteen (18) months following the closing date without penalty or obligation for future interest payments otherwise payable had Term Loan C not been repaid. Pricing is set at Bank of Montreal's Prime Rate plus 4.0% per annum.

*Term Loan B*

Term Loan B was granted under the Business Credit Availability Program ("BCAP"). The BCAP is a standardized guarantee program offered by Export Development Canada in response to the COVID-19 pandemic. With respect to Term Loan B, the Company has drawn $2,000. Proceeds net of financing costs were $1,970. The Company will pay interest only for the first twelve months of the term, which commenced in October 2020, and thereafter will pay interest and monthly principal repayments of $42 based on amortization over four years. Pricing is set at Canadian Prime Rate plus 5.0% per annum. The maturity date of Term Loan B is October 1, 2025.

Both Term Loan B and Term Loan C contain customary financial and restrictive covenants and are secured by assets of the Company and its subsidiaries, which primarily consists of intellectual property and accounts receivable. As at June 30, 2022, the Company was not in violation of any financial covenants.

**Transactions with Related Parties**

*Consulting Services:*

To provide for ongoing support and development of certain software purchased from Yeoman & Company Paralegal Professional Corporation ("YCP"), in December 2014 the Company entered into a consulting agreement with YCP ("Consulting Agreement") that expires in December 2034. The Consulting Agreement provides for an annual base fee of $265, with annual increases in line with any increases in the Consumer Price Index, plus 15% of consideration received by the Company from end customers (the "YCP Fees") for use of this software. For the three and six months ended June 30, 2022, the Company incurred YCP Fees of $97 and $211, respectively (for the three and six months ended June 30, 2021 –

$144 and $282, respectively) under the Consulting Agreement, which was included in direct operating expense and technology expense. Two of the principals of YCP are the sons of the Executive Chairman of the Company.

*Service Agreements:*

Effective in February 2021, the Company has entered into various service agreements with James E. Albertelli PA and affiliates, (collectively, "the JEA Group") to provide real estate technology development and support, and non-legal default services for an initial term of twenty-five years, with an automatic extension for an additional twenty-five years. One of the principals of the JEA Group, the Chief Executive Officer and a Director of the Company, owns 70% of the JEA Group.

Certain of these fees are on a cost-plus markup pricing structure and some are billed on a fixed fee basis. For the three and six months ended June 30, 2022, with respect to these agreements, the Company recorded revenue of $3,679 and $7,330, respectively (for the three and six months ended June 30, 2021 - $5,277 and $8,879, respectively).

The Company has also entered into agreements with the JEA Group for (i) space sharing, for the use by the Company of a portion of JEA Group's premises, equipment, furniture and improvements; and (ii) sublicensing of software by the Company from the JEA Group. With respect to these agreements, the Company incurred expenses of $355 and $766 for the three and six months ended June 30, 2022 (for the three and six months ended June 30, 2021 - $366 and $660, respectively).

As at June 30, 2022, amounts outstanding related to these agreements totaled $14,207 (December 31, 2021 - $8,879). Management expects that the amounts outstanding as at June 30, 2022 are fully collectible. This receivable has been secured by a pledge of sufficient assets of the JEA Group to cover amounts outstanding. Subsequent to June 30, 2022, the Company has collected $3,880 of this amount.

*Notes Receivable from Related Parties:*

As at June 30, 2022, notes receivable from Directors and/or Officers of the Company were $2,578 CAD ($2,000 USD) (December 31, 2021 - $2,000 USD). These notes receivable are non-interest bearing and mature on December 10, 2022.

*Consolidated Entity:*

As required under the Law Society Act (Ontario) and applicable regulations, MTAG Paralegal Professional Corporation is a separate professional corporation. The Executive Chairman of the Company, a paralegal licensed in the Province of Ontario, is the sole shareholder of this professional corporation; however, the Company controls the entity through contractual arrangements, which also provide that all economic benefit or loss resulting from the entity will be received by the Company.

All of these transactions are in the normal course of operations and are measured at the transaction amount, being the amount of consideration established and agreed to by the related parties. The above noted transactions were approved by the Board of Directors of the Company.

## Off-Balance Sheet Arrangements

As at June 30, 2022, the Company had no off-balance sheet arrangements, such as guaranteed contracts, contingent interests in assets transferred to an entity, derivative instrument obligations or any instruments that could trigger financing, market or credit risk to the Company, and the Company does not expect to enter into any in the near to mid-term.

## Financial Instruments

The Company's financial instruments consist of cash, trade and other receivables, notes receivable, convertible promissory note, equity investment, accounts payable and accrued liabilities, long-term debt and convertible debentures. The Company is exposed to credit risk, liquidity risk, foreign exchange risk, and interest rate risk from its financial assets and liabilities.

## Risk Factors

Certain risks and uncertainties could significantly impact our business, financial condition, and future results. These risks are summarized below.

*General State of the Economy*

Our business is impacted by general economic conditions, including international, national, regional and local economic conditions, which are outside of our control. Economic slowdowns or downturns, adverse economic conditions, cyclical trends, increases in interest rates, variations in currency exchange rates, reduced client spending and other factors could have a material adverse effect on our business, financial condition, and results of operations. Although our operations are functionally and geographically diversified with a high degree of revenue stability protected from residential real estate market cyclicality, significant erosion in levels of activity in any segment in which we operate could have a negative impact on our business, financial condition and results of operations.

*COVID-19 Pandemic*

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

The current challenging economic climate may lead to adverse changes in the Company's cash flows, working capital levels, and/or debt balances, which may also have a direct impact on the Company's operating results and financial position in the future. Decreases in cash flows and results of operations may have an impact on the inputs and assumptions used in significant accounting estimates, including our assessment of future compliance with financial covenants and potential impairments of goodwill, long-lived assets and investment. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy and the Company's business are not known at this time. Judgments made in our financial statements and in this AIF reflect our best estimates at this time, taking into consideration the judgments that may be directly impacted by COVID-19. There can be no assurance that they will continue to be valid.

*Currency*

Our financials are reported in Canadian dollars. However, due to substantial U.S. operations, a significant portion of our future revenues and expenses are denominated in U.S. dollars. The exchange rate between the Canadian dollar and the U.S. dollar is subject to day-to-day fluctuations in the currency markets and these fluctuations in market exchange rates are expected to continue in the future. We may be subject to risks associated with these currency fluctuations, which may, from time to time, impact our financial position and results. The exchange rate between the Canadian dollar and the U.S. dollar ranged from $1.2732 at December 31, 2020 to $1.2678 at December 31, 2021.

*Financial Performance*

Our ability to achieve revenue growth and sustain profitability in future periods depends on our ability to execute our strategic plan and effectively manage our growth. A failure to do so could have a material adverse effect on our business, financial condition, and results of operations. Additionally, our revenue, cash flow, operating results, and profitability may fluctuate from quarter to quarter, based on initiatives and contractual terms and conditions for the sale of products.

*Financial Targets*

Our long-range financial targets are predicated on certain assumptions, including revenue growth and operating margin expectations. These assumptions may not prove to be true, which could reduce our expected earnings and cause us not to meet the expectations of analysts and investors, which could cause the price of our securities to decline.

*Real Estate Market*

Although our businesses are diversified and have a high degree of revenue stability protected from market cyclicality, our operations are impacted by the state of residential real estate as an investment asset class. Prolonged economic slowdowns triggered by credit liquidity, interest rates, regulatory policy, tax policy, etc., could negatively impact the market and result in fewer real estate transactions and product sales. This could have a material adverse effect on our business, financial condition, liquidity, and results of operations.

*Industry Competition*

We face competition from other technology and data analytics providers and our success depends on maintaining our competitive advantage. Our competitors include those companies developing similar technology and products for the real estate industry, and additional competitors may enter the market at any time. Our current and future competitors may enjoy competitive advantages, such as greater name recognition, longer operating histories, greater category share in certain markets, market-specific knowledge, established relationships with financial services firms, including those with larger market share than our customers, and larger existing user bases in certain markets, more successful marketing capabilities, and substantially greater financial, technical, and other resources than we have. Greater financial resources and product development capabilities may allow these competitors to respond more quickly to new or emerging technologies and changes in financial services firm preferences that may render our platform less attractive or obsolete. Our competitors may also make acquisitions or establish cooperative or other strategic relationships among themselves or with others, introduce new offerings with competitive price and performance characteristics or undertake more aggressive marketing campaigns than ours. Additionally, many of our competitors are well capitalized and offer discounted services, lower pricing, incentives, discounts and promotions, and innovative platforms and offerings, which may be more attractive than those that we offer. Further, our customers may decide to develop their own solutions that compete with ours. These competitive forces could result in a material adverse effect on our business, financial condition, and results of operations by reducing our relative share in the markets we serve.

*Acquisitions*

We have made and continue to make acquisitions as part of our growth strategy. Acquisitions may increase the size of our operations and may also increase the amount of indebtedness that we service. The successful integration and management of acquired businesses involve numerous risks and there is no assurance that we will successfully integrate our acquisitions. Such failure could adversely affect our business, financial condition, and results of operations.

*Information Systems*

One or more of the Company's business units depends, in part, on the operation and connectivity of its servers, which store and process proprietary data and imagery. Although the Company has put various redundancy measures in place to protect this information, we have not implemented a complete redundancy program due to certain constraints. If one of these systems were to fail or we were unable to successfully expand the capacity of these systems or integrate new technologies as required, our results of operations and financial condition could suffer. For example, any connectivity or server failure could result in our customers being unable to access data, which may result in a breach of contract by the Company. Furthermore, any catastrophic failure of our servers could result in the partial or complete loss of data collected to date. While we maintain a comprehensive insurance program to mitigate these risks, the ability of this insurance coverage to reduce or eliminate this risk is not guaranteed.

*Subscription and Contract Renewals*

Although many of our solutions are intended to create recurring revenue, our clients are not required to renew their subscriptions or contracts and may elect not to renew when or as we expect. Renewal rates may decline or fluctuate due to a number of factors, including pricing, competitive offerings, customer satisfaction, reductions in customer spending levels due to economic downturns, or other market uncertainty. If our clients do not renew when or as we expect, or if they renew on less favorable terms than expected, our revenues and earnings may be adversely impacted.

*Professional Talent*

Our success and ability to grow are dependent, in part, on the expertise, experience and efforts of our professionals, and our ability to attract and retain qualified professionals. Competition for such resources from other companies, academic institutions, and government entities is intense, and puts upward pressure on compensation costs, which may place the Company at a competitive disadvantage in respect to compensation and benefit matters. In particular, the Company depends heavily on its senior management team. We expect that competition for qualified professionals will continue to increase, causing compensation costs to escalate. There is no assurance that we will be able to retain our current personnel or that we will be able to attract additional qualified personnel in the future. Any failure to do so could impact our business and slow future growth of the Company.

*Third Party Information*

The data supporting certain of the Company’s products is dependent, in part, on information provided by third party sources. If we are unable to collect information from these sources, our products and client relationships could be negatively impacted.

*New Products*

As new products are developed and introduced to the market, client adoption may not achieve anticipated levels. As a result, revenue expectations may not be achieved. If cash flows from new products do not reach sufficient levels, asset impairments may need to be taken on any capitalized costs related to the development of the products.

*Technological Change*

Our ability to generate future revenues from software and data solutions is dependent on meeting the changing needs of the market and evolving industry standards through new product introductions and product enhancements. To maintain or expand market share, we must anticipate client and industry needs and develop products that meet those needs. In the short to medium term, the ability to successfully complete product developments and client implementations on a timely basis is important to achieving our revenue and growth targets.

*Intellectual Property and Privacy Rights*

We rely on the protection of our intellectual property rights to maintain our competitive advantage. These include copyrights, trademarks, trade secrets, patents, proprietary business processes, and database organization. Despite our efforts to protect our rights, unauthorized use may occur. There can be no assurance that we will be successful in protecting our intellectual property rights and, if we are not, our business, financial condition, and results of operations could be materially adversely affected. In addition, we may be subject to claims by third parties regarding infringement of intellectual property or privacy rights, particularly resulting from our image capture technology. While we have developed algorithms to scan and blur personal identifying images, the ability of such algorithms to identify all violating images has yet to be determined. If it is determined that we have violated any such rights, we could face costly litigation, penalties, or fines. We may also be required to indemnify clients pursuant to our agreements, enter into licensing agreements on unfavorable terms, or redesign or stop selling affected products, which could materially disrupt the conduct of our business and prevent us from meeting our business objectives.

*Information Technology Governance and Security*

In the ordinary course of our business, we collect, store, process and transmit sensitive data belonging to clients, partners, vendors, employees, contractors, and consumers as well as our own proprietary business information and intellectual property. The secure processing, maintenance and transmission of this information is critical to our operations and the delivery of products to our clients. Despite the robust security measures we’ve implemented, our data, systems and infrastructure may be vulnerable to attack or breached due to employee error, malfeasance, or other disruptions. These security breaches could materially compromise our information, disrupt our business operations, and cause us to breach our client obligations thereby exposing us to liability, reputational harm, and significant remediation costs. The theft, loss, corruption, exposure, fraudulent use, or misuse of client or consumer information, whether by third parties or as a result of employee malfeasance, could result in significant remediation and other costs, fines, litigation, or regulatory actions against us, as well as cause reputational harm, negatively impact our competitive position, and affect our financial results. We are increasingly relying on third-party data storage providers, including cloud storage solution providers, resulting in less direct control over this data. Such third parties may also be vulnerable to security breaches for which we may not be indemnified, and which could cause material adverse harm to our reputation and competitive position and affect our financial results.

*Product Pipeline*

Our forecast is built on a pipeline of client opportunities at varying stages of the sales process. Our ability to achieve the forecast is dependent on completion of the sales cycle and client acceptance of mutually agreeable terms. Certain factors are beyond our control, including our clients' evaluation of our offerings, budgetary constraints, timing of their approval processes, etc. Our pipeline of opportunities may not close on terms and in line with the timing assumed in our forecast. This may have a material positive or negative effect on our anticipated revenues in any given period.

*Brand*

Many of our competitors in the real estate and title insurance industries have brands that are well recognized. As a relatively new entrant into the title and escrow market, we have spent, and expect that we will for the foreseeable future continue to spend, considerable amounts of money and other resources on creating brand awareness and building our reputation. We may not be able to build brand awareness to levels matching our competitors, and our efforts at building, maintaining and enhancing our reputation could fail and/or may not be cost-effective. Complaints or negative publicity about our business practices, our marketing and advertising campaigns (including marketing affiliations or partnerships), our compliance with applicable laws and regulations, the integrity of the data that we provide to customers and partners, data privacy and security issues, and other aspects of our business, whether real or perceived, could diminish confidence in our brand, which could adversely affect our reputation and business.

*Legislative and Regulatory Changes*

Changes to laws, rules, regulations, or policies applicable to our businesses may impact on our business. Certain elements of our business are influenced by regulatory restraints applicable to our clients and/or to our business. Any change to laws, rules, regulations, or policies may significantly and adversely impact our operations and financial performance.

*Fixed-Price Engagements*

A portion of our revenues comes from fixed-price engagements. A fixed-price engagement requires us to provide a product for a specified sum of money. Fixed-price engagements expose us to risks not inherent in other financial arrangements, including underestimation of costs, ambiguities in specifications, unforeseen or changed costs or difficulties, problems with new technologies, delays beyond our control, failures of subcontractors to perform, and economic or other changes that may occur during the term of engagement. Any economic losses resulting from fixed-price engagements could have a material adverse effect on our business.

*Appraisal Management Company and Title Licensure*

We require certain licensure to operate in the U.S. property appraisal, title and settlement markets, which licensure is issued on a state-by-state basis. If any of our licenses are suspended or are unable to be renewed our operating results could be materially adversely impacted.

*Customer Concentration and Loss of Material Clients*

Although we are not dependent on one or a small number of clients, certain of our business units may have or develop a higher client concentration. The loss of a significant client that contributes a substantial portion to that business unit's revenues could have a negative impact on our enterprise revenues and could impact our ability to attract and retain other clients.

*Interest Rates and Credit Risk*

We are exposed to credit risk and fluctuations in interest rates in connection with our financial instruments and credit agreements, which may have an adverse effect on our business. Increased interest rates may adversely impact the spending levels of consumers and their ability and willingness to borrow money. Higher interest rates often lead to higher loan rates charged to consumers, which could adversely affect the ability of our customers to generate volume and in turn, the number of transactions enabled through our platform and thus our ability to generate revenue from such transactions. As a result of these circumstances, financial services firms and consumers may be discouraged from engaging with our platform and as a result, reduce the volume of transactions enabled through our platform, which could adversely affect our business, financial condition, and results of operations.

*Income Tax Matters*

The Company is subject to federal, provincial and state taxes, as well as non-income-based taxes, in the U.S. and Canada and its tax obligations are subject to review by various taxation authorities. Significant judgment is required in determining the Company's provision for income taxes and other tax liabilities, such as payroll, sales, use, property and goods and services taxes, in both the U.S. and Canada. In addition, there are many intercompany transactions and calculations where the ultimate tax determination is uncertain. Although management strives to ensure that the Company's tax estimates are reasonable, there is no assurance that the final determination of any tax audits and litigation will not be different from what is reflected in the Company's historical tax payments, provisions, accruals and/or disclosures, and any such differences may materially affect our operating results for the affected period or periods.

*Contractual Obligations*

Our success depends largely on our ability to meet contractual obligations and perform in accordance with client requirements. If we fail to properly define the scope of our work, define the limits of our liability, satisfactorily perform our obligations, or make professional errors, clients could terminate engagements, refuse payment for our services or take legal action for the loss suffered, thereby exposing us to legal liability, loss of professional reputation, and reduced profits.

*Legal Proceedings*

We may become subject to legal proceedings in the ordinary course of conducting our business, including lawsuits based upon professional errors and omissions. A significant judgment against us, or the imposition of a significant fine or penalty as a result of a finding that we have failed to comply with laws, regulations, contractual obligations, or other arrangements or professional standards, could have a significant adverse impact on our financial performance.

*Insurance Limits*

We believe that our professional errors and omissions insurance coverage, our directors' and officers' liability insurance coverage, and our other insurance policies address all material insurable risks, provide coverage that is similar to that which would be maintained by a prudent operator of a similar business and are subject to deductibles, limits and exclusions, which are customary or reasonable given the cost of procuring insurance and current operating conditions. However, there can be no assurance that such insurance will continue to be offered on an economically affordable basis, that all events that could give rise to a loss or liability are insurable, or that the amounts of insurance will at all times be sufficient to cover every loss or claim that may occur.

*Dividend Payments*

The Company has not paid dividends on its Common Shares to date. Payment of any future dividends will be at the discretion of the Board of Directors after taking into consideration many factors, including, but not limited to, the Company's operating results, financial condition and current and anticipated cash needs. At this time however, all of the Company's available funds are anticipated to be invested to finance further growth of the Company's business and therefore investors cannot expect and should not anticipate receiving a dividend on the Common Shares in the foreseeable future.

*Credit Facilities and Financial Covenants*

Our ability to pay dividends or make other payments or advances is subject to applicable laws and contractual restrictions contained in our Credit Facilities. The degree to which we are leveraged could have important consequences to our shareholders. For example, our ability to obtain additional financing for working capital, capital expenditures, or acquisitions in the future may be limited. Further, a significant portion of our cash flow from operations may be dedicated to the payment of principal and interest on our indebtedness, thereby reducing funds available for future operations. Certain of our financial arrangements will be subject to variable rates of interests, which exposes us to the risk of increased interest rates. Finally, we may be more vulnerable to economic downturns and be limited in our ability to withstand competitive pressures. The Credit Facilities contain numerous financial covenants that limit the discretion of our management with respect to certain business matters. These covenants place significant restrictions on, among other things, our ability to create liens or other encumbrances, to pay dividends or make certain other payments, investments, loans and guarantees and to sell or otherwise dispose of assets and merge or consolidate with another entity. In addition, the Credit Facilities contain financial covenants that require us to meet certain financial ratios and financial condition tests. Failure to comply with the obligations provided in the Credit Facilities could result in a default which, if not cured or waived, could accelerate the repayment of the relevant indebtedness. If repayments of indebtedness under the Credit Facilities were to be accelerated, there can be no assurance that our assets would be sufficient to repay the relevant indebtedness in full. There can be no assurance that future borrowings or equity financing will be available to us or available on acceptable terms, in an amount sufficient to fund our needs. If we are unable to obtain financing on the expiration of the Credit Facilities or are unable to obtain financing on favorable terms, our ability to continue operating in the ordinary course may be adversely affected.

*Future Financing*

Historically, we have incurred significant losses and negative cash flow from operations. We cannot ensure that we will achieve sufficient revenues to achieve profitability or positive cash flow in the future. If we are unable to generate sufficient cash resources on a consistent basis, we would need to raise additional capital for general working capital purposes, marketing and business development activities, additional data capture and continued research and development activities. These funds may be raised through public or private equity or debt financings, collaborative arrangements with third parties, or from other sources. We cannot assure that additional financing will be available or that the terms of such financing will be acceptable. Further, any such financing may cause the interests of current shareholders to be diluted. If adequate funds are not available as required, we may be required to reduce our investment in strategic initiatives, scale back or cease operations in respect to one or more of subsidiaries, sell or license proprietary technology on less than favorable terms, or consider positioning ourselves for a merger or acquisition.

*Impairment Losses*

Management periodically reviews the estimated value of acquired intangibles and goodwill to determine whether any impairment exists and based on such review, could write-down a portion of those intangible assets and goodwill. Any write-down of intangible assets or goodwill could impact our results of operations materially and adversely.

*Share Price*

Our Common Shares may experience significant volatility and do not necessarily trade at prices determined by reference to the underlying value of our business. The market price of the Common Shares may be subject to significant fluctuations in response to various factors, including quarterly variations in results of operations; announcements of technological innovations or new products by it, its customers or competitors; government regulations; developments concerning proprietary rights; litigation; announcements of acquisitions or dispositions; general fluctuations in the stock market; or actual revenues and results of operations being below the expectations of the public market. In addition, securities markets have experienced significant price and volume fluctuations from time to time in recent years that are often unrelated or disproportionately related to the operating performance of particular issuers. These broad fluctuations may adversely affect the market price of our Common Shares.

*Issuance of Additional Common Shares*

We are authorized to issue an unlimited number of Common Shares for such consideration and on such terms and conditions as may be determined by our Board of Directors without shareholder approval, except as required by the TSXV. Should the Board of Directors approve such an issuance, the interests of current shareholders may be diluted.

## Forward-Looking Statements

This MD&A contains certain forward-looking statements within the meaning of applicable securities laws and regulations, related to, amongst other things, expected future events and anticipated financial and operating results of the Company. Forward-looking statements generally can be identified by the use of forward-looking terminology such as "may", "will", "expect", "intend", "anticipate", "plan", "foresee", "believe" or "continue" or the negatives of these terms or variations of them or similar terminology. Forward-looking statements are based on Management's expectations as at the date of this MD&A and are subject to various known and unknown risks and uncertainties that may cause the Company's actual results in future periods to differ materially from those expressed or implied in this MD&A. While Management considers the assumptions upon which such forward-looking statements are based to be reasonable and appropriate in light of the current information available to it, there is risk that such assumptions may not be correct or complete.

Certain factors that could cause actual results to differ materially from those expressed or implied in any forward-looking statements included in this MD&A include, but are not limited to, risks associated with general economic conditions, risks associated with the Company's stage of development, operational risks (such as risks involved in developing new products and services, product performance warranties, risks associated with doing business with partners, risks from regulatory and legal proceedings, risks relating to the Company's dependence on certain customers, and human resource risks), financing risks (such as risks relating to liquidity and access to capital markets or debt financing) and market risks (including foreign currency fluctuations and changing interest rates). Readers are cautioned that the foregoing list of factors that may affect future growth, results and performance is not exhaustive and undue reliance should not be placed on forward-looking statements. Unless otherwise required by applicable securities laws, the Company expressly disclaims any intention, and assumes no obligation, to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

## Additional Information

Additional information relating to Voxtur, including the Company's Annual Information Form, for the year ended December 31, 2021, and 2021 Annual Consolidated Financial Statements, can be found on SEDAR at www.sedar.com.