MANAGEMENT'S DISCUSSION AND ANALYSIS OF ZOOMD TECHNOLOGIES LTD.

Basis of Presentation

The following management's discussion and analysis ("**MD&A**") relates to the operating results and financial position and cash flows of Zoomd Technologies Ltd. (the "**Company**") together with its wholly-owned subsidiary Zoomd Ltd. ("**Zoomd**") and with Zoomd's wholly-owned subsidiary Moblin Asia Pte. Ltd. ("**Moblin**"). This MD&A has been prepared as at and for the six months ended June 30, 2020 and should be read in conjunction with the Company's condensed interim consolidated financial statements for the six months ended June 30, 2020 (the "**Condensed Interim Consolidated Financial Statements**"). For the avoidance of doubt, any reference to the Company in this MD&A fully incorporates and includes Zoomd and Moblin.

The Condensed Interim Consolidated Financial Statements consolidate the accounts of the Company, Zoomd and Moblin. All inter-company balances and transactions have been eliminated on consolidation.

The Condensed Interim Consolidated Financial Statements and extracts of those financial statements included in this MD&A are presented in accordance with International Financial Reporting Standards ("**IFRS**").

The effective date of this MD&A is August 21, 2020.

Unless otherwise stated herein, all amounts expressed in this MD&A are presented in thousands of United States dollars, denominated by "$" or "USD" or "US$", the functional currency of the Company.

Non-IFRS Financial Measures

This MD&A includes certain measures which are not defined terms in accordance with IFRS such as "EBITDA" and "Adjusted EBITDA".

"EBITDA" represents the Company's operating profit before interest, taxes, depreciation and amortization.

"Adjusted EBITDA" represents the EBITDA adjusted for the exclusion of share-based compensation.

"EBITDA" and "Adjusted EBITDA" are not measures of performance under IFRS and should not be considered in isolation or as a substitute for net and comprehensive income or loss prepared in accordance with IFRS or as a measure of operating performance or profitability. These terms do not have a standardized meaning prescribed by IFRS and are not necessarily comparable to similar measures presented by other companies.

FORWARD-LOOKING STATEMENTS

This MD&A includes certain forward-looking statements that are based on current expectations, which involve risks and uncertainties associated with the business and the environment in which the Company operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements, including those identified by the expressions "**anticipate**", "**believe**", "**plan**", "**estimate**", "**expect**", "**intend**", and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not facts but reflect management's current expectations regarding future results or events. In developing the forward-looking statements in this MD&A, the Company has applied several material assumptions, including the availability of financing on reasonable terms, the Company's ability and general business and economic conditions. These forward-looking statements are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including, but not limited to, risks and uncertainties related to:

- the performance of the Company's business and operations;
- the intention to grow the business and operations of the Company;
- the ability of the Company to implement and execute its product development roadmap (including hitting certain milestones);
- future liquidity, financial capacity and availability of future financing opportunities;
- the public health crisis caused by the pandemic, COVID-19, which caused disruptions in global supply chains, business operations and financial markets;
- general economic conditions, including risks associated with foreign currency fluctuations;
- demand for the Company's products;
- introduction of competing products;
- the Company's ability to respond to rapid technological changes with new products and services;
- the return on investment from research & development investments made by the Company;
- the Company's ability to protect and enforce its intellectual property, and risks of potential claims of intellectual property infringement by third parties;
- failure to manage the Company's product and service lifecycles;
- failure to manage open-source software adoption and compliance risks;
- concentrated customer base, as seven of the Company's customers comprise 67% of its revenues for the period ended June 30, 2020;
- the ability of the Company's products to operate effectively within the systems of the Company's customers; and
- general industry and regulation trends which may change from time to time and could adversely impact the Company's business, including Apple's announcements about the implementation of an "opt-in" regime in IOS 14 for certain data collection, impacting the direct identifiers within the ecosystem as part of a continuing industry trend of protecting the privacy of users.

With respect to the forward-looking statements contained herein, although the Company believes that the expectations and assumptions are reasonable, undue reliance should not be placed on the forward-looking statements, because no assurance can be given that they will prove to be correct. There can be no assurance that the anticipated results or developments will actually be realized, and actual results can be expected to vary from the results projected and such variances may be material and adverse. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. All forward-looking statements contained in this MD&A are expressly qualified in their entirety by this cautionary statement.

COMPANY OVERVIEW

Zoomd, the Company's wholly-owned operating subsidiary located in Israel, was incorporated on November 29, 2012 and began operating in 2013 in the area of search and analytics. In 2017, Zoomd acquired the mobile marketing company "Moblin". In September 2019, through the Qualifying Transaction (defined below), Zoomd became a wholly-owned subsidiary of the Company, a reporting issuer in Alberta and British Columbia, whose common shares are traded on the TSX Venture Exchange ("**TSXV**"). The Company has developed a proprietary patented technology and targets the needs of many segments of the digital marketing industry, it focused on efficient user acquisition for companies and products aimed at mobile users. The Company leverages onsite search providing increased monetization and engagement for publishers as well as more efficient management of digital advertising budgets for media agencies and advertisers, targeting usually mobile app user acquisition. The Company offers its services globally through its subsidiary in Singapore and through its agents. As such, the Company operates in collaboration with hundreds of publishers and global advertisers and has experienced significant adoption rates of its on-site search and app distribution technology by major companies worldwide.

The Company endeavours to permanently generate clear added value to its customers in a transparent manner. The Company's current and future product development roadmap includes self-serve products with digital traffic sources, thereby enabling its customers to reach the best "value for money" ad targeting for each screen or platform connected to Zoomd. Once the milestones of the product roadmap for 2020 and 2021 will be completed, the Company's products will also be packaged and delivered as a classic SaaS UA (User Acquisition) software, offered at a flat rate price for those customers who prefer to use the product on their own rather than through the Company's service.

As the Company is heading to meet its first milestone on the product roadmap (the MVP release by the end of October), the Company is focusing its efforts in line with its basic strategy:

- Provide customers a robust marketing platform, focusing on user acquisition first. Contributing effectively, and in a measurable way, to improve the customer's performance in user acquisition.

- Enable customers to manage their advertising budgets via all digital channels, including Ad networks, exchanges, content discovery, influencers, audio networks, AR/VR marketplaces, all KPI-based.

- Monitor impacts on user acquisition, ranks, LTV, activate media buying AI rules, and more by permanently making use of all relevant technology, and updating the product to remain a leader in digital user acquisition.

Overview of the industry:

Many companies operate in the Company's industry. Digital marketing and advertising is a large market, with the mobile segment being expected to continue to grow at an accelerated rate and be subject to intense competition and innovation. The Company offers tools for improving the efficiency of digital marketing budgets focused on mobile apps user acquisition.

The Company offers two main products, with different target audiences:

- For publishers: an internal site search engine, supplying the Company's clients that are publishers the ability to implement search in their site.

- For advertisers: a complete unified Mobile User Acquisition interface for managing all their user acquisition activity, under one unified command and control screen.

The Company competes both with companies that provide internal site search solutions, and companies that provide mobile and general digital media buying services and solutions, focused on mobile apps and user acquisition.

Management believes that the Company's platform already has its competitive advantages over similar products and services offered by such competitors. The Company's belief is based on the following:

- For publishers, the Company offers the search tool for free, using a revenue-share model with the publisher (as a partner). The Company's competitors in this segment typically offer a software-based license for a fee.

- For advertisers, the Company is focused on mobile app user acquisition, integrating all material digital media buying channels onto its platform. The Company's advantage over its competitors in this segment, once the product is finalized and launched, is expected to stem from the disruptive approach which uses the integration of planned traffic sources, an AI based user acquisition approach and the combination of audience-specific data insights that are unique to the Company's platform.

In all, the Company's competitive advantage can be summarized as follows:

- No other company in the ecosystem offers publisher-focused search and advertiser-focused mobile user acquisition unified under one platform.

- The Company believes that this combination, when coupled with media cost transparency and a monthly, subscription-based business model are a differentiator.

- The Company's advertising solution is built as a software layer on the ecosystem and not as DSP, SSP, Analytic tool, etc. The advertiser platform is integrated into more than 600 media channels, consolidating all data and streaming it into one dashboard, giving the advertiser the ability to view, analyse and optimise their campaign on hundreds of channels in a single platform, thereby saving the advertiser resources and maximising their advertising budget.

As the industry is rapidly changing and innovation continues, the Company invests resources on market analysis, customer management and research and development to maintain its competitive advantage and refine its product to further differentiate itself from the competitors in order to build a healthy base for future growth.

The Qualifying Transaction:

On May 28, 2019, Zoomd, Dataminers Capital Corp. ("**Dataminers**") and Dotima 2019 Ltd. ("**Subco**"), a wholly-owned Israeli subsidiary of Dataminers, entered into an agreement and plan of merger (the "**Business Combination Agreement**") pursuant to which Dataminers and Zoomd agreed to effect the combination of their respective businesses and assets, which upon completion, would result in a reverse takeover of Dataminers by the shareholders of Zoomd (the "**Transaction**"). The Transaction, which was completed on August 28, 2019, constituted Dataminers' "**Qualifying Transaction**" under Policy 2.4 of the TSXV. Pursuant to the terms of the Business Combination Agreement, Dataminers acquired all of the issued and outstanding shares of Zoomd by way of an amalgamation between Zoomd and Subco, with the amalgamated entity becoming a direct, wholly-owned subsidiary of the Dataminers.

In connection with the Qualifying Transaction, Zoomd raised approximately CD$9.3 million (approximately US$7 million) pursuant to a private placement (the "**Concurrent Financing**") of 8,385,990 subscription receipts and 880,000 common shares of Zoomd FinanceCo Ltd. each of which, upon completion of the Qualifying Transaction, was exchanged for one common share of Dataminers, and the successor entity of Zoomd FinanceCo Ltd. becoming a wholly-owned subsidiary of Dataminers.

Upon the completion of the Qualifying Transaction, Dataminers issued an aggregate amount of 90,921,209 common shares to the shareholders of Zoomd and holders of shares of Zoomd FinanceCo Ltd. in exchange for all of the issued and outstanding shares of Zoomd and Zoomd FinanceCo Ltd.

On September 3, 2019, the common shares of Dataminers began trading on TSXV under the new name "**Zoomd Technologies Ltd.**" with the ticker symbol ZOMD.

Prior to the consummation of the Transaction Zoomd was required to make a share split on a 1:9.674629454 adjustment basis to its share capital (the "**Ratio**"), so that immediately prior to the closing of the Transaction (i) Zoomd issued to each of its shareholders, with respect to each ordinary share of Zoomd held, an additional 8.674629454 ordinary shares (rounded to the nearest whole number) (keeping the ratio of 1:9.674629454); and (ii) the number of ordinary shares or rights convertible into, exercisable or exchangeable into, or entitling the holder thereof to receive directly or indirectly, additional ordinary shares of Zoomd under any option or warrant to purchase ordinary shares currently outstanding or otherwise granted by Zoomd (the "**Outstanding Options**") was adjusted as per the Ratio so that each one ordinary share issuable under such Outstanding Option shall be increased by an additional amount of 8.674629454 ordinary shares (rounded to the nearest whole number).

In connection with the Qualifying Transaction, the agents of the brokered portion of the Concurrent Financing received 458,080 broker warrants (each, a "**Broker Warrant**"). Each Broker Warrant is exercisable to acquire one common share of the Company at CA$1.00 per share until August 20, 2021. In addition, certain finders received 265,000 finders' options on identical terms as the Broker Warrants.

Financial Operations Overview

Financial Period ended June 30, 2020

Revenue

The Company generates revenue primarily from two different models:

(a) Revenue from advertisers that is derived from the Company-installed search engine on a publisher's site. When an end-customer is using the Company's engine, the Company generates revenue from the advertisers, with whom it has a contracted budget that is based on the number of views / impressions and splits the revenues with the publishers. The portion of the revenue collected using this model, which is passed through to the publisher, is 60% to 70%. Revenues are recognized on a gross basis, and the amount paid to publishers is shown as cost of sales.

(b) Revenue from advertisers that are derived from actual key performance indicators (KPI's) achieved. The KPIs used most frequently are cost per install (CPI), cost per event (CPE), cost per click (CPC) or cost per mille (CPM). Alternatively, the Company may use an agreement whereby the revenue is based on a fixed percentage by using traffic sources as publishers, ad networks and demand side platforms (DSPs). At the end of each month, the revenue from these advertisers are calculated and recognized, taking into consideration any contractual cap with such advertisers. This revenue stream depends on several factors. One factor includes the Company's ability to access user data collected by third party sources. Such access may be impeded by certain privacy initiatives undertaken in the industry, including Apple's recent announcement about implementing an "opt-in" regime for certain data collection in IOS 14. This revenue stream depends on several factors including the Company's ability to access user data collected by third party entities.

Cost of Sales

Cost of sales is comprised primarily from costs paid to the publisher or traffic source, for delivering the acquired results (KPI, CPI, CPE, CPC, CPM) given by the advertisers, or with whom the Company shares the revenues it collects from the advertisers.

Operating Cost and Expenses

The Company's operating costs and expenses are classified into two categories: research and development expenses and all others (e.g. selling, general and administrative expenses). For each category, the largest component is typically personnel costs, which consists of salaries, employee benefits and share-based compensation. Operating costs and expenses also include allocated overhead costs for depreciation of equipment. Operating costs and expenses are generally recognized as incurred. Operating costs also include amortization of intangible assets acquired in the business combination that have affected the operating margins.

Research and Development Expenses

Research and development activities are central to the Company's business. The Company expects to continue its research and development investments in order to reach its planned milestones of the development product roadmap for 2020 and 2021. The Company's research and development expenses consist primarily of personnel costs, payment to subcontractors, cloud infrastructure, depreciation and amortization expenses and share-based compensation.

Selling, General and Administrative Expenses

The Company's selling, general and administrative expenses consist primarily of personnel expenses, for the Company's sales, marketing, executive, finance, legal, human resources and administrative personnel. It also includes professional service fees and other general corporate expenses, such as communication, depreciation and amortization, public relations, travel expenses and other office expenses.

The Company expects that its selling, general and administrative expenses will increase in the future. The Company targets global expansion with partners and establishing local operations in a number of specific regions. It also anticipates additional general and administrative costs associated with being a public company. These public company-related expense increases are anticipated to include the costs of additional subsidiaries in various countries, legal fees, accounting and audit fees, directors' and officers' liability insurance premiums and costs related to investor relations.

Finance Income and Finance Expenses

Foreign currency transactions are translated into United States dollars using the exchange rates prevailing as at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive loss to "**finance expenses**" and "**finance income**".

Overview of Operating Results

Six and three months ended June 30, 2020 compared to six and three months ended June 30, 2019

Revenues

For the six months ended June 30, 2020, revenues amounted to $12,189 as compared to $13,604 for the six months ended June 30, 2019, a decrease of $1,415, or approximately 10%. The decrease in revenues is primarily attributed to the impact of the COVID-19 outbreak from mid-March 2020.

While the digital advertising budgets were impacted less than the traditional advertising budgets during the COVID-19 pandemic, the pandemic has created the most significant disruption to the world of sports and other entertainment events. The cancellation of major sport events across the world, the major impact on travel, and the substantial decline in most economic activity in many countries caused many of the major advertisers in the world (including some of the Company's top customers) to drastically reduce their advertising budgets. As of mid-May, some sporting events and professional sport leagues around the world have resumed modified operations have started to get back, thus it has affected and will continue to affect company's revenues.

For the three months ended June 30, 2020, revenues amounted to $5,676 as compared to $6,705 for the three months ended June 30, 2019, a decrease of $1,029. The decrease in revenues is primarily attributed to the impact of the COVID-19 on the Company's customers, specifically on some of the Company's top 10 customers in the sport industries, which significantly lowered their online media and marketing budgets.

Cost of Sales

For the six months ended June 30, 2020, cost of sales amounted to $8,471, or approximately 69% of revenues, as compared to $9,778, or approximately 72% of revenues, for the six months ended June 30, 2019, a decrease of $1,307. The decrease was primarily attributed to the decrease in variable costs linked to the decrease in revenues. The increase in gross margin was attributable to the management's focus on reducing low margin customer campaigns.

For the three months ended June 30, 2020, cost of sales amounted to $3,926 as compared to $4,827 for the three months ended June 30, 2019, a decrease of $901. The decrease is primarily attributed to the decrease in variable costs linked to the decrease in revenues.

Operating Costs and Expenses

Starting from early 2019, in order to lay the foundation for the Company's future growth, the Company increased its operating expenses, (primarily its research and development expenses). The following table summarizes operating expenses for the three and six months ended June 30, 2020 and 2019:

	Six months ended June 30,		**Three months ended June 30,**	
	2020	**2019**	**2020**	**2019**
R&D Salaries and Related Expenses(1).......	1,005	716	482	391
S&M Salaries and Related Expenses(1)	1,284	1,019	578	550
G&A Salaries and Related Expenses(1)	771	766	356	412
R&D Subcontractors(2)	336	220	157	129
R&D Services(3)...	961	426	551	225
G&A Professional Fees(4)	489	73	203	21
Advertising Expenses(5).............................	226	65	136	16
Share-Based Payments(6)	115	462	67	176
Depreciation and Amortization(7)	1,231	916	611	511
Other G&A and S&M Expenses	254	381	49	233
Total...	**6,672**	**5,044**	**3,190**	**2,664**

Notes:

1. According to the Company's growth plan and to meet its milestones on the product roadmap, the Company recruited new employees during the period, most of whom are in research and development and in sales and marketing. Part of the increase in salaries expenses related to the decrease in rate changes between USD and NIS for the period, the effect for the six and three months period ended June 30, 2020 is approximately $104 and $45 respectively.
2. The Company continue to focus on developing its product and increased its research and development subcontractors' expenses in order to meet the Company's development milestones.
3. The Company increased its investments in research and development services expenses, including cloud infrastructures and hosting services. The increase in research and development services allows the Company to process larger amount of data in order to improve its data processing capabilities.
4. As a result of becoming a reporting issuer during the third quarter of 2019, the professional fees expenses were significantly increased. Professional fees expenses include expenses such as IR consultants, lawyers, accountants, other advisors, and board member compensation.
5. As part of the Company's expansion planning and in preparation for the Qualifying Transaction, the Company increased its advertising expense. Also, during 2020 and as part of the procedure of launching the Company's platform in the Latin American region, the Company expend its advertising expense in the region.
6. Most of the Company's options were granted during 2018 and in previous years. Some of the options vested by the end of 2019.
7. The increase in depreciation and amortization expenses was related to the adoption of IFRS16 during 2019 and additions of leased assets.

For the three months ended June 30, 2020, operating expenses have increased by $526 compared to the three months ended June 30, 2019. The increase is explained in the table above.

Operating Loss

The following table presents a reconciliation of Adjusted EBITDA to Operating Loss for the three months ended June 30, 2020 and 2019:

	Three months ended		Six months ended	
	June 30, 2020	**June 30, 2019**	**June 30, 2020**	**June 30, 2019**
Operating loss	(1,440)	(786)	(2,954)	(1,218)
Adjustments:				
Depreciation and amortization	613	557	1,232	1,014
Cost of share-based payments	67	176	115	462
Total adjustments	680	733	1,347	1,476
Adjusted (negative) EBITDA	**(760)**	**53**	**(1,607)**	**258**

Operating loss for the six months ended June 30, 2020 was $2,954 as compared with $1,218 for the six months ended June 30, 2019, an increase of $1,736. The increase in the operating losses is primarily attributed to the Company's growth plan, causing an increase in expenses. The increase in expenses is primarily attributed to an increase in research & development expenses due to the Company's accelerated plan to advance the product road map.

Operating loss for the three months ended June 30, 2020, was $1,440 as compared with $786 for the three months ended June 30, 2019, an increase of $654. The increase in the operating losses for the three months ended in June 30, 2020 is primarily attributed to the Company's growth plan, causing an increase in expenses. The increase in expenses is primarily attributed to an increase in research & development expenses due to the Company's final stages of development the Company's new SaaS platform.

Adjusted EBITDA for the six months ended June 30, 2020 was $(1,607) as compared with $258 EBITDA for the three months ended June 30, 2019. The increase in Adjusted EBITDA is primarily attributed to the increase in operating expenses as a result of the Company's expansion plan as described above. Adjusted EBITDA is used as a primary performance measure by the Company's management to ensure it has the right structure to support future growth.

Adjusted EBITDA for the three months ended June 30, 2020 was $(760) as compared with $53 EBITDA for the three months ended June 30, 2019. The increase is primarily attributed to the increase in operating expenses as mentioned above and increase in depreciation and amortization expenses related to the adoption of IFRS16.

Finance Expenses, Net

Finance expenses, calculated on a net basis, were $285 for the six months ended June 30, 2020 as compared with $1,341 for the six months ended June 30, 2019, a decrease of $1,056. The decrease in finance expenses, calculated on a net basis, is primarily attributed to a decrease in the change in value of convertible debt securities that were converted into equity securities prior to the closing of the Qualifying Transaction.

For the three months ended June 30, 2020, finance expenses have decreased by $1,297 compared to the three months ended June 30, 2019. The decrease in finance expenses, is primarily attributed to the convertible debt securities as mentioned above and also to the in value of foreign currency denominated bank deposits remeasured to US dollar.

Net loss

Net loss for the six months ended June 30, 2020 was $3,239 as compared with a net loss of $2,559 for the six months ended June 30, 2019, an increase in loss of $680. The increase in net loss is primarily attributed to the Company's focus on future growth by engaging in research & development activities, making investments in strong global distribution channels and a support network, and systematically updating its development plan to capture current trends and predict future ones.

Net loss for the three months ended June 30, 2020 was $1,479 as compared with a net loss of $2,122 for the three months ended June 30, 2019, a decrease in loss of $643. The decrease in net loss is primarily attributed to the expenses incurred during 2019 prior to the Qualifying Transaction related to mark-to-market adjustment of convertible debt securities that took place immediately prior to the closing of the Qualifying Transaction. No such equivalent adjustment was made during the three and six months ended June 30, 2020 and there are no more convertible debt instruments of Zoomd outstanding as of the date of this MD&A.

Use of Proceeds

Pursuant to the Concurrent Financing and Qualifying Transaction, the Company disclosed its intended use of proceeds. The Company's use of proceeds from the Concurrent Financing has not changed from the disclosure set forth in the "Available Funds and Principal Purposes" section of the Company's Listing Statement dated as of June 30, 2019 to the date of this MD&A.

Additional information relating the fiscal year 2019 and 2018 is posted on SEDAR at www.sedar.com under management discussion and analysis review.

Summary of Quarterly Results

The following table below sets out certain financial data for the Company:

	Q2 2020	**Q1 2020**	**Q4 2019**	**Q3 2019**	**Q2 2019**	**Q1 2019**	**Q4 2018**	**Q3 2018**
Revenue	5,676	6,513	7,544	5,904	6,705	6,899	7,542	8,717
Operating profit (Loss)	(1,440)	(1,514)	(1,131)	(1,059)	(786)	(432)	(2,061)	396
Adjustments:								
Depreciation and amortization	613	619	626	574	557	457	470	435
Cost of share-based payments	67	48	53	105	176	286	1,189	495
Adjusted EBITDA	(760)	(847)	(452)	(380)	(53)	311	(402)	1,326
Basic loss per share	0.03	0.02	0.01	0.03	0.21	NA	0.03	NA
Diluted loss per share	0.03	0.02	0.01	0.03	0.21	NA	0.03	NA

Liquidity & Capital Resources

As at June 30, 2020, the Company held cash in the amount of $4,203, trade receivables in the amount of $4,478, other current assets in the amount of $525, trade payables in the amount of $2,993 and current liabilities in the amount of $3,492.

To date, the Company has funded its operations primarily by way of equity offerings and the sale of convertible debt securities to the Company's shareholders in an amount of $11,136.

In May 2019, the convertible debt securities, having a fair value of $3,672, were fully converted into 5,970,069 common shares of Zoomd, with a conversion price of $0.38 (following the share split). As at June 30, 2020, no convertible debt securities remain outstanding.

Prior to the closing of the Qualifying Transaction, share purchase warrants issued by Zoomd were exercised for 1,927,053 common shares of Zoomd, with a conversion price of $0.26 (following the share split).

In connection with the Concurrent Financing, the Company raised CA$9,266. See "Company Overview – The Qualifying Transaction" for additional information on the Concurrent Financing.

Further, see "Liquidity and fair value risk" below for additional information on the general liquidity risks facing the Company.

The Company's recurring revenues in addition to the current cash and receivables are expected to be sufficient to maintain the Company's planned growth in the future.

Consolidated Cash Flow Activity

The following summarizes the Company's statement of cash flow for the periods ended June 30, 2020 and 2019.

Net Cash Used in Operating Activities

Net cash used in operating activities for the six months period ended June 30, 2020 was $1,226 as compared to $1,236 for the six months period ended June 30, 2019. The decrease is not material.

Net cash used in operating activities for the three months period ended June 30, 2020 was $166 as compared to $(164) for the three months period ended June 30, 2019. The change in net cash used in operating activities is primarily attributed to the increase in trade receivables, trade and other payables, and other current and non-current liabilities, the "mark-to-market" adjustments undertaken with respect to the convertible debt securities noted above and the exercise of warrants.

Net Cash Used in Investing Activities

Net cash used in investing activities for the period ended June 30, 2020 was $25 as compared to $151 for the period ended June 30, 2019. The decrease is not material.

Net cash used in investing activities for three months period ended June 30, 2020 was $33 as compared to $135 for the three months period ended June 30, 2019. The increase is not material.

Net Cash used in Financing Activities

Net cash used in financing activities for the period ended June 30, 2020 was $302, as compared to $38 for the period ended June 30, 2019. The change in net cash generated in financing activities was primarily due to the influence of IFRS16. During the second quarter of 2019, the Company entered into a new office rent agreement which impacted the Company's cash flows from the second quarter of 2019 onwards.

Net cash used in financing activities for three months period ended June 30, 2020 was $126 as compared to $38 for the three months period ended June 30, 2019. The increase is not material

Effect of exchange rate changes on cash and cash equivalents

During the the six months period ended in June 30, 2020 the changes in exchange rates, specifically the exchange rate of CA$ vs. US$, have caused our cash and cash equivalents balances to decrease by $134.

For the three months ended June 30, 2020, the changes in exchange rates, specifically the exchange rate of CA$ vs. US$, have caused our cash and cash equivalents balances to increase by $209.

Outstanding Share Data

The Company has authorized share capital of an unlimited number of common voting shares. The Company's outstanding securities are comprised of:

	June 30, 2020
Common shares	93,365,993
Options	8,989,645
Warrants	458,080
Finders' Options	265,000

As of the date of the MD&A, 93,365,993 common shares were issued and outstanding. In addition, as of the date of the MD&A, there 8,989,645 stock options outstanding with exercise prices ranging from 0 to CA$1 per share.

As of the date of the MD&A, in connection with the Qualifying Transaction, the agents of the brokered portion of the Concurrent Financing received 458,080 Broker Warrants. Each Broker Warrant is exercisable to acquire one common share of the Company at CA$1.00 per share until August 20, 2021. In addition, certain finders received 265,000 finders' options on identical terms as the Broker Warrants.

On March 30, 2020, the Company's board has approved a financial services agreement with one of its consultants. The consultant began providing the services during April 2020. Pursuant to the agreement, the Company will issue to the consultant up to 3,800,000 stock options. The options will be issued in accordance with a specified schedule over a period of two years. 50% of the options issued on any date will vest immediately (the "**Vested Options**") and may be exercised in whole or in part, during the period of one year thereafter. The exercise price per Vested Option will be the greater of: CA$0.65, and the lower of (X) the Market Price (as such term is defined by Policy 1.1 of the TSXV); or (Y) the Discount Market Price (as such term is defined by Policy 1.1 of the TSXV) but only in circumstances where the option plan of the Company permits the Discount Market Price to be used on the date of the grant. The remaining 50% of the options (the "**Unvested Options**") will vest upon the satisfaction of certain performance conditions. Subject to compliance with the requirements of the TSXV, the exercise price per Unvested Option shall be CA$1.00 (or such greater amount, but only to the extent required to comply with the rules of the TSXV). If the vesting conditions are not satisfied within one year of the date of the agreement, the Unvested Options will not vest and be cancelled. Once vested, the Unvested Options may be exercised, in whole or in part, during a period of six months following such vesting date.

Off-Balance Sheet Arrangements

The Company has not had any off-balance sheet arrangements from the date of its incorporation to the date of this MD&A.

Related Party Transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party's making of financial and operational decisions, or if both parties are controlled by the same third party. The Company engaged in the following related party transactions with Amit Bohensky, the Chairman of the Company, or companies controlled by him.

As of 2013, the Company received business management and development services from Amit Bohensky Consulting and Investments Ltd., ("**Bohensky Consulting**"), an Israeli company controlled by Amit Bohensky. Such services are provided personally by Amit Bohensky. The Company may terminate the consulting agreement between the parties upon a written notice of not less than 90 days. For the six months ended June 30, 2020, the Company paid Bohensky Consulting and Investments Ltd. a total amount of $190.

As of 2014, the Company received software development services from Develop Soft Ltd., ("**Develop Soft**") a Bulgarian software company controlled by Amit Bohensky. The Company may terminate the service agreement between the parties upon a written notice of not less than 60 days. For the six months ended June 30, 2020, Develop Soft provided the software development services through 13 of its employees, who are assigned to the Company's research and development team. For the three months ended June 30, 2020, the Company paid Develop Soft a total amount of $293.

Balances with related parties as at June 30, 2020 (including amounts payable to such parties), consist of $93.

Financial Instruments and Risk Factors

The Company operates in a competitive industry and its results of operations, business prospects and financial condition are subject to a number of risks and uncertainties and are affected by a number of factors outside the control of management of the Company. The risks and uncertainties include those disclosed in the Company's filing statement dated June 30, 2019 and filed on SEDAR as well as the following risks and uncertainties.

Foreign currency risk

The Company's functional currency is the United States dollar. The Company's exposure to the fluctuations occurring in the rates of exchange between the United States dollar, Canadian dollar and the New Israeli Shekel ("NIS") result primarily from salaries and related expenses that are stated in NIS. The Company acts to reduce the currency risk by means of holding its liquid resources in short-term deposits (NIS and USD). During the period, no change took place in the exposure to currency risk or in the manner in which the Company manages and measures the risk.

Management of credit risk

Before receiving a new customer and during the period, the Company conducts research on the financial strength of the customer and requests that the customer provide credit references from other suppliers with whom the customer maintains business relations. In addition, the Company purchased a credit insurance policy for most of its customers. Moreover, the Company holds cash and cash equivalents in various financial institutions. Pursuant to the Company's policies, evaluations of the relative financial stability of the different financial institutions are performed on an on-going basis.

Liquidity and fair value risk

Careful management of liquidity risk requires a sufficient cash balance to support operating activities. Management constantly analyzes cash balances, which are comprised of cash and cash equivalents and assets at fair value through profit and loss. This analysis is based on forecasted cash flows, in accordance with the policies and restrictions set by the Company. The Company keeps a sufficient level of cash and cash equivalents, by taking into account the cash required for its operating activities, in order to reduce the liquidity risk that the Company is exposed to.

Critical Accounting Estimates

Significant Accounting Judgements and Key Sources of Estimation are summarized in Note 3 to the Company's annual audited financial statements for the six and three months ended June 30, 2020 and have not changed during the following interim period.

Statement of Compliance with IFRS

The Company's financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("**IASB**").

Recently adopted accounting pronouncements

IFRS 16, Leases ("**IFRS 16**") was issued by the IASB in January 2016 and specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. An entity applies IFRS 16 for annual periods beginning on or after January 1, 2019. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognize the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. At the transition date, the Company had a lease of vehicles with a monthly lease payment of $1, as well as office rent that ended on May 2019. At the transition date, there was no significant effect on the Company's position and results of operations. During the second quarter of 2019, as a result of the Company's need of a larger office space, the Company entered into a new office rent agreement for a period of four years with a monthly lease payment of $47. The Company also entered into new vehicle lease agreements, each for a period of three years, with an average total monthly lease payment of $5.

Public Health Crisis

On March 11, 2020, the World Health Organization declared the outbreak of COVID-19 as a global pandemic, which continues to spread around the world. COVID-19 and actions taken to mitigate the spread of it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Company operates.

The severity of the impact of the COVID-19 pandemic on the Company's business will depend on a number of factors, including but not limited to the duration and severity of the pandemic and the extent and severity of the impact on the Company's customers, all of which are uncertain and cannot be predicted. The management of the Company is closely evaluating the impact of COVID-19 on the Company's business. The Company took a number of steps to mitigate the impact of the pandemic on its operations for 2020, including decreasing all employees' salaries by 25% for April and May 2020 and reducing some of its service providers' expenses. As of July 2020, the Company decreased most of its employees' salaries and some of its service providers costs by 10%. Further steps will be taken according to the Company's financial situation while ensuring compliance with the Company's development and expansion plans, including meeting the product milestone by the end of October.

APPROVAL

The Directors of Zoomd have approved the disclosures contained in this MD&A.

ADDITIONAL INFORMATION

Additional information relating to the Company is posted on SEDAR at www.sedar.com.