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, financial position, cash flows, and outlook guidance of Zoomd Technologies Ltd. (the "**Company**") and its wholly-owned subsidiary Zoomd Ltd. ("**Zoomd**") and Zoomd's wholly owned subsidiary Moblin Asia Pte. Ltd. ("**Moblin**") prepared for the three months and year ended December 31, 2020 and should be read in conjunction with the Company's audited consolidated financial statements for the year ended December 31, 2020 and related notes attached thereto (the "**Financial Statements**"). For the avoidance of doubt, any reference to the Company in this MD&A fully incorporates and includes Zoomd and Moblin.

The Financial Statements consolidates the accounts of the Company. All inter-company balances and transactions have been eliminated on consolidation.

The 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 April 20, 2021.

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.

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:

1. the performance of the Company's business and operations;

2. the intention to grow the business and operations of the Company;

3. the ability of the Company to implement and execute its product development roadmap (including hitting certain milestones);

4. the ability of the Company to grow through mergers and acquisitions;

5. future liquidity, financial capacity and availability of future financing opportunities;

6. the ongoing effect of the novel coronavirus pandemic ("COVID-19"), including its macroeconomic effects, on our business, operations, and financial results;

7. general economic conditions, including risks associated with foreign currency fluctuations;

8. demand for the Company’s products;

9. introduction of competing products;

10. the Company’s ability to respond to rapid technological changes with new products and services;

11. the return on investment from research & development investments made by the Company;

12. the Company’s ability to protect and enforce its intellectual property, and risks of potential claims of intellectual property infringement by third parties;

13. failure to manage the Company’s product and service lifecycles;

14. failure to manage open-source software adoption and compliance risks;

15. concentrated customer base, as ten of the Company’s customers comprise 61% of its revenues for the period ended December 31, 2020;

16. the success of the Company’s launched SaaS products;

17. the success of the Company’s Demand Side Platform (DSP);

18. the ability of the Company to achieve its revenue outlook for fiscal 2021, including the risk that it is unable to grow its revenue organically or grow revenue through acquisitions;

19. the ability of the Company’s products to operate effectively within the systems of the Company’s customers; and

20. 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.

This MD&A contains future-oriented financial information and financial outlook information (collectively, "**FOFI**") about the Company’s revenue outlook for the year ended December 31, 2021. Readers are cautioned that the assumptions used in the preparation of such information, although considered reasonable at the time of preparation, may prove to be imprecise and, as such, undue reliance should not be placed on FOFI. Zoomd’s actual results, performance or achievement could differ materially from those expressed in, or implied by, these FOFI, or if any of them do so, what benefits the Company will derive therefrom. The Company has included the FOFI in order to provide readers with a more complete perspective on the Company’s future operations and such information may not be appropriate for other purposes.

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. Comparisons of results for current and any prior periods are not intended to express any future trends or indications of future performance, unless specifically expressed as such, and should only be viewed as historical data.

Non-IFRS Financial Measures

This MD&A makes reference to certain non-IFRS measures. These measures are not recognized measures under IFRS, do not have a standardized meaning prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Rather, these measures are provided as additional information to complement those IFRS measures by providing further understanding of the Company's results of operations from management's perspective. The Company's definitions of non-IFRS measures used in this MD&A may not be the same as the definitions for such measures used by other companies in their reporting. Non-IFRS measures have limitations as analytical tools and should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. The Company uses non-IFRS financial measures to provide investors with supplemental measures of its operating performance and to eliminate items that have less bearing on operating performance or operating conditions and thus highlight trends in its core business that may not otherwise be apparent when relying solely on IFRS financial measures. Specifically, the Company believes that Adjusted EBITDA, when viewed with the Company's results under IFRS and the accompanying reconciliations, provides useful information about the Company's business without regard to potential distortions. By eliminating potential differences in results of operations between periods caused by factors such as depreciation and amortization methods and share-based compensation, the Company believes that Adjusted EBITDA can provide a useful additional basis for comparing the current performance of the underlying operations being evaluated. The Company believes that securities analysts, investors, and other interested parties frequently use non-IFRS financial measures in the evaluation of issuers. The Company's management also uses non-IFRS financial measures in order to facilitate operating performance comparisons from period to period.

"**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.

See "Reconciliation of Non-IFRS Measures" for a reconciliation of each non-IFRS measure to its most directly comparable IFRS measure.

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 a qualifying transaction (the "Qualifying Transaction") undertaken pursuant to the rules of the TSX Venture Exchange ("**TSXV**"), Zoomd became a wholly-owned subsidiary of the Company, a reporting issuer in Alberta and British Columbia, whose common shares are traded on the **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 unique tools for publishers, based on 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 and other business partners all over the globe. 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, including most recently by companies such as Philippine Star Media Group, meczyki.pl, GMA Networks.

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 integrated within various digital media sources, thereby enabling its customers to reach the best "value for money" ad targeting for each media source in any screen, or platform integrated to Zoomd. The Company continuously monitors new distribution channels to add additional options to its customers and it obtained the "TikTok Marketing Partner Certification" in 2021, thereby allowing its customers an integrated solution to manage user-acquisition campaigns on the TikTok Platform, as one of many. Additionally, once the milestones of the product roadmap are completed, the Company's products will also be packaged and offered as a classic SaaS UA (User Acquisition) software, offered at a flat rate price for customers who prefer using the product on their own rather than as a managed service by third parties.

The Company released its first version of the "MVP" (Minimum Viable Product, a SaaS solution of its service) in fourth quarter of 2020 and achieved Company's second milestone as planned – beta release to collect customer feedback during the first quarter of 2021. Now the Company is heading to meet the third and fourth milestones on the product roadmap – a soft launch, expected to take place during the second quarter of 2021, with a full release planned for third quarter of 2021.

The Company is focusing its efforts, which are based on trends within the online advertising industry, in line with its basic strategy of:

- Providing customers a robust marketing platform, focusing on user acquisition first.

- Contributing effectively, and in a measurable way, to improve its customer's results in their user acquisition campaigns.

- Enabling customers to manage their user acquisition campaign budgets on all digital channels, screens and platforms including social networks, ad networks, exchanges, content discovery platforms, influencers, connected TV(CTV), audio networks, and AR/VR marketplaces, all using KPI-based technology.

- Managing all key information in campaigns under a single screen, including cost of media, cost of acquisition, Lifetime Value (LTV), ROAS (Return On Ad Spend) and other key metrics, while working towards integrating full automation, AI and ML based prediction algorithms into the platform.

- Being the only platform an advertiser will need for acquiring new users via digital media.

- Offering extra tools and features as part of its product offering in an attempt to simplify campaign management tasks. Such extra tools and features include graphic editing capabilities for quick ad adjustments, extra layers of user data from app stores and unique optimization abilities for saving time and resources on campaign management tasks.

Overview of the industry and the Company's Competitive Advantage:

Many companies operate in the Company's industry. Digital marketing and advertising is a large market, with the mobile segment 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 at this stage.

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 with the ability to implement search in their web site.

- For advertisers: a complete unified mobile user acquisition platform 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 is not aware of any other company that offers both an internal site search solution while also providing a mobile and general digital media buying solution.

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

- For publishers, the Company offers a fully customised search tool for free, using a revenue-share model with the publisher (as a partner). Most of the Company's competitors in this segment typically don't offer a software-based license for a fee. The free solutions that are offered by other companies are not customisable or self-controlled, and management believes provide less analytical data that is insightful to publishers, when compared to the Company's product. Targeting publisher's inventory and providing monetisation tools within the ecosystem is one of the Company's strategic goal.

- For advertisers, the Company is focused on mobile app user acquisition, integrating all digital media sources on its platform. This saves campaign managers time and permits advertisers to scale their campaigns by adding new media sources, but without having to deal with new dashboards or platforms to manage such media sources. Management believes that 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 automated 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:

- The only company in the industry offering a "search"-based solution to publishers for better user targeting for advertisers. The Company's search data is unique and helps it target audiences in ways that others may not be able to.

- The only platform that combines a single product that can be used by both advertisers and publishers.

- The platform does not require a SDK (Software Development Kit) to be implemented.

- The Company's advertising solution is built as a software layer on the ecosystem. It is integrated into more than 600 media channels, consolidating all data and streaming it into a centralized 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. There is no dependency on any specific supplier or traffic channel.

- As a layer on the ecosystem, management believes that the Company is well positioned within the industry, as its platform has a low impact with respect of privacy, tracking and measurement of changes while the industry is going through various privacy-centered initiatives, including iOS 14 identifier, Google cookie sunset and Google 3rd party cookie tracking.

- The Company's platform is integrated to each media source and measurement solution based on the relevant API the source offers. As media sources and measurement companies build their solutions to adapt to the ongoing changes, the Company's platform API is adjustable and integrates with each offered API. As such, the platform will work with all offered integration - based solutions.

- The Company is not reliant on the Google /Facebook "duopoly". The Company's platform is integrated on a wide variety of media sources, offering its customers numerous acquisition channels, including social channels, global publishers, ad networks, SDK networks, media exchanges/ DSP's, incentivise networks, affiliate networks, mobile operators and device manufactures.

- For the self-serve SaaS version of the platform, the Company uses a monthly subscription-based license that is not tied to the monthly media budget of the advertiser.

- The platform works transparently with the advertisers' ad accounts.

- As the industry is rapidly changing, 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.

Fiscal 2021 Revenue Outlook

- Management is introducing its revenue outlook for the year ending December 31, 2021 and anticipates revenue growth between 30% to 40% from $25.4 million up to $35.6 million. This outlook reflects the following assumptions:

- **Organic Growth** – Management estimates that at least $4 million of the revenue growth for the year ending December 31, 2021 to be caused primarily from the existing business model where the key drivers are:

    - New customers acquired primarily during the second half of 2020 through to the beginning of the year 2021, which are expected to increase their marketing spend as they become more familiar with the platform, the services and the results.

    - New customers that management expects to acquire as a result of the newly launched self-served SaaS platform for online campaign management and the recently announced white labeled DSP (Demand Side Platform) programmable advertising service.

    - Post-COVID online advertising demand surge, especially from sectors that were shut down during the height of the pandemic and are beginning to reopen, such as sports.

    - Geographical expansion in India, East Europe, the Philippines, and Japan announced earlier this year.

- **Mergers and Acquisitions** – Management estimates that y up to $6 million of the revenue growth for the year ending December 31, 2021 to be caused primarily as a result of acquisitions of carefully selected target companies that are in line with the Company's business, strategy, and vision. The Company's acquisition of "Performance Revenues" that was announced on February 10, 2021 already factors into the above expectation as management believes it will bear a positive impact on its revenue growth in 2021. In addition, the Company is engaged in series of discussions for potential acquisitions during 2021.

Selected Financial Information for the three months and year ended December 31, 2020 and 2019.

The following financial information has been derived from the Company's Financial Statements.

	Year ended December 31,			Three months ended December 31,	
	2020	**2019**	**2018**	**2020**	**2019**
Revenues	25,423	27,052	28,649	6,609	7,544
Cost of Sales and Services	17,503	19,105	19,125	4,443	5,325
Research and Development, Net	5,916	4,916	3,847	1,152	1,406
Selling, General and Administrative Expenses	7,252	6,439	7,209	1,820	1,944
Operating Loss	5,248	3,408	1,532	806	1,131
Finance Income	(8)	(6)	(157)	-------	(93)
Finance expenses	465	1,375	963	138	-------
Listing Expenses	-	1,519	-------	-------	-------
Net Loss	5,705	6,296	2,338	944	1,038
Loss Per Share	0.06	0.07	0.03	0.01	0.01
Loss Per Share (diluted)	0.06	0.07	0.03	0.01	0.01
Adjusted EBITDA	(2,601)	(626)	(2,036)	(144)	(504)
Distributions or cash dividends Per Share	-------	-------	-------	-------	-------
Total Assets	19,438	26,023	22,041	19,438	26,023
Convertible loans and warrants	-------	-------	3,983	-------	-------
Total Non-Current Liabilities	1,168	1,706	633	1,168	1,706

For the year end December 31, 2020, the Company reported no discontinued operations, and did not declare any cash dividends.

Financial Operations Overview

Financial Period ended December 31, 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 (KPIs) 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, including 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 announcement about implementing an "opt-in" regime for certain data collection in iOS 14.

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 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. The Company capitalizes certain internal and external software development costs, consisting primarily of direct labor associated with creating the internally developed software.

Research and development expenses are expected to decrease in 2021, primary as a result of the expected completion and launch of the Company's SaaS platform.

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

Twelve and three months ended December 31, 2020 compared to twelve and three months ended December 31, 2019

Revenues

For the year ended December 31, 2020, revenues amounted to $25,423, as compared to $27,052 for the year ended December 31, 2019, a decrease of $1,629 or approximately 6%. The decrease in revenues is primarily a result of a reduction in client spending due to the COVID-19 pandemic.

While the digital advertising budgets were impacted less than the traditional advertising budgets during the COVID-19 pandemic, the pandemic has created a significant disruption to the world of sports, travel and other entertainment events. The cancellation of substantially all sporting events across the world, the significant 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 materially reduce their advertising budgets as a "knee jerk" response to the pandemic. While some of the Company's sports industry customers restored their budgets pre COVID-19 levels during the course of

2020, the Company has a number of customers that operate within the sports, travel and entertainment event industries that have yet to restore their advertising budgets to preCOVID-19 levels.

For the three months ended December 31, 2020, revenues amounted to $6,609, as compared to $7,544 for the three months ended December 31, 2019, a decrease of $935, or approximately 12%. The decrease in revenues is primarily attributed to the Company's decision to reduce the volume of its engagement with two of its major customers that did not provide sufficiently profitable relationships for the Company. The aforementioned reduction in engagement amounted to a loss of approximately $1,500 in revenue, some of which was offset by the onboarding of new customers with smaller initial budgets relative to the aforementioned clients.

Cost of Sales

For the year ended December 31, 2020, cost of sales amounted to $17,503, or 69% of revenues, as compared to $19,105, or 70% of revenues for the year ended December 31, 2019. The decrease in cost of sale was primarily attributable to the decreased revenue during the period. The improvement in the gross profit margin was primarily attributed to the decrease in the sale of services that have lower margins relative to the other products and services offered by the Company.

For the three months ended December 31, 2020, cost of sales amounted to $4,443, as compared to $5,325 for the three months ended December 31, 2019, a decrease of 17%. The decrease is primarily attributed to decrease in revenue during the period. Gross profit was 33% for the three months ended December 31, 2020 compared to 29% for the three months ended December 31, 2019.

Such an improvement in gross margin enabled the Company to generate a two year record high gross profit margin of 33% for the three month period ended December 31, 2020. The increase in gross profit was primarily attributable to the Company's decision to disengage from less profitable customers.

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 twelve months ended December 31, 2020 and 2019:

	Twelve months ended December 31,		**Three months ended December 31,**	
	2020	**2019**	**2020**	**2019**
R&D Salaries and Related Expenses(1) (*)	1,815	1,636	275	495
S&M Salaries and Related Expenses(1)	2,615	2,356	672	715
G&A Salaries and Related Expenses(1)	1,517	1,570	357	434
R&D Subcontractors(2) (*)	611	536	111	176
R&D Services(3)(*)	1,843	1,046	348	323
G&A Professional Fees(4)	1,020	442	223	263
Advertising Expenses(5)	540	239	180	112
Share-Based Payments(6)	175	620	35	53
Depreciation and Amortization(7)	2,472	2,162	627	574
Other G&A and S&M Expenses(8)	560	748	144	205
Total	**13,168**	**11,355**	**2,972**	**3,350**

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 salary expenses was attributed to the decrease in foreign exchange rate between USD and New Israeli Shekel ("NIS") during the period, which amounted to $229 and $74for the twelve and three months period ended December 31, 2020, respectively.
2. After meeting its first milestone in the fourth quarter of 2020, the Company continued to focus on developing its product and increased its research and development expenses in order to meet future development milestones as noted below.
3. During the twelve month period ended December 31, 2020, the Company increased its investments in research and development, including cloud infrastructures and hosting services. The increase in research and development allowed the Company to process larger amounts of data in order to improve its data processing capabilities and provide new and innovative technology solutions to the market. Research and development expenses are expected to decrease in 2021 primarily due to the completion and launch of the Company's SaaS product (MVP).
4. As a result of becoming a reporting issuer during the third quarter of 2019, professional fees expenses were significantly increased. Until August 2019, these expenses were capitalized and were not part of the Company's operating expenses. Professional fees expenses include expenses such as IR consultants, legal advisors, accountants, advisors, and board member compensation. The Company continues to improve its efficiency and was able to reduce its professional fees during the fourth quarter of 2020.
5. As part of the Company's expansion plans and as a result of the "Qualifying Transaction", the Company increased its marketing and advertising expenses in 2020. Media costs were increased in an attempt to increase brand awareness and for ongoing lead generation. In addition, to further its brand awareness campaign, the Company launched its Latin America operations during the period which resulted in associated costs such as content advertising and the hiring of additional employees. Digital assets were upgraded during the year ended December 31, 2020, including a brand new website in four languages and new branding and marketing materials. In addition, new sales and marketing software solutions were implemented and the Company sponsored four professional digital conferences, while participated in many more.
6. As at December 31, 2020, the Company had 10.3 million outstanding stock options. The majority of the Company's stock options were granted during 2018. Stock options expenses are recorded only once the options vest. As a result, most of the related stock options expenses were recorded by the end of 2019 and the remaining balance was recorded during 2020.

7. The increase in depreciation and amortization expenses was related to the leased assets. During the second quarter of 2019 the Company entered a new office rental agreement and adopted IFRS 16 which requires in inclusion of the lease payments as a depreciation and amortization expense. As a result, only seven months of related expenses were recorded in 2019 compared to a full year in 2020.
8. The decrease was due to general cost cutting efforts in other G&A and S&M Expenses as a result of the COVID-19 pandemic which significantly lowered travel expenses.

(*) The Company capitalizes certain internal and external software development costs, consisting primarily of direct labor associated with creating the internally developed software. In 2020 the Company capitalized software development costs of $392, all in the fourth quarter of 2020.

For the three months ended December 31, 2020, operating expenses decreased by $378 compared to the three months ended December 31, 2019. The decrease in operating expenses during the noted period is primarily attributed to the capitalization of R&D expenses and general costs cutting due to management focus on efficiency.

Operating Loss

Operating loss for the twelve months ended December 31, 2020 was $5,248 as compared with $3,408 for the twelve months ended December 31, 2019, an increase of $1,840. The increase in the operating loss is primarily attributed to the Company's growth plans. The increase in expenses is primarily attributed to an increase in research & development expenses due to the Company's acceleration accelerated of its plan to provide a self-serve SaaS solution to the market and strategy to advance the product road map which allowed it to reach its first millstone as planned. In addition, the Company saw a significant increase in professional fees expenses as the result of becoming a reporting issuer.

Operating loss for the three months ended December 31, 2020, was $806 as compared with $1,131 for the three months ended December 31, 2019, a decrease of $325. The decrease in the operating loss is primarily attributed to the Company's capitalization of software development costs as mentioned above.

Adjusted EBITDA for the twelve months ended December 31, 2020 was $(2,601) as compared with $(626) EBITDA for the twelve months ended December 31, 2019. The increase in Adjusted EBITDA is primarily attributed to the increase in operating expenses which was due to the increase in research & development expenses according to the expansion strategy as mentioned above and as a result of the Company becoming a reporting issuer.

Adjusted EBITDA for the three months ended December 31, 2020 was $(144) as compared with $(504) EBITDA for the three months ended December 31, 2019. The improvement in the Adjusted EBITDA is partially attributed to capitalization of development cost. As the Company progressed with its research and development project uncertainty associated with capitalization have decreased and hence the Company started to capitalize eligible development costs.

Reconciliation of Non-IFRS Measures

The following table presents a reconciliation of Adjusted EBITDA to Operating Loss for the year and three months ended December 31, 2020 and 2019:

	Year ended		**Three months ended**	
	December 31, 2020	**December 31, 2019**	**December 31, 2020**	**December 31, 2019**
Operating loss	(5,248)	(3,408)	(806)	(1,131)
Adjustments:				
Depreciation and amortization	2,472	2,162	627	574
Cost of share-based payments	175	620	35	53
Total adjustments	2,647	2,782	662	627
Adjusted EBITDA	**(2,601)**	**(626)**	**(144)**	**(504)**

Finance Expenses, Net

Finance expenses, calculated on a net basis, were $457 for the twelve months ended December 31, 2020 as compared with $1,369 for the twelve months ended December 31, 2019, a decrease of $912. The decrease in finance expenses, is primarily attributed to the change in value of convertible debt securities that were converted to equity securities prior to the closing of the "Qualifying Transaction" that caused significant expenses during the period ended December 31, 2019, with no corresponding amounts in 2020.

For the three months ended December 31, 2020, finance expenses increased by $231 compared to the three months ended December 31, 2019. The increase is related to the decrease in foreign exchange rate between USD and NIS for the period. To date, the Company has hedged most of its foreign currency transactions in order to control fluctuations in currency exchange rates.

Net loss

Net loss for the twelve months ended December 31, 2020 was $5,705 as compared with a net loss of $6,296 for the twelve months ended December 31, 2019, a decrease in net loss of $591. The decrease in net loss is partially attributed to listing expenses in 2019, as a result of the "Qualifying Transaction", with no corresponding amounts in 2020.

Net loss for the three months ended December 31, 2020 was $944 as compared with a net loss of $1,038 for the three months ended December 31, 2019. The change is not material.

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 2020, 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:

	Q4 2020	**Q3 2020**	**Q2 2020**	**Q1 2020**	**Q4 2019**	**Q3 2019**	**Q2 2019**	**Q1 2019**
Revenue	6,609	6,625	5,676	6,513	7,544	5,904	6,705	6,899
Operating (Loss)	(806)	(1,488)	(1,440)	(1,514)	(1,131)	(1,059)	(786)	(432)
Adjustments:								
Depreciation and amortization	627	613	613	619	574	574	557	457
Cost of share-based payments	35	25	67	48	53	105	176	286
Adjusted EBITDA	(144)	(850)	(760)	(847)	(504)	(380)	(53)	311
Basic loss per share	0.01	0.02	0.03	0.02	0.01	0.03	0.21	NA
Diluted loss per share	0.01	0.02	0.03	0.02	0.01	0.03	0.21	NA

Liquidity & Capital Resources

As at December 31, 2020, the Company held cash in the amount of $2,571, trade receivables in the amount of $3,713, other current assets in the amount of $567, trades payables in the amount of $2,034 and current liabilities in the amount of $3,895.

To date, the Company has funded its operations primarily by way of equity offerings and the sale of convertible debt securities in 2019 to the Company’s shareholders in a total amount of $11,136.

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.

On March 24, 2021, the Company signed a Credit Line agreement with one of its banks. The credit line agreement allows the Company to withdraw, at its own discretion, up to USD2,000, subject to the terms and conditions stipulated in the agreement. Amounts withdrew under the credit line bears interest of one month’s LIBOR + 4.75% per annum.

Consolidated Cash Flow Activity

The following summarizes the Company's statement of cash flow for the twelve and three month periods ended December 31, 2020 and 2019.

Net Cash Used in Operating Activities

Net cash used in operating activities for the twelve months period ended December 31, 2020 was $2,303 as compared to $2,221 for the twelve months period ended December 31, 2019. The change is not material.

Net cash used in operating activities for the three months period ended December 31, 2020 was $86 as compared to $18 for the three months period ended December 31, 2019. The change is not material.

Net Cash Used in Investing Activities

Net cash used in investing activities for the twelve months period ended December 31, 2020 was $415 as compared to $185 for the twelve months period ended December 31, 2019. The change in net cash used in investing activities was primarily due to capitalization of software development costs during the fourth quarter of 2020 in the amount of $392.

Net cash used in investing activities for three months period ended December 31, 2020 was $380 as compared to $5 for the three months period ended December 31, 2019. The increase in net cash used in investing activities is primarily due to capitalization of software development costs as mentioned above.

Net Cash generated from (used in) Financing Activities

Net cash used in financing activities for the twelve months period ended December 31, 2020 was $(601), as compared to net cash generated of $4,692 for the twelve months period ended December 31, 2019. The decrease in net cash generated in financing activities was primarily due the receipt of funds related to the Company's "Qualifying Transaction".

Net cash used in financing activities for three months period ended December 31, 2020 was $106 as compared to net cash generated of $5 for the three months period ended December 31, 2019.
The increase in net cash used in financing activities is primarily due to lease liabilities.

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:

	December 31, 2020
Common shares	94,811,681
Options	10,322,951
Warrants	458,080
Finders' Options	265,000

As of the date of the MD&A, 94,974,836 common shares were issued and outstanding. In addition, as of the date of the MD&A, 10,218,355 stock options were 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.

On December 29, 2020, the Company granted 1,220,000 stock options to certain officers and employees of the Company pursuant to the Company's incentive stock option plan. The options granted will vest over a 36-month period. Each option granted has an exercise price of CA$0.18 per share and an expiry date of December 29, 2025.

On February 9, 2021 the Company acquired all of Performance Revenues Ltd.'s tangible and intangible assets in consideration in consideration for US$350, in cash and an earn-out that is based on the annual results of Performance Revenues for 2021, capped at maximum of US1,023 , payable in Zoomd's shares, using a price per share that is the higher of (i) the fair market value on the day of payment and (ii) CA$0.96 ($0.75 USD based on CAD:USD rate) per share.

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. Since the fourth quarter of 2019, the Company also receives director services from Amit Bohensky. For the year ended December 31, 2020, the Company paid Bohensky Consulting and Investments Ltd. a total amount of $353.

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 year ended December 31, 2020, Develop Soft provided the software development services through its employees, who are assigned to the Company's research and development team. For the year ended December 31, 2020, the Company paid Develop Soft a total amount of $576.

Outstanding balances with related parties as of December 31, 2020, (including amounts payable to such parties), consist of $96.

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 NIS result primarily from salaries and related expenses that are stated in NIS. 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.

To date, the Company is using options to hedge its foreign currency exposure with respect to the NIS appreciating relative to the US$.

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 some 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 period ended December 31, 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 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. From July 2020, the Company decreased most of its employees' salaries and some of its service providers costs by 10%. Further steps may be taken based on the Company's financial situation and after considering the Company's revenue growth.

The Company increased penetration into verticals that have benefitted from the COVID-19 pandemic, such as e-commerce and FinTech, has helped offset some of the spending weakness by the Company's sports-related customers that have only recently started to normalize their advertising budgets. Management believes that as a result of its ability to mitigate some of the impacts of the COVID-19 pandemic by onboarding customers that were not significantly impacted by the COVID-19 pandemic, it was able to meet its milestones in the fourth quarter of 2020 and the first quarter of 2021, and it will continue with its current plan of future development and expansion as third milestone on the product roadmap, soft launch during second quarter 2021, and the full SaaS release planned for the third quarter 2020.

Subsequent Events

On February 9, 2021 the Company acquired all of Performance Revenues' Ltd tangible and intangible assets, in consideration for US$350 in cash and an earn-out that is based on the annual results of Performance Revenues for 2021, worth a maximum of US1,023, payable in Zoomd's shares, using a price per share that is the higher of (i) the fair market value on the day of payment and (ii) CA$0.96 ($0.75 USD based on CAD: USD rate) per share.

The acquisition opens direct access for Zoomd to additional top-tier global advertisers and a strong entry into the Japanese market. The acquisition is expected to enable Zoomd to offer its existing and new clients new distribution channels, high profile influencer-based marketing and novel video creation services for better advertising campaigns and conversion rates.

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.