



Management's Discussion and Analysis

For the second quarter ended June 30, 2019

INTEMA SOLUTIONS INC.

Management's Discussion and Analysis of the results of operations and financial position

FOR THE SECOND QUARTER ENDED JUNE 30, 2019

BASIS OF PRESENTATION

The following Management's Discussion and Analysis ("MD&A") of the results of operations and financial position of Intema Solutions Inc. ("Intema" or the "Company") must be read in conjunction with the unaudited interim financial statements of the Company and the accompanying notes for the three-month period ended June 30, 2019, and with the most recent audited annual financial statements and MD&A for the year ended December 31, 2018. The interim financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and are available on SEDAR (www.sedar.com). This MD&A reflects information available to the Company as at August 28, 2019.

FORWARD-LOOKING STATEMENTS

This MD&A may contain "forward-looking statements". All statements other than statements of historical facts included in this MD&A, including, without limitation, those regarding the projected financial performance of the Company; the expected development of the Company's business and projects; execution of the Company's vision and growth strategy; sources and availability of financing for the Company's projects; renewal of the Company's current customer, supplier and other material agreements; and future liquidity, working capital, and capital requirements, are forward-looking statements. Although the forward-looking statements in this MD&A are based upon what management of the Company believes are reasonable assumptions, there can be no assurance that they will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.

NON-IFRS FINANCIAL MEASURES

The term EBITDA (Earnings Before Interest, Income Taxes, Depreciation and Amortization) does not have a standardized meaning prescribed by IFRS. Therefore, EBITDA may not be comparable to similar measures presented in other financial statements of other issuers. The Company defines EBITDA as income from continuing operations before amortization of tangible and intangible assets, provision for impairment of goodwill and other intangible assets, interest, gains or losses on disposal of assets, gains or losses on foreign exchange and income taxes on the result. Management believes that EBITDA is an important measurement tool as it allows us to evaluate the performance of the Company arising from operating activities irrespective of elements that depend mainly on non-operating factors such as the historical cost. EBITDA allows us to compare the operating performance of the Company consistently. Several analysts and investors use EBITDA to evaluate and measure the Company's ability to repay its debt and meet its various payment obligations.

OVERVIEW

Intema Solutions Inc., incorporated under the Canada Business Corporations Act, is a company which mainly provides email marketing solutions to approximately 18,000 users in 84 countries. The Company's shares are listed on the TSX Venture Exchange and currently trades under the symbol «ITM.H».

Intema's mission is to be the world's premier digital marketing platform. The Company has been simplifying and optimizing the online marketing activities of medium and large companies through innovative technologies and cutting-edge expertise for over 20 years. A Canadian leader in permission-based email marketing, Intema provides a wide range of products and services, including AI predictive marketing and SMS marketing, as well as related professional services. More information about the Company is provided at its corporate website at intema.com and its product websites eflyermaker.com and matcheranalytics.com.

INTEMA SOLUTIONS INC.

Management's Discussion and Analysis of the results of operations and financial position

FOR THE SECOND QUARTER ENDED JUNE 30, 2019

BUSINESS HIGHLIGHTS (as at the date of this MD&A)

On May 13, 2019, the Company announced that it had appointed Laurent Benezra, CIM, CBE, as President and Chief Executive Officer. Roger Plourde, the Company's outgoing President and Chief Executive Officer, remained as Executive Chairman of the Board of Directors.

On July 12, 2019, Roger Plourde, Real Desjardins, Laurent Benezra, Claude Theoret, Richard Tremblay and Michael Wagen were elected as Directors by the shareholders of the Company at its 2019 annual meeting in Montreal. The shareholders also approved the reappointment of Brunet Roy Dube, chartered professional accountants, as auditor for the ensuing year; and the adoption of a resolution ratifying and confirmation of the Company's plan to consolidate the stock on a two-for-one basis.

On August 12, 2019, the Company announced the appointment of Claude Theoret, PhD, as Chief Operating Officer of the Company.

On August 14, 2019, the Company announced the appointment of Elise Vandoorne, CPA, CA, as Chief Financial Officer of the Company.

SELECTED FINANCIAL HIGHLIGHTS

(In Canadian dollars – except for percentages and per share amounts)	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
FINANCIAL PERFORMANCE				
Revenues	149,353	116,530	323,594	269,697
Gross profit	87,250	20,480	210,407	69,092
EBITDA ⁽¹⁾	(79,239)	(184,210)	428,751	(320,172)
EBITDA margin ⁽¹⁾	(53.1%)	(158.1%)	132.5%	(118.7%)
Gain on debt settlement	118,694	-	661,954	-
Net earnings (net loss)	(110,219)	(244,387)	366,359	(440,187)
Net earnings (loss) per share – basic and diluted	(0.001)	(0.003)	0.004	(0.005)
	As of June 30 2019	As of Dec. 31 2018		
FINANCIAL SITUATION				
Cash and cash equivalents	39,501	13,135		
Working capital	(640,280)	(1,074,001)		
Shareholder's equity	(355,650)	(762,008)		
Long-term debt (current and long-term portions) and debentures	–	98,395		

(1) The term EBITDA (earnings before interest, taxes, depreciation and amortization) does not have a standardized meaning prescribed by IFRS. Therefore, EBITDA may not be comparable to similar measures presented in other financial statements of other companies. The Company defines EBITDA as income from continuing operations before amortization of tangible and intangible assets, provision for impairment of goodwill and other intangible assets, interest, gains or losses on disposal of assets, gains or losses on foreign exchange and income taxes.

INTEMA SOLUTIONS INC.

Management's Discussion and Analysis of the results of operations and financial position FOR THE SECOND QUARTER ENDED JUNE 30, 2019

RECONCILIATION OF NET EARNINGS (NET LOSS) TO EBITDA

(In Canadian dollars)	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
Net earnings (net loss)	(110,219)	(244,387)	366,359	(440,187)
Interest expense	2,456	9,919	4,919	19,500
Depreciation of assets and other intangible assets	28,524	50,258	57,473	100,515
EBITDA	(79,239)	(184,210)	428,751	(320,172)

OPERATING RESULTS

Revenues

For the second quarter of 2019, revenues increased by 28.4% to \$149,353, from \$116,350 for the same quarter a year ago. The increase was mostly driven by an increase in sales to a major client and new sales in the cannabis sector. For the six-month period ended June 30, 2019, revenues totalled \$323,594, compared to \$269,697 a year ago.

Gross Margin

For the second quarter of 2019, gross profit increased by 326.0% to \$87,250, compared to \$20,480 a year ago. Gross margin was 58.4% in 2019 versus 17.6% in 2018. The increase in gross margin was mainly due to the increase in sales of its eflyermaker.com services, partially offset by internet hosting services which generate less margin and depreciation from the write-off of an asset in Q4 2018. For the six-month period ended June 30, 2019, gross profit was \$210,407, compared to \$69,092 a year ago. Gross margin for the period was 65.0% versus 25.6% a year ago.

Selling and Administrative Expenses

Selling and administrative expenses for the second quarter of 2019 totalled \$270,197 compared to \$200,154 in 2018. The increase was mostly due to commissions and subcontracting costs on higher sales, a provision for bad debt and business development costs.

Research and Development Expenses

The Company continues to invest in research and development to safeguard its technological advantages and to develop new technologies. For the second quarter of 2019, research and development expenses totalled \$43,510, compared to \$54,794 in 2018. The decrease was due to the reduced number of employees in this department.

EBITDA

EBITDA increased from a loss of (\$184,210) to a loss of (\$79,239) for the second quarter of 2019. The increase in sales and the decrease of direct costs and labor are the main reasons for the increase of \$104,971 in EBITDA compared to the same period of 2018.

Net Earnings

For the second quarter ended June 30, 2019, the Company recorded a net loss of (\$110,219), or (\$0.001) per diluted share, compared to a net loss of (\$244,387), or (\$0.003) per diluted share, for the corresponding period of 2018.

For the six-month period, the Company posted net earnings of \$366,359, or \$0.004 per diluted share, compared to a net loss of (\$440,187), or (\$0.005) per diluted share, a year ago. For the 2019 fiscal year, net earnings were mainly attributable to the gain on debt settlement from the proposal to creditors.

INTEMA SOLUTIONS INC.

Management's Discussion and Analysis of the results of operations and financial position

FOR THE SECOND QUARTER ENDED JUNE 30, 2019

SUMMARY OF QUARTERLY RESULTS

(In Canadian dollars, except per share amounts)	2019 Q2	2019 Q1	2018 Q4	2018 Q3
Revenues	149,353	174,241	151,089	182,965
EBITDA ⁽¹⁾	(79,239)	507,985	(82,234)	(37,660)
EBITDA margin ⁽¹⁾	(53.1%)	291.5%	(54.4%)	(20.6%)
Net earnings (loss)	(110,219)	476,579	(473,462)	(92,346)
Net earnings (loss) per share - basic and diluted	(0.001)	0.006	(0.006)	(0.001)

(In Canadian dollars, except per share amounts)	2018 Q2	2018 Q1	2017 Q4	2017 Q3
Revenues	116,530	153,167	167,732	180,002
EBITDA ⁽¹⁾	(184,209)	(135,963)	(282,901)	(93,624)
EBITDA margin ⁽¹⁾	(158.1%)	(88.8%)	(168.7%)	(52.0%)
Net earnings (loss)	(244,387)	(195,800)	(656,253)	(152,175)
Net earnings (loss) per share - basic and diluted	(0.003)	(0.002)	(0.008)	(0.002)

(1) The term EBITDA (earnings before interest, income taxes, depreciation and amortization) does not have a standardized meaning prescribed by IFRS. Therefore, EBITDA may not be comparable to similar measures presented in other financial statements of other companies. The Company defines EBITDA as income from continuing operations before amortization of tangible and intangible assets, provision for impairment of goodwill and other intangible assets, interest, gains or losses on disposal of assets, gains or losses on foreign exchange and income taxes.

Several factors can cause quarterly variances, such as seasonality, vacations and statutory holidays, and Intema's software solutions sales cycle, which may not necessarily be indicative of future results.

For Q1 2019, the increase in net earnings was mainly due to a gain on debt settlement related to the proposal to creditors.

CASH FLOWS

Three-month periods ended June 30: (In Canadian dollars)	2019	2018	Variance
Cash flow used in operating activities	(354,411)	(132,096)	(222,315)
Cash flow used in investing activities	(12,578)	(17,695)	5,117
Cash flow provided by financing activities	379,980	14,848	365,132
Net increase (decrease) in cash and cash equivalents	12,991	(134,943)	147,934

Operating Activities

Cash flow used in operating activities totalled \$354,411 in the second quarter of 2019, compared to \$132,096 for the same period in 2018. The \$222,315 variation was mainly due to changes in non-cash working capital items in the second quarter of 2019.

Investing Activities

Cash flow used in investing activities was \$12,578 in the second quarter of 2019, compared to \$17,695 a year ago, mainly due to software development.

Financing Activities

Cash flow provided by financing activities totalled \$379,980 for the second quarter of 2019, compared to \$14,848 a year ago, mainly due to an increase in short-term debt.

INTEMA SOLUTIONS INC.

Management's Discussion and Analysis of the results of operations and financial position

FOR THE SECOND QUARTER ENDED JUNE 30, 2019

FINANCIAL POSITION

The following table shows the main variances that have occurred in the financial position of the Company for the six-month period ended June 30, 2019:

(In Canadian dollars)	June 30, 2019	Dec. 31, 2018	Variance	
Trade and other receivables	84,782	52,446	32,336	Increase mainly due to a provision for bad debt
Other intangible assets	140,962	160,787	(19,825)	Decrease mainly due to depreciation, partially offset by patent for eflyermaker.com
Employees benefits	209,900	320,547	(110,647)	Decrease due to proposal to creditors
Trade and other payables	194,833	729,426	(534,593)	Decrease due to proposal to creditors
Short-term debt	414,920	37,500	377,420	Increase due to advances from net proceeds of special warrants financing
Deferred revenue	39,053	18,456	20,597	Increase due to new customer
Warrants	981,051	233,723	747,328	Increase mainly due to issuance of special warrants

FINANCING

On March 29, 2019, the Company completed a non-brokered private placement of 30,000,000 special warrants at a purchase price of \$0.025 per special warrant for gross proceeds of \$750,000. Each special warrant has been converted into one unit on a pre-consolidation basis, subject to the completion of a share consolidation of the Company on the basis of one new common share for two old common shares. Should the consolidation not be completed, the special warrants will be converted in units on the basis of a price of \$0.05 per unit. Each unit includes one common share and one underlying warrant. The 30,000,000 special warrants will be converted into 15,000,000 units.

TRANSACTIONS BETWEEN RELATED PARTIES

During the period ended June 30, 2018 and December 31, 2018, the Company made transactions with some officers and directors and companies controlled by officers or directors of Intema.

The Company's key management personnel are members of the Board of directors, the President and Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer. Key management personnel remuneration includes the following expenses:

(In Canadian dollars)	Three months ended June 30		Six months ended June 30	
	2019	2018	2019	2018
Salaries and benefits	85,811	50,875	136,467	101,750
Professional fees	7,500	-	7,500	-
	93,311	50,875	143,967	101,750

The remuneration payable to a director totalled \$125,490 at June 30, 2019 and is secured by a mortgage of \$500,000. That mortgage has been cancelled in August 2019.

OFF-BALANCE SHEET AGREEMENTS

The Company does not have any off-balance sheet agreements.

INTEMA SOLUTIONS INC.

Management's Discussion and Analysis of the results of operations and financial position

FOR THE SECOND QUARTER ENDED JUNE 30, 2019

SUBSEQUENT EVENTS

On July 12, 2019, the shareholders approved the Company's plan to consolidate its common shares on a two-for-one basis, which is expected to occur in the current quarter. Holders of pre-consolidation common shares will not be entitled to receive certificates for fractional post-consolidation common shares, and will not be entitled to exercise any of the rights of shareholders in respect of any fractional post-consolidation common shares other than the right to receive a cash payment in respect of each such fractional post-consolidation common share, without interest, equivalent to \$0.08 for each pre-consolidation common share.

In August 2019, an amount payable to a director of \$161,723 as unpaid salary and expenses account has been converted into a loan payable by monthly payment of \$5,000 without interest.

CAPITAL STRUCTURE

The following table sets out the common shares, stock options and warrants of the Company that are outstanding as at the date of this MD&A:

	August 29, 2019
Common shares	86,009,577
Stock options	nil
Warrants (average exercise price: \$0.042)	44,527,334

FINANCIAL RISK FACTORS

The Company operates in an industry subject to various financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. In order to minimize the negative effects on its financial performance, the Company has centralized cash management for defining, assessing and hedging financial risks.

The interim financial statements and MD&A do not include all financial risk management information and disclosures required in the annual financial statements; they should be read in conjunction with the annual financial statements for the fiscal year ended December 31, 2018. The Company is not aware of any significant changes to the Company's risk factors from those disclosed at that time.

RISK FACTORS

For a detailed description of risk factors associated with the Company, please refer to the "Risk Factors" section of the Company's MD&A for the fiscal year ended December 31, 2018. The Company is not aware of any significant changes to the Company's risk factors from those disclosed at that time.

INTEGRITY OF FINANCIAL INFORMATION

The Company's management and Board of Directors is responsible for setting up and maintaining information systems and controls in place, ensuring the reliability of information disseminated both inside and outside the Company. The Company has implemented a communication policy with shareholders, the relevant regulatory authorities and the public. The objective of this policy is to ensure that the information disclosed is complete and relevant. The Company announces material changes through press releases on time. The press releases are reviewed and approved by the directors and are made available to the public in accordance with the stated policies of the TSX Venture Exchange. The Company informs its shareholders at shareholder meetings as well as through press releases, quarterly and annual financial statements.

INTEMA SOLUTIONS INC.

Management's Discussion and Analysis of the results of operations and financial position FOR THE SECOND QUARTER ENDED JUNE 30, 2019

The Audit Committee, composed of a majority of independent directors, has a mandate to report to the Board of Directors and evaluate:

- a) The integrity of financial statements and related disclosures of the Company.
- b) Independence, qualifications and appointment of the independent auditor of the Company.
- c) The Company's compliance with laws and regulations.
- d) Management responsibility for reporting on internal controls.

CONTROL SYSTEMS REGARDING FINANCIAL INFORMATION

Management is responsible for the establishment and maintenance of control systems with regard to financial reporting to provide reasonable assurance regarding the reliability of financial information under IFRS. The President and Chief Executive Officer and the Chief Financial Officer, based on their evaluation of these controls for the quarter ended June 30, 2019, concluded that the design of internal control is effective in regard to financial reporting and has not made any changes to the internal controls over financial reporting during the year ended December 31, 2018, which could influence or be likely to materially affect internal controls of the Company with respect to financial reporting.

CONTROLS AND DISCLOSURE PROCEDURES

The Chief Executive Officer and Chief Financial Officer of the Company are responsible for establishing and maintaining controls and disclosure procedures, as defined by National Instrument 52-109 of the Canadian Securities.

ADDITIONAL INFORMATION

Additional information about the Company is available on our website at www.intema.com and on SEDAR at www.sedar.com.

August 28, 2019



Laurent Benezra
Chief Executive Officer



Elise Vandoorn, CPA, CA
Chief Financial Officer