



Interim Condensed Consolidated Financial Statements

Intouch Insight Ltd.

for the three and nine months ended September 30, 2018, and 2017

(Unaudited, expressed in Canadian Dollars)

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited interim condensed consolidated financial statements of Intouch Insight Ltd. have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor.

A handwritten signature in black ink, appearing to read 'Cameron Watt', with a large, sweeping flourish at the end.

Cameron Watt
President and Chief Executive Officer

A handwritten signature in black ink, appearing to read 'George Pretli', with a stylized, cursive script.

George Pretli
Chief Financial Officer

Intouch Insight Ltd.
Unaudited Interim Condensed Consolidated Financial Statements
As at September 30, 2018

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Intouch Insight Ltd.

Unaudited Interim Condensed Consolidated Statements of Earnings (loss) and Comprehensive Income Three and nine months ended September 30, 2018 and 2017 (in Canadian Dollars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2018	2017	2018	2017
Revenue	4	\$ 3,914,961	\$ 3,669,461	\$ 11,344,136	\$ 10,728,217
Cost of services		<u>2,008,407</u>	<u>1,672,279</u>	<u>5,520,557</u>	<u>4,982,181</u>
		1,906,554	1,997,182	5,823,579	5,746,036
Expenses					
Selling	5	751,013	293,040	2,276,688	1,034,328
General and administrative	6	1,336,365	1,250,362	4,016,645	3,647,033
Product development	7	<u>404,133</u>	<u>402,973</u>	<u>1,395,437</u>	<u>1,060,164</u>
		<u>2,491,511</u>	<u>1,946,375</u>	<u>7,688,770</u>	<u>5,741,525</u>
Earnings (loss) from operating activities		(584,957)	50,807	(1,865,191)	4,511
Non-operating earnings (expense)					
Finance costs		(5,007)	(17,424)	(8,865)	(47,519)
Sale of investment in IPSTG Technology	8	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,000</u>
Net earnings (loss) before income taxes		(589,964)	33,383	(1,874,056)	(33,008)
Income taxes	16				
Future tax recovery (expense)		-	-	-	-
Current income tax		-	-	-	-
Net earnings (loss) and comprehensive income (loss)		<u>\$ (589,964)</u>	<u>\$ 33,383</u>	<u>\$ (1,874,056)</u>	<u>\$ (33,008)</u>
Net earnings (loss) per share	9				
Basic		\$ (0.03)	\$ 0.00	\$ (0.09)	\$ (0.00)
Diluted		\$ (0.03)	\$ 0.00	\$ (0.09)	\$ (0.00)

The accompanying notes are an integral part of the unaudited interim condensed consolidated financial statements

Intouch Insight Ltd.

Unaudited Interim Condensed Consolidated Statements of Financial Position

As at September 30, 2018 and December 31, 2017

(in Canadian Dollars)

Assets	Note	September 30, 2018	December 31, 2017
<i>Current Assets</i>			
Cash and cash equivalents		\$ 880,187	\$ 3,426,398
Trade and other receivables	10	2,563,870	1,925,165
Prepaid expenses and deposits		138,571	171,957
		<u>3,582,628</u>	<u>5,523,520</u>
Property and equipment	11	933,134	1,043,910
Deferred tax assets		381,765	351,951
Investment tax credit recoverable		106,366	106,366
Intangible assets	12	1,046,677	1,363,829
		<u>\$ 6,050,570</u>	<u>\$ 8,389,576</u>
Liabilities and Shareholders' Equity			
<i>Current Liabilities</i>			
Trade and other liabilities		\$ 698,954	\$ 685,489
Deferred revenue		199,081	469,385
Current portion of long-term debt	13	210,849	567,533
		<u>1,108,884</u>	<u>1,722,407</u>
Long-term debt	13	28,197	-
Deferred tax liability		37,141	37,141
		<u>1,174,222</u>	<u>1,759,548</u>
<i>Shareholders' Equity</i>			
Share capital	14	5,362,604	5,233,327
Warrants		977,774	977,774
Contributed surplus		422,519	431,420
Deficit		(1,886,549)	(12,493)
		<u>4,876,348</u>	<u>6,630,028</u>
		<u>\$ 6,050,570</u>	<u>\$ 8,389,576</u>

ON BEHALF OF THE BOARD

Original signed by:
Eric Beutel, Director

Original signed by:
Michael Gaffney, Director

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

Intouch Insight Ltd.

Unaudited Interim Condensed Consolidated Statements of Changes in Equity

Nine months ended September 30, 2018 and 2017

(in Canadian Dollars)

	Note	Number of Common Shares	Share Capital	Warrants	Contributed Surplus	Retained Earnings (Deficit)	Total Equity
Balance as at January 1, 2017		14,709,478	\$ 2,859,169	\$ -	\$ 448,582	\$ 641,519	\$ 3,949,270
Issuance of share capital related to the exercise of share options		220,000	120,624		(44,224)		76,400
Share-based compensation					17,735		17,735
Transactions with owners		14,929,478	\$ 2,979,793	\$ -	\$ 422,093	\$ 641,519	\$ 4,043,405
Net loss and comprehensive loss for the nine months ended September 30, 2017						(33,008)	(33,008)
Repurchase and cancellation of shares per Normal Course Issuer Bid		(171,000)	(74,192)				(74,192)
Balance as at September 30, 2017		14,758,478	\$ 2,905,601	\$ -	\$ 422,093	\$ 608,511	\$ 3,936,205
Balance as at January 1, 2018		21,758,478	\$ 5,233,327	\$ 977,774	\$ 431,420	\$ (12,493)	\$ 6,630,028
Issuance of share capital related to the exercise of share options	14	263,333	129,277		(51,811)		77,466
Share-based compensation	15				42,910		42,910
Transactions with owners		22,021,811	\$ 5,362,604	\$ 977,774	\$ 422,519	\$ (12,493)	\$ 6,750,404
Net loss and comprehensive loss for the nine months ended September 30, 2018						(1,874,056)	(1,874,056)
Balance as at September 30, 2018		22,021,811	\$ 5,362,604	\$ 977,774	\$ 422,519	\$ (1,886,549)	\$ 4,876,348

The accompanying notes are an integral part of these consolidated financial statements

Intouch Insight Ltd.

Unaudited Interim Condensed Consolidated Statements of Cash Flows

Three and nine months ended September 30, 2018 and 2017

(in Canadian Dollars)

	Note	Three months ended September 30,		Nine months ended September 30,	
		2018	2017	2018	2017
CASH PROVIDED BY (USED IN):					
Operating activities					
Net earnings (loss)		\$ (589,964)	\$ 33,383	\$ (1,874,056)	\$ (33,008)
Adjustments to net earnings (loss)					
Amortization of property and equipment	11	95,473	86,204	279,195	215,891
Amortization of intangible assets	12	105,717	125,941	317,152	377,835
Finance costs		5,009	17,424	8,865	47,519
Stock-based compensation expense	15	15,789	5,986	42,910	17,735
Loss (gain) on disposal of property and equipment		(1,928)	-	(20,839)	(2,654)
Future tax expense		207	715	(33,893)	1,367
Net change in non-cash operating working capital	17	(30,975)	80,126	(862,158)	(542,027)
Net cash flows from operating activities		(400,672)	349,779	(2,142,824)	82,658
Financing activities					
Increase (decrease) in bank indebtedness		-	(398,834)	-	61,725
Issuance of share capital		1,066	-	77,466	76,400
Repurchase of share capital	14	-	(37,517)	-	(74,192)
Issuance of long-term debt		-	394,760	-	394,760
Repayment of long-term debt		(104,796)	(62,500)	(324,408)	(187,500)
Finance costs		(5,009)	(17,424)	(8,865)	(47,519)
Cash flows from financing activities		(108,739)	(121,515)	(255,807)	223,674
Investing activities					
Proceeds on disposal of property and equipment		1,927	-	26,623	5,237
Purchase of property and equipment	11	(5,760)	(262,823)	(174,203)	(718,486)
Cash flows from investing activities		(3,833)	(262,823)	(147,580)	(713,249)
NET CASH INFLOW (OUTFLOW) IN PERIOD		(513,244)	(34,559)	(2,546,211)	(406,917)
CASH, BEGINNING OF PERIOD		1,393,431	36,914	3,426,398	409,272
CASH, END OF PERIOD		\$ 880,187	\$ 2,355	\$ 880,187	\$ 2,355
Additional Information					
Interest received		\$ 3,475	\$ -	\$ 17,857	\$ -
Income tax paid		\$ -	\$ -	\$ 19,839	\$ 37,854

The accompanying notes are an integral part of these unaudited interim condensed consolidated financial statements

INTOUCH INSIGHT LTD.
Notes to the Unaudited Interim Condensed Consolidated Financial Statements
Three and nine months ended September 30, 2018 and 2017
(in Canadian Dollars)

1. CORPORATE INFORMATION

Intouch Insight Ltd. (“Intouch” or the “Company”) is a publicly listed company and is incorporated under the Canada Business Corporations Act. The Company’s shares are listed on the TSX Venture Exchange (“TSX-V”) under the symbol INX and on the OTC Markets Group (“OTCQB”) under the symbol INXSF. The address of Intouch’s registered office and its principal place of business is 400 March Road, Ottawa, Ontario, Canada K2K 3H4.

Intouch and its subsidiaries offers a complete portfolio of customer experience management (CEM) products and solutions that help global brands delight their customers, strengthen brand reputation and improve financial performance. Intouch helps clients collect and centralize data from multiple customer touch points, and gives them actionable insights to identify, sense and continuously improve customer experience efforts in real-time. Founded in 1992, Intouch is trusted by franchise and multi-location businesses for their customer survey, mystery shopping, mobile forms, operational and compliance audits, and event marketing automation solutions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation and statement of compliance with IFRS

The interim condensed consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting*. They do not include all of the information required in annual consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and should be read in conjunction with the consolidated financial statements of the Company for the year ended December 31, 2017.

The preparation of the interim condensed consolidated financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires Management to exercise judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the interim condensed consolidated financial statements are the same as those applied in the Company’s most recent annual consolidated financial statements. The only exception is the estimate used for the income tax provision. This provision is determined using the estimated average annual effective income tax rate applied to the pre-tax income of the interim period.

(b) Significant accounting policies

The same accounting policies are followed in the interim condensed consolidated financial statements as were followed in the most recent annual financial statements.

IFRS 15, Revenue from Contracts with Customers

IFRS 15 Revenue from Contracts with Customers (“IFRS 15”): This standard replaced IAS 11 Construction Contracts, IAS 18 Revenue. IFRS 15 introduces a single comprehensive model for recognizing revenues from contracts with customers. The standard requires revenue to be recognized in a manner that depicts the transfer of promised goods or services to a customer at an amount that reflects the consideration expected to be received in exchange for transferring those goods and services, applying the following five steps:

- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract; and
- recognize revenue when (or as) the entity satisfies the performance obligation.

The standard also provides guidance relating to the treatment of contract acquisition and fulfillment costs.

IFRS 15 principally affects the timing of revenue recognition for transactions by each element in an arrangement (distinct goods or services in a bundled price or deliveries of multiple services that occur at different points in time and/or over different periods of time).

The Company adopted IFRS 15 using a modified retrospective transition method, which involves not restating periods prior to the date of initial application. The application of this new standard had no impact on the reported results, specifically with regard to the timing of recognition and classification of revenues from services. There was no impact on the cash flows from operating activities as a result of adopting this standard.

Under IFRS 15 we apply the following practical expedients:

- When our right to consideration from a customer corresponds directly with the value to the customer of the products and services transferred to date, we recognize revenue in the amount to which we have a right to invoice. For such contracts and for performance obligations that are part of a contract that has an original expected duration of one year or less, the transaction price amount allocated to the remaining performance obligations and an explanation of when we expect to recognize that amount as revenue are not disclosed.
- Costs of obtaining a contract that would be amortized within one year or less are immediately expensed.

INTOUCH INSIGHT LTD.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

Three and nine months ended September 30, 2018 and 2017

(in Canadian Dollars)

(c) Critical accounting estimates and judgments

The Company's interim consolidated financial statements are prepared in accordance with IFRS recognition and measurement principles that often require Management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts presented and disclosed in the measurement of assets, liabilities,

income and expenses. Management reviews these estimates and assumptions on an ongoing basis based on historical experience, changes in business conditions and other relevant factors as it believes to be reasonable under the circumstances. Changes in facts and circumstances may result in revised estimates, and actual results could differ from those estimates. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The estimates, judgments and assumptions applied in the interim consolidated financial statements, including the key sources of estimation uncertainty were the same as those applied in the Company's last annual audited consolidated financial statements for the year ended December 31, 2017. The only exception is the estimate of the provision for income taxes which is determined in the interim consolidated financial statements using the estimated weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period.

3. BUSINESS COMBINATION

RetailTrack

On December 1, 2016, as part of its continuing strategy of growth through acquisition, the Company entered into a business transfer agreement with The Belding Group of Companies based in Canada ("the Belding Group"). The transaction resulted in the Company purchasing assets of RetailTrack and the Company taking on certain employees, which would enable Intouch to service the RetailTrack existing customers. RetailTrack is a business providing the same data collection services in North America as the Company provides. The Company has accounted for this transaction as a business combination under IFRS 3 as the group of assets acquired met the definition of a business.

Cash outlays related to the acquisition were \$125,000. The Belding Group also provides business training services and many of their training clients are those of RetailTrack. As such the Belding Group, in order not to jeopardize their training clients, would only sell RetailTrack to a Company they had confidence could continue the business. Since this limited the sale, the Company received a bargain purchase price and recorded negative goodwill of \$46,000 in December of 2016.

For the period, July 1, 2018 to September 30, 2018, the acquired business added revenues of \$85,965 (YTD 2018 - \$278,566). The acquired business had revenues of \$74,163 from July 1, 2017 to September 30, 2017 (YTD 2017 - \$217,521).

Statopex Inc.

On October 1, 2015, the Company entered into a business transfer agreement with Statopex Inc. ("Statopex") based in Canada. The share purchase transaction resulted in the Company owning 100% of Statopex as well as 100% of their holding companies. The Company then amalgamated the holding companies into Statopex and immediately wound the business up into the Company. Statopex is a company providing the same data collection services in Canada as the Company provides in North America. As a result of the acquisitions, a contingent consideration was recorded. As at December 31, 2017, the fair value of the contingent consideration was recorded at \$150,000; the amount was paid in January 2018 based on 2017 target revenues being achieved. As at December 31, 2016, the fair value of the contingent consideration was recorded as \$270,096. On January 20, 2017, based on Statopex having achieved target revenues for 2016, the Company made the first \$150,000 payment.

4. REVENUE

Certain information and disclosures normally included in annual consolidated financial statements prepared in accordance with IFRS 15 *Revenue from contracts* were omitted or condensed where such information is not considered material to the understanding of the Corporation's interim financial information.

The Company receives revenue from SaaS and related services to its customers in a market referred to as data collection and reporting services.

The Company's strategy is to focus on SaaS and long-term services contracts and as a result tracks its recurring revenue from both software and services. The following chart shows the breakdown of recurring SaaS and recurring and non-recurring services revenue for the third quarter ending September 30, 2018.

INTOUCH INSIGHT LTD.**Notes to the Unaudited Interim Condensed Consolidated Financial Statements**

Three and nine months ended September 30, 2018 and 2017

(in Canadian Dollars)

	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
Recurring SaaS revenue	\$ 664,344	\$ 618,217	\$ 1,842,575	\$ 1,720,916
Recurring services revenue	\$ 3,232,127	\$ 2,960,759	\$ 9,426,307	\$ 8,758,215
Non-recurring services revenue	\$ 18,490	\$ 90,485	\$ 75,254	\$ 249,086
Total revenue	\$ 3,914,961	\$ 3,669,461	\$ 11,344,136	\$ 10,728,217

Geographical

The Company reports its revenue by geographical location of its customers. No significant property and equipment are maintained outside of Canada.

	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
Canada	\$ 1,611,851	\$ 1,599,341	\$ 4,770,316	\$ 4,647,168
US	2,303,110	2,070,120	6,573,820	6,081,049
Total revenue	\$ 3,914,961	\$ 3,669,461	\$ 11,344,136	\$ 10,728,217

Major customers

Revenues from specific clients, each with 10% or more of total Company revenues, are summarized as follows:

	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
Customer 1	\$ 613,203	\$ 608,266	\$ 1,737,550	\$ 1,900,874
Customer 2	\$ 428,921	\$ -	\$ -	\$ -
Total dollars	\$ 1,042,124	\$ 608,266	\$ 1,737,550	\$ 1,900,874

Major trade accounts receivable

Accounts receivable from specific clients, each with 10% or more of total Company receivables, are summarized as follows:

	As at September 30	
	2018	2017
Customer 1	\$ 372,828	\$ 237,576
Total dollars	\$ 372,828	\$ 237,576

5. SELLING EXPENSES

Selling expenses for the Company are broken down as follows:

	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
Marketing expenses	\$ 315,469	\$ 73,955	\$ 875,944	\$ 286,448
Travel expenses	\$ 81,883	\$ 29,585	\$ 270,784	\$ 140,282
Salaries and benefits	\$ 353,661	\$ 189,500	\$ 1,129,960	\$ 607,598
Selling expenses	\$ 751,013	\$ 293,040	\$ 2,276,688	\$ 1,034,328

INTOUCH INSIGHT LTD.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

Three and nine months ended September 30, 2018 and 2017

(in Canadian Dollars)

6. GENERAL AND ADMINISTRATIVE EXPENSES

General and administrative expenses for the Company are broken down as follows:

	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
Corporate administration	\$ 300,505	\$ 200,952	\$ 942,925	\$ 812,455
Consultant fees	\$ 31,813	\$ 5,507	\$ 53,879	\$ 56,610
Professional fees	\$ 19,367	\$ 6,586	\$ 153,369	\$ 90,274
Listing fees	\$ 22,919	\$ 20,894	\$ 94,983	\$ 61,484
Salaries and benefits ⁽¹⁾	\$ 798,973	\$ 817,802	\$ 2,409,633	\$ 2,088,560
Loss (gain) on disposal of property and equipment	\$ (1,928)	\$ -	\$ (20,839)	\$ (2,654)
Loss (gain) on foreign exchange	\$ 30,907	\$ 48,006	\$ (17,597)	\$ 113,651
Amortization expense	\$ 133,809	\$ 150,615	\$ 400,292	\$ 426,653
General and administrative expenses	\$ 1,336,365	\$ 1,250,362	\$ 4,016,645	\$ 3,647,033

⁽¹⁾ Share-based compensation (a non-cash item) of \$15,789 (Q3 2017 - \$5,986) was included in Salaries and benefits. Year-to-date 2018, \$42,910 was included compared to \$17,735 in 2017.

7. PRODUCT DEVELOPMENT EXPENSES

Product development expenses for the Company are broken down as follows:

	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
Salaries and benefits	\$ 530,835	\$ 402,973	\$ 1,611,337	\$ 1,251,664
Grant received for software application development	\$ (126,702)	\$ -	\$ (215,900)	\$ (191,500)
Product development expenses	\$ 404,133	\$ 402,973	\$ 1,395,437	\$ 1,060,164

8. INVESTMENT ACCOUNTED FOR USING THE EQUITY METHOD

On June 30, 2017, the Company finalized an agreement to sell its shares of IPSP Technology Inc. ("IPSP") to the CEO and other shareholder and director of IPSP. The Company had previously recorded losses that exceeded the original investment and therefore had deemed the carrying amount of the investment as \$Nil. In exchange for the Company's 49% share in IPSP, the cancellation of the service level agreement and an agreement not to incur any future contingent liabilities or other commitments, the Company received a one-time payment of \$10,000.

The shares of IPSP are not publicly listed on a stock exchange and hence published price quotes are not available.

9. EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings per share for the relevant periods is based on the following information:

	Nine months ended September 30	
	2018	2017
Weighted average number of common shares - basic	21,908,431	14,619,431
Additions to reflect the dilutive effect of employee stock options	-	-
Note: For year-to-date 2018 and 2017, the anti-dilutive effect is excluded from the net loss per share computation		
Weighted average number of common shares - diluted	21,908,431	14,619,431

10. TRADE AND OTHER RECEIVABLES

Trade and other receivables consist primarily of trade receivables from billings of consulting, custom development, system use and license fees and reports as well as other receivables.

INTOUCH INSIGHT LTD.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

Three and nine months ended September 30, 2018 and 2017

(in Canadian Dollars)

	As at September 30, 2018	As at December 31, 2017
Trade accounts receivable, gross	\$ 2,439,798	\$ 1,818,887
Allowance for doubtful accounts	-	-
Trade accounts receivable, net	\$ 2,439,798	\$ 1,818,887
Unbilled receivables	124,072	106,278
Trade and other receivables	\$ 2,563,870	\$ 1,925,165

Trade receivables past due but not impaired can be shown as follows:

	As at September 30, 2018	As at December 31, 2017
1 - 60 days past due	\$ 369,927	\$ 1,201,304
Greater than 60 days past due	51,351	331,904
	\$ 421,278	\$ 1,533,208

Management considers that the above-stated financial assets, including those 1-60 days and greater than 60 days, are of good credit quality.

11. PROPERTY AND EQUIPMENT

The following tables summarize the changes in the carrying amount of property and equipment:

	Computer Equipment	Kiosks	Kiosk Tablets	Furniture and Equipment	Leasehold Improvements	Total
Cost:						
At December 31, 2016	\$ 123,737	\$ 383,797	\$ 913,757	\$ 143,043	\$ 177,827	\$ 1,742,161
Additions	\$ 68,014	\$ -	\$ 410,446	\$ 68,287	\$ -	\$ 546,747
Disposals	\$ (33,450)	\$ (383,797)	\$ (80,805)	\$ (333)	\$ -	\$ (498,385)
At December 31, 2017	\$ 158,301	\$ -	\$ 1,243,398	\$ 210,997	\$ 177,827	\$ 1,790,523
Additions	\$ 24,042	\$ -	\$ 91,303	\$ 39,505	\$ 19,353	\$ 174,203
Disposals	\$ -	\$ -	\$ (21,229)	\$ -	\$ -	\$ (21,229)
At September 30, 2018.	\$ 182,343	\$ -	\$ 1,313,472	\$ 250,502	\$ 197,180	\$ 1,943,497
Accumulated Amortization:						
At December 31, 2016	\$ 61,123	\$ 320,135	\$ 441,156	\$ 53,053	\$ -	\$ 875,467
Amortization	\$ 28,420	\$ 15,915	\$ 224,683	\$ 18,166	\$ 25,447	\$ 312,631
Disposals	\$ (29,273)	\$ (336,050)	\$ (75,829)	\$ (333)	\$ -	\$ (441,485)
At December 31, 2017	\$ 60,270	\$ -	\$ 590,010	\$ 70,886	\$ 25,447	\$ 746,613
Amortization	\$ 25,878	\$ -	\$ 196,055	\$ 18,411	\$ 38,851	\$ 279,195
Disposals	\$ -	\$ -	\$ (15,445)	\$ -	\$ -	\$ (15,445)
At September 30, 2018	\$ 86,148	\$ -	\$ 770,620	\$ 89,297	\$ 64,298	\$ 1,010,363
Carrying amounts:						
At December 31, 2017	\$ 98,031	\$ -	\$ 653,388	\$ 140,111	\$ 152,380	\$ 1,043,910
At September 30, 2018	\$ 96,195	\$ -	\$ 542,852	\$ 161,205	\$ 132,882	\$ 933,134

All of the above assets are pledged as security for debt obligations as identified in Note 13. There were no impairment indicators as at the end of December 2017 and September 2018. Amortization in Q3 2018 of \$67,381 is included in cost of services (YTD 2018 - \$196,055) while an amount of \$28,092 for Q3 2018 is included in general and administrative expenses (YTD 2018 - \$83,140).

INTOUCH INSIGHT LTD.

Notes to the Unaudited Interim Condensed Consolidated Financial Statements

Three and nine months ended September 30, 2018 and 2017

(in Canadian Dollars)

12. INTANGIBLE ASSETS

The following table summarizes the changes in the carrying amount of intangible assets:

Cost:	Acquired Trademarks	Acquired customer relationships	Acquired Shopper/Auditor database	Software	Total
At December 31, 2017 and 2016	\$ 173,646	\$ 2,534,226	\$ 179,199	\$ 388,216	\$ 3,275,287
Additions:	\$ -	\$ -	\$ -	\$ -	\$ -
At September 30, 2018	\$ 173,646	\$ 2,534,226	\$ 179,199	\$ 388,216	\$ 3,275,287
Accumulated Amortization:					
At December 31, 2016	\$ 42,718	\$ 947,694	\$ 157,828	\$ 263,965	\$ 1,412,205
Amortization	17,365	393,641	17,247	71,000	499,253
At December 31, 2017	\$ 60,083	\$ 1,341,335	\$ 175,075	\$ 334,965	\$ 1,911,458
Amortization	13,023	247,503	3,375	53,251	317,152
At September 30, 2018	\$ 73,106	\$ 1,588,838	\$ 178,450	\$ 388,216	\$ 2,228,610

Carrying Amounts:

At December 31, 2017	\$ 113,563	\$ 1,192,891	\$ 4,124	\$ 53,251	\$ 1,363,829
At September 30, 2018	\$ 100,540	\$ 945,388	\$ 749	\$ -	\$ 1,046,677

The above assets are the result of business combinations. Amortization expense is recorded in general and administrative expenses.

13. LONG TERM DEBT

	As at September 30, 2018	As at December 31, 2017
Installment loan, repayable in monthly installments of \$20,833 plus interest at prime plus 2.0%, secured by a general security agreement over underlying assets and maturing on November 27, 2018.	\$ 41,666	\$ 229,167
Installment loan, repayable in monthly installments of \$14,099 plus interest at prime plus 1.8%, secured by a general security agreement over underlying assets and maturing on December 30, 2019.	\$ 197,380	\$ 338,366
	\$ 239,046	\$ 567,533
Current portion of long-term debt	\$ 210,849	\$ 567,533
Total long-term debt	\$ 28,197	\$ -

14. SHARE CAPITAL

Authorized:

The share capital of the Company consists of an unlimited number of common shares, without par value. All shares are equally eligible to receive dividends, the repayment of capital and represent one vote at the shareholders' meetings.

During the nine months ended September 30, 2018, the Company issued common shares as follows:

On January 12, 2018, the Company issued 80,000 common shares through the exercise of stock options for gross proceeds of \$23,600.

On April 12, 2018, the Company issued 80,000 common shares through the exercise of stock options for gross proceeds of \$22,800.

On April 25, 2018, the Company issued 100,000 common shares through the exercise of stock options for gross proceeds of \$30,000.

On September 19, 2018, the Company issued 3,333 common shares through the exercise of stock options for gross proceeds of \$1,067.

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15. STOCK OPTION PLAN

The stock option plan is applicable to directors, officers, employees and consultants of the Company. The options are granted at the Company's current fair market value of the common shares under terms and conditions determined by the Board of Directors. Under the terms of the plan, the options generally vest proportionately over a three-year period and expire ten years from the date of the grant. The Board of Directors has the right to modify vesting periods and expiry dates at the time of option grant.

There were no options issued in Q3 2018 (YTD 2018 – 690,000) compared to 155,000 options issued in Q3 2017 (YTD 2017 - 310,000). There 3,333 options exercised in Q3 2018 compared to none in Q3 2017 (YTD 2018 – 263,333 and YTD 2017 – 220,000). The employee compensation expense related to options vested in Q3 2018 is \$15,789 (YTD 2018 - \$42,910) and was \$5,986 in Q3 2017 (YTD 2017 - \$17,735). The Company may issue up to 3,000,438 (Q3 2017 – 1,920,196) options for common shares under its stock option plan. At September 30, 2018, 835,438 common shares (190,196 at September 30, 2017) are reserved for additional options under this plan.

A summary of the status of the Company's issued and outstanding stock options as of September 30, 2018, and December 31, 2017, and changes during the nine months is presented below:

	September 30, 2018		December 31, 2017	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding, beginning of year	1,860,000	\$ 0.28	1,795,000	\$ 0.27
Granted	690,000	\$ 0.55	470,000	\$ 0.37
Exercised	(263,333)	\$ 0.29	(220,000)	\$ 0.24
Forfeited	(121,667)	\$ 0.35	(185,000)	\$ 0.26
Outstanding, September 30, 2018 and December 31, 2017	2,165,000	\$ 0.40	1,860,000	\$ 0.28

The following table summarizes information about stock options as at September 30, 2018:

Exercise prices	Options Outstanding		Options Exercisable
	Number outstanding at September 30, 2018	Weighted average remaining contractual life (years)	Number exercisable at September 30, 2018
\$0.22	185,000	0.94	185,000
\$0.24	305,000	1.67	305,000
\$0.28	440,000	1.38	389,998
\$0.32	35,000	2.75	23,334
\$0.38	55,000	2.50	36,665
\$0.40	165,000	3.25	55,001
\$0.46	100,000	1.08	75,000
\$0.47	130,000	5.00	43,336
\$0.48	350,000	3.72	3,334
\$0.61	345,000	2.75	37,500
\$0.70	55,000	4.17	0
\$0.22 to \$0.70	2,165,000	2.66	1,154,168

The following table summarizes information about stock options as at December 31, 2017:

Exercise prices	Options Outstanding		Options Exercisable
	Number outstanding at Dec 31, 2017	Weighted average remaining contractual life (years)	Number exercisable at Dec 31, 2017
\$0.22	215,000	1.69	181,667
\$0.24	305,000	2.42	203,333
\$0.28	495,000	2.13	426,664
\$0.30	250,000	0.33	250,000
\$0.32	40,000	3.50	13,333
\$0.38	60,000	3.25	20,002
\$0.40	170,000	4.00	13,336
\$0.46	100,000	1.83	25,000
\$0.47	155,000	4.75	0
\$0.48	15,000	4.50	0
\$0.70	55,000	4.92	0
\$ 0.22 to \$ 0.70	1,860,000	2.17	1,133,335

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Stock-based Compensation

The Company uses the Black-Scholes model to calculate option values. The assumptions using the Black-Scholes option pricing model for Q1 2018 were: a weighted average share price of \$0.61 and an exercise price of \$0.61, risk free interest rate of 1.35% and 1.60%, volatility of 41% to 44% with no expected dividend yield, 40% assumed forfeiture and a five-year estimated life. For Q2 2018, the assumptions were: a weighted average share price of \$0.48 and an exercise price of \$0.48, risk free interest rate of between 1.10% and 1.60%, volatility of 36% to 50% with no expected dividend yield, 40% assumed forfeiture and a five-year estimated life and a thirty-seven (37) month estimated life. There were no options issued in Q3 2018. The assumptions using the Black-Scholes option pricing model for Q1 2017 were: a weighted average share price of \$0.40 and an exercise price of \$0.40, risk free interest rate of between 1.15% and 1.45%, volatility of 34% to 38% with no expected dividend yield, 40% assumed forfeiture and a five-year estimated life. For Q2 2017, the assumptions were: a weighted average share price of \$0.48 and an exercise price of \$0.48, risk free interest rate of between 1.03% and 1.13%, volatility of 34% to 36% with no expected dividend yield, 40% assumed forfeiture and a five-year estimated life. In Q3 2017, the assumptions were: a weighted average share price of \$0.47 and an exercise price of \$0.47, risk free interest rate of between 1.35% and 1.6%, volatility of 32% to 36% with no expected dividend yield, 40% assumed forfeiture and a five-year estimated life.

Unamortized option expense was \$78,174 as at September 30, 2018 (Q3 2017 - \$28,816).

16. INCOME TAXES

Income tax expense is recognized at each interim period based on the best estimate of the weighted average annual income tax rate expected for the full financial year. Amounts accrued for income tax expense in one interim period may have to be adjusted in a subsequent interim period of that financial year should the estimate of the annual income tax rate change.

17. CASH FLOW INFORMATION

Net change in non-cash working capital items is comprised of:

	Three months ended September 30		Nine months ended September 30	
	2018	2017	2018	2017
Trade and other receivables	\$ 52,287	\$ 128,880	\$ 638,705	\$ (671,431)
Prepaid expenses and deposits	(50,006)	195,466	(33,386)	190,645
Trade and other liabilities	81,281	(114,164)	(13,465)	(134,157)
Deferred revenue	(114,537)	(130,056)	270,304	72,916
Net change in non-cash working capital	\$ (30,975)	\$ 80,126	\$ 862,158	\$ (542,027)

18. RELATED PARTY TRANSACTIONS

During Q3 2018, the Company expensed \$28,750 (YTD 2018 - \$86,250) as compensation to non-management directors within general and administrative expenses in the statement of operations. The expense for Q3 2017 was \$15,823, and YTD 2017 was \$40,823.

The above related party transactions are measured at their exchange amount, which is the amount agreed to by the parties.

19. APPROVAL OF THE FINANCIAL STATEMENTS

The unaudited interim condensed consolidated financial statements of Intouch Insight Ltd. for the three and nine months ended September 30, 2018 were approved and authorized for issue by the Audit Committee on November 26, 2018.