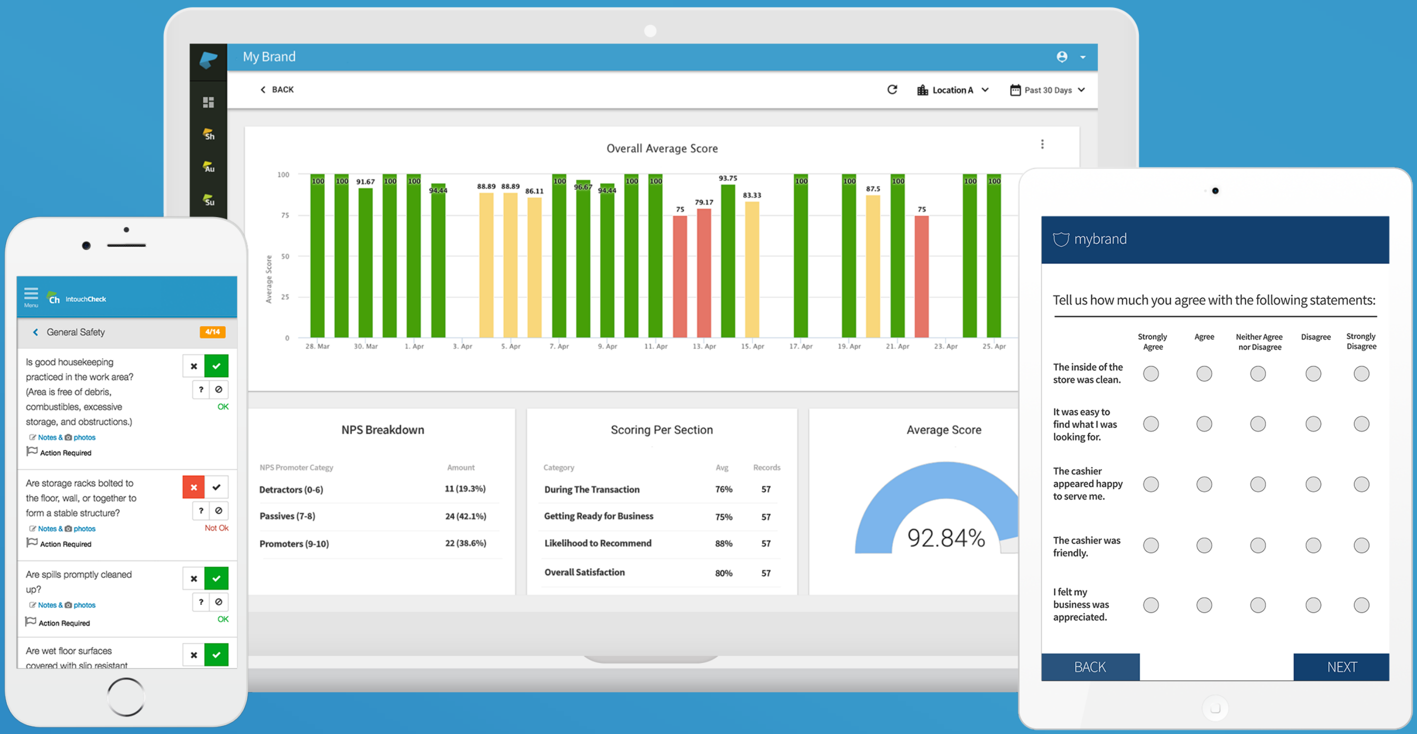
IntouchInsight

ANNUAL REPORT 2016



Drive business improvements with better insights.

Technology solutions for listening, interpreting, and actioning customer feedback, operational and event marketing data.

Meet Intouch's Overarching Products: Access and Intelligence

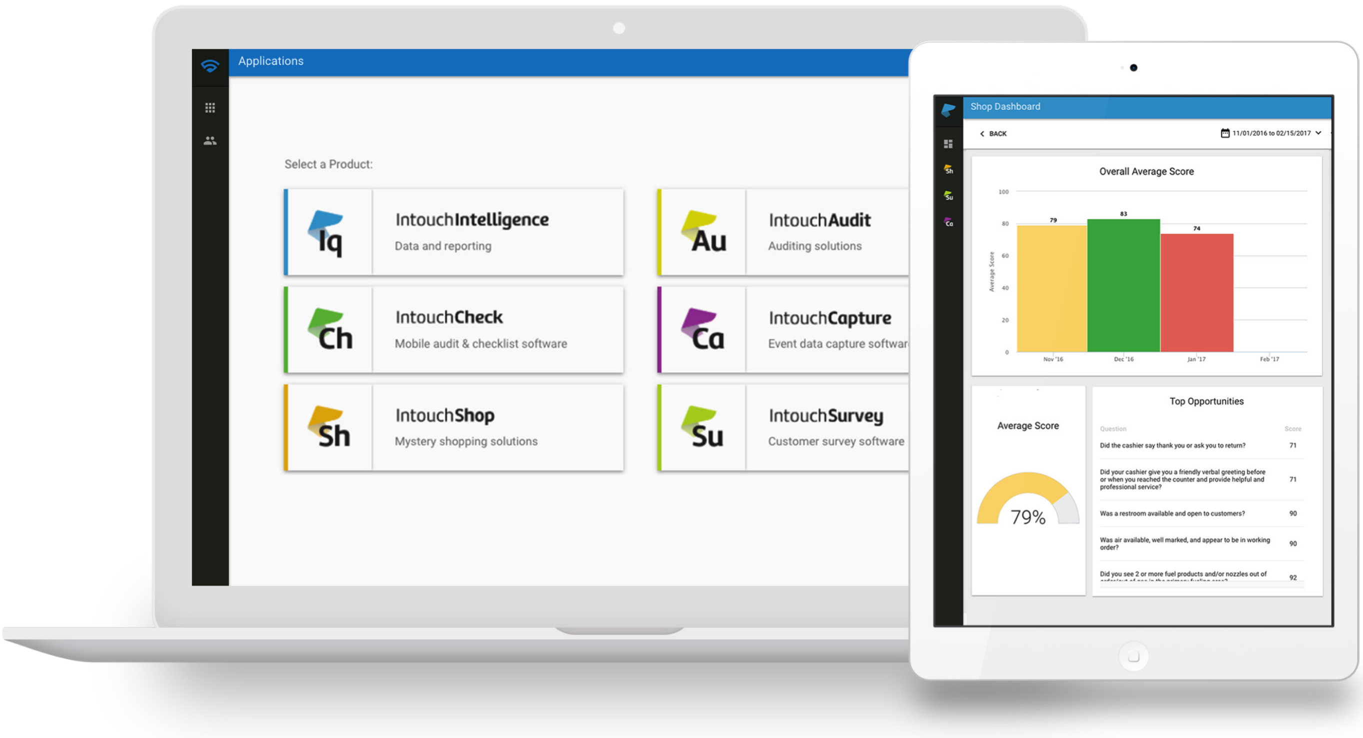
IntouchAccess

Single Sign-On - portal to access the Intouch product suite and integration with client systems.

IntouchIntelligence

Business intelligence dashboards for managing customer experience and gaining valuable insights across your business.

The IntouchIntelligence reporting platform brings data from mystery shopping, third party audits, internal audits, customer surveys, event data capture and integrated client systems together in one place, and is accessible through the IntouchAccess single sign-on portal. Everyone in an organization – from the front-line to the c-suite – can view customized, location or role-based dashboards with insights that are meaningful to them. Visual analytics make it easy for these decision-makers to absorb information, view opportunities or problems, and quickly take action so they can deliver exceptional business outcomes.



About Intouch Insight

OUR CORE

At the core of Intouch Insight (Intouch) is, and always has been, a focus on collecting insights to drive business improvement. Founded in 1992, Intouch draws from its twenty-five years of experience in the mobile data capture industry to deliver clients with enterprise-class solutions, while driving innovation as well as new products, services and features. The Intouch product suite currently includes mystery shopping, operational site audits, regulatory compliance audits, voice of the customer programs, forms automation software, and event marketing automation. Intouch is able to provide businesses with a 360° view into their performance and areas in need of focus.

GROWING INTOUCH

Over the last decade, Intouch has successfully acquired several industry leading companies to join the Intouch family.

2016
RETAILTRACK

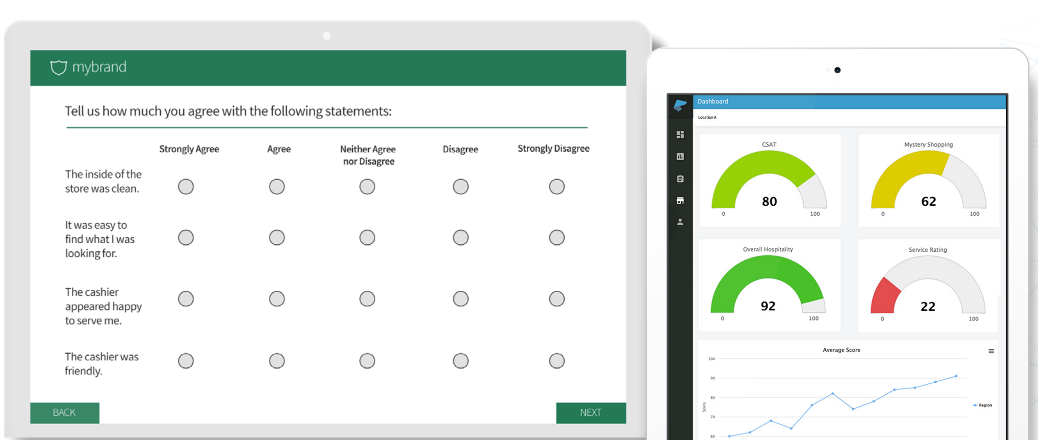
2015
STATOPEX

2013
GCS FIELD RESEARCH

2011
SERVICE INTELLIGENCE

2008
MARKET RESEARCH &
NCI MOBILITY

2005
TENOX APPRAISAL
SYSTEMS



Cameron Watt, President & CEO

Words from the CEO

2016 Review

Dear Shareholders,

2016 was about continuing the efforts which began in 2014 to improve the focus of the business itself, while shifting more of our efforts towards product development and establishing the ability to create organic growth. The technological product journey has taken longer than originally hoped; however, we are now able to see the results of the time and investment. 2016 was a successful year for us at Intouch as we were able to:

- Achieve **revenue growth of over 30%**
- Achieve **EBITDA** of **over $1.1 million**
- **Grow IntouchCheck SaaS revenue by 4.5 times** over its initial 2015 revenue
- **Acquire RetailTrack** which provided accretive cash flow as well as a new client list to target for SaaS product sales
- Establish & begin **transition on to a new, modern mobile platform for recruiting & managing independent contractors** for the IntouchShop business line
- **Develop a new IntouchSurvey platform** utilizing the IntouchCapture technology
- **Create a common technology infrastructure across all product lines** allowing for work to begin on creating a CEM (Customer Experience Management) platform

Given the amount of transitional work required during the year, I am very pleased with the results obtained through 2016; not only with the financial metrics, but with the harder to measure achievements such as the consolidation and focus of our products and underlying technologies.

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2017 and Beyond

We expect 2017 to be one of our more challenging years as we form the bridge between product/organizational transition and achieving sustainable growth. In 2016, a portion of the investment in sales and marketing was delayed to ensure that the products were ready and the investment would yield a return. Now that we can see the potential return on investment, we will be moving full speed ahead with sales and marketing in 2017. At the same time, we will need to continue to invest to complete our new product direction. Therefore, in the near term, we will have an increased level of overall investment which must occur in advance of revenues. Depending on the length of the sales cycles and resulting timing of new revenue we may see pressure against the P&L in 2017 as we make these investments in advance of growth.

SALES & MARKETING

We are pleased that our redesigned products, and our belief in their competitive position, is allowing us to move forward with the investment in sales and marketing activities. In the first five months of 2017 we have:

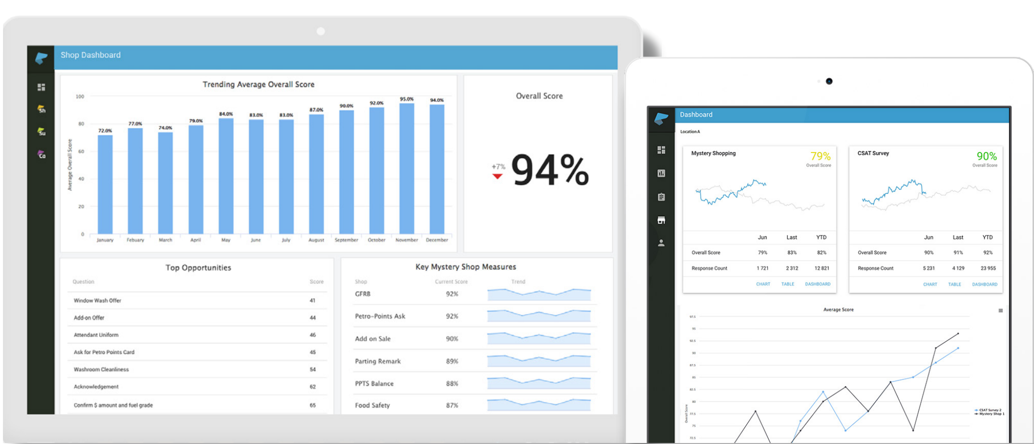
- Hired a VP of Sales with a strong software background
- Restructured the sales team and added additional resources
- Engaged strategic marketing resources

The challenge for 2017 revenue growth will be the time necessary for the changes to have an impact given the sales cycles which may be required for larger agreements. The investments being made throughout 2017 are designed to ensure sales traction is obtained within a scalable set of processes and procedures to take full advantage of new and improved product lines and technologies.

PRODUCT DEVELOPMENT

Our products are now on a single common technology platform and we are in the process of not only enhancing the product lines, but also the overall customer experience and interface with our products. In particular, we are focused against the combination of all of our operational products in to a single CEM (Customer Experience Management) offering which will provide actionable intelligence to our clients beyond that of a business dashboard. We will continue to invest resources in to product development to ensure that we:

- Maintain a strong competitive position in the SaaS markets that we have entered
- Improve our competitive position in our legacy product markets
- Improve margins in our legacy businesses through technological advancement
- Take advantage of technical synergies across product lines



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GROWTH

At Intouch, the clear majority of our business is in the form of recurring revenue either from traditional product lines (Shop/Audit) or newer SaaS based product lines (Capture/Survey/Check). Having this strong, stable base of revenue positions us well for future growth. Now that we are completing our product and technology transformation and increasing investment in sales and marketing, we expect our sales pipeline to build substantially.

The timing of the revenue, of course, will depend on which product lines receive the most traction and what the average sales cycle is for those products. As a result, we do not expect to see much growth through the first half of the year but expect to see the growth and growth potential increase as we move through the back half of the year.

As in previous years, we also remain open to synergistic acquisitions in the marketplace which will allow for not only immediate growth, but also a pathway to future growth across multiple product lines.

Final Thoughts

Intouch is now not only over the $10 million mark for revenue, but has surpassed $13 million with a stable customer base.

What makes this interesting is not only the magnitude of the revenue itself, but the composition of the revenue. Historical volume peaks have included non-core business units that have since been shed. Today, the revenue is coming exclusively from synergistic product lines across either the operations or event marketing verticals.

The focus put against consolidating the core business technology is starting to show real benefits as it allows us to more effectively create product offerings for our growing customer base. When this is combined with the increased investment against sales and marketing, we expect to be able to create long term sustainable growth and look optimistically towards the future of the company.

Thank you for being part of this journey with us.

Cameron Watt
President & CEO

INTOUCH INSIGHT LTD.

DATED: MARCH 23, 2017

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITIONS & RESULTS OF OPERATIONS

The following Management's Discussion and Analysis ("MD&A") should be read in conjunction with the audited consolidated financial statements of Intouch Insight Ltd. ("Intouch" or the "Company") and the notes to those statements as at and for the year ending December 31, 2016.

The accompanying audited consolidated financial statements have been prepared by and are the responsibility of Intouch's management. The audited consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Dollar amounts are expressed in Canadian dollars unless otherwise noted.

FORWARD-LOOKING STATEMENTS

The following MD&A contains forward-looking information and forward-looking statements. Except for statements of historical fact that addresses activities, events or developments that the Company believes, expects or anticipates will or may occur in the future, constitutes forward-looking statements. The Company cautions that this MD&A may contain forward-looking statements that involve a number of risks and uncertainties, including statements regarding the outlook for the Company's business and results of operations. Forward-looking statements include those identified by the expressions "will" "may" "should" "continue" "anticipate", "believe", "plan", "estimate", "project", "expect", "intend" and similar expressions to the extent that they relate to the Company or its management. By nature, these risks and uncertainties could cause actual results to differ materially from those indicated. Such factors include, without limitation, the various factors set forth in the MD&A and as discussed in public disclosure documents filed with Canadian regulatory authorities. Forward-looking statements are provided to assist external stakeholders in understanding management's expectations and plans relating to the future as of the date of this MD&A and may not be appropriate for other purposes. Forward-looking statements are made as of the date of this MD&A and Intouch disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Readers should not place undue reliance in the Company's forward-looking statements.

OVERVIEW OF THE BUSINESS

Our vision is to provide perfect information – instantly. Our mission is to design, build and deliver solutions that collect data for customers to provide information that improves business outcomes.

On June 21, 2016, at the Annual and Special Meeting of Shareholders, the shareholders voted unanimously to change the name of the Company from In-Touch Survey Systems Ltd. to Intouch Insight Ltd. to reflect the names of its subsidiaries. The name change became effective on July 15, 2016.

On December 1, 2016, the Company entered into a business transfer agreement with The Belding Group of Companies based in Canada. The transaction resulted in the Company purchasing assets of RetailTrack and the Company taking on certain employee, 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.

In early 2017, the Company filled the position of Vice President of Sales, a position that had been vacant for many years, and had been performed in an acting role by its Chief Executive Officer. The Company had focused its resources into product development, and while it continues to do so, will now begin aggressively marketing its new technologies.

Intouch Insight Ltd. ("Intouch" or the "Company") does business as Intouch Insight Inc. and Intouch Insight Corp. (collectively referred to as "Intouch").

Intouch develops managed mobile software technology and services for private businesses, governments and regulators. These stakeholders need mobile, real-time information about customer leads, customer feedback, operational compliance, employee feedback and new product analysis. Intouch has developed comprehensive software platforms including IntouchCapture, IntouchCheck, IntouchSurvey, IntouchAccess and IntouchIntelligence that provide for the rapid development of data collection programs including lead capture at events, customer satisfaction surveys, mobile checklists, audits and forms creation including real-time online reporting. Intouch also uses its technology to enable its own data collection services including mystery shopping, third party audit and customer experience programs.

IntouchCapture is a software application providing event marketing solutions including analytics, logistics and support. With thousands of event days and millions of customer interactions, IntouchCapture works with Fortune 1000 brands, agencies, government and military across North America. Our complete software stack, stocked hardware warehouse and technical engineers bring big data, analytics, mobile-first design and data collection expertise to our customers.

IntouchCheck, the Company's first software-as-a-service (SaaS) offering is a powerful mobile application which was designed to assist organizations to drive quick and implement lasting improvements. The application allows businesses to create unlimited mobile forms & checklists in order to easily collect and aggregate data from across all locations including the ability to add photos and signatures as well as tracking deficiencies through to completion. In addition to the issues management it also provides for real-time reporting on performance results on a location by location or region by region basis.

IntouchSurvey is a software application designed to allow for a customer to peform web based surveys with real time reporting and results. Survey can handle the simplest of forms to the most complicated of skip logic and conditional questions. The most common application of this product is as a customer satisfaction survey tool.

IntouchAccess and IntouchIntelligence work together to provide the foundation of a customer experience management (CEM) platform. All the company's operational offerings including Check, Shop, Audit and Survey will be able to be accessed through a single portal and the output of each program can be seen together on a single screen. Customers will be able to receive a holistic picture of their performance with a single view which is then easily sorted by organizational hierarchy and date ranges. The CEM platform will also take in third party data to allow for it to be combined with Intouch programs to complete the business picture and to ensure that customers can truly achieve and measure improvements to their business outcomes.

RESULTS OF OPERATIONS

a) Revenue

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

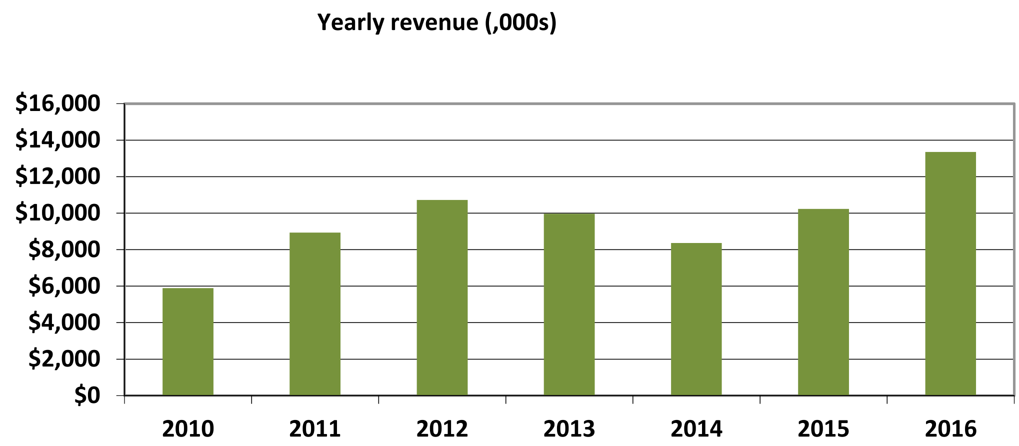
The Company's strategy is to focus on software applications, and long term services contracts, and as a result tracks its recurring revenue from both software and services. The following chart shows the breakdown of recurring software revenue as well as recurring and non-recurring services revenue for the years ended 2016 and 2015.

	2016	2015
Recurring software revenue	$ 2,339,858	$ 2,002,922
Recurring services revenue	$ 10,828,230	$ 8,008,572
Non-recurriong services revenue	$ 181,303	$ 221,214
Total revenue	$ 13,349,391	$ 10,232,708

The Company's 2016 revenues increased 30% from 2015 revenues with its revenue from recurring revenue having increased by 32% and its revenue from non-recurring services decreasing by 18% in the same time period. This increase in overall revenue was a result of organic growth and the full year effect of the acquisition of Statopex Inc. ("Statopex") on October 1, 2015. Statopex related revenues for the full year 2016 were $3,877,570 compared to Q4 2015 revenues of $1,119,387. On December 1, 2016, the Company acquired the RetailTrack assets from The Belding Group which added revenues of $15,394. Management expects recurring revenues to increase in 2017.

Recurring software revenue increased by 17% while recurring services revenue increased by 35%. The full year effect of Statopex influenced the high growth in recurring service revenue. The Company has a high customer retention rate, and while the contracts with many clients are for one year terms, the Company's experience is that customers renew each year for another twelve-month period.

The Company feels that it has a strong customer base in each of its product lines going into 2017 and anticipates significant revenue growth again in 2017.



The Company also measures its revenue geographically. The following chart shows the breakdown of revenues from Canada and the U.S.

		2016	%		2015	%
Canada	$	5,773,404	43%	$	2,774,795	27%
U.S.	$	7,575,987	57%	$	7,457,913	73%
Total revenue	$	13,349,391	100%	$	10,232,708	100%

Revenue generated from Canadian clients in 2016 was 108% higher compared to 2015 while U.S. revenues increased by 2%. The Company concentrates its sales efforts in the U.S. and was successful in securing existing clients as well as attracting new clients. The Company continued with many programs for its largest U.S. based client, an automobile manufacturer that first signed in late 2006. Revenues from this client of $2,468,999 were realized in 2016 compared to $2,383,009 in 2015. Revenues from this client are expected to continue throughout 2017 at similar levels as 2016. The Company's U.S. revenues are subject to the fluctuation of foreign exchange.

Included in 2016 revenues were approximately $2,931,972 (2015 - $3,057,171) from customers acquired through a business transfer agreement with NAVEX Global, Inc. in April of 2013. This revenue is predominately generated from U.S. sales. While revenues were 4% lower than in those of 2015, the Company has generally been successful in securing its client base and the building of other partnerships and expects higher revenues for 2017.

Also included in 2016 revenues were approximately $2,010,555 from customers acquired through an outsourcing and business transfer agreement with Global Compliance Services in August of 2011 (2015 - $1,839,225). Of this revenue, approximately $785,100 or 39% (2015 - $903,103 or 49%) was generated from U.S. sales and $1,225,455 or 61% from Canadian sales (2015 - $936,122 or 51%). The Company expects minimal customer losses with similar revenues as 2016.

Management expects fluctuations in quarter-over-quarter operating results. Overall, management expects 2017 revenues to be significantly higher than 2016 revenues as the Company focuses more on its sales and marketing as many of the new products the Company has been developing over the past two years come to market.

Revenue recognition: The Company follows International Financial Reporting Standards (IFRS) in recognizing its revenue from operations. For further information on revenue recognition, refer to Note 2 in the audited consolidated financial statements dated December 31, 2016.

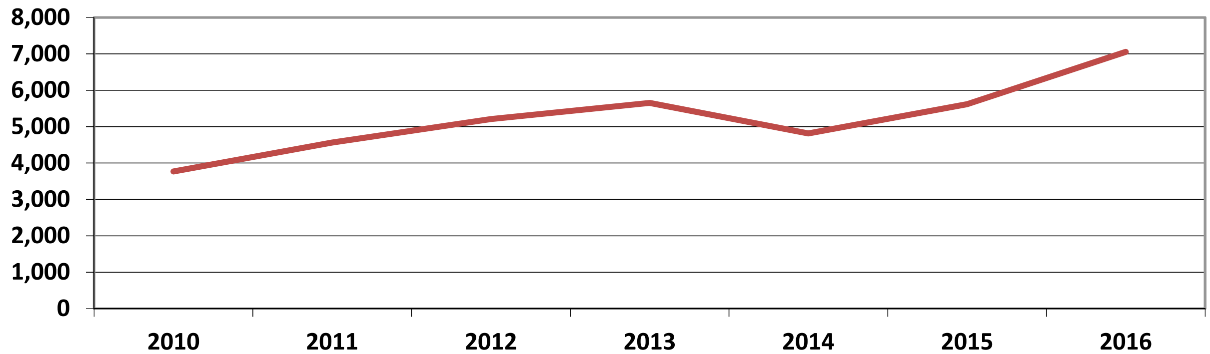
b) Cost of Services/Gross Margin

The Company's cost of services includes all direct costs incurred in the provision of its products and services. These costs include items such as expenses related to staff and independent contractors, delivery charges, communication costs (as each mobile unit or other device is equipped with cellular and/or wireless technology in order to transmit results or program updates live in the field) and amortization associated to the data collection units.

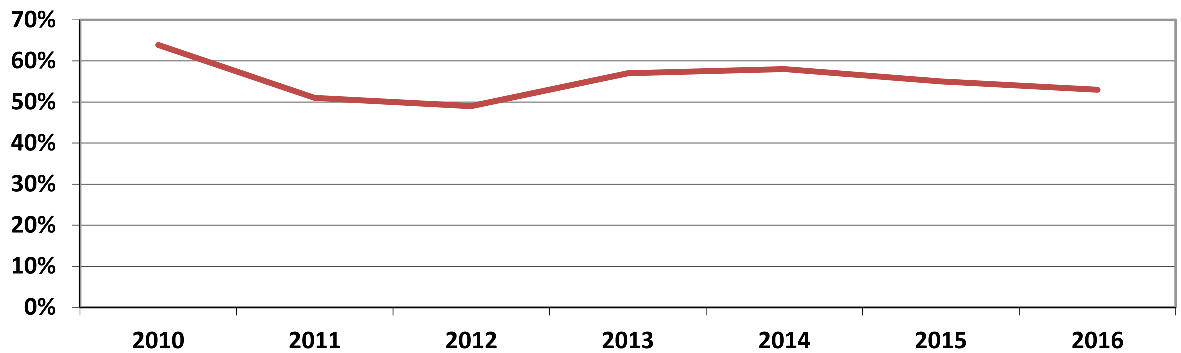
		2016		2015
Staff and contractor expense	$	5,414,012	$	3,613,372
Delivery and communication costs	$	467,640	$	556,622
Amortization	$	225,590	$	226,026
Other	$	187,455	$	220,721
Cost of services	$	6,294,697	$	4,616,741

Consolidated cost of services increased 36% in 2016 compared to 2015. For 2016, staff and contractor expense increased by 50% compared to 2015. The increase was due mostly to the full year effect of the Statopex acquisition. Management expects this expense to decrease somewhat throughout 2017 due to efficiencies of scale and new software being implemented. Delivery and communication costs decreased by 16% year-over-year and are expected to remain at these rates for 2017. Amortization remained stable year-over-year; however, it is expected that this expense may increase in 2017 as the Company considers to purchase and deploy new mobile and other data collection devices in the field.

Yearly gross margin (in 000's)



Yearly gross margin results as a percentage of revenue



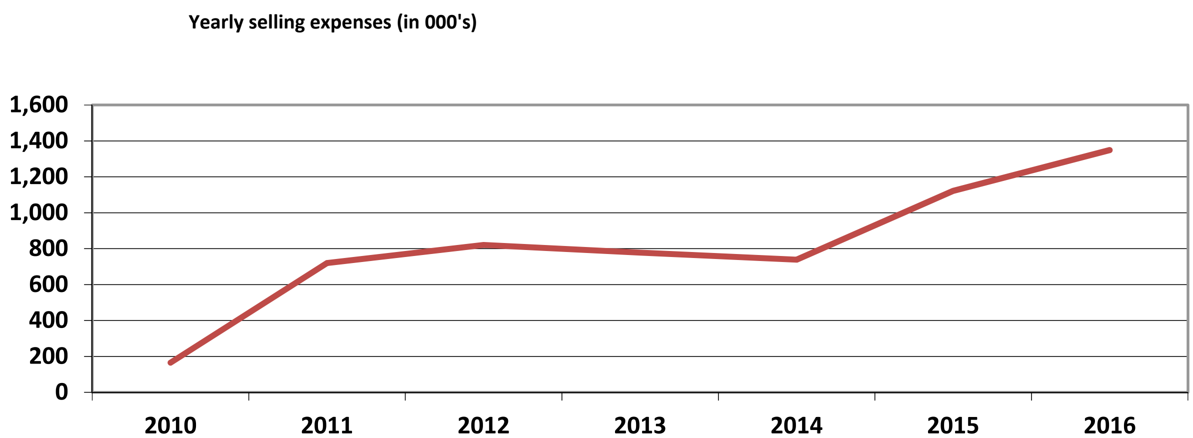
The consolidated gross margin increased by $1,438,727 or 26% to $7,054,694 in 2016 from $5,615,967 in 2015 and the margin percentage of 53% in 2016 is lower than that of 55% in 2015. Product mix effects gross margin as IntouchCapture, IntouchSurvey and IntouchCheck gross margins are higher than those of IntouchShop and IntouchAudit. Since the acquisition of Statopex significantly increased IntouchShop revenues Management expected margin to decrease accordingly. The gross margin percentage of 53% obtained during 2016 is slightly lower than Management's target of 55 to 60%, however, Management expects gross margin percentage to be more in line with targets by the end of 2017 as some costs may be lowered leveraging software as well as the expected increase in higher margin product sales are realized.

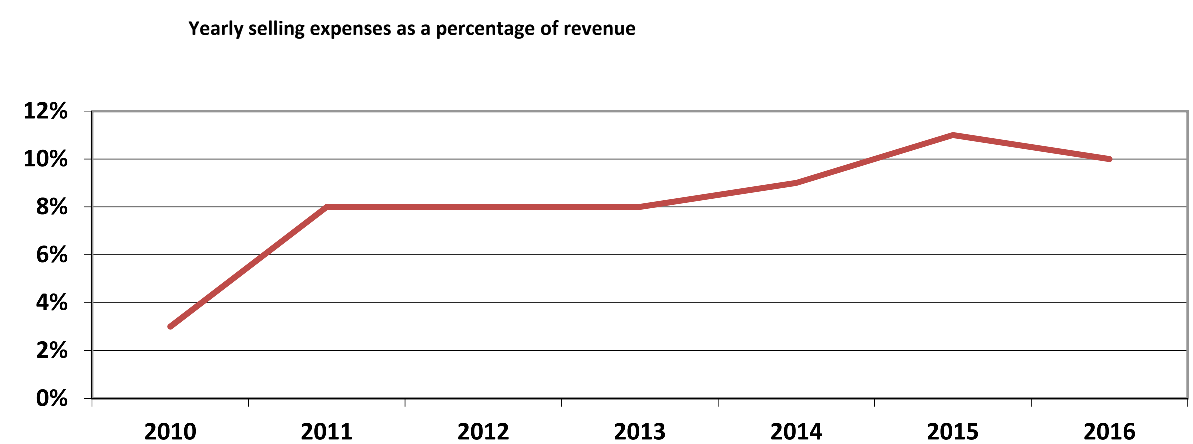
c) Selling

The Company includes marketing, travel, salaries and benefits in selling expenses, which can be broken down as follows:

	2016	2015
Marketing expenses	$ 329,462	$ 289,781
Travel expenses	$ 147,427	$ 120,975
Salaries and benefits	$ 876,652	$ 726,458
Government agency contribution received for youth employment program	$ (5,000)	$ (14,999)
Selling expenses	$ 1,348,541	$ 1,122,215

Selling expenses increased by 20% from $1,122,215 in 2015 to $1,348,541 in 2016. The increases were primarily the result of the full year effect of the Statopex acquisition which added significantly to the salaries and benefits for 2016. One of our hires was offset by way of a Government contribution for 2015 and first quarter 2016. While selling expenses increased year-over-year the expense as a percentage of revenue actually decreased by 1%. The Company expects to increase selling expenses substantially throughout 2017 and has already taken the first step by hiring for the Vice President of Sales role. The increase in salaries as well as increased marketing efforts will both contribute to the increase for 2017. Management continues to watch the marketplace very closely and will aggressively seek new business opportunities.





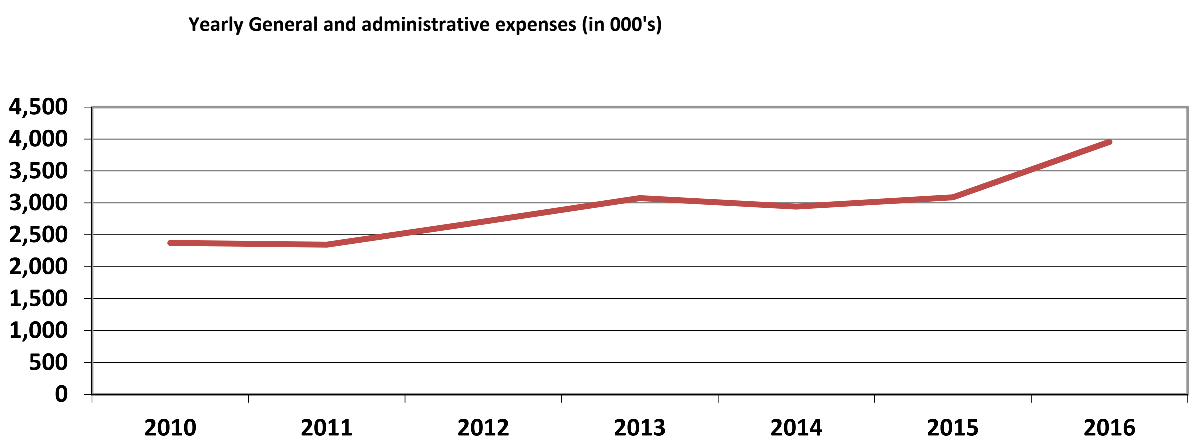
d) General and Administrative

		2016		2015	% change
Corporate administration	$	1,055,000	$	811,328	30%
Consultant fees	$	47,270	$	52,861	-11%
Professional fees	$	153,900	$	164,687	-7%
Listing fees	$	63,200	$	60,795	4%
Salaries and benefits	$	2,003,464	$	1,734,244	16%
Loss (gain) on disposal of property and equipment	$	(2,477)	$	2,703	-192%
Loss (gain) on foreign exchange	$	80,331	$	(127,758)	-163%
Amortization expense	$	554,228	$	388,597	43%
Total general and administrative expenses	$	3,954,916	$	3,087,457	28%

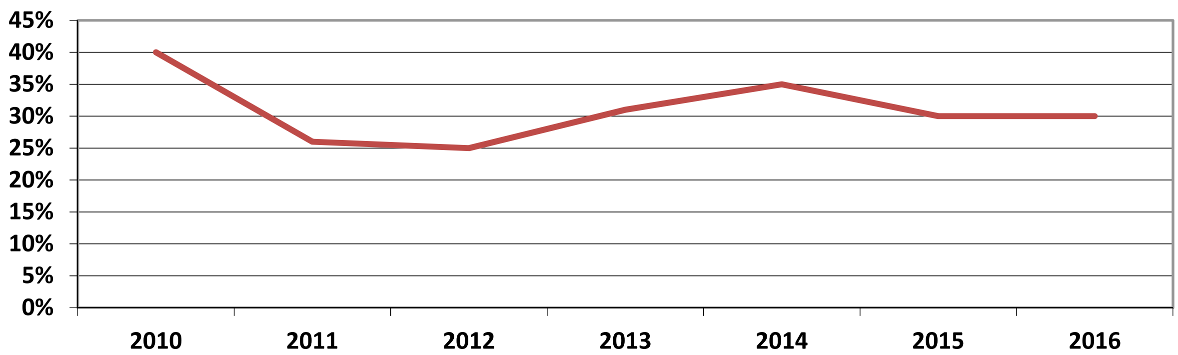
General and administrative ("G&A") expenses increased by 28% overall in 2016. While up 28% year-over year dollar wise, G&A expenses as a percentage of revenue remained the same. Management did expect G&A expenses to increase to reflect the full year effect of the Statopex acquisition specifically for salaries and benefits and corporate administration. Share-based compensation added $36,097 in non-cash salary expense to the 2016 G&A expense compared to $54,034 for 2015. Management anticipates that share-based compensation will decrease again in 2017. For 2017, the other general and administrative expenses are expected to once again increase as the full year effect of the RetailTrack business acquisition is realized.

The Company recorded a loss on U.S. exchange of $80,331 in 2016 as compared to a gain of $127,758 in 2015. Any future gains or losses will be dependent on the fluctuation of the Canadian dollar in regards to the U.S. dollar.

Amortization associated with G&A expenses was $554,228 for 2016 compared to $388,597 for 2015. Amortization of intangible assets of $486,684 was included for 2016 compared to $329,577 in 2015 as a result of the full year effect of the Statopex acquisition in 2015 and the amortization related to the acquisition of RetailTrack assets in December, 2016. Management expects that the amortization of intangible assets will increase once again in 2017 to reflect the full year effect of the RetailTrack acquisition.



Yearly General and administrative expenses as a percentage of revenue

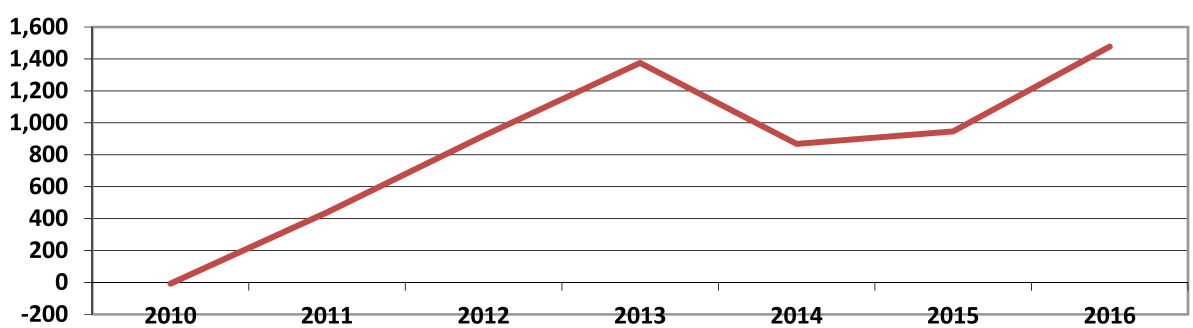


e) Product Development

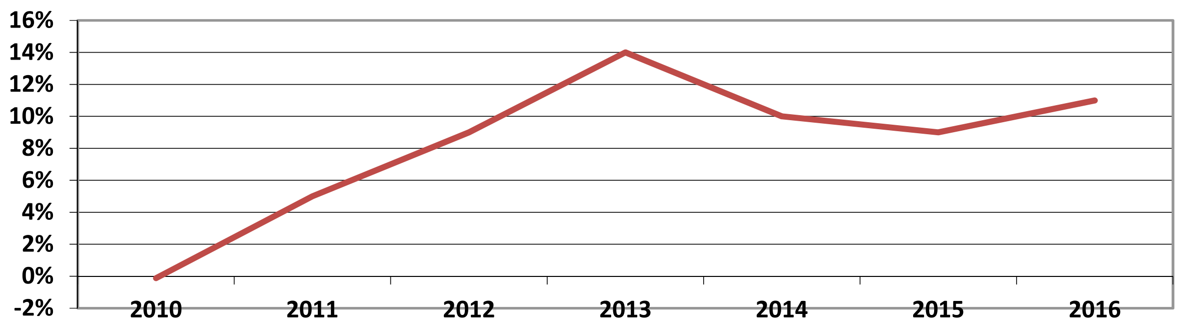
		2016		2015	% change
Salaries and benefits expense	$	1,561,597	$	1,205,829	30%
Government agency contribution received for software application development	$	(84,500)	$	(260,186)	-70%
Total product development expense	$	1,477,097	$	945,643	56%

Product development spending increased 56% from $945,643 in 2015 to $1,477,097 in 2016. Salaries increased 30% in 2016 as the Company continued to hire more product developers. The Company successfully applied for and received a government agency contribution to assist in developing two smaller projects totalling $84,500, compared to the 2015 contribution received for the IntouchCapture and IntouchCheck projects which were much more substantial in size. The Company has successfully applied for a further government agency contribution for 2017, and expects its product development costs to remain close to or slightly lower than 2016 levels. There are no financial covenants attached to the contributions.

Yearly Product development expenses (in 000's)



Yearly Product development expenses as a percentage of revenue



f) Earnings from operating activities

Earnings from operating activities in 2016 were $274,140, a decrease of $186,512 or 40% compared to earnings of $460,652 for 2015. The decrease is attributable to the increase in expenses. The Company will continue its focus on product development, and increase its focus on sales and marketing into 2017.

g) Non-operating earnings (expenses)

Finance costs for 2016 were $92,195. In 2015, finance costs were $65,661. Finance costs increased 40% compared to 2015 as a result of the full year effect of the loan used to acquire Statopex Inc. and the accretion of the Statopex contingent liability. Accretion on contingent consideration was $40,378 in 2016 as compared to $13,462 in 2015. The Company expects finance costs to decrease in 2017 as the Company continues to pay down its loan and contingent consideration.

On June 6, 2014, the Company finalized an agreement to sell certain intellectual property assets to a new company, Dodoname Inc. ("Dodoname"), a marketing privacy company located in Nova Scotia, in exchange for shares in Dodoname. As a result of the transaction the Company held 100% ownership of Dodoname and was considered to have control. The former CEO, and current executive chairman and director of the Company, is the CEO and a director of Dodoname. The fair value of the net assets sold to the new company was $45,000.

Subsequent to the initial investment by the Company, an additional $100,000 was invested in Dodoname by the Company concurrent with an equity financing by seven other investors. The additional equity financing in Dodoname resulted in the Company's investment being diluted to approximately 41% of the voting and equity interest. Intouch was deemed to lose control over Dodoname although it continues to exercise significant influence over Dodoname through its shareholding and board representation. As a result of the loss of control the investment in Dodoname was recorded as an investment in an associate and is accounted for using the equity method in accordance with IFRS 28, "Investments in Associates and Joint Ventures" ("IAS 28"). The Company's share of Dodoname's net losses subsequent to the loss of control is recorded in the Consolidated Statements of Earnings and Comprehensive Income. The Company's share of losses exceeds the original investment by the Company and therefore has deemed the carrying amount of the investment as $Nil.

The Company had agreed to provide Dodoname a further investment of $30,000, payinge $2,500 per month for 12 months beginning in July of 2015 in exchange for additional shares. At this time no further shares have been issued to the Company and at year end the Company believed that the fair value of the $30,000 paid to date was impaired and therefore has accounted for this investment in the statement of earnings as a loss on transaction with associate. Of this loss, $15,000 was recognized in 2015 and $15,000 was recognized in 2016.

On January 1, 2015, the Company finalized an agreement to sell assets allocable to its IMS segment to IPSG Technology Inc. ("IPSG") a company located in Ottawa, Ontario in exchange for a 49% share in IPSG. The former Vice President of the IMS division is the current CEO and a director of IPSG. Intouch is deemed not to have control over IPSG although it continues to exercise significant influence through its shareholding and board representation. IPSG was recorded as an investment in an associate and is accounted for using the equity method in accordance with IFRS 28, "Investments in Associates and Joint Ventures" ("IAS 28"). The carrying amount of assets in this transaction were the total accounts receivable outstanding attributable to the IMS segment as at December 31, 2014, which equalled $66,448. Intouch continues to hold service level agreement contracts with various customers which do not contain an assignment agreement. The fair value of the net assets sold to the new company was $66,448. Subsequent to the investment, the Company in 2015 recorded a loss on dilution of $33,888. The Company's share of losses exceeds the original investment by the Company and therefore has deemed the carrying amount of the investment as $Nil. Share of loss recognized in 2015 as a result was $32,560.

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 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 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 has recorded negative goodwill of $46,000.

h) Net earnings before income taxes

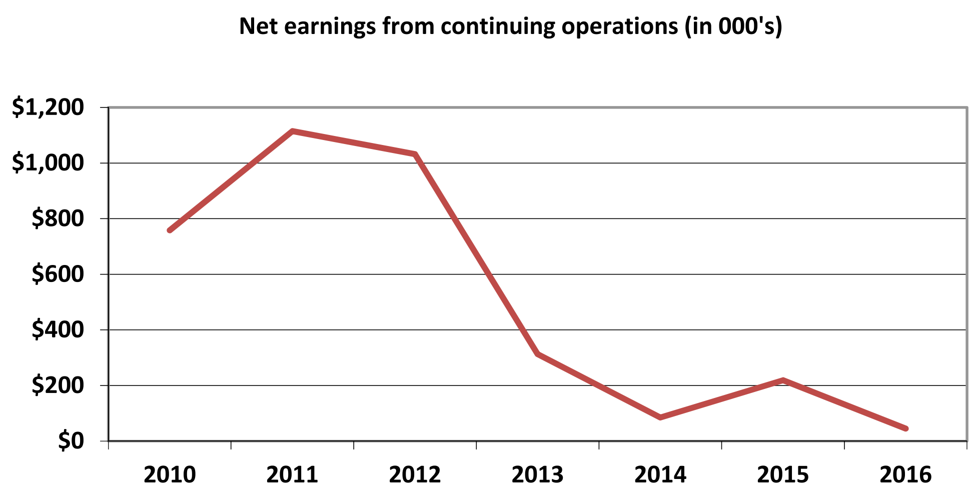
The Company recorded net earnings before income taxes in 2016 of $212,945 which was 32% lower than the $313,543 obtained in 2015.

i) Income taxes

In 2016 the Company recorded a future tax expense of $13,194 (2015 – future tax expense of $107,031) against its deferred tax assets. A current income tax expense of $154,344 was recorded for 2016 (2015 – recovery of $12,547).

j) Net earnings and comprehensive income

The Company reported net earnings and comprehensive income for 2016 of $45,407 or $0.00 per share basic and diluted compared to $219,059 or $0.01 per share basic and diluted for 2015.



k) Cash Flows

The Company's cash position was $409,272 at December 31, 2016, compared to $368,701 at December 31, 2015.

		2016		2015	% change
Cash flows from operating activities before changes in working capital	$	911,960	$	1,168,958	-22%
Changes in working capital	$	240,125	$	(726,959)	-133%
Cash flows from operating activities	$	1,152,085	$	441,999	161%
Cash flows from financing activities	$	(902,002)	$	362,114	-349%
Cash flows used in investing activities	$	(209,512)	$	(1,221,157)	-83%
Increase (decrease) in cash	$	40,571	$	(417,044)	-110%

Operating activities:

Cash inflows from operating activities for the year ended December 31, 2016, were $1,152,085 as compared to $441,999 in 2015. This year's increase was mainly due to increased revenue plus the full year effect of the acquisition of Statopex resulting in higher earnings as well as the fluctuations in working capital in line with the normal operations of the Company. The accretion on contingent consideration recorded as a result of the Statopex acquisition was $40,378 in 2016, compared to $13,462 in 2015. An investment in an associate, IPSG Technology Inc. was recorded in 2015. A loss on dilution in associate of $48,888 was realized as well as the share of loss in associate of $32,560. A further investment of $15,000 in 2016 in an associate, Dodoname Inc., in which the Company was to receive shares that have not yet been issued, was recorded as a loss on dilution of an associate (see investing activities below). Negative goodwill which was recorded as a result of a bargain purchase price on the acquisition of the RetailTrack assets was $46,000 (see investing activities below).

Financing activities:

As at December 31, 2016, the Company had not drawn on its bank line of credit (2015 - $230,000). The Company received a loan from its financial institute of $750,000 in 2015 for the acquisition of Statopex Inc. There were no new loans in 2016. During the year $456,897 was repaid on its long-term debt while in 2015 $442,373 was repaid. Share capital of $400 was issued during 2016 as a result of the exercise of stock options (2015 - $1,833 as a result of the exercise of options). Finance costs paid were $51,816 compared to $52,145 in 2015.

Late in December 2013, the Company commenced a normal course issuer bid ("NCIB") to repurchase its common shares which was renewed in December 2015. Management believes that the current market price of the Company's common shares may not reflect their underlying value and that the purchase of common shares for cancellation will increase the proportionate interest of, and will be advantageous to, all remaining shareholders. During the year 2016, the Company purchased and cancelled 415,500 common shares at an average price of $0.394 (2015 – 510,500 common shares at $0.238). The Company renewed its NCIB and as of the date of this MD&A has purchased and cancelled a further 51,000 common shares at an average price of $0.40 in 2017 bringing to a total of 1,129,500 common shares purchased and cancelled.

Investing activities:

On December 1, 2016, the Company entered into a business transfer agreement with The Belding Group of Companies based in Canada (see Note 4 in the Consolidated Financial Statements of the Company for more information). The transaction resulted in the transfer of the RetailTrack assets and the Company taking on certain employees, which would enable Intouch to service the RetailTrack existing customers. The total consideration paid, in the form of cash, was $125,000. RetailTrack is a business providing the same data collection services in North America as the Company provides.

In June 2014, the Company invested $100,000 in Dodoname Inc., and accounted for the investment using the equity method. The Company holds a 41% equity interest in Dodoname Inc., a marketing privacy company. The Company's share of losses exceeds the original investment and therefore has deemed the carrying amount of the investment as $Nil. The Company invested a further $15,000 in 2015 and 2016 (total - $30,000) however since no shares had been issued for this investment by December 31, 2016 the Company accounted for this investment as a loss on transaction with an associate.

In January 2015, the Company invested $66,448 in IPSG Technology Inc., and accounted for the investment using the equity method. The Company holds a 49% equity investment in IPSG Technology, a technology service provider. The Company's share of losses exceeds the original investment and therefore has deemed the carrying amount of the investment as $Nil. No further investment was made.

On October 1, 2015, the Company invested $942,779 through the Statopex Inc. acquisition (see Note 4 in the Consolidated Financial Statements of the Company for more information). The Company will actively seek other acquisition opportunities as part of its growth strategy in 2017, however, there are no acquisitions currently evident.

During 2016 $73,064 was used to purchase property and equipment. In 2015, $201,674 was invested in property and equipment, the bulk of which to purchase data collection devices in order to augment the devices in inventory.

l) Liquidity and Capital Resources

Working capital was $1,381,249 as at December 31, 2016 as compared to $1,143,906 as at December 31, 2015. The table below shows other balance sheet accounts compared to previous year including the percentage change:

	As at December 31, 2016	2015	% change
Long-term debt	$ 479,167	$ 936,064	-49%
Current portion of long-term debt	$ 250,000	$ 456,897	-45%
Deferred revenue	$ 131,781	$ 81,339	62%
Trade and other liabilities	$ 797,576	$ 760,038	5%
Bank indebtedness	$ -	$ 230,000	-100%

Debt to equity decreased from 0.57 as at December 31, 2015 to 0.44 at December 31, 2016. The decrease in the ratio is due to the Company quickly paying down its loans and creating cash for other uses.

The Company has trade accounts payable, long term debt and non-cancellable operating lease agreements for office space with terms extending to the year 2020. The liquidity risks are as follows:

	2017	2018	2019	2020	2021
Trade accounts payable	$ 797,576	$ -	$ -	$ -	$ -
Long term debt	$ 250,000	$ 229,167	$ -	$ -	$ -
Operating lease agreements	$ 359,234	$ 320,060	$ 330,933	$ 308,331	$ 62,965
Total	$ 1,406,810	$ 549,227	$ 330,933	$ 308,331	$ 62,965

The Company has credit facilities that include a $1,600,000 demand operating loan. Of this, the Company had drawn $Nil as at December 31, 2016 (2015 - $230,000). The Company had cash in the bank as at December 31, 2016 of $409,272 and good quality accounts receivable of just under $2,000,000. Management believes that the Company has sufficient cash resources to continue to finance its working capital requirements. Risks include the ability of the Company to produce cash flows through revenues to meet our obligations and the continued support from our debt lenders. In order to mitigate this risk, management monitors the Company's ability to continually produce positive EBITDA, a non-IFRS measure (see below for results and definition), and continually investigates efficiencies in all cost centres within the Company.

Review of quarterly operating results (,000s)

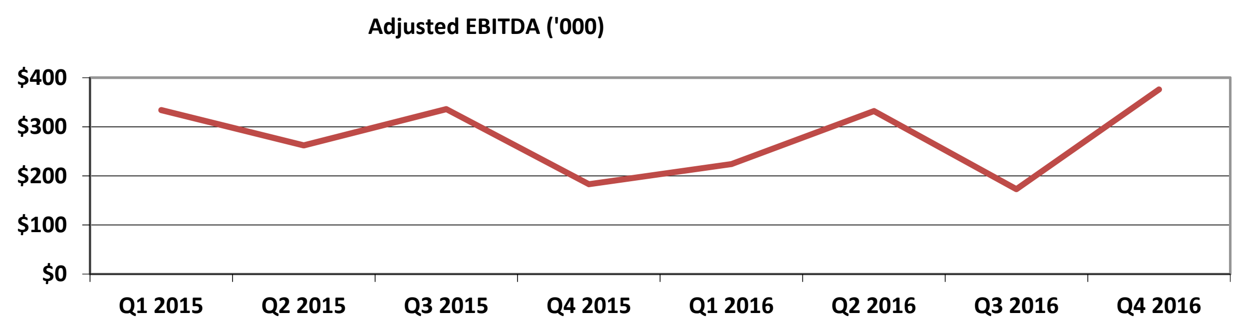
	In accordance with IFRS							
	2016				**2015**			
	Q4	**Q3**	**Q2**	**Q1**	**Q4**	**Q3**	**Q2**	**Q1**
Revenue	**$ 3,359**	**$ 3,188**	**$ 3,515**	**$ 3,287**	**$ 3,371**	**$ 2,316**	**$ 2,235**	**$ 2,311**
Cost of services	1,480	1,599	1,678	1,538	1,620	948	1,036	1,013
Gross profit	1,879	1,589	1,837	1,749	1,751	1,368	1,199	1,298
Total operating expenses	1,741	1,608	1,682	1,749	1,762	1,190	1,097	1,106
Earnings (loss) from operating activities	**$ 138**	**$ (19)**	**$ 155**	**$ -**	**$ (11)**	**$ 178**	**$ 102**	**$ 192**
Finance costs	(26)	(15)	(24)	(27)	(32)	(10)	(12)	(12)
Change in fair value of contingent payments	-	-	-	-	-	-	-	-
Gain (loss) on dilution of associate	-	-	(15)	-	(15)	-	-	(34)
Share of loss from investments accounted for using the equity method	-	-	-	-	-	(8)	(20)	(5)
Gain (loss) from discontinued operations								
Negative goodwill	46							
Net earnings (loss) before income taxes	**$ 158**	**$ (34)**	**$ 116**	**$ (27)**	**$ (58)**	**$ 160**	**$ 70**	**$ 141**

	In accordance with IFRS							
	2016				2015			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Calculation of adjusted EBITDA earnings from operations	**Non-IFRS financial measurement**							
To net earnings (loss) before taxes add:								
Finance costs	26	15	24	27	32	10	12	12
Amortization of property and equipment	79	68	68	78	54	80	84	67
Amortization of intangible assets	119	115	115	138	138	64	64	64
Share-based compensation	10	9	9	8	17	14	12	11
Gain (loss) on dilution of associate	-	-	-	-	-	-	-	34
Share of loss from investments accounted for using the equity method	-	-	-	-	-	8	20	5
Negative goodwill	(46)	-	-	-	-	-	-	-
Adjusted EBITDA[1]	**$ 346**	**$ 173**	**$ 332**	**$ 224**	**$ 183**	**$ 336**	**$ 262**	**$ 334**

[1]Adjusted EBITDA

Adjusted EBITDA is a non-IFRS financial measure, which is defined as earnings before income tax expense, financing costs, depreciation and amortization, and impairment charges.

Management believes that Adjusted EBITDA is an important indicator of the Company's ability to generate liquidity through operating cash flow to fund future working capital needs, service outstanding debt and fund future capital expenditures and uses the metric for this purpose. We calculate Adjusted EBITDA by adding back to net earnings (loss) before taxes the finance costs, amortization expense, change in the fair value of contingent payments and stock-based compensation expenses. Adjusted EBITDA is also used by investors and analysts for the purpose of valuing an issuer. The intent of Adjusted EBITDA is to provide additional useful information to investors and analysts and the measure does not have any standardized meaning under IFRS. Adjusted EBITDA should therefore not be considered in isolation or used in substitute for measures of performance prepared in accordance with IFRS. Other issuers may calculate Adjusted EBITDA differently.



Outlook

Management anticipates that it will be able to deliver growth in 2017 with profits and EBITDA in line with previous years while continuing its investment in the transformation towards a growing technology and software company. The growth is expected to come as a result of new product delivery, including the new products in its customer experience management platform ("CEM"). The Company has an organic sales growth target from its legacy product lines while expecting additional growth from its SaaS product introductions. In 2017 the company expects to increase expenses in sales and marketing to support its growth plans as seen in the addition of a VP Sales in February. Final sales growth numbers will depend on macroeconomic forces as well as the everyday commercial challenges facing markets in general and the Company specifically. The Company continues to diversify its revenue base by adding more customers and additional products.

Management believes that the investments that have been made over the last three years, culminating in the CEM product foundation positions the organization very well for not only additional sales, but also to increase the life time value (LTV) of its current client base. Management believes that the company is set up to have a strong future as a technology company offering a product suite which includes both software and services. Corporate focus continues to be against creating new and improved methods and technologies to deliver its products while staying on pace with market trends. The Company will continue to seek out opportunities to introduce additional products to its strong growing client base while actively pursuing its recurring revenue model and increasing LTV through its ever-improving software product capabilities.

Management has identified product improvements and additional new products that will make the Company's offerings yet more compelling as marketing, research and operational management tools for its clients. It is also expected that through enhancements which are already underway the Company's offerings will become increasingly price competitive. However, balancing the need to secure and deliver work profitably with the existing offerings while carefully managing the development, sales and marketing of the Company's new alternatives remains a challenge.

ACCOUNTING POLICIES

a) Critical Accounting Estimates and judgments

The Company's 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 consolidated financial statements. 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.

Estimates

Useful lives of depreciable assets

The useful lives of depreciable assets have been determined based on management estimated utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Useful lives of intangible assets

The useful lives of intangible assets have been determined based on management estimated attrition rates related to the associated asset. Any subsequent change in these estimates would affect the amount of amortization recorded over future periods.

Share-based compensation

The estimation of share-based compensation requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own share, the probable life of share options granted and the time of exercise of those share options. The model used by the Company is the Black-Scholes valuation model.

Business combinations

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated statement of financial position at their fair values. In measuring fair value, management uses estimates of future cash flows and discount rates.

Judgments

Control and significant influence assessment

The assessment of control and significant influence over an investment requires judgment (see Note 10)

Assessing the stage of completion of revenue

The stage of completion of revenue is assessed by Management by taking into consideration all information available at the reporting date. In this process, management estimates for each project's milestones, actual work performed, the costs to complete the work and the value of the work completed. Further information on the Company's accounting policy for revenue recognition is provided in the consolidated financial statements Note 2.

Assessing the probability of utilizing deferred tax assets and investment tax credits

Deferred tax assets and investment tax credits are recognized for unused tax losses and credits to the extent that it is probable that taxable income will be available against which the losses can be utilized. These estimates are reviewed at every reporting date. Information about assumptions and estimation based upon the likely timing and the level of the reversal of existing timing differences, future taxable income and future tax planning strategies, is included in the consolidated financial statements Note 23. The tax rules in the numerous jurisdictions in which the Company operates are also taken into consideration.

Impairment

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

Functional currency

An area of judgement that has a significant effect on the amounts recognized in these consolidated financial statements is the determination of functional currency.

The determination of a subsidiary's functional currency often requires significant judgement where the primary economic environment in which they operate may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation methods used.

b) Statement of compliance

The consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS"). On March 23, 2017 the Company's Board of Directors approved these consolidated financial statements and authorized them for issue.

c) Management's Conclusion on the design of Internal Controls over Financial Reporting

The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of the Company's disclosure and internal controls and procedures as at December 31, 2016 and have concluded that the Company's controls and procedures provide reasonable assurance that material information relating to the Company, including its consolidated subsidiaries, was made known to them and reported as required, particularly during the period in which this report was being prepared.

d) Management's Conclusion on the effectiveness of Disclosure Controls

The Chief Executive Officer and the Chief Financial Officer have evaluated the effectiveness of the Company's disclosure controls and procedures as of December 31, 2016 and have concluded that the Company's disclosure controls and procedures were adequate and effective to ensure that material information relating to the Company and its consolidated subsidiaries would have been known to them.

CORPORATE GOVERNANCE

The three-person Board of Directors of Intouch is composed of two independent directors who are not related to the Company. The other director has been appointed as the Executive Chairman of the Board of Directors. The entire Board fulfils the Audit Committee and Compensation Committee mandates. The Board and Management will continue to ensure compliance with regulatory requirements.

RISK FACTORS AND UNCERTAINTIES

The Company is focused on expanding its business internally as well as through strategic partnerships and acquisitions to achieve continued growth and profitability. Nevertheless, the Company's future results will depend on its ability to find financing and to continuously introduce new products and enhancements to its customers. There are other additional risks and uncertainties described below.

a) Lengthy and Complex Sales Cycle

Intouch sales efforts target large companies requiring Intouch to expend significant resources educating prospective customers about the uses and benefits of Intouch products. Because the purchase of Intouch's solution is a significant decision for these companies, prospective customers generally take a long time to evaluate the product. The sales cycle may range from four to six months for larger accounts, although these cycles can be longer due to significant delays over which Intouch has little or no control.

b) Increasing Competition

The markets in which Intouch operates and intends to operate are extremely competitive and can be significantly influenced by the marketing and pricing decisions of larger industry participants including large companies that have substantially greater market presence and financial, technical, operational, marketing and other resources and experience than Intouch.

c) Evolving Business Model

The Intouch business model continues to evolve. Intouch seeks to develop and promote new or complementary solutions and products to expand the breadth and depth of its service offerings. There can be no assurance that Intouch will be able to expand its operations in a cost-effective or timely manner or that any such efforts will create, maintain or increase overall market acceptance.

d) Need to Manage Growth

The growth of Intouch's business and its products and services causes significant demands on Intouch's managerial, operational and financial resources. Demands on Intouch's financial resources will grow rapidly with Intouch's expanding customer base. Additional working capital may be required and there are no assurances that access to the capital required for the future growth and expansion plans will be available.

e) Dependency on Key Personnel

Intouch's success will depend upon the continued service of its senior management team. Intouch employees may voluntarily terminate their employment with Intouch at any time. The loss of services of key personnel could have a material adverse effect upon Intouch's business, financial condition and results of operation.

f) Future Capital Needs

Intouch may need to raise funds through public or private financing in the event that Intouch incurs operating losses or requires substantial capital investment or in order for Intouch to respond to unanticipated competitive pressures or to take advantage of unanticipated opportunities. There can be no assurances that additional financing will be available on terms favourable to Intouch or at all.

g) Foreign Exchange Exposure

Intouch continues to seek expanding its operations into the US market. Fluctuations in the currency exchange rate may affect the revenue and operations of the company. The potential effect of the currency exchange rate fluctuations will be magnified as the percentage of sales to the US market grows.

h) Cybersecurity

Security breaches and other disruptions to our information technology networks and systems could interfere with our operations and could compromise the confidentiality of private customer data or our proprietary information. While we attempt to mitigate these risks by employing a number of measures, including employee training, monitoring and testing, and maintenance of protective systems and having developed contingency plans, we remain potentially vulnerable to additional known or unknown threats. We collect and store sensitive data including intellectual property, proprietary business information as well as personally identifiable information of our customers and employees in data centers and on information technology networks. The secure operation of these networks and systems is critical to our business operations and strategy. Despite our efforts to protect sensitive, confidential or personal data or information, we may be vulnerable to security breaches, theft, misplaced or lost data, programming errors, employee errors and/or misconduct that could potentially lead to the compromising of sensitive, confidential or personal data or information, improper use of our systems, unauthorized access, use, disclosure, modification or destruction of information, production downtimes and operational disruptions. In addition, a cyber-related attack could result in other negative consequences, including damage to our reputation or competitiveness, remediation or increased protection costs, litigation or regulatory action.

CAPITAL MANAGEMENT

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, purchase and cancel shares previously issued, return capital to shareholders or sell assets to reduce debt. The Company considers the items included in the consolidated statement of shareholders' equity, long-term debt (including current portion), net of cash as its capital.

The Company also has certain positive covenants that it must meet with a Schedule 1 chartered Canadian bank in regards to its bank indebtedness, namely, a minimum debt service coverage ratio of not less than 120%. Throughout 2016 and as at December 31, 2016 the Company is compliant with all its covenants.

	As at December 31, 2016	As at December 31, 2015
Long-term debt, including current portion	$ 479,167	$ 1,166,054
Less cash and cash equivalents	$ 409,272	$ 368,701
Net debt (surplus)	$ 69,895	$ 797,353
Shareholders' equity	$ 3,949,090	$ 4,031,054
Total capital, net	$ 4,018,985	$ 4,828,407
Net surplus as a percentage of total capital	2%	17%

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company targets year over year revenue increases with positive increases in earnings before interest, tax and amortization ("EBITDA"). These objectives are met through operational changes to enhance cash flow performance, the evaluation of acquisitions as they relate to the Company's market share and performance, and risk mitigation.

The Company is not subject to any statutory capital requirements and has no commitments, other than options, to sell or otherwise issue common shares.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2016 compared to the year ended December 31, 2015. The Company was successful in increasing year over year revenue and was successful in meeting its objective for positive EBITDA.

FINANCIAL INSTRUMENTS

The table below summarizes the carrying values of the Company's financial assets and financial liabilities:

Financial assets:	As at December 31, 2016	As at December 31, 2015
Loans and receivables		
Cash	$ 409,272	$ 368,701
Trade accounts receivables	$ 1,888,052	$ 2,205,662
Total financial assets	$ 2,297,324	$ 2,574,363
Financial liabilities:		
Financial liabilities at amortized cost		
Bank indebtedness	$ -	$ 230,000
Trade and other liabilities	$ 797,576	$ 760,038
Long-term debt	$ 479,167	$ 936,064
Total financial liabilities	$ 1,276,743	$ 1,926,102

The carrying values of cash, trade accounts receivables and trade and other liabilities approximate their fair values due to their relatively short periods to maturity. The fair value of the long-term debt approximates the carrying value as the risk profile of the Company has not changed significantly since those loans were negotiated and the borrowing terms and conditions continue to reflect current market conditions.

SHARES

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 year ended December 31, 2016, there were 1,667 shares issued resulting from the exercise of stock options (2015 – 8,333) and 415,500 repurchased and cancelled (2015 – 510,500). In 2015, there were 600,000 common shares issued resulting from the acquisition of Statopex. At December 31, 2016, there were 14,709,478 common shares outstanding (December 31, 2015 – 15,123,311).

RELATED PARTY TRANSACTIONS

During Q1 and Q2 2016, the Company recorded a $15,000 receivable from an associate (Q3 and Q4 2015 - $15,000). On December 31, 2015, the Company considered the amount of the receivable to be impaired and subsequently recorded the full transaction as funds transferred to an associate. On June 30, 2016, the Company considered the amount of the receivable at that time also to be impaired and subsequently recorded the full 2016 transaction as funds transferred to an associate.

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

SUBSEQUENT EVENTS

In the normal course of business, the Company may provide certain clients with a bid bond deposit. The Company would only be liable for the amount of the bid bond if the Company should refuse to perform the work once the bid is awarded. As at December 31, 2016, the Company had committed a total of $150,000 of these bond deposits. On January 18, 2017, the Company was informed that it was being awarded the contract and the money was returned in full to the Company

The Company renewed its normal course issuer bid ("NCIB") and during the first quarter of 2017 purchased and cancelled 51,000 of its shares at an average price of $0.40. As at March 23rd, 2017, the Company has 14,658,478 common shares outstanding.

MANAGEMENT'S STATEMENT OF RESPONSIBILITY

The accompanying consolidated financial statements of Intouch Insight Ltd. and all information contained herein are the responsibility of management and have been approved by the Board of Directors. The financial statements include some amounts that are based on management's best estimates that have been made using careful judgement.

The financial statements have been prepared by management in accordance with International Financial Reporting Standards. Financial and operating data elsewhere in the report are consistent with the information contained in the financial statements.

Although no cost-effective system of internal controls will prevent or detect all errors and irregularities, these systems are designed to provide reasonable assurance that assets are safeguarded from loss or unauthorized use, transactions are properly recorded and the financial records are reliable for preparing the financial statements.

The Board of Directors carries out its responsibility for the financial statements. The Board of Directors meets periodically with management and with the external auditors to discuss the results of audit examinations with respect to the adequacy of internal controls and to review and discuss the financial statements and financial reporting matters.

Additional information about the Company such as the 2016 audited consolidated financial statements can be found on SEDAR at www.sedar.com.

Consolidated Financial Statements

Intouch Insight Ltd.

(previously known as In-Touch Survey Systems Ltd.)

Years ended December 31, 2016 and 2015

(Expressed in Canadian Dollars)

Intouch Insight Ltd.
(previously known as In-Touch Survey Systems Ltd.)
Consolidated Financial Statements
December 31, 2016 and 2015

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The information and representations in these consolidated financial statements are the responsibility of management and have been approved by the Board of Directors. The consolidated financial statements were prepared by management in accordance with International Financial Reporting Standards ("IFRS") and, where necessary, reflect management's best estimates and judgments at this time. It is reasonably possible that circumstances may arise which cause actual results to differ. Management does not believe it is likely that any differences will be material.

Intouch Insight Ltd. (previously known as In-Touch Survey Systems ltd.) maintains systems of internal accounting controls, policies and procedures to provide reasonable assurance as to the reliability of the financial records and the safeguarding of its assets.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out these activities primarily through its Audit Committee.

The Audit Committee is comprised of two Directors who are not employees of the Company. The Committee meets periodically throughout the year with management and external auditors to review their respective responsibilities, results of the reviews of internal accounting controls, policies and procedures and financial reporting matters. The external auditors meet separately with the Audit Committee.

The consolidated financial statements have been reviewed by the Audit Committee and approved by the Board of Directors. The consolidated financial statements have been audited by MNP LLP, Chartered Professional Accountants, the external auditors, whose report follows.

March 23, 2017

Cameron Watt	George Pretli
Chief Executive Officer	Chief Financial Officer

Independent Auditors' Report

To the Shareholders of Intouch Insight Ltd*. (formerly known as In-Touch Survey Systems Ltd.)*

Report on the consolidated financial statements:

We have audited the accompanying consolidated statements of Intouch Insight Ltd. (the "Company"), which comprise the consolidated statements of financial position as at December 31, 2016 and December 31, 2015, and the consolidated statements of earnings and other comprehensive income, changes in equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements:

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility:

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion:

In our opinion these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2016 and December 31, 2015 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Ottawa, Canada

March 23, 2017

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

INTOUCH INSIGHT LTD.

(previously known as In-Touch Survey Systems Ltd.)

Consolidated Statements of Earnings and Comprehensive Income

years ended December 31, 2016 and 2015

(in Canadian Dollars)

	Note	2016	2015
Revenue	5	$ 13,349,391	$ 10,232,708
Cost of services	6	6,294,697	4,616,741
		7,054,694	5,615,967
Expenses			
Selling	7	1,348,541	1,122,215
General and administrative	8	3,954,916	3,087,457
Product development	9	1,477,097	945,643
		6,780,554	5,155,315
Earnings from operating activities		274,140	460,652
Non-operating earnings (expense)			
Finance costs	22	(92,195)	(65,661)
Loss on transactions with associate	10	(15,000)	(48,888)
Share of loss from investments accounting for using the equity method	10	-	(32,560)
Negative goodwill	4	46,000	-
Net earnings before income taxes		212,945	313,543
Income taxes	23		
Deferred tax expense		(13,194)	(107,031)
Current income tax expense		(154,344)	12,547
Net earnings		$ 45,407	$ 219,059
Net earnings and comprehensive income		45,407	219,059
Net earnings per share	11		
Basic		$ 0.00	$ 0.01
Diluted		$ 0.00	$ 0.01

INTOUCH INSIGHT LTD.

(previously known as In-Touch Survey Systems Ltd.)

Consolidated Statements of Financial Position

As at December 31, 2016 and 2015

(in Canadian Dollars)

	Note	December 31, 2016	December 31, 2015
Assets			
Current Assets			
Cash		$ 409,272	$ 368,701
Trade and other receivables	13	1,888,052	2,205,662
Prepaid expenses and deposits	29	263,282	97,817
		2,560,606	2,672,180
Property and equipment	14	688,867	910,013
Deferred tax assets	23	404,242	412,585
Investment tax credit recoverable	23	154,034	173,139
Intangible assets	15	1,863,082	2,178,766
		$ 5,670,831	$ 6,346,683
Liabilities and Shareholders' Equity			
Current Liabilities			
Bank indebtedness		$ -	$ 230,000
Trade and other liabilities	16	797,576	760,038
Deferred revenue	13	131,781	81,339
Current portion of long-term debt	17	250,000	456,897
		1,179,357	1,528,274
Long-term debt	17	229,167	479,167
Deferred tax liability		313,037	308,188
		1,721,561	2,315,629
Shareholders' Equity			
Share capital	19	2,859,169	3,021,978
Contributed surplus		448,582	412,964
Retained earnings		641,519	596,112
		3,949,270	4,031,054
		$ 5,670,831	$ 6,346,683

ON BEHALF OF THE BOARD

Original signed by: Eric Beutel, Director

Original signed by: Michael Gaffney, Director

INTOUCH INSIGHT LTD.

(previously known as In-Touch Survey Systems Ltd.)

Consolidated Statements of Changes in Equity

years ended December 31, 2016 and 2015

(in Canadian Dollars)

	Note	Number of Common Shares	Share Capital	Contributed Surplus	Retained Earnings	Total Equity
Balance as at January 1, 2015	19	15,025,478	$ 2,977,346	$ 358,930	$ 377,053	$ 3,713,329
Issuance of share captial related to the acquisition of Statopex Inc.	4	600,000	168,000			168,000
Issuance of share capital related to the exercise of share options	19	8,333	1,833			1,833
Share-based compensation	20			54,034		54,034
Transactions with owners		15,633,811	$ 3,147,179	$ 412,964	$ 377,053	$ 3,937,196
Net earnings and comprehensive income					219,059	219,059
Repurchase and cancellation of shares per Normal Course Issuer Bid	19	(510,500)	(125,201)			(125,201)
Balance as at December 31, 2015		15,123,311	$ 3,021,978	$ 412,964	$ 596,112	$ 4,031,054
Issuance of share capital related to the exercise of share options	19	1,667	879	(479)		400
Share-based compensation	20			36,097		36,097
Transactions with owners		15,124,978	$ 3,022,857	$ 448,582	$ 596,112	$ 4,067,551
Net earnings and comprehensive income					45,407	45,407
Repurchase and cancellation of shares per Normal Course Issuer Bid	19	(415,500)	(163,688)			(163,688)
Balance as at December 31, 2016	19	14,709,478	$ 2,859,169	$ 448,582	$ 641,519	$ 3,949,270

INTOUCH INSIGHT LTD.

(previously known as In-Touch Survey Systems Ltd.)

Consolidated Statements of Cash Flows

years ended December 31, 2016 and 2015

(in Canadian Dollars)

	Note	2016	2015
CASH PROVIDED BY (USED IN):			
Operating activities			
Net earnings		$ 45,407	$ 219,059
Adjustments to net earnings:			
Amortization of property and equipment	14	293,135	285,046
Amortization of intangible asset	15	486,684	329,577
Finance costs	22	51,817	52,145
Share-based compensation	20	36,097	54,034
Share of loss in associate	10	-	32,560
Loss on dilution of an associate	10	15,000	48,888
Loss (gain) on disposal of property and equipment		(2,477)	2,704
Deferred tax recovery	23	(8,081)	131,483
Accretion on contingent consideration	22	40,378	13,462
Negative goodwill	4	(46,000)	-
Net change in non-cash operating working capital	21	240,125	(726,959)
Net cash flows from operating activities		1,152,085	441,999
Financing activities			
Bank indebtedness		(230,000)	230,000
Issuance of long-term debt	17	-	750,000
Issuance of share capital	19	400	1,833
Repayment of long-term debt	17	(456,897)	(442,373)
Repurchase of share capital	19	(163,688)	(125,201)
Finance costs paid	22	(51,817)	(52,145)
Cash flows from financing activities		(902,002)	362,114
Investing activities			
Business combination	4	(125,000)	(942,779)
Investment accounted for using the equity method	10	-	(66,448)
Funds transferred to an associate	10	(15,000)	(15,000)
Proceeds on disposal of property and equipment		3,552	4,744
Purchase of property and equipment	14	(73,064)	(201,674)
Cash flows from investing activities		(209,512)	(1,221,157)
NET INCREASE (DECREASE) IN CASH		40,571	(417,044)
CASH, BEGINNING OF YEAR		368,701	785,745
CASH, END OF YEAR		$ 409,272	$ 368,701
Additional Information			
Interest received included in operating activities		-	-
Income tax paid included in operating activities		40,482	67,415

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

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. The address of Intouch's registered office and its principal place of business is 400 March Road, Ottawa, Ontario, Canada K2K 3H4.

On June 21, 2016, at the Annual and Special Meeting of Shareholders, the shareholders voted unanimously to change the name of the Company from In-Touch Survey Systems Ltd. to Intouch Insight Ltd. to reflect the names of its subsidiaries. The name change became effective on July 15, 2016.

Intouch and its subsidiaries primary business activity is the design, development and implementation of data capture and measurement technologies for business to consumer companies ("B2C") striving to connect with prospects, customers, suppliers, employees and managers. The technologies enable our customers to implement interactive data capture solutions with little complexity and minimal setup time.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been used throughout all periods presented in the consolidated financial statements.

(a) Statement of compliance

These consolidated financial statements, including comparatives, have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and the Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC") and in effect at the closing date of December 31, 2016.

On March 23, 2017, the Company's Board of Directors approved these consolidated financial statements and authorized them for issue.

(b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair value, as explained in the accounting policies set out in Note 2(t).

(c) Basis of consolidation

The consolidated financial statements include the accounts of Intouch Insight Ltd., the ultimate parent, and its wholly-owned subsidiaries Intouch Insight Inc. and Intouch Insight Corp. Intouch Insight Inc. is a Canadian company while Intouch Insight Corp. is incorporated in the U.S. Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities, is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Company until the date on which control ceases. All intercompany transactions and balances have been eliminated. All subsidiaries have a reporting date of December 31st.

(d) Functional currency and foreign currency translation

These consolidated financial statements are presented in Canadian dollars, which is also the Company's (and its subsidiaries) functional and presentation currency.

Transactions in foreign currency are translated into the functional currency using the exchange rate in effect on the transaction date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the re-measurement of monetary items at the reporting date exchange rate are recognized in net earnings. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction. Assets and liabilities of the foreign subsidiary are translated into the reporting currency, the Canadian dollar, at the period end rates of exchange, and the results of its operations are translated at average rates of exchange for the period. The functional currency of the foreign subsidiary remains unchanged during the reporting period.

(e) Business combinations

Business combinations are accounted for using the acquisition method under IFRS 3, Business Combinations (IFRS 3). The consideration transferred by the Company to obtain control of an entity is calculated as the sum of the acquisition-date fair values of assets transferred, liabilities incurred and the equity interests issued by the Company, which includes the fair value of any asset or liability arising from a contingent consideration arrangement. Acquisition costs are expensed as incurred.

The Company recognizes identifiable assets acquired and liabilities assumed, including contingent liabilities, in a business combination regardless of whether they have been previously recognized in the acquiree's financial statements prior to the acquisition. Assets acquired and liabilities assumed are generally measured at the acquisition-date fair values. Goodwill is stated after separate recognition of identifiable intangible assets. It is calculated as the excess of the sum of (a) fair value of consideration transferred, (b) the recognized amount of any non-controlling interest in the acquiree and (c) acquisition-date fair value of any existing equity interest that the Company has in the acquiree, over the acquisition-date fair values of identifiable net assets. If the fair values of identifiable net assets exceed the sum calculated above, the excess amount (i.e. gain on a bargain purchase) is recognized in net earnings immediately.

(f) Intangible assets

Intangible assets are comprised of customer relationships, shopper/auditor databases, software and trademarks which qualified for recognition as intangible assets in a business combination. They are recognized at historical cost (which corresponds to their fair value at the acquisition date) less accumulated amortization and accumulated impairment losses.

The Company amortizes customer relationships on a straight-line basis between a four-year period and seven and two thirds year period, the shopper/auditor database between two and three-year period, software over a three-year period and the trademark between a five and a ten-year period.

The useful lives and residual values are reviewed at each reporting date, taking the nature of the asset and its expected use into account.

(g) Impairment testing of intangible assets and property and equipment

Intangible assets and property and equipment are reviewed at each reporting date to determine whether events or changes in circumstances indicate that the carrying amount of the asset or related cash generating unit ("CGU") may not be recoverable. If any such indication exists, then the assets or CGU's recoverable amount is estimated.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate. The discount factors are determined individually for each CGU and reflect their respective risk profiles as assessed by management. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in net earnings. Impairment losses recognized in respect of CGUs are allocated to reduce the carrying amounts of assets in the CGU on a pro rata basis.

In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of amortization, if no impairment loss had been recognized.

There have been no impairment losses recognized in any of the periods presented.

(h) Investment in associates

Associates are entities over which the Company has not achieved the power to govern the financial and operating policies of an entity as to obtain benefits from its activities. The investment in associate is accounted for using the equity method and initially recognized at cost plus transaction costs. The carrying amount of the investment is increased or decreased to recognize the Company's share of the profit or loss and other comprehensive income of the associate adjusted where necessary to ensure consistency with the accounting policies of the Company. If the Company's share of losses of an associate equals or exceeds its interest in the associate, the Company will discontinue recognizing its share of further losses. Additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

(i) Revenue recognition

The Company receives revenue from various service offerings.

Revenue is measured by reference to the fair value of consideration received or receivable by the Company for services provided, excluding sales tax, and discounts.

Revenue is recognized when the amount of revenue can be measured reliably, collection is probable, the costs incurred or to be incurred can be measured reliably, and when the criteria for the different activities have been met. These activity-specific recognition criteria are based on the service provided to the customer and the contract conditions in each case, and are described below.

When two or more revenue generating activities or deliverables are sold under a single arrangement, revenue criteria are applied to each deliverable that is considered to be a separately identifiable component of the revenue transaction. The allocation of consideration from these transactions is allocated to the separately identifiable components based on the relative fair values of each component.

Revenue related to services is recognized using the stage of completion of the contract, taking into consideration the cost completed to date in relation to the total expected cost to complete the deliverable. If the estimated cost to complete a contract increases over the life of the contract resulting in a loss on the contract, the loss is recognized immediately into profit and loss.

Revenues earned from the sale of software applications license and user fees (software-as-a-service or “SaaS” product), primarily earned on a subscription basis, are recognized as recurring revenue. This revenue is recognized monthly over the contract term as the performance involves an indeterminate number of acts over the contract period.

Unbilled receivables arise where services are performed prior to the Company’s ability to invoice in accordance with the contract terms. These amounts are included in trade and other receivables on the statement of financial position.

Deferred revenue is recorded when a customer is invoiced in advance of performance and funds received.

(j) Provisions

Provisions are recognized when the following criteria are met:

a) the Company has a current obligation as a result of a past event;
b) it is probable that an outflow of economic resources will be required from the Company; and
c) the amounts can be estimated reliably.

The timing or amount of the outflow may still be uncertain.

Provisions are established at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Provisions are discounted to their present values, where the time value of money is material.

Any reimbursement that the Company can be virtually certain to collect from a third party with respect to the obligation is recognized as a separate asset. However, this asset may not exceed the amount of the related provision. In those cases, where the possible outflow of economic resources as a result of present obligations is considered improbable or remote, no liability is recognized.

All provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

The Company has no provisions as at December 31, 2016 and 2015.

(k) Government assistance

Government contributions are recognized at fair value when there is reasonable assurance that the contribution will be received and all the conditions attached to it will be complied with.

When the contribution relates to an asset, it is recognized in deferred income and credited to other income on a systematic basis over the useful life of the asset.

When the contribution relates to income it is deducted in reporting the related expense on a systematic basis over the periods in which the related costs for which the grant is intended to compensate are incurred.

During the year ended December 31, 2016, the Company received $89,500 in government contributions (2015 - $275,185). This amount has been included to reduce selling expenses and product development expenses (Note 7 and 9) as the contribution does not contain any requirements or restrictions with which the Company must comply as a condition of receipt.

(l) Investment tax credit

The Company is entitled to certain Canadian investment tax credits for qualifying research and development activities performed in Canada. These credits can be applied against future income taxes payable and are subject to a 20 year carry forward period. An estimate of the refundable investment tax credit on scientific research and development expenditures is recorded in the year the expenditures are incurred provided there is reasonable assurance that the credits will be received. The expenditures are reduced by the amount of the estimated investment tax credit.

(m) Property and equipment

Property and equipment are stated at cost less accumulated amortization and impairment losses. Amortization is provided over the estimated useful lives of the assets using the following annual rates and term:

Computer equipment	5 years	Straight-line
Kiosks	20%	Declining balance
Kiosk tablets	5 years	Straight-line
Furniture and equipment	10 years	Straight-line
Leaseholds	Useful life	Straight-line

An item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the general and administrative expenses. The asset residual values, useful lives and methods of amortization are reviewed at each reporting period, and adjusted prospectively if appropriate.

(n) Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments on operating lease agreements are recognized as an expense on a straight-line basis in accordance with the lease term. Associated costs, such as maintenance and insurance, are expensed as incurred.

(o) Equity

Share capital represents the amount received for shares that have been issued less transaction costs directly attributable to the issuance of common shares net of any related income tax benefits.

Contributed surplus within equity, includes amounts in connection with stock-based compensation.

Retained earnings include all current and prior period earnings (losses).

(p) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data. Basic EPS is calculated by dividing the net earnings attributable to the shareholders of the Company by the weighted average number of common shares outstanding during the period. Diluted EPS is determined by adjusting the net earnings attributable to shareholders and the weighted average number of shares outstanding, for the effects of all potential dilutive shares. The diluted loss per share is equal to the basic loss per share where the effect of stock options is antidilutive as it would decrease the loss per share.

(q) Share-based compensation

The Company accounts for share-based compensation arrangements using the fair value method of accounting. When employees are rewarded using share-based payments, the fair value of employees' services is determined indirectly by reference to the fair value of the equity instruments granted. This fair value is measured at the grant date.

The share-based compensation cost is recorded as an expense in net earnings and credited to contributed surplus.

If vesting periods or other vesting conditions apply, the expense is allocated over the vesting period, based on the best available estimate of the number of awards expected to vest. Estimates are subsequently revised if there is any indication that the number expected to vest differs from previous estimates. Any cumulative adjustment prior to vesting is recognized in the current period. No adjustment is made to any expense recognized in prior periods if awards ultimately exercised are different to that estimated on vesting.

An award with different vesting dates is considered a separate grant for the calculation of fair value and the resulting fair value is amortized over the vesting period of the respective grants.

When share options are exercised, any consideration paid by employees is credited to share capital in addition to the amount previously recorded in contributed surplus.
The Company’s plan does not feature any options for cash settlement.

(r) Income taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net earnings except for items recognized directly in equity or in other comprehensive income. Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the liability method in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that it is probable that they will not reverse in the foreseeable future and provided that the Company can control the reversal of those differences. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the expected tax rates applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable income against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any tax loss or credit. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable income will be available.

Changes in deferred tax assets or liabilities are recognized as a component of tax recovery or expense in net earnings, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred tax is also recognized in other comprehensive income or equity, respectively.

(s) Critical accounting estimates and judgments

The Company's 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 consolidated financial statements. 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.

<u>Estimates</u>

Useful lives of depreciable assets

The useful lives of depreciable assets have been determined based on management estimated utility of the assets. Uncertainties in these estimates relate to technological obsolescence that may change the utility of certain software and IT equipment.

Useful lives of intangible assets

The useful lives of intangible assets have been determined based on management estimated attrition rates related to the associated asset. Any subsequent change in these estimates would affect the amount of amortization recorded over future periods.

Share-based compensation

The estimation of share-based compensation requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates as to the volatility of its own share, the probable life of share options granted and the time of exercise of those share options. The model used by the Company is the Black-Scholes valuation model.

Business combinations

On initial recognition, the assets and liabilities of the acquired business and the consideration paid for them are included in the consolidated statement of financial position at their fair values. In measuring fair value, management uses estimates of future cash flows and discount rates. Details of the assets and liabilities acquired are given in Note 4.

Judgments

Control and significant influence assessment

The assessment of control and significant influence over an investment requires judgment (see Note 10).

Assessing the stage of completion of revenue

The stage of completion of revenue is assessed by Management by taking into consideration all information available at the reporting date. In this process, management estimates for each project's milestones, actual work performed, the costs to complete the work and the value of the work completed. Further information on the Company's accounting policy for revenue recognition is provided in Note 2(i).

Assessing the probability of utilizing deferred tax assets and investment tax credits

Deferred tax assets and investment tax credits are recognized for unused tax losses and credits to the extent that it is probable that taxable income will be available against which the losses can be utilized. These estimates are reviewed at every reporting date. Information about assumptions and estimation based upon the likely timing and the level of the reversal of existing timing differences, future taxable income and future tax planning strategies, is included in Note 23. The tax rules in the numerous jurisdictions in which the Company operates are also taken into consideration.

Impairment

Determining if there are any facts and circumstances indicating impairment loss or reversal of impairment losses is a subjective process involving judgment and a number of estimates and interpretations in many cases.

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (see Note 2(g)).

Functional currency

An area of judgement that has a significant effect on the amounts recognized in these consolidated financial statements is the determination of functional currency.

The determination of the Company and a subsidiary's functional currency often requires significant judgement where the primary economic environment in which they operate may not be clear. This can have a significant impact on the consolidated results of the Company based on the foreign currency translation methods used.

(t) Financial instruments

When the Company becomes a party to contractual provisions of the financial instruments, these are initially recorded on the statements of financial position at fair value plus transaction costs, except for financial assets and financial liabilities carried at fair value through profit or loss, which are measured initially at fair value. After initial recognition, the financial instruments are measured according to their classification or designation as described below.

Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognized when they are extinguished, discharged, cancelled or expire.

The Company has made the following classifications and designations:

Classification

Cash	Loans and receivables
Trade and other receivables	Loans and receivables
Bank indebtedness	Financial liabilities at amortized cost
Trade and other liabilities	Financial liabilities at amortized cost
Long-term debt	Financial liabilities at amortized cost

All financial assets except for those at fair value through profit or loss (FVTPL) are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets, which are described below.

All income and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs except for impairment of trade receivables which is presented within general and administrative expenses.

Financial assets and liabilities at fair value through profit or loss

Financial assets and liabilities at FVTPL include financial assets and liabilities that are either classified as held for trading or that meet certain conditions and are designated at FVTPL upon initial recognition. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply.

Assets and liabilities in this category are measured at fair value with gains or losses recognized in non-operating earnings. The fair values of derivative financial instruments are determined by reference to active market transactions or using a valuation technique where no active market exists.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Subsequent to initial recognition, loans and receivables are measured at amortized cost using the effective interest method, less any allowance for doubtful accounts.

Individually significant receivables are considered for impairment when they are past due or when other objective evidence is received that a specific counterparty will default. Receivables that are not considered to be individually impaired are reviewed for impairment in groups, which are determined by reference to the industry and region of the counterparty and other shared credit risk characteristics. The impairment loss estimate is then based on recent historical counterparty default rates for each identified group.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investments have been negatively impacted. Evidence of impairment could include: significant financial difficulty of the issuer or counterparty; or default or delinquency in interest or principal payments; or the likelihood that the borrower will enter bankruptcy or financial reorganization.

The carrying amount of financial assets is reduced by any impairment loss directly for all financial assets with the exception of trade and other receivables, where the carrying amount is reduced through the use of an allowance account. When a trade and other receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in the statement of comprehensive earnings.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit or loss to the extent that the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

Financial liabilities

Financial liabilities not at fair value through profit or loss are subsequently measured at amortized cost using the effective interest method.

Fair Value Hierarchy

The Company categorizes its financial instruments, measured at fair value in the consolidated statement of financial position, including its financial assets and financial liabilities, into a three-level fair value measurement hierarchy as follows:

Level 1: The fair value is determined directly by reference to unadjusted quoted prices in active markets for identical assets and liabilities.

Level 2: The fair value is estimated using a valuation technique based on observable market data, either directly or indirectly.

Level 3: The fair value is estimated using a valuation technique based on unobservable data.

(u) Segment reporting

Operating segments are reported in a manner consistent with the internal reporting used for the consolidated financial statements. The Company has determined that it only has one operating segment.

3. CHANGES IN ACCOUNTING POLICIES

Standards, amendments and interpretations

At the date of authorization of these financial statements, certain new standards, amendments and interpretations to existing standards have been published by the International Accounting Standards Board ("IASB") but are not yet effective, may have future applicability, and have not been adopted early by the Company.

IFRS 9 'Financial Instruments':

In November 2009, the IASB issued IFRS 9, Financial Instruments (IFRS 9 (2009)), and in October 2010, the IASB published amendments to IFRS 9 (IFRS 9 (2010)). In November 2013, the IASB issued a new general hedge accounting standard, which forms part of IFRS 9 Financial Instruments (2013). In July 2014, the IASB issued the final version of IFRS 9, bringing together the classification and measurement, impairment and hedge accounting phases of the project to replace IAS 39 "Financial Instruments: Recognition and Measurement" (IAS 39). IFRS 9 is to be applied retrospectively for annual periods beginning on or after January 1, 2018. Early adoption is permitted. The Company is assessing the impact of this new standard on its consolidated financial statements.

IFRS 15 'Revenue from contracts with customers':

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers (IFRS 15). IFRS 15 replaces IAS 18, Revenue, IAS 11, Construction Contracts and related Interpretations. The core principle of the guidance is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods and services. IFRS 15 will also result in enhanced disclosures about revenue, provide guidance for transactions that were not previously addressed comprehensively (for example, service revenue and contract modifications) and improve guidance for multiple-element arrangements. This guidance is effective for annual reporting periods beginning on or after January 1, 2018 and early adoption is permitted. This standard is to be applied using one of the following methods: retrospective or modified retrospective with the cumulative effect of initially applying the standard as an adjustment to opening equity at the date of initial application. The Company is assessing the impact of this new standard on its consolidated financial statements.

IFRS 16 'Leases':

IFRS 16 replaces IAS 17, Leases, and introduces new rules for accounting for leases which will result in substantially all lessee leases being recorded on the consolidated statement of financial position. The standard is effective for annual periods beginning on or after January 1, 2019 with retrospective application and with early adoption permitted. The Company continues to assess this new standard and the potential impact to the consolidated financial statements.

4. 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.

(in Canadian Dollars)

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.

The following table summarizes the fair value of the net assets acquired. The valuation was performed by the Company based on internal appraisals of the fair value of the property and equipment and intangible assets acquired.

Value recognized on the acquisition date		
Trademarks	$	12,000
Contractor database	$	9,000
Customer related intangible asset	$	150,000
Negative goodwill	$	(46,000)
Total net assets acquired	$	125,000
Cash payment	$	125,000
Total consideration transferred	$	125,000

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 has recorded negative goodwill of $46,000. For the period December 1, 2016 to year ended December 31, 2016, the acquired business added revenues of $15,394. The acquired business had revenues of $350,350 from January 1, 2016 to November 30, 2016 which would have brought revenues of $365,744 if the acquisition would have occurred on January 1, 2016. Acquisition-related costs amounting to $6,482 were not included as part of the consideration transferred and have been recognized as general and administrative expenses

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.

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.

The following table summarizes the fair value of the net assets acquired. The valuation was performed by the Company based on internal appraisals of the fair value of the property and equipment and intangible assets acquired.

Value recognized on the acquisition date		
Cash	$	357,221
Accounts receivable	$	541,534
Prepaid expenses	$	13,055
Trade and other liabilities	$	(396,834)
Property and equipment	$	10,000
Software assets	$	213,000
Trademarks	$	72,000
Customer related intangible asset	$	1,245,000
Shopper database intangible asset	$	34,000
Deferred tax liability	$	(404,720)
Total net assets acquired	$	1,684,256
Contingent consideration	$	216,256
Cash payment	$	1,300,000
Intouch equity	$	168,000
Total consideration transferred	$	1,684,256

(in Canadian Dollars)

Cash outlays and contingent consideration related to the acquisition will be a maximum of $1,600,000, which consists of cash payments paid upon signing the agreement with another $150,000 payable based on the aggregate gross revenues related to existing Statopex clients plus new customers obtained during the first year, plus another $150,000 payable under the same conditions during the second year. On December 31, 2015, the Company recorded the fair value of the contingent consideration at $229,718. As at December 31, 2016, the fair value of the contingent consideration was recorded as $270,096 (Note 22). It reflects $150,000 due January 31, 2017 based on first year gross revenues plus management's estimate of the maximum royalty payments for the second year contingent consideration which have been discounted using an interest rate of 25%. Acquisition-related costs amounting to $63,000 were not included as part of the consideration transferred and have been recognized as general and administrative expenses. For the period October 1, 2015 to year ended December 31, 2015, the acquired business added revenues of $1,119,387. The acquired business had revenues of $3,165,191 from January 1, 2015 to September 30, 2015 which would have brought revenues of $4,284,578 if the acquisition would have occurred on January 1, 2015. Revenues in 2016 were $3,877,570.

The carrying value of the accounts receivable approximates the fair value and all amounts are expected to be collectable.

5. REVENUE

The Company receives revenue from software applications 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 software applications and as a result tracks its recurring revenue. The following chart shows the breakdown of recurring and services revenue for the years ended 2016 and 2015 (see Note 2(i)).

	2016	2015
Recurring revenue	$ 2,339,858	$ 2,002,922
Services revenue	$ 11,009,533	$ 8,229,786
Total revenue	$ 13,349,391	$ 10,232,708

Geographical revenue

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

	2016	2015
Canada	$ 5,773,404	$ 2,774,795
US	$ 7,575,987	$ 7,457,913
Total revenue	$ 13,349,391	$ 10,232,708

Major customers

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

	2016	2015
Customer 1	$ 2,468,999	$ 2,383,009
Total dollars	$ 2,468,999	$ 2,383,009

Major trade receivables

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

	2016	2015
Customer 1	$ 228,215	$ 225,991
Total dollars	$ 228,215	$ 225,991

(in Canadian Dollars)

6. COST OF SERVICES

During the year ended December 31, 2016 the Company recorded amortization expense of $225,590 (December 31, 2015 - $226,026) within cost of services. Salaries and benefits charged to cost of services was $1,015,457 in 2016 compared to $791,352 in 2015.

7. SELLING EXPENSES

Selling expenses for the Company are broken down as follows:

		2016		2015
Marketing expenses	$	329,462	$	289,781
Travel expenses	$	147,427	$	120,975
Salaries and benefits	$	876,652	$	726,458
Government agency contribution received for youth employment program	$	(5,000)	$	(14,999)
Selling expenses	$	1,348,541	$	1,122,215

8. GENERAL AND ADMINISTRATIVE EXPENSES

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

		2016		2015
Corporate administration	$	1,055,000	$	811,328
Consultant fees	$	47,270	$	52,861
Professional fees	$	153,900	$	164,687
Listing fees	$	63,200	$	60,795
Salaries and benefits(1)	$	2,003,464	$	1,734,244
Loss (gain) on disposal of property and equipment	$	(2,477)	$	2,703
Loss (gain) on foreign exchange	$	80,331	$	(127,758)
Amortization expense	$	554,228	$	388,597
General and administrative expenses	$	3,954,916	$	3,087,457

(1) Share-based compensation (a non-cash item) of $36,097 (2015 - $54,034) has been included in Salaries and benefits

9. PRODUCT DEVELOPMENT EXPENSES

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

		2016		2015
Salaries and benefits	$	1,561,597	$	1,205,829
Government agency contribution received for software application development	$	(84,500)	$	(260,186)
Product development expenses	$	1,477,097	$	945,643

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Dodoname Inc.

On June 6, 2014, the Company finalized an agreement to sell certain intellectual property assets to a new company, Dodoname Inc. (“Dodoname”), a marketing privacy company located in Nova Scotia, in exchange for share in Dodoname. As a result of the transaction the Company held 100% ownership of Dodoname and was considered to have control. The former CEO, and current executive chairman and director of the Company, is the CEO and a director of Dodoname. The fair value of the net assets sold to the new company was $45,000.

Subsequent to the initial investment by the Company, an additional $100,000 was invested in Dodoname by the Company concurrent with an equity financing by seven other investors. The additional equity financing in Dodoname resulted in the Company’s investment being diluted to approximately 41% of the voting and equity interest. Intouch was deemed to lose control over Dodoname although continues to exercise significant influence over Dodoname through its shareholding and board representation. As a result of the loss of control the investment in Dodoname was recorded as an investment in an associate and is accounted for using the equity method in accordance with IAS 28, "Investments in Associates and Joint Ventures". The Company's share of Dodoname's net losses subsequent to the loss of control is recorded in the Consolidated Statements of Earnings and Comprehensive Income.

(in Canadian Dollars)

The shares of Dodoname Inc. are not publicly listed on a stock exchange and hence published price quotes are not available. The aggregate amount of the associate can be summarized as follows:

	December 31, 2016	December 31, 2015
Current assets	$ 4,556	$ 2,536
Non-current assets	$ 22,964	$ 32,432
Current liabilities	$ 40,808	$ 17,229
Non-current liabilities	$ 18,931	$ 25,748
Revenues	$ -	$ -
Net loss and comprehensive loss	$ (24,211)	$ (130,493)

The Company agreed to provide $30,000 payable over 12 months beginning in July of 2015, as a further investment. At this time no further shares have been issued to the Company and at year end the Company believed that the fair value of the $30,000 paid to date was impaired and therefore has accounted for this investment in the statement of earnings as a loss on transaction with associate. Of this loss, $15,000 was recognized in 2015 and $15,000 was recognized in 2016.

A reconciliation of the above summarized financial information to the carrying amount of the interest is set out below:

	December 31, 2016	December 31, 2015
Total net assets	$ (32,219)	$ (8,009)
Proportion of ownership interest held by the Company	41%	41%
Total net assets held by the Company	$ -	$ -

The Company's share of losses as at December 31, 2015 exceeded the original investment by the Company and therefore has deemed the carrying amount of the investment as $Nil. Share of loss not recognized in 2016 was $9,992 (2015 - $53,855).

IPSG Technology Inc.

On January 1, 2015, the Company finalized an agreement to sell assets allocable to its IMS segment to IPSG Technology Inc. ("IPSG") a company located in Ottawa, Ontario in exchange for a 49% share in IPSG. The former Vice President of the IMS division is the current CEO and a director of IPSG. Intouch is deemed not to have control over IPSG although it continues to exercise significant influence through its shareholding and board representation. IPSG was recorded as an investment in an associate and is accounted for using the equity method in accordance with IAS 28, "Investments in Associates and Joint Ventures". The carrying amount of assets in this transaction were the total accounts receivable outstanding attributable to the IMS segment as at December 31, 2014, which equaled $66,448. Intouch continues to hold service level agreement contracts with various customers which do not contain an assignment agreement. The fair value of the net assets sold to the new company was $66,448. After this initial investment no further investments were made to IPSG Technology Inc. therefore the Company's portion of the investment was diluted. Subsequent to the investment the Company recorded a loss on dilution of $33,888.

The shares of IPSG are not publicly listed on a stock exchange and hence published price quotes are not available. The aggregate amount of the associate can be summarized as follows:

	December 31, 2016	December 31, 2015
Current assets	$ 79,394	$ 53,876
Non-current assets	$ -	$ -
Current liabilities	$ 180,734	$ 76,175
Non-current liabilities	$ -	$ -
Revenues	$ 255,273	$ 284,725
Net loss and comprehensive loss	$ (79,041)	$ (88,748)

The Company has not incurred any contingent liabilities or other commitments relating to its investment in this associate.

A reconciliation of the above summarized financial information to the carrying amount of the interest is set out below:

(in Canadian Dollars)

	December 31, 2016	December 31, 2015
Total net assets	$ (101,340)	$ (22,299)
Proportion of ownership interest held by the Company	49%	49%
Total net assets held by the Company	$ -	$ -

The Company's share of losses exceeds the original investment by the Company and therefore has deemed the carrying amount of the investment as $Nil. Share of loss not recognized as a result was $38,730 (2015 - $32,560).

11. EARNINGS PER SHARE

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

	2016	2015
Weighted average number of common shares - basic	14,948,372	14,737,493
Additions to reflect the dilutive effect of employee stock options	476,538	101,350
Weighted average number of common shares from continuing operations - diluted	15,424,910	14,838,843

12. EMPLOYEE REMUNERATION

Employee remuneration expenses for the Company are broken down as follows:

	2016	2015
Salaries and benefits	$ 5,331,573	$ 4,403,849
Share-based compensation	$ 36,097	$ 54,034
Total salaries, benefits and share-based compensation	$ 5,367,670	$ 4,457,883

13. TRADE AND OTHER RECEIVABLES

Trade and other receivables consists primarily of trade receivable from billings of services, and sale of software applications, license and user fees as well as other receivables.

	As at December 31, 2016	As at December 31, 2015
Trade accounts receivable, gross	$ 1,755,782	$ 2,057,652
Allowance for doubful accounts	$ -	$ -
Trade accounts receivable, net	$ 1,755,782	$ 2,057,652
Unbilled receivables	$ 132,270	$ 148,010
Trade and other receivables	$ 1,888,052	$ 2,205,662

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

	As at December 31, 2016	As at December 31, 2015
1 - 60 days past due	$ 339,243	$ 738,597
Greater than 60 days past due	$ 26,181	$ 26,738
	$ 365,424	$ 765,335

Management considers that the above-stated financial assets, including those 1-60 days and greater than 60 days, are of good credit quality. See Note 27 for a discussion of the Company's credit risk management activities.

The amounts recognized in the consolidated statements of financial position relating to contracts in progress at year-end are determined as follows:

(in Canadian Dollars)

	As at December 31, 2016	As at December 31, 2015
Aggregate amount of cost incurred and recognized in earnings for all contracts in progress	$ 13,349,391	$ 10,232,708
Less progress billings	$ 13,348,902	$ 10,166,037
	$ 489	$ 66,671
Unbilled receivables	$ 132,270	$ 148,010
Deferred revenue	$ 131,781	$ 81,339

14. 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, 2014	$ 190,859	$ 383,797	$ 950,917	$ 136,829	$ 31,950	$ 1,694,352
Additions	$ 27,544	$ -	$ 169,900	$ 4,230	$ -	$ 201,674
Addition from acquisition (Note 4)	$ -	$ -	$ -	$ 10,000	$ -	$ 10,000
Disposals	$ (47,769)	$ -	$ (131,404)	$ (8,275)	$ -	$ (187,448)
At December 31, 2015	$ 170,634	$ 383,797	$ 989,413	$ 142,784	$ 31,950	$ 1,718,578
Additions	$ 37,935	$ -	$ 23,521	$ 11,608	$ -	$ 73,064
Disposals	$ (84,832)	$ -	$ (99,177)	$ (11,349)	$ (31,950)	$ (227,308)
At December 31, 2016	$ 123,737	$ 383,797	$ 913,757	$ 143,043	$ -	$ 1,564,334
Accumulated Amortization:						
At December 31, 2014	$ 115,022	$ 284,324	$ 252,589	$ 37,988	$ 13,596	$ 703,519
Amortization	$ 37,793	$ 19,895	$ 206,131	$ 13,070	$ 8,157	$ 285,046
Disposals	$ (47,769)	$ -	$ (129,136)	$ (3,095)	$ -	$ (180,000)
At December 31, 2015	$ 105,046	$ 304,219	$ 329,584	$ 47,963	$ 21,753	$ 808,565
Amortization	$ 40,909	$ 15,916	$ 209,674	$ 16,439	$ 10,197	$ 293,135
Disposals	$ (84,832)	$ -	$ (98,102)	$ (11,349)	$ (31,950)	$ (226,233)
At December 31, 2016	$ 61,123	$ 320,135	$ 441,156	$ 53,053	$ -	$ 875,467
Carrying amounts:						
At December 31, 2015	$ 65,588	$ 79,578	$ 659,829	$ 94,821	$ 10,197	$ 910,013
At December 31, 2016	$ 62,614	$ 63,662	$ 472,601	$ 89,990	$ -	$ 688,867

All of the above assets are pledged as security for debt obligations as identified in Note 17. There were no impairment indicators as at the end of December 2016 and 2015. Amortization of $225,590 (2015 - $226,026) is included in cost of services while an amount of $67,545 (2015 - $59,020) is included in general and administrative expenses.

(in Canadian Dollars)

15. INTANGIBLE ASSETS

Cost:	Acquired Trademarks	Acquired customer relationships	Acquired Shopper/ Auditor database	Software	Total
At December 31, 2014	$ 89,646	$ 1,139,226	$ 136,199	$ 175,216	$ 1,540,287
Additions: Business combination (Note 4)	72,000	1,245,000	34,000	213,000	1,564,000
At December 31, 2015	$ 161,646	$ 2,384,226	$ 170,199	$ 388,216	$ 3,104,287
Additions: Business combination (Note 4)	$ 12,000	$ 150,000	$ 9,000	$ -	$ 171,000
At December 31, 2016	$ 173,646	$ 2,534,226	$ 179,199	$ 388,216	$ 3,275,287
Accumulated Amortization:					
At December 31, 2014	$ 15,688	$ 381,322	$ 96,725	$ 102,209	$ 595,944
Amortization	10,765	206,827	35,830	76,155	329,577
At December 31, 2015	$ 26,453	$ 588,149	$ 132,555	$ 178,364	$ 925,521
Amortization	16,265	359,545	25,273	85,601	486,684
At December 31, 2016	$ 42,718	$ 947,694	$ 157,828	$ 263,965	$ 1,412,205
Carrying Amounts:					
At December 31, 2015	$ 135,193	$ 1,796,077	$ 37,644	$ 209,852	$ 2,178,766
At December 31, 2016	$ 130,928	$ 1,586,532	$ 21,371	$ 124,251	$ 1,863,082

The additions to the above assets are the result of a business combination in 2016 and 2015 as presented in Note 4.
The remaining amortization period is ten years for the trademarks, four years for the customer relationships, three years for the auditor database and two years for the software. Amortization expense is recorded in general and administrative expenses (Note 8).

16. TRADE AND OTHER LIABILITIES

	As at December 31, 2016	As at December 31, 2015
Trade payables	$ 222,720	$ 320,628
Accrued liabilities and interest payable	$ 574,856	$ 439,410
Total accounts payable and accrued liabilities	$ 797,576	$ 760,038

17. LONG TERM DEBT

	As at December 31, 2016	As at December 31, 2015
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.	$ 479,167	$ 729,167
Installment loan, repayable in monthly installments of $17,241 plus interest at prime plus 1.8%, secured by a general security agreement over underlying assets and maturing on December 8, 2016.	$ -	$ 206,897
	$ 479,167	$ 936,064
Current portion of long-term debt	$ 250,000	$ 456,897
Total long-term debt	$ 229,167	$ 479,167

(in Canadian Dollars)

18. COMMITMENTS

a) Leases

The Company has non-cancellable operating lease agreements for office space with terms extending to the year 2017 and 2021. The operating lease rentals payable under these agreements are as follows:

	As at December 31, 2016	As at December 31, 2015
Less than one year	$ 359,234	$ 397,993
Between one and five years	$ 1,022,289	$ 1,325,727
More than five years	$ -	$ -
Total operating lease rental payments payable	$ 1,381,523	$ 1,723,720

Operating lease expenses, which are charged to general and administrative expenses, were $409,073 for 2016 compared to $269,115 for 2015.

b) Credit facilities

At the year ended December 31, 2016, bank indebtedness was $Nil (December 31, 2015 - $230,000). The Company has credit facilities with a chartered bank that will provide credit facilities up to $2,850,000 which is composed of a $1,600,000 demand operating loan at prime plus 1% (2015 – prime plus 1%) a $500,000 committed installment loan facility at prime plus 1.8% (2015 – prime plus 1.8%) and in 2016 a $750,000 committed installment loan facility at prime plus 2% (December 31, 2015 – prime plus 2%), and they are secured by a general security agreement. The Company is on-side with all financial covenant ratios. The carrying amounts of any borrowings are considered to be a reasonable approximation of fair value.

19. 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.

	Number of Common Shares issued and fully paid	Value
Balance at December 31, 2014	15,025,478	$ 2,977,346
Issuance of common shares from acquisition (Note 4)	600,000	$ 168,000
Issuance of common shares from exercise of options	8,333	$ 1,833
Common share repurchase and cancellation through NCIB	(510,500)	$ (125,201)
Balance at December 31, 2015	15,123,311	$ 3,021,978
Issuance of common shares from exercise of options	1,667	$ 879
Common share repurchase and cancellation through NCIB	(415,500)	$ (163,688)
Balance at December 31, 2016	14,709,478	$ 2,859,169

On December 4, 2015, the Company announced that it was renewing its normal course issuer bid ("NCIB") subject to the approval of the TSX Venture Exchange. The Company received such approval and during 2016 purchased and cancelled 415,500 of its outstanding common shares at between $0.30 and $0.40 per share (2015 – purchased 510,500 common shares at between $0.22 and $0.30 per share).

20. 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 five years from the date of the grant. The Board of Directors has the right to modify vesting periods at the time of option grant. There were 190,000 options issued in 2016 (735,000 in 2015). The employee compensation expense related to options vested in fiscal 2016 is $36,097 (2015 - $54,034). The Company may issue up to 2,140,196 (2015 – 2,141,863) options for common shares under its stock option plan. At December 31, 2016, 345,196 common shares (376,863 at December 31, 2015) are reserved for additional options under this plan.

(in Canadian Dollars)

A summary of the status of the Company's issued and outstanding stock options as of December 31, 2016 and December 31, 2015, and changes during the years ended on those dates, is presented below:

	2016		2015	
	Number of Options	Weighted average exercise price	Number of Options	Weighted average exercise price
Outstanding, beginning of year	**1,765,000**	**$ 0.27**	1,635,000	$ 0.28
Granted	**190,000**	**0.37**	735,000	0.25
Exercised	**(1,667)**	**0.24**	(8,333)	0.22
Forfeited	**(158,333)**	**0.26**	(596,667)	0.28
Expired	**-**	**-**	-	-
Outstanding, end of year	**1,795,000**	**$ 0.28**	1,765,000	$ 0.27

The weighted average share price at the date of exercise was $0.42 (2015 - $0.325).

The following table summarizes information about stock options as at December 31, 2016:

	Options Outstanding		**Options Exercisable**
Exercise prices	Number outstanding at Dec 31, 2016	Weighted average remaining contractual life (years)	Number exercisable at Dec 31, 2016
$0.22	290,000	2.65	171,664
$0.24	305,000	3.42	103,333
$0.28	550,000	3.13	281,670
$0.30	270,000	1.25	270,000
$0.32	60,000	4.50	0
$0.36	200,000	0.50	200,000
$0.38	65,000	4.25	0
$0.40	55,000	4.92	0
$ 0.22 to $ 0.40	1,795,000	3.08	1,026,667

The weighted average exercise price was $0.28 in 2016 (2015 - $0.27) for exercisable options.

The following table summarizes information about stock options as at December 31, 2015:

	Options Outstanding		**Options Exercisable**
Exercise prices	Number outstanding at Dec 31, 2015	Weighted average remaining contractual life (years)	Number exercisable at Dec 31, 2015
$0.22	360,000	3.76	101,667
$0.24	325,000	4.40	-
$0.28	590,000	4.12	100,000
$0.30	290,000	2.27	193,333
$0.36	200,000	1.49	200,000
$ 0.22 to $ 0.36	1,765,000	3.50	595,000

The Company uses the Black-Scholes model to calculate option values. The assumptions using the Black-Scholes option pricing model for 2016 were: a weighted average share price of $0.37 and an exercise price of $0.37, risk free interest rate of 1.15% to 1.45%, volatility of 34% to 43% with no expected dividend yield, 40% assumed forfeiture and a five year estimated life. Assumptions for 2015 were: a weighted average share price of $0.25 and an exercise price of $0.25, risk free interest rate of .44% to .67%, volatility of 37% to 39% with no expected dividend yield, 40% assumed forfeiture and a five year estimated life.

The underlying expected volatility was determined by reference to historical data of the Company's shares over the expected life of the option.

The fair value of stock options granted during fiscal 2016 was $0.37 (2015 - $0.25).

(in Canadian Dollars)

21. CASH FLOW INFORMATION

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

		2016		2015
Trade and other receivables	$	317,610	$	(533,571)
Prepaid expenses and deposits	$	(165,465)	$	30,391
Trade and other liabilities	$	37,538	$	(238,765)
Deferred revenue	$	50,442	$	14,986
Net change in non-cash working capital	$	240,125	$	(726,959)

22. FINANCE COSTS

Finance costs may be analyzed as follows for the fiscal year ending 2016 and 2015:

		2016		2015
Interest expense on loans	$	51,817	$	52,145
Accretion on contingent consideration	$	40,378	$	13,462
Other	$	-	$	54
Finance costs	$	92,195	$	65,661

23. INVESTMENT TAX CREDITS AND INCOME TAXES

Research and development expenses

The Company has investment tax credit carry forwards of $154,034 (2015 - $173,139) which may be utilized to reduce future Canadian taxable income. These tax credits expire between 2022 and 2029. The future tax benefits associated with investment tax credit carry forwards has been recognized in the financial statements.

The ability to realize the tax benefits from these losses, deductible temporary differences and investment tax credits is dependent upon a number of factors, including the future profitability of operations in the jurisdictions in which the tax losses, deductible temporary differences and investment tax credits arose. Deferred tax assets are recognized in respect of temporary differences giving rise to deferred tax assets only to the extent that it is probable that sufficient taxable profits will be available to allow the asset to be recovered. This determination is based on the management's quantitative and qualitative assessments and the weighing of all available evidence, both positive and negative. Such evidence included, notably, historical performance over the past two years and the Company's projected future taxable income.

Accordingly, no deferred tax asset has been recognized on the following temporary differences:

	December 31, 2016		December 31, 2015	
Investment in associate	$	196,448	$	166,448
Property and equipment	$	-	$	-
Deferred revenue	$	-	$	-
Non-capital losses	$	-	$	-
	$	196,448	$	166,448

(in Canadian Dollars)

Deferred tax assets arising from temporary differences and unused tax losses that have been recorded and can be summarized as follows:

	As at December 31, 2015	Recognized in net earnings	Recognized in balance sheet	As at December 31, 2016
Property and equipment	$ (14,089)	$ (15,584)	$ -	$ (29,673)
Intangible assets	$ (298,043)	$ 77,160	$ -	$ (220,883)
Investment tax credits recoverable	$ (45,849)	$ 5,063		$ (40,786)
Deferred revenues	$ 25,371	$ (25,371)		$ -
Share issue costs	$ -	$ 2,968		$ 2,968
Non-capital losses	$ 374,317	$ 16,011		$ 390,328
SR&ED expenditure pool	$ 83,338	$ (83,338)		$ -
Other	$ (20,648)	$ 9,897	$ -	$ (10,751)
	$ 104,397	$ (13,194)	$ -	$ 91,203

The major components of deferred tax recovery can be summarized as follows:

	As at December 31, 2016	As at December 31, 2015
Origination and reversal of timing differences	$ (50,541)	$ 133,454
Adjustment of prior year deferred taxes	$ 57,867	$ 6,316
Tax effect of temporary differences for which no deferred tax assets was recorded	$ 5,868	$ (32,739)
	$ 13,194	$ 107,031

Tax rate reconciliation

The actual tax provision differs from the expected provision based on the combined federal and provincial income tax rates for the following reasons:

	As at December 31, 2016	As at December 31, 2015
Income before income taxes	$ 212,945	$ 313,543
Combined Canadian Statutory tax rate	26.5%	26.5%
Expected tax expense (recovery)	$ 56,430	$ 83,089
Permanent differences	$ 24,945	$ 32,968
Tax rate differences	$ 15,906	$ 10,801
Current tax relating to prior years	$ -	$ (18,688)
Deferred tax relating to prior years	$ 57,867	$ 6,316
Effect of temporary differences not recognized as deferred tax assets	$ 3,975	$ (32,739)
Other	$ 8,415	$ 12,737
	$ 167,538	$ 94,484
Income tax comprises:		
Current income tax - Continuing operations	$ 154,344	$ (12,547)
Deferred income tax - Continuing operations	$ 13,194	$ 107,031
	$ 167,538	$ 94,484
Total tax provision	$ 167,538	$ 94,484

(in Canadian Dollars)

24. KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation for key management personnel, including the Company's Officers and Board of Directors, was as follows for the year:

	For the year ended December 31, 2016	For the year ended December 31, 2015
Salaries	$ 740,347	$ 785,180
Directors' fees	$ 32,000	$ 30,500
Share-based compensation	$ 13,061	$ 20,678
Total Key Management Compensation	$ 785,408	$ 836,358

Salaries include cash payments for base salaries and bonuses. Director's fees include meeting fees and retainers. Share-based compensation includes the compensation expense recognized during the year for key management personnel. There were no stock options exercised by key management personnel in 2016 or in 2015.

25. RELATED PARTY TRANSACTIONS

On May 28, 2015, the board of directors for the Company agreed to a further investment in Dodoname Inc. of $30,000 payable in equal instalments of $2,500 per month for 12 months starting in July 2015 (Note 10). During Q3 and Q4 2015, the Company recorded a $15,000 receivable from an associate. On December 31, 2015, the Company considered the amount of the receivable to be impaired and subsequently recorded the full transaction in the statement of earnings as a loss on transaction with associate. During Q1 and Q2 2016, the Company recorded the final $15,000 payments as a receivable from an associate. On June 30, 2016, the Company considered the second half of the payments as impaired and on June 30, 2016 recorded the full transaction in the statement of earnings as a loss on transaction with associate. No further investment was made.

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

26. FINANCIAL INSTRUMENTS

The table below summarizes the carrying values of the Company's financial assets and financial liabilities:

Financial assets:	As at December 31, 2016	As at December 31, 2015
Loans and receivables		
Cash	$ 409,272	$ 368,701
Trade and other receivables	$ 1,888,052	$ 2,205,662
Total financial assets	$ 2,297,324	$ 2,574,363
Financial liabilities:		
Financial liabilities at amortized cost		
Bank indebtedness	$ -	$ 230,000
Trade and other liabilities	$ 797,576	$ 760,038
Long-term debt	$ 479,167	$ 936,064
Total financial liabilities	$ 1,276,743	$ 1,926,102

The carrying values of cash, trade and other receivables and trade and other liabilities approximate their fair values due to their relatively short periods to maturity. The fair value of the long-term debt approximates the carrying value as the risk profile of the Company has not changed significantly since those loans were negotiated and the borrowing terms and conditions continue to reflect current market conditions.

27. FINANCIAL RISK MANAGEMENT

The Company has exposure to counterparty credit risk, liquidity risk and market risk associated with its financial assets and liabilities. The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established the Audit Committee which is responsible for developing and monitoring the Company's compliance with risk management policies and procedures. The Audit Committee regularly reports to the Board of Directors on its activities.

The Company's risk management program seeks to minimize potential adverse effects on the Company's financial performance and ultimately shareholder value. The Company manages its risks and risk exposures through a combination of insurance, a system of internal and disclosure controls, sound business practices and on occasion derivative financial instruments.

(in Canadian Dollars)

The Company’s financial instruments and the nature of the risks which they may be subject to are set out in the following table.

	Risks			
			Market	
	Credit	Liquidity	Foreign Exchange	Interest Rate
Cash	Yes		Yes	
Trade and other receivables	Yes		Yes	
Trade and other liabilities		Yes	Yes	
Long-term debt		Yes		Yes

Credit risk

Credit risk arises from cash held with banks, and trade and other receivables. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. The Company minimizes the credit risk of cash by depositing with only reputable financial institutions. The Company assesses the credit quality of counterparties, taking into account their financial position, past experience and other factors. The Company is not aware of any collection issue with any receivable not currently past due.

Cash

Cash consists of bank balances. Credit risk associated with cash is minimized substantially by ensuring that these financial assets are invested in Schedule 1 chartered Canadian banks.

Trade accounts receivables

Trade accounts receivables consists primarily of trade receivables (Note 13) from billings of services performed. The Company’s credit risk arises from the possibility that a counterparty which owes the Company money is unable or unwilling to meet its obligations in accordance with the terms and conditions in the contracts with the Company, which would result in a financial loss for the Company.

This risk is mitigated through established credit management techniques, including monitoring counterparty’s creditworthiness, setting exposure limits and monitoring exposure against these customer credit limits. The carrying amount of trade accounts receivables are reduced through the use of an allowance for doubtful accounts and the amount of the loss is recognized in the consolidated statement of earnings in general and administrative expenses. When a receivable balance is considered uncollectible, it is written off against the allowance for accounts receivable. Subsequent recoveries of amounts previously written off reduce general and administrative expenses in the statement of earnings and comprehensive income. Historically trade credit losses have been minimal.

A significant portion of the Company's sales were to a limited number of customers and consequently the Company is exposed to a concentration of credit risk. The Company defines concentration risk as customers whose outstanding receivable is 10% or greater than the total receivable balance or who represent 10% or greater of total revenue (Note 5). The Company’s exposure with the one customer that fell into this category as at December 31, 2016, on aggregate, accounted for 12% of the Company’s total accounts receivable balance. The customer is in the automotive industry. In 2015, the one customer made up 11% of the total net receivables. The receivable balances are monitored very closely and the automotive customer is a Fortune 500 company.

The Company does not have any allowance for doubtful accounts as at December 31, 2016 and 2015. For details of the aging of the Company’s trade receivables see Note 13.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring forecasts and actual cash flows and taking the necessary actions to maintain enough liquidity for operations and for growth objectives.

(in Canadian Dollars)

The following table details the Company's contractual maturities (including interest payments where applicable) for its financial liabilities as at December 31, 2016 and 2015:

	Not later than one month	Later than one month and not later than three months	Later than three months and not later than one year	Later than one year and not later than five years	Total
As at December 31, 2016:					
Trade and other payables	$ 797,576	$ -	$ -	$ -	$ 797,576
Long term debt	$ 22,710	$ 45,257	$ 202,188	$ 249,811	$ 519,966
	$ 820,286	$ 45,257	$ 202,188	$ 249,811	$ 1,317,542
As at December 31, 2015:					
Trade and other payables	$ 760,038	$ -	$ -	$ -	$ 760,038
Long term debt	$ 41,720	$ 83,182	$ 371,644	$ 522,331	$ 1,018,877
	$ 801,758	$ 83,182	$ 371,644	$ 522,331	$ 1,778,915

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates will affect the fair value of a financial instrument or its future cash flows.

Foreign exchange

The Company operates in Canada and the United States.

As at December 31, 2016, the Canadian entities US-dollar net monetary assets totaled approximately US$1,004,756 (CDN$1,349,028) (December 31, 2015 US$981,163 (CDN$1,358,011)) and the Company's United States subsidiaries US-dollar monetary net assets totaled approximately US$102,595 (CDN$137,748) (December 31, 2015 US$44,750 (CDN$61,938). A 10% strengthening in the Canadian dollar against the United States dollar as at December 31, 2016 would have decreased net earnings and shareholders' equity by $148,678 (December 31, 2015 a decrease of $141,995) (a 10% weakening would have had the equal but opposite effect). This analysis assumes that all other variables remain constant.

Interest rate

The Company has loans with variable rates which are exposed to interest rate fluctuations. A 1% variation would have an approximate $4,792 effect as at December 31, 2016 on net earnings and shareholders' equity (December 31, 2015 - $2,069).

28. CAPITAL MANAGEMENT

The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Company may issue new shares, purchase and cancel shares previously issued, return capital to shareholders or sell assets to reduce debt. The Company considers the items included in the consolidated statement of shareholders' equity, long-term debt (including current portion), net of cash as its capital.

The Company also has certain positive covenants that it must meet with a Schedule 1 chartered Canadian bank in regards to its bank indebtedness, namely, a tangible net worth of at least $1,600,000 and a minimum debt service coverage ratio of not less than 120%. Throughout 2016 and as at December 31, 2016 the Company is compliant with all its covenants.

	As at December 31, 2016	As at December 31, 2015
Long-term debt, including current portion	$ 479,167	$ 1,166,064
Less cash	$ 409,272	$ 368,701
Net debt (surplus)	$ 69,895	$ 797,363
Shareholders' equity	$ 3,949,090	$ 4,031,054
Total capital, net	$ 4,018,985	$ 4,828,417
Net surplus as a percentage of total capital	2%	17%

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders. The Company targets year over year revenue increases with positive increases in earnings before interest, tax and amortization ("EBITDA"). These objectives are met through operational changes to enhance cash flow performance, the evaluation of acquisitions as they relate to the Company's market share and performance, and risk mitigation.
The Company is not subject to any statutory capital requirements and has no commitments, other than options, to sell or otherwise issue common shares.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the year ended December 31, 2016 compared to the year ended December 31, 2015. The Company was successful in increasing year over year revenue and was successful in meeting its objective for positive EBITDA.

29. SUBSEQUENT EVENTS

In the normal course of business, the Company may provide certain clients with a bid bond deposit. The Company would only be liable for the amount of the bid bond if the Company should refuse to perform the work once the bid is awarded. As at December 31, 2016, the Company had committed a total of $150,000 of these bond deposits. On January 18, 2017, the Company was informed that it was being awarded the contract and the money was returned in full to the Company.

The Company renewed its normal course issuer bid ("NCIB") and during the first quarter of 2017 purchased and cancelled 51,000 of its shares at an average price of $0.40. As at March 23th, 2017, the Company has 14,658,478 common shares outstanding.

INTOUCH INSIGHT LTD.
Corporate Information

OFFICES

CHARLOTTE
1061 Red Ventures Drive, Suite 175
Fort Mill, SC
29707

OTTAWA
400 March Road
Ottawa, ON
K2K 3H4

MONTREAL
2963 Joseph A. Bombardier
Laval, QC
H7P 6C4

AUDITORS

MNP LLP
110-495 Richmond Road
Ottawa, ON
K2A 4B2

CORPORATE LAWYERS

Fasken Martineau
1300 – 55 Metcalfe Street
Ottawa, ON
K1P 6L5

Directors

Eric Beutel
Director

Mr. Eric Beutel has been the Vice President of Oakwest Corporation Limited since 2003 where he also serves as a director. Mr. Beutel has been in the investment industry for over twenty years. He has been an independent director of Equitable Group Inc. since January 1, 2004 and has been a director of various other privately held and publicly traded companies.

Mr. Beutel holds Bachelor of Arts Degree from York University and a Master of Business Administration from University Of Ottawa.

Michael Gaffney
Executive Chairman

Mr. Michael Gaffney is a successful serial entrepreneur dating back to the 1980s. From 2004 to 2013, he was CEO of Intouch Insight. In 2001 and 2002, he co-founded Soltoro Inc. and ENQ Semiconductor Inc., both of which were successful startups and later sold to larger companies. In 1996, he founded Learnsoft Inc. which went on to create the world's first private online university. Learnsoft Inc. was subsequently sold in 2001. From 1991 to 1996, Mr. Gaffney was a Vice President at Newbridge Networks.

Mr. Gaffney is a graduate of the University of Ottawa (BSc.) and the John Molson School of Business in Montreal (MBA).

Rainer Paduch
Director

Mr. Rainer Paduch has a proven and successful track record as a serial entrepreneur, leader and manager. Rainer has over 30 years of in-depth business management and team building experience as well as expertise in internet operations, software design, telecommunications and data networking. Rainer is currently a local Ottawa angel investor, founder of the Band of Scoundrels Investment Partnership and a co-founder of the Ottawa Angel Alliance. He has also served as a Director or Chairman on the boards of various technology companies in the Ottawa area.

Rainer was the founder of iSTAR Internet Inc. where he served as President, Chief Technology Officer and Vice Chairman. He successfully led iSTAR from start-up to rapid growth and through IPO. PSINet Inc acquired iSTAR in 1998.

Mr. Paduch holds an Honors Bachelor of Engineering and a Masters of Engineering from McGill University in Montreal.

Cameron Watt
Director, President & CEO

Mr. Cameron Watt brings over 20 years of leadership experience ranging from small businesses to some of the largest companies on the planet. As President & CEO he plays a fundamental role in the overall vision and strategy of the company.

He started with Intouch in 2011 in business development and grew in to a General Manager role before taking the helm of the company in the fall of 2013. Prior to joining Intouch, Watt held positions at PepsiCo, Mars, Unilever and YUM Brands. He has also held positions in smaller privately held companies in the Insurance, Real Estate, Foodservice & Convenience industries. He has personally owned both a restaurant and a convenience store. Through his broad past experience Watt brings not only a wealth of leadership experience but also a unique knowledge of the needs of the customer base that Intouch serves.

Mr. Watt holds a Bachelor of Commerce degree from the University of Alberta as well as Masters of Business Administration degree from Richard Ivey School of Business.