

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 17, 2020

For the Three-Month Period Ended October 31, 2020

This management's discussion and analysis ("MD&A") of the consolidated financial condition and results of operations of BlueRush Inc. ("BlueRush" or the "Company") should be read in conjunction with BlueRush's unaudited interim consolidated financial statements and notes thereto for the three-month period ended October 31, 2020 ("Q1 2021") and 2019 ("Q1 2020"). Accounting policies followed in the preparation of the interim consolidated financial statements are disclosed in note 3 of the notes to the interim unaudited consolidated financial statements for the three-month period ended October 31, 2020 and 2019.

The words "we", "our", "us", "Company" and "BlueRush" refer to BlueRush Inc. and/ or the management and employees of the Company.

BASIS OF PRESENTATION

Unless otherwise noted, all financial information has been prepared in accordance with International Financial Reporting Standards ("IFRS").

The consolidated financial statements are incorporated by reference herein and form an integral part of the MD&A. The consolidated financial statements include the accounts of BlueRush and its wholly owned subsidiary, BlueRush Digital Media Corp.

All financial information is reported in Canadian dollars ("CAD"), unless indicated otherwise.

This MD&A was approved for issue by the board of directors of the Company on December 17, 2020.

Caution Regarding Forward-Looking Information:

Certain information contained in this MD&A constitutes forward-looking information, which is information relating to future events or the Company's future performance and which is inherently uncertain. All information other than statements of historical fact may be forward-looking information. Forward-looking information is often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words or phrases (including negative variations) suggesting future outcomes or statements regarding an outlook. Forward-looking information contained in this MD&A includes, but is not limited to, the Company's expectations regarding its future working capital requirements, including its ability to satisfy such requirements, the exposure of its financial instruments to various risks and its ability to manage those risks, the Company's ability to use loss carry forwards, and fees to be incurred by foreign subsidiaries, sales momentum from IndiVideo continuing in future quarters, and contract liabilities being recognized over the coming quarters.

Forward-looking information involves known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking information. The Company believes the expectations reflected in the forward-looking information are reasonable, but no assurance can be given that these expectations will prove to be correct and readers are cautioned not to place undue reliance on forward-looking information contained in this MD&A. Some of the risks and other factors which could cause results to differ materially from those expressed in the forward-looking information contained in this MD&A include, but are not limited to: the timing of substantial or fully completed IndiVideo projects that have been contracted as at October 31, 2020; changes in law; the ability to implement business strategies and pursue business opportunities; state of the capital markets; the availability of funds and resources to pursue operations; a novel business model; dependence on key suppliers and local partners; competition; the outcome and cost of any litigation; general economic, market and business conditions, as well as those risk factors discussed or referred to in disclosure documents filed by the Company with the securities regulatory authorities in certain provinces of Canada and available at www.sedar.com.

Should any factor affect the Company in an unexpected manner, or should assumptions underlying the forward-looking information prove incorrect, the actual results or events may differ materially from the results or events predicted. Any such forward-looking information is expressly qualified in its entirety by this cautionary statement. Moreover, the Company does not assume responsibility for the accuracy or completeness of such forward-looking information. The forward-looking information included in this MD&A is made as of the date of this MD&A and the Company undertakes no obligation to publicly

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 17, 2020

For the Three-Month Period Ended October 31, 2020

update or revise any forward-looking information, other than as required by applicable law. The Company's results and forward-looking information and calculations may be affected by fluctuations in exchange rates.

Industry and Market Data

Information contained in this MD&A concerning the industry and the markets in which BlueRush operates, including BlueRush's perceived trends, market position, market opportunity, market share, and competitive advantages within the markets in which it operates, is based on information from independent industry analysts and third party sources (including industry publications, surveys, and forecasts), BlueRush's internal research, and management estimates. Management estimates are derived from publicly available information released by independent industry analysts and other third party sources, as well as data from BlueRush's internal research, and are based on assumptions made by BlueRush based on such data and its knowledge of its industry and markets, which management believes to be reasonable. Certain sources utilized in this MD&A have not consented to the inclusion of any data from their reports, nor has BlueRush sought their consent. BlueRush's internal research has not been verified by any independent source and BlueRush has not independently verified any third-party information. While BlueRush believes the market opportunity and market share information included in this MD&A is generally reliable, such information is inherently imprecise and may be rendered inaccurate by a variety of factors, including recent events and emerging economic trends. In addition, projections, assumptions, and estimates of BlueRush's future performance and the future performance of the industry and the markets in which BlueRush operates constitute forward-looking statements which are subject to a high degree of uncertainty and risk due to a variety of factors, including those referred to under the heading "Forward-Looking Statements" above and other sections of this MD&A. As of the date of this MD&A, the impacts of the COVID-19 pandemic continue to unfold. It is not possible for BlueRush to reliably estimate the length and severity of these impacts and, as a result, many of our estimates and assumptions contained herein required increased judgment and carry a higher degree of variability and volatility. As events continue to evolve and additional information becomes available, our estimates may change materially in future periods. Readers should carefully review these estimates and assumptions, along with the risk factors contained in "Risks and Uncertainties", in light of evolving economic, political, and social conditions.

Definitions and Discussion on Non-IFRS Measures and Key Metrics

The Company prepares its financial statements in accordance with IFRS. However, in this MD&A, the Company may refer to a number of measures and metrics which we believe are meaningful in the assessment of the Company's performance. Many of these measures and metrics are non-standard measures under International Financial Reporting Standards ("IFRS"), do not have any standardized meaning under IFRS, and are unlikely to be comparable to similarly titled measures reported by other companies. These measures, which it believes are widely used by investors, security analysts and other interested parties to evaluate its performance and may not be comparable to similarly titled measures presented by other publicly traded companies, nor should they be construed as an alternative to financial measures determined in accordance with IFRS. Readers are cautioned that the disclosure of these items is meant to add to, and not replace, the discussion of financial results or cash flows from operations as determined in accordance with IFRS.

The purpose of these non-IFRS measures and key metrics is to provide supplemental information that may prove useful to readers who wish to consider the impact of certain non-cash or uncontrollable items on the Company's operating performance. Management uses both IFRS and non-IFRS measures when planning, monitoring and evaluating the Company's performance.

Non-IFRS measures include "Committed Annual Recurring Revenue".

Committed Annual Recurring Revenue (CARR)

The Company uses CARR to evaluate and assess its performance, identify trends affecting its business. CARR does not have a standardized meaning, and therefore may not be comparable to similar measures presented by other companies.

CARR is calculated as the subscription and support contracts that are online and delivered to customers at the period end, plus addition of any new customer commitments, multiplied by the expected customer retention rate of 100% and contracted annualized subscription and support fees at the related quarter end. Since some of the contracts are denominated in US dollars, the Canadian dollar equivalent is calculated using the spot exchange rate multiplied by the contracted currency amount. BlueRush has \$2,383,183 of CARR at October 31, 2020 as compared to \$2,010,534 at July 31, 2020.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 17, 2020

For the Three-Month Period Ended October 31, 2020

NATURE OF THE BUSINESS

BlueRush, through its wholly owned subsidiary, BlueRush Digital Media Corp., develops and markets IndiVideo™, a disruptive interactive personalized video platform that drives return on investment (“ROI”) throughout the entire customer lifecycle, from increased conversions to more engaging statements and customer care. The platform cost-effectively scales, aligning cost and performance. The platform enables BlueRush clients to capture knowledge and data from their customers’ video interactions, creating new and actionable data-driven customer insights. IndiVideo is proven to boost marketing and sales performance, generate compelling ROI and create greater customer satisfaction and loyalty.

BlueRush is publicly listed on the TSX Venture Exchange under the symbol "BTV" and is headquartered at 75 Sherbourne Street, Suite 112, in Toronto, Ontario. The Company also has a bilingual office in Montreal, Quebec.

OVERALL PERFORMANCE

BlueRush Highlights for the Three-Month Period Ended October 31, 2020:

- Subscription and Support (SaaS) revenue continues to grow at a healthy pace with Q1 2021 up 80% to \$480,837, compared to \$267,164 for Q1 2020 and up 22% sequentially to prior quarter ending July 31, 2020 (\$395,518), as the Company continues to execute its recurring subscription-based transformation strategies.
- Increased Committed Annual Recurring Revenue (CARR)¹, up 19%, or \$2.38M from \$2.01M from July 31, 2020. The increase is a result of new customer acquisitions, ‘land-and-expand’ strategies and ‘self-serve’ functionality.
- BlueRush continues to grow internationally, with revenue from customers outside North America increasing by 55% to \$110,970 for Q1 2021 compared to Q1 2020.
- The Company announced a three-year contract with a large U.S. insurance services provider for up to US\$1.17 million to include annual subscription and tiered consumption elements of IndiVideo and additional US\$50,000 annual services retainer.
- BlueRush incurred operating expenses of \$1,226,065 in Q1 2021, a 26% decrease from \$1,656,738 in Q1 2020 a function of reduction in travel and reduced administration costs due to remote work setting in response to COVID-19.

SELECTED QUARTERLY INFORMATION

	Three months ended October 31,	
	2020	2019
Revenue	\$ 836,649	\$ 800,857
<i>% Increase over prior year</i>	<i>4%</i>	<i>35%</i>
Cost of Sales	\$ 380,446	\$ 373,272
<i>COS as % of Total Revenue</i>	<i>45%</i>	<i>47%</i>
Gross Margin	\$ 456,203	\$ 427,585
<i>Gross Margin % of Total Revenue</i>	<i>55%</i>	<i>53%</i>
Operating Expenses ²	\$ 1,226,065	\$ 1,656,738
<i>%(Decrease) Increase over prior year</i>	<i>(26%)</i>	<i>(48%)</i>
Loss from Continuing Operations before taxes	\$ (585,235)	\$ (1,229,153)
<i>%(Decrease) Increase over prior year</i>	<i>(52%)</i>	<i>49%</i>
Loss Per Share- Continuing Operations- Basic and Diluted	\$ (0.007)	\$ (0.016)

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 17, 2020

For the Three-Month Period Ended October 31, 2020

	At October 31, 2020	At July 31, 2020
Committed Annual Recurring Revenue ¹ (CARR: <i>Non-IFRS</i>)- Closing balance	\$ 2,383,183	\$ 2,010,534
<i>% Increase over prior year period</i>	<i>19%</i>	
Contract Liabilities	\$ 1,122,752	\$ 1,066,461
<i>% Increase over prior year period</i>	<i>5%</i>	
Total Assets	\$ 2,230,021	\$ 2,558,785
Shareholders' Deficit	\$ (4,380,431)	\$ (3,837,138)

¹Committed Annual Recurring Revenue (CARR) is a measure that provides the annualized value of recurring revenue and future billings from commercial customers as of the reporting date. CARR represents the summation of the annual recurring revenue from existing customer contracts or commitments of future revenue as of the reporting period end date. CARR will increase (or decrease) in a period through retention (or attrition) and expansion (or contraction) of 'Subscription and Support' contracts from existing commercial customer, and through the acquisition of new commercial customers. Please refer to the "Definitions and Discussion on Non-IFRS Measures and Key Metrics" section of this MD&A for further discussion on this non-IFRS measures.

²Operating Expenses include Sales & Marketing, Research & Development, General & Administrative, Share Based payments, financing charges and amortization & depreciation expenses.

STRATEGY

Three years ago, BlueRush raised capital from our lead investor- Round13 Capital, with our CEO, Steve Taylor, to continue to transform and enhance customer engagement through our proprietary IndiVideo platform. Since then, the entire organization has been pivoting the business from selling one-time services (building online tools and calculators) to a recurring revenue model (selling the IndiVideo solution) and targeting financial service organizations and other verticals.

In Q1 2021, we continued to refine our focus by selling the 'Self-Serve' model allowing BlueRush to solidify its footing as favoured solution for various sized enterprises to create secured and scalable personalized interactive video content using the IndiVideo platform. We continued the development of the IndiVideo platform with new enhancements and drove incremental Software as a Service ("SaaS") contracts to some of the largest financial and insurance institutions in the world. These advances reflect the trends we are seeing in the market.

During Q1 2021, we expanded our sales & marketing teams who are all primarily focused on the adoption of the platform as part of the Company's growth plan. After a ramp-up period, the planned expansions are expected to impact sales growth through increased global market reach and accelerated enterprise product adoption which is expected to benefit pipeline and sales growth in Fiscal 2021. Our continued investment through research & development ("R&D") in the 'Self-Serve' platform has enabled scaling the personalized video creation with a clear focus on becoming the leader in interactive personalized video solution for financial institutions and CCM organizations alike.

We intend to aggressively pursue these growth opportunities by following through on key elements of our strategy:

Customer Communication Management

One of the primary drivers of future success stems from our ability to integrate with CCM partners across the globe, all of which are moving away from printed bills and statements to more engaging video messaging. IndiVideo has a technology advantage over its competitors because our solution is based on sending code, which renders the video on a user's device (desktop, laptop, tablet, smartphone, etc.) only when the message is opened. Our competitors offer a solution which requires the delivery of standard MP4 video files, which are very large and difficult to deliver in high volume.

BlueRush envisions a world where a significant portion of monthly bills and statements sent to customers will include an IndiVideo message to improve customer engagement. Whether that is an opportunity for a financial institution to cross-sell or up-sell a service, or simply a means to communicate regularly with customers, IndiVideo will improve engagement. Furthermore, companies using the IndiVideo platform will also gain analytics to understand who is watching the video, for how long they watch, what device they are engaging with and ultimately what actions they perform thereafter.

Strategic Partnerships

BlueRush has seen continued momentum of marketing and co-selling activities with our partners in the US, EMEA, and South America. The top of-funnel pipeline continues to grow month-over-month and the expectation is that it will continue with the same momentum. Our partnership with Quadiant, announced at the end of fiscal 2020 has seen a tremendous level of interest to expand the partnership further through co-marketing activities to their large North American client base. We are planning a robust e-mail drip campaign to begin in early Q2 2021, with the purpose to accelerate the sales pipeline dramatically through increased awareness and engagement. Additional partners are aligned with our strategy to focus on the Customer Experience Management ecosystem, which includes composition rendering software manufacturers, print services providers, and digital agencies. Our Adobe After Effects IndiVideo self-serve plugin has made it even easier for partners to build interactive personalized videos on behalf of their clients at scale.

BlueRush continues to rely on our strong partner in Santiago, Chile, Percus SpA ("Percus"), a company driven by the power of personalization. Percus helps companies in the region design and offer an easy, understandable and highly converting digital customer journey through personalization. Their team has years of experience implementing IndiVideo for banks and pension funds. With the adoption of 'Self-Serve' functionality for IndiVideo they are able to demonstrate how easily partners can create, personalize, and deploy videos on their own. This continued success in South American is a direct result of that success of the early projects for AFP Habitat S.A. ("AFP Habitat"), a leading South American financial institution, whereby over two million pensioners see their monthly pension statements delivered as IndiVideos. This implementation resulted in more than 90% reported user satisfaction, while 70% of pensioners watch their entire monthly videos and most impressively, 65% of viewers either contributed more to their pension or opened a new account with AFP Habitat.

Grow Subscription and Recurring Revenue

During Q1 2021, the launch of 'Self-Serve' functionality for IndiVideo provided the ability for companies to easily create, personalize, and deploy videos on their own. Prior to the launch of 'Self-Serve' BlueRush was the only company that could deliver personalized videos. This represents a further move away from services and gives BlueRush a higher leverage model where services are delivered through partners. Leading financial institutions and global brands in other verticals currently use IndiVideo to power their personalized video experiences. The self-serve platform integrates with Adobe After-Effects to make the technology accessible to the client's in-house creative teams or with their existing creative agencies. Customers can also now transform pre-existing videos by adding personalization, interactivity, calls to action, accessibility, and analytics, which drive compelling and measurable results for BlueRush customers. These satisfied customers have provided testimonials, which have proven very effective in attracting new customers and support our continued growth of subscription and recurring revenue. The video market as a whole is one of the fastest growing segments of online media, while personalized video is being adopted by some of the biggest companies in North America.

Improve Margins to Drive Business Value

Our margins continue to grow with Q1 21 achieving a healthy 113% growth compared to the same time last year. A cornerstone of our strategy is exploiting the technical advantage we have over competition by rendering the personalized interactive videos on the device, rather than having to send large MP4 files. Given that IndiVideo delivers code rather than a video file, our technology continues to be very light in nature and allows BlueRush to obtain greater than 90% margins when operating at full-scale. We will continue to invest in the underlying IndiVideo platform and enhancements to the 'Self-Serve' model while continuing to improve the authoring plug-in to reduce production times.

Experienced Leadership Team and Board of Directors

During Q1, 2021 BlueRush added Chris Rasmussen to the board of directors, which significantly enhanced BlueRush's depth as an organization. Chris Rasmussen founded Doxim in 2000 with a goal to transform and improve the customer communications experience through digital engagement. Doxim has grown as the leading supplier of customer engagement software, with a focus on regulated business critical communications within financial services and healthcare markets to connect with customers.

Chris is a seasoned business executive with a track record in CCM space and with a strong network to help accelerate our efforts in strategic channel, and his invaluable expertise in leading strong sales, marketing and operational performance is relevant to BlueRush strategy. Our board oversees an experienced leadership team poised to integrate our IndiVideo product and associated services at all stages of the customer journey for fintech and CCM customers.

TRENDS IN OUR BUSINESS

Across all industry verticals there has been a shift towards digital transformation. This shift has been greatly accelerated due to the global pandemic. Organizations are required to augment their digital customer experience which involves creating a personalized, interactive and digital customer experience. Research shows that consumers demand and expect a more personalized experience with 89% of businesses competing primarily on the basis of customer experience, which is up from just 36% in 2010.

Given the increase in personalization required, the power of digital marketing in today's industries is growing.

- 79% of consumers say the experience a company provides is as important as its products and services. (Salesforce, 2018)
- 85% of consumers would like to see more video from companies. (Hubspot, 2019)
- 81% of consumers have been convinced to buy products or services by watching videos. (Wyzowl, 2018)
- 91% of Canadians believe technologies have made banking more convenient, with 88% saying their bank has improved service through technology. (CBA, 2019)

BlueRush offers solutions that provide customers with relevant, personalized video content in real time, and at all stages of the customer journey. Our solutions are designed to help self-serve customers, direct sales force, and advisors, in financial services, health organizations, and other verticals leverage the right video content at the right time in every customer experience.

Customer Engagement

Many industries are struggling to stay relevant, while also navigating uncertainties to deal with customer engagement due to shrinking attention spans along with an abundance of information. BlueRush's Interactive Personalized Video Platform, IndiVideo, driven by deep customer insights, is a powerful format that not only leverages the power of personalization, but also interactivity and video to increase engagement throughout the customer journey. IndiVideo, combines video storytelling with data-driven personalization to create engagement and lift conversions, in some cases by more than 40%. Additionally, BlueRush has proven the following significant results:

- Clickthrough rates improve by 14% and conversion rates by 10% when a personalized email is used.
- Using video on a landing page can increase conversions by 80%.
- Personalized video emails achieve up to 10 times the engagement levels over a standard email without a personalized video.

With IndiVideo, brands can offer a memorable experience, simplify complex products and ensure immediate relevancy to create and sustain engagement.

- IndiVideo earns superior customer engagement, with 70% of customers staying to watch the entire 90-second personalized video experience.
- 90% of customers who receive an IndiVideo report greater satisfaction with, and a better understanding of their company's products and services.
- Over 30% of IndiVideo viewers click the video Call to Action to convert.

FinTech

Leading financial institutions have increased their fintech investment activity to strengthen their customer experience and stay competitive in a market plagued by customer churn. In 2018, global fintech funding rose to \$111.8B USD, up 120% from \$50.8B USD in 2017 ([KPMG, 2018](#)). The fintech market is huge and growing, with innovation efforts showing no signs of slowing. A large part of this market is focused on the advancements in customer technology as user data is more accessible than ever. IndiVideo offers financial institutions access to exponentially more customer insights and analytics that can be leveraged for future use.

- Fintech is growing on a global scale with deals outside of core markets (US, UK, and China) accounting for 39% of deals. (CB Insights, 2019)
- Banks spent an estimated \$215B on IT worldwide in 2014, including hardware, software, and internal and external services. (PWC, 2019)
- In 2018, the US was the top market for deals with 659 fintech related investments worth \$11.89B funding. (CB Insights, 2019)

BlueRush, with its extensive financial services industry experience, has been recognized as a standout in fintech community throughout our fiscal year 2019.

- Finovate Europe 2019 – BlueRush named in IDC report on Finovate Europe 2019, titled: "Hottest Banking and FinTech Trends from Finovate Europe 2019 – Vendors to Watch".
- Finovate Spring 2019 – BlueRush was selected for the coveted "Best in Show" award for our interactive video solution, IndiVideo. We were excited to be included on a list of solutions that are "in a class of their own".
- An IndiVideo developed for a South American financial institution by BlueRush and its Chilean partner, Kunder, was named "Best Financial Services Online Video" in the 2019 Internet Advertising Competition Awards.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 17, 2020

For the Three-Month Period Ended October 31, 2020

Video Market

IndiVideo is a highly scalable, personalized video platform that is being used by a growing list of blue-chip companies. The Company's book of case studies continues to grow and the use cases for this platform continue to expand. The vast majority of the Company's opportunities with IndiVideo continue to be greenfield, which suggests that BlueRush is at the forefront of this market opportunity. Industry data points on the future growth outlook for the online video market include:

- eMarketer forecasts that by 2021, the U.S. video advertising market will grow into a \$22B USD industry (eMarketer, 2018).
- According to HubSpot, 72% of people prefer to watch a video to learn about a product or service rather than read text (HubSpot, 2018).
- Evergage research indicates that:
 - 98% of marketers agree that personalization advances customer relationships and 96% of marketers plan to maintain or increase investment in personalization in the coming year (Evergage, 2018).
 - 67% of marketers who are leveraging personalization are using rule-based targeting only, while 33% are using either machine-learning/algorithmic targeting only or a combination of both approaches (Evergage, 2018).
- According to International Data Corporation ("IDC"), *"The video format has surpassed all other major marketing formats, especially among the young, and consumers often choose it when seeking advice or help online. For banks, this is a good opportunity to increase customer proximity and proactively send personalized video offers based on individual behavioral patterns. Financial advice like loan consolidation could be individually explained at scale while maintaining a human touch. For new customers, personalized video is a good format to ease the on-boarding process for complex products like a mortgage. It can work equally well as an educational or promotional tool in the corporate bank when adding new trade finance, corporate treasury or other clients."* (IDC, 2019)

These market trends present an opportunity for BlueRush's IndiVideo product that could result in unprecedented growth. The results of the direct sales use cases will allow IndiVideo to enter new market opportunities and sales channels.

Customer Communication Management

Invoices and customer correspondence delivered via traditional mail are costly and do not provide an opportunity to truly engage customers. Customer communications management ("CCM") is a communications strategy that improves customer interactions by providing targeted communications across a variety of channels. Today's customers demand communications that are relevant, personalized, and customized. The CCM market is set to grow 13.4% through 2025 (Credence, 2017) and it is anticipated that the market for CCM technology is set to reach \$1.2B by 2026 (Acute Market Reports, 2018). There is increased demand and subsequent pressure for companies to provide comprehensive CCM digital solutions throughout the entire customer journey. Business processes that have historically relied on paper, are turning towards CCM solutions to engage consumers. IndiVideo offers an innovative omnichannel strategy compared to traditional static customer communications documents; often taking the form of video bills and statements.

In particular, personalized video billing is a more effective and compelling means to communicate with customers. This format focuses on personally relevant bill and statement data for each individual viewer. By excluding extraneous information and focusing on relevant details, personalized video lessens the likelihood of bill shock and confusion. IndiVideo is a game-changing customer communications solution which enables improved customer care and is proven to generate ROI. With IndiVideo, 90% of recipients report greater satisfaction with – and a better understanding of – their company's products and services. Personalized video bills or statements offer more frequent opportunities to communicate with customers, to cross-sell and up-sell, and to inspire brand loyalty. Furthermore, customer churn is reduced and there is less need to contact customer call centers.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 17, 2020

For the Three-Month Period Ended October 31, 2020

RESULTS OF OPERATIONS

Selected information for the Company as at October 31, 2020 and July 31, 2020, and for the three-months ended October 31, 2020 and 2019 is as follows, which should be read in conjunction with the financial statements of the Company:

	As at Oct. 31, 2020	As at July 31, 2020
Total Assets	\$ 2,230,021	\$ 2,558,785
Non-current financial liabilities	3,603,598	3,500,171
Total Deficit	(4,380,431)	(3,837,138)

For Q1 2021, BlueRush generated revenue of \$836,649, cost of sales of \$380,446, aggregate expenses of \$1,226,065, deferred tax recovery of \$9,855, resulting in net comprehensive loss of \$575,380 or loss per share from continuing operations of \$0.01 per share. This is in comparison to revenue of \$800,857, cost of sales of \$373,272, aggregate expenses of \$1,656,738, gain on sale of asset of \$2,216,205, income from discontinued operations of \$24,637 and deferred tax recovery of \$6,058, resulting in net comprehensive income of \$1,017,747, or \$0.01 per share, for Q1 2020.

	Three Months Ended	
	Oct. 31, 2020	Oct. 31, 2019
Revenues		
Subscriptions and support	\$ 480,837	\$ 267,164
Services	355,674	527,524
Interest	138	6,169
	836,649	800,857
Cost of Sales		
Subscriptions and support	89,339	83,724
Services	291,107	289,548
	380,446	373,272
Gross profit	456,203	427,585
Net comprehensive income (loss)	\$ (575,380)	\$ 1,017,747
per share – basic and diluted	(0.007)	0.013

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 17, 2020

For the Three-Month Period Ended October 31, 2020

BlueRush incurred an overall increase in revenue of approximately 4%, or \$35,792, compared to Q1 2020. The traditional services revenue declined by \$171,850, while the focused revenue stream of subscription and support increased by 80%, or \$213,673. The revenue shift and increase indicates that not only has BlueRush continued to maintain the trajectory to increase recurring revenue. But also, as part of the shift to recurring revenue, a component of the Company's sales effort throughout the quarter involved educating our customers to move from an outright purchase model to a recurring revenue model, along with an understanding of the power of the IndiVideo platform. BlueRush expects that its subscription and support revenue will continue to increase as IndiVideo gains more traction in the market, and as committed annual recurring revenue translates into recognizable monthly revenue. Sales efforts in the Company's traditional services area are now focused on those clients that the Company anticipates will generate a projected minimum amount of business that achieve a specified target margin. This monthly reoccurring revenue will become recognized revenue as the Company continues to deliver on the IndiVideo projects sold.

The Company's total expenses, excluding cost of sales for Q1 2021 decreased by approximately 26%, or \$430,673, from Q1 2020. The main reason for the decrease is reduced travel and conference expense, reduced general and administrative salaries, and reduced outsourcing expenses associated with deployment of the 'self-serve' IndiVideo platform.

The Company's general and administrative expenses decreased approximately 34%, or \$134,586. BlueRush undertook several strategic initiatives throughout the quarter to reduce costs including headcount and capitalizing customer acquisition cost on multi-year contracts being amortized over expected life of customer contract rather than general and administrative expense. The Company continuously monitors the general and administrative spend for the use of consultants and advisors to reduce and control overall costs, along with a concerted effort to identify general overhead cost-saving opportunities while reducing administrative headcount.

Research and development costs decreased by approximately 9%, or \$33,725, from Q1 2020. The Company is committed to continuously improving the IndiVideo platform, and has completed deploying the self-serve functionality, which will dramatically increase the scalability of the product, reduce the need for further sub-contracting to support development.

A receivable was recorded for Scientific Research and Development ("SRED") tax credits for fiscal year 2020 of \$173,401 compared to July 31, 2019 of \$167,863. The SRED tax credits have been recorded as ITCs on the Company's interim consolidated statement of financial position and represented the refundable portion of tax credits receivable. These claims are subject to audit by Canada Revenue Agency and any adjustments that result could affect investment tax credits recorded in the consolidated financial statements.

Summary of Quarterly Results:

The following is a summary of the Company's past eight quarters which were prepared in accordance with International Accounting Standard ("IAS") 34: *Interim Financial Statements* and presented in Canadian dollars, which should be read in conjunction with the interim consolidated financial statements of the Company:

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 17, 2020

For the Three-Month Period Ended October 31, 2020

	Three months ended (unaudited)			
	October 31, 2020	July 31, 2020	April 30, 2020	January 31, 2020
Subscription and support	480,837	395,518	359,652	284,092
<i>% Increase (Decrease)- Sequential QoQ Growth</i>	22%	10%	27%	6%
Services and Other revenue ⁱⁱ	355,812	411,377	699,662	847,917
Total Revenue	\$ 836,649	\$ 806,895	\$ 1,059,314	\$ 1,132,009
Net income (loss) and comprehensive income (loss)	(575,380)	(727,899)	(560,463)	(1,043,616)
Net income (loss) from continuing operations per weighted number of shares outstanding – basic & diluted	(0.01)	(0.01)	(0.01)	(0.01)

	Three months ended (unaudited)			
	October 31, 2019	July 31, 2019 ⁱ	April 30, 2019 ⁱ	January 31, 2019 ⁱ
Subscription and support	267,164	214,988	131,838	96,833
<i>% Increase (Decrease)- Sequential QoQ Growth</i>	24%	63%	36%	50%
Services and Other revenue ⁱⁱ	533,693	417,354	437,247	494,142
Total Revenue	\$ 800,857	\$ 632,343	\$ 569,085	\$ 590,975
Net income (loss) and comprehensive income (loss)	1,017,747	(843,729)	(775,533)	(1,361,561)
Net income (loss) from continuing operations per weighted number of shares outstanding – basic & diluted	(0.02)	(0.01)	(0.01)	(0.02)

i) Fiscal 2019 quarters revenues have been reclassified to remove the operations of DigitalReach and Smart Advisor considered as discontinued operations.

ii) Other revenue represents revenue derived from non-recurring professional services and interest income.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 17, 2020

For the Three-Month Period Ended October 31, 2020

Three Months Ended October 31, 2020 and 2019

Subscription bases recurring revenue for Q1 2021 of \$480,837 increased 80% from \$267,164 in Q1 2020, and 22% sequentially from Q4 2020. The revenue growth is due to new customer acquisition, and net retention and expansion of existing customers. This is the result of innovative feature development (like 'Self-Serve' functionality), continuous platform and feature enhancements to the IndiVideo platform and efforts to expand targeted sales and marketing initiatives.

For the three months ended October 31, 2020, BlueRush generated revenue of \$836,649, and net loss and comprehensive loss of \$575,380 or loss of \$0.01 per share. This compares with revenue of \$800,857, a net loss from continuing operations of \$1,223,095 and net income and comprehensive income of \$1,017,747 with the inclusion of the gain on sale of asset, or loss of \$0.01 per share. This increase in revenue was primarily due to an increase in IndiVideo subscription and support revenue where the Company has been placing its focus and a decrease in total expenditures, primarily related to decreasing sales and marketing as well as general and administrative costs.

CASH FLOWS

For the Three Months Ended October 31, 2020 and 2019

During the three months ended October 31, 2020, the Company utilized \$262,315 in net cash from its operating activities, as compared to \$845,361 utilized during the three months ended October 31, 2019. The decrease in cash used in operating activities was primarily driven by the decreased sales & marketing, general & administrative and research & development expenses.

During the three months ended October 31, 2020, net cash used in financing activities was \$48,304, as compared to net cash used in financing activities of \$64,755 for the three months ended October 31, 2019. The change year-over-year is primarily due to deferral of principal on term loans due to COVID-19, repayment of short-term debt and proceeds of warrants that were exercised in the same quarter last year were not applicable during the current quarter.

During the three months ended October 31, 2020, net cash used in investing activities was \$18,155, as compared to the three months ended October 31, 2019 when net cash provided by investing activities was \$2,281,769. This year over year change in cash used is primarily driven by the proceeds of the disposal of DigitalReach and Smart Advisor, net of transaction costs, for \$2,266,737.

For the three months ended October 31, 2020, the Company has an overall net decrease of cash of \$328,774. In comparison, for the three months ended October 31, 2019, the Company had an overall net increase in cash of \$1,371,653. The variance is primarily attributable to the Company selling the DigitalReach platform and Smart Advisor application in Q1 2020.

LIQUIDITY AND CAPITAL RESOURCES

Going Concern Assumption

Management assesses the Company's ability to continue as a going concern at each reporting date, using all quantitative and qualitative information available. This assessment, by its nature, relies on estimates of future cash flows and other future events, whose subsequent changes would materially impact the validity of such an assessment.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 17, 2020

For the Three-Month Period Ended October 31, 2020

Balance Sheet Highlights	October 31, 2020	July 31, 2020
Working capital (deficit)	\$ (1,216,797)	\$ (744,491)
Cash	1,015,179	1,343,953
Accounts receivable	264,878	263,324
Investment tax credits refundable	289,774	289,774
Total assets	2,230,021	2,558,785
Total liabilities	6,610,452	6,395,923
Total deficit	(4,380,431)	(3,837,138)

Working Capital

As at October 31, 2020, the Company had a working capital deficit of \$1,216,797 as compared to working capital deficit of \$744,491 as at July 31, 2020. The major factor for a working capital deficit is the contract liabilities of \$1,122,752 representing payments in advance by customer expected to settle through performance in normal course and will not be crystallized as a cash outflow. If we subtract the contract liabilities, our working capital deficit would improve to \$94,045.

Sources and Uses of Cash

In June and July 2015, the Company received a term loan from Investissement Quebec ("IQ") in the amount of \$1,000,000 to fund working capital requirements. The term loan is interest bearing at prime rate plus 3.15% per annum. Interest only payments were required until June 2016 (12 months); thereafter monthly principal payments of \$16,667 plus interest were paid until January 2020. During the year ended July 31, 2020, the Company both renegotiated the payment terms of the remaining balance of \$283,319 (\$383,321 as at July 31, 2019) while also receiving a moratorium on all outstanding principal for 6 months due to COVID-19 beginning March 2020. Monthly principal payments of \$3,000 plus interest are paid starting from September 2020 to January 2021. Following this, the Company's monthly principal payments will be \$12,000 plus interest from February 2021 to June 2021, thereafter \$20,000 plus interest until November 2021 with the final payment of \$105,319 due in December 2021. The loan is secured by a universal mortgage on all present and future assets, including a first ranking on tax credits. Two current directors/officers of the Company have personally guaranteed a total of \$50,000 of the loan. As at October 31, 2020 the remaining principal was \$274,319, compared to \$380,319 as at July 31, 2020.

In July 2015, the Company received a term loan from the Business Development Bank of Canada ("BDC") in the amount of \$250,000 to fund working capital needs. The term loan is interest-bearing at BDC's Floating Base Rate plus 2.5% per annum. The first monthly principal payment of \$4,560 plus interest was paid in July 2016, thereafter monthly principal payments of \$4,160 plus interest were paid until January 2019. In February 2019, the Company renegotiated the payment terms of the remaining balance of \$120,640. In March 2020, the Company again renegotiated the payment terms of the remaining balance of \$107,640. Monthly principal payments of \$1,000 plus interest are repaid from September 2020 to January 2021, thereafter monthly principal payments of \$9,300 plus interest are due until November 2021, with the final payment of \$9,640 due in December 2021. Two current directors / officers of the Company have personally guaranteed 64% of the outstanding balance of the loan, and the Company has guaranteed the full amount of the outstanding commitment of the loan. In October 2016, the Company received an additional \$100,000, less transactions costs of \$2,000, with the same terms and conditions stated above except the first monthly principal payment of \$2,060 plus interest was paid in September 2017, thereafter monthly principal payments of \$1,660 plus interest were paid until January 2019. In February 2019, the Company renegotiated the payment terms of the remaining balance of \$71,380. In

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 17, 2020

For the Three-Month Period Ended October 31, 2020

March 2020, the Company again renegotiated the payment terms of the remaining balance of \$63,280. Monthly principal payments of \$2,100 plus interest are repaid starting from September 2020 to January 2023, with the final payment of \$2,380 due in February 2023.

On October 19, 2017, the Company closed a non-brokered private placement and issued:

- 19,999,992 units at a price of \$0.05 per unit for gross proceeds of \$1,000,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire a common share at a price of \$0.05 for a period of 24 months from the date of issuance.
- 4,444,441 units at a price of \$0.0675 per unit for gross proceeds of \$300,000. Each unit is comprised of one common share and one common share purchase warrant. Each warrant entitles the holder thereof to acquire a common share at a price of \$0.0675 for a period of 24 months from the date of issuance.

During the three months ended October 31, 2020, warrant holders exercised no warrants. During the three months ended October 31, 2019, warrant holders exercised 2,059,169 warrants at \$0.05 and 585,140 warrants at \$0.0675 for total gross proceeds of \$142,455. In Q1 2021, the unexercised warrants from the private placement in October 2017 totaling 320,000 warrants at \$0.105 and 50,000 warrants at \$0.085 for a total of \$37,850 remain outstanding.

In September 2018, the Company received approval for new bridge loans from IQ of up to \$337,900 by way of two separate loans (\$172,400 and \$165,500). The loans were used to fund working capital requirements and are secured against the expected refundable portion of the Company's fiscal 2018 (\$172,400) and 2019 (\$165,500) SRED claims. The loans bear interest at prime rate plus 2.25% per annum, where prime rate is the rate used by the majority of six Canadian Chartered banks as chosen by IQ. As at October 31, 2020, the Company had \$165,500 outstanding, representing the fiscal 2019 SRED claim.

In October 2018, the Company announced and closed a non-brokered private placement of convertible debentures (the "Debentures I") to raise proceeds of up to \$2,000,000. The Notes accrue interest at a rate of 10% per annum and will mature on October 31, 2023. Accrued interest for year one will be paid on the maturity date with interest on the Notes being payable quarterly starting in year two. In the event the volume-weighted average trading price of the common shares of the Company is greater than \$0.25 per share for 20 consecutive trading days anytime following October 31, 2019, the Company shall have the option to invite holders of debentures to convert the then outstanding principal of the debentures into common shares at \$0.105 per share. In the event a holder does not elect to convert, the conversion price shall increase to \$0.15. The principal of the debenture may be converted at any time at the holder's option into common shares at the conversion price at such time. On the maturity date, the principal of the debentures may be converted in whole or in part at the Company's option into common shares at the conversion price at such time. The proceeds were primarily used to support research and development as well as sales and marketing, while also supporting the general working capital requirements while the Company continues to transition to a full SaaS model. In April 2020, the Company obtained an interest deferral from one of the convertible debenture holders. The Company will therefore defer the interest payments due to this holder for April and July 2020 till maturity of the Note, totaling \$37,295. In Q1 2021, the Company paid the deferred interest amounts of \$37,295 as well as the current quarterly payment of \$31,421 to the underlying Notes holders.

In May 2020, the Company announced a non-brokered private placement financing to raise gross proceeds of up to \$1,450,000 through the issuance of unsecured convertible debentures (the "Debentures II"). The May 2023 Debentures have the following terms:

- Mature on May 31, 2023.
- Bear interest at 10% per annum and will be paid annually. Subject to the TSX Venture Exchange approval, at the holders request, the Company shall pay the interest in kind by way of Common Shares based on the volume-weighted average trading price of the Common Shares for the ten (10) days prior to when the interest payment is due.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 17, 2020

For the Three-Month Period Ended October 31, 2020

- The May 2023 Debentures shall be convertible into Common Shares at the option of the holder at \$0.06 per share during the first 12 months of the term and at \$0.10 per share in the final 24 months of the term.

In Q1 2021, the Company has accrued the interest amounts of \$36,548 for the underlying Notes holder and will be paid to the holders on the first anniversary on May 31, 2021.

The Company's capital expenditures have historically been low and there are no significant capital expenditures planned within the next fiscal year, other than for general purchases of computer equipment and furniture.

COMMITMENTS AND CONTRACTUAL OBLIGATIONS

Material ongoing contractual obligations of BlueRush relate to the payment of operating leases for office premises. BlueRush leases office space in Toronto, Ontario located at 75 Sherbourne Street, Suite 112, and in Montreal, Quebec located at 1751 Richardson, Suite 3116. Lease commitments are outlined in BlueRush's unaudited condensed consolidated interim financial statements.

RELATED PARTY TRANSACTIONS

All transactions with related parties have occurred in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties. Key management personnel are defined as those individuals having authority and responsibility for planning, directing, and controlling the activities of the Company. The Company's related party transactions for the three months ended October 31, 2020 and 2019 were all paid to key management personnel and were as follows:

Type of Expense	Three Months Ended October 31, 2020	Three Months Ended October 31, 2019
Salaries and benefits	\$ 291,040	\$ 427,700
Stock-based compensation (i)	2,451	31,697
	\$ 293,491	\$ 459,397

i) Stock based compensation for officers/directors is comprised of the vested value of stock options expensed during the quarter.

OFF-BALANCE SHEET ARRANGEMENTS

BlueRush has no significant off-balance sheet arrangements that have or are reasonably likely to have a current or future material effect on its financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources.

CRITICAL ACCOUNTING ESTIMATES

The Company's financial statements are impacted by the accounting policies used, and the estimates and assumptions made, by management during their preparation. The Company's accounting policies are described in Note 3 to the July 31, 2020 annual and October 31, 2020 interim financial statements.

Preparation of consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies, the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses during the period. Significant estimates made by management include the carrying values of accounts receivable, impairment assessment of assets, fair value measurement of share-based payments, useful lives of property and equipment, and valuation of deferred income tax assets. Although these estimates and assumptions are based on management's best knowledge of current events, actual results may be different.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 17, 2020

For the Three-Month Period Ended October 31, 2020

Certain estimates depend on subjective or complex judgments about matters that may be uncertain and changes in these estimates could materially impact the financial statements.

DESCRIPTION OF SECURITIES

Share Capital

The Company has authorized an unlimited number of common shares and, as of the date hereof, has 78,366,242 common shares issued and outstanding, incentive stock options outstanding and exercisable for up to 12,023,312 common shares, warrants outstanding exercisable for up to 370,000 common shares, and the October 2023 Notes which are exercisable for up to 19,047,619 common shares, assuming conversion at \$0.105, as well as the May 2023 Notes which are exercisable for up to 24,166,667 common shares, assuming conversion at \$0.06.

The holders of common shares are entitled to dividends, if, as and when declared by the board of directors, to one vote per common share at meetings of the shareholders and, upon liquidation, to share equally in such assets of BlueRush as are distributable to the holders of common shares. All common shares issued are fully paid and non-assessable.

On April 10, 2020, the Company granted 3,918,312 stock options to an employee of the Company. Each stock option is exercisable into common shares of the Company at an exercise price of \$0.05. 326,526 options vest on July 10, 2020 and thereafter the remaining options vest monthly over a period of 33 months. The options expire in five years from the date of grant.

On November 8, 2019, the Company granted 425,000 options to employees. Each stock option is exercisable into common shares of the Company at an exercise price of \$0.08. One third of the options vest on November 8, 2020 and thereafter the remaining options vest monthly over a period of 24 months. The options expire in five years from the date of grant.

FINANCIAL INSTRUMENTS

Credit Risk

BlueRush is exposed to credit risk on its trade accounts receivable. Credit risk is minimized by ensuring the credit worthiness of the entities with which it carries on business. The Company's clients predominantly consist of financial institutions and large public companies, many of whom are repeat clients and have long term relationships with the Company. Management regularly reviews the credit terms and collectability of accounts and for the three months ended October 31, 2020 has recorded a provision for ECLs of \$3,061 (July 31, 2020 - \$2,230).

An analysis of the credit quality of the Company's trade receivables is as follows:

	ECL %	Oct. 31, 2020	July 31, 2020
Current	0.5%	\$ 200,923	\$ 147,718
Over 30 days past due	1.0%	45,699	115,038
Over 60 days past due	2.5%	20,205	432
Over 90 days past due	5.0%	1,112	-
Over 120 days past due	10.0%	-	2,366
Less: Provision for ECLs		(3,061)	(2,230)
		\$ 264,878	\$ 263,324

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 17, 2020

For the Three-Month Period Ended October 31, 2020

Liquidity Risk

Liquidity risk is the risk that the Company will not have sufficient cash resources to meet its financial obligations as they fall due. The Company currently settles its financial obligations such as accounts payable out of cash. The Company's future liquidity is dependent on factors such as the ability to generate cash from operations and to raise money through debt or equity financing. The Company has disclosed in Note 2 to these interim consolidated financial statements the existence of circumstances which would raise significant doubt about its ability to continue as a going concern.

The Company manages liquidity risk by continuously monitoring actual and forecasted cash flows and budgets on all contracts, while maintaining adequate working capital on hand to meet its future obligations. As at October 31, 2020, the Company had cash on hand of \$1,015,179 and accounts receivable of \$264,878 to meet working capital requirements.

Management expects that its capital resources will be sufficient to fund its ongoing liabilities as they come due.

Currency Risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales and purchases are denominated and the respective functional currency of the company. The functional currency of the Company is Canadian dollar (CAD). The currencies in which transactions are primarily denominated are Canadian or US dollars (USD).

In respect of monetary assets and liabilities denominated in foreign currencies, the Company policy is to ensure that the net exposure is kept to an acceptable level by buying and selling foreign currencies at spot rate when necessary to address short-term imbalances and business needs.

As at October 31, 2020, the Company's foreign denominated monetary assets and monetary liabilities as expressed in USD\$ total \$677,258 (July 31, 2020 - USD\$550,116) and converted at the fiscal end exchange rates of 1.33 and 1.34, respectively. For the quarter ended October 31, 2020, the Company recognized a loss on foreign exchange of \$9,444 (July 31, 2020 - gain of \$12,719).

Exposure to Currency Risk

		October 31, 2020	July 31, 2020
Cash	USD \$	604,802	373,657
Trade receivables		100,560	195,638
Trade payables		(28,104)	(19,179)
Net statement of financial position exposure	USD \$	677,258	550,116
Average USD to CAD exchange rate		\$ 1.322	\$ 1.346
Spot rate USD to CAD exchange rate		\$ 1.332	\$ 1.340

Interest Rate Risk

Interest rate risk is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk arising from fluctuations in interest rates on its credit facility and term loans.

Fair Value

As at October 31, 2020, the carrying value and fair value amounts of the Company's financial instruments are approximately the same. Unless otherwise indicated, the Company does not believe there would be any material movements as a result of changes in interest rates or foreign exchange rates.

BLUERUSH INC.

MANAGEMENT DISCUSSION AND ANALYSIS

Dated: December 17, 2020

For the Three-Month Period Ended October 31, 2020

Financial instruments measured at fair value on the statement of financial position are categorized into levels of the fair value hierarchy. The Company only has one financial instrument measured at fair value, cash, which is categorized into Level I.

ACCOUNTING STANDARDS NOT YET EFFECTIVE

There are no further IFRS changes that have been issued by the IASB that may affect the Company, but not yet effective.

ADDITIONAL INFORMATION

Additional information relating to BlueRush may be found on the Company's website at www.BlueRush.com or under the Company's profile on SEDAR at www.sedar.com.