



## **IBI GROUP INC. FREQUENTLY ASKED QUESTIONS**

*Following the May 8, 2020 Annual & Special Meeting of Shareholders (the "Meeting")*

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### **GENERAL QUERIES**

#### **Why did you elect to hold a hybrid meeting ?**

In light of concerns regarding the COVID-19 outbreak, including government limits on the maximum number of allowable individuals in a gathering (five), we opted to hold the Meeting in-person, and provided a live webcast with audio and accompanying slides. This was intended to reduce the risk and spread of infection to our employees, shareholders, board, and other stakeholders, while also allowing all shareholders and guests to participate.

#### **How can I view an archive of the Meeting on-demand?**

After the formal part of the Meeting concluded, Scott Stewart delivered a keynote presentation that includes updates on the Company's response to COVID-19, its various ESG initiatives, as well a review of performance relative to IBI's technology-focused strategic plan.

The archive of the webcast will be available until May 7, 2021. To listen to the webcast from the Meeting, please enter the following URL into a web browser:

[https://produceredition.webcasts.com/starthere.jsp?ei=1298743&tp\\_key=46611f72aa](https://produceredition.webcasts.com/starthere.jsp?ei=1298743&tp_key=46611f72aa)

#### **How can shareholders or other viewers ask questions of the Board and Management?**

While participating in the live or archived webcast, viewers can submit questions through the portal, which are sent directly to the Company. IBI has prepared this document to answer such questions and will continue to update with additional responses and further information as queries are received.

#### **How do I access the Meeting materials ?**

Meeting materials are accessible on our website at <https://www.ibigroup.com/> under Investor Relations/Shareholder Information or on SEDAR at [www.sedar.com](http://www.sedar.com).

We would also encourage everyone to visit the [Electronic Smart City Sandbox](#) in order to really get a sense of the firm's direction.

#### **Can management comment on the Company's share price performance given operational results continue to be good with growing revenue and reduced debt ?**

Over the past few years, IBI's focus has been on strengthening the balance sheet while continuing to execute our strategy and technology pivot. We successfully reduced our debt position at year end 2019, achieving a 1.8 times debt to Adjusted EBITDA<sup>1</sup> multiple. The Company will continue to drive initiatives designed to create revenue, improve margin, accelerate billings, improve accounts receivable collections and closely monitor days sales outstanding.

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<sup>1</sup> Non-IFRS measure. See "Definition of Non-IFRS Measures" in the MD&A.

IBI's performance is a testament to our focus on urban environments and the application of technology to make cities safer, more efficient, sustainable and engaging. The Company has approximately 36% insider ownership, and a meaningful proportion of our shares are held by institutions, resulting in a limited trading float. Even with continued positive results, as investors have increased cash holdings and sold off equities to date in 2020, greater selling pressure has been experienced by smaller, less liquid names. While IBI has continued to receive positive accolades for our significant backlog and increasing billings from recurring software platforms, we have not been immune to the market downturn and have been particularly impacted due to our lower trading liquidity.

IBI intends to continue focusing on our business performance, specifically improving Adjusted EBITDA margins, increasing revenue and backlog, as well as increasing the relative percentage of recurring billings. We will continue to prudently pursue potential accretive technology-focused acquisitions or investments which can further support our growth and expand our Intelligence practice capabilities. In addition, Management plans to find new opportunities to tell our story to a broader audience, and we look forward to reengaging with our existing and new potential investors, leveraging technology to do so in light of COVID-19.

**How many municipalities have utilized or contracted the Blue IQ (systems for cost reduction at water treatment plants)?**

Currently, the municipalities of Toronto and North York have the system fully deployed, while another city based in the U.S., is actively engaged in an investigative project undertaking a thorough assessment of the opportunity presented by implementing BlueIQ. In addition, IBI has been approached by two other municipalities so far this year to explore BlueIQ implementation.

**Was the 600,000 claim paid in the 4th quarter by a UK subsidiary covered by insurance?**

As IBI management discussed on the Q4 2019 conference call, the Company's UK operating performance and margin were impacted in 2019 due to the settlement on a long outstanding claim. The outcome of this claim required IBI to pay approximately C\$600,000 out-of-pocket in the fourth quarter. That one-time cost affected our operating profit performance for 2019 in the UK.