

Mobi724 Global Solutions Inc.

(Formerly Hybrid Paytech World Inc.)

Condensed Interim Consolidated Financial Statements (Unaudited)

For the three-month periods ended March 31, 2015 and 2014

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Notice to Reader

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

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

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

Mobi724 Global Solutions Inc. (Formerly Hybrid Paytech World Inc.)

Condensed Interim Consolidated Financial Statements (Unaudited)

For the three-month periods ended March 31, 2015 and 2014

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Mobi724 Global Solutions Inc. (Formerly Hybrid Paytech World Inc.)

Condensed Interim Consolidated Statements of Financial Position (Unaudited)

As at March 31, 2015 and December 31, 2014

(in Canadian dollars)

	March 31, 2015	December 31, 2014
	\$	\$
ASSETS		
CURRENT ASSETS		
Cash	47,703	289,182
Short-term investments	39,425	39,425
Trade and other receivables (Note 4)	89,388	102,144
Prepaid expenses	32,468	23,641
	<u>208,984</u>	<u>454,392</u>
NON-CURRENT ASSETS		
Financial derivative asset (Note 7)	1,320,000	1,320,000
Property and equipment	65,361	86,974
Intangible assets (Note 5)	3,022,761	3,161,231
Goodwill (Note 5)	3,139,191	3,139,191
	<u>7,547,313</u>	<u>6,387,396</u>
	<u>7,756,297</u>	<u>8,161,788</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (Note 6)	3,260,423	3,021,412
Liability for acquisition of non-controlling interest of Solutions Mobi724 Inc. (Notes 10)	5,238,160	2,095,264
Convertible debt (Note 7)	3,119,566	2,724,762
Demand debt, 0% to 15% interest	90,657	604,142
Current portion of long-term debt	34,428	34,428
	<u>11,743,234</u>	<u>8,480,008</u>
NON-CURRENT LIABILITIES		
Long-term debt	126,888	135,495
Deferred income taxes	147,400	181,380
	<u>12,017,522</u>	<u>8,796,883</u>
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	14,796,480	14,288,362
Other equity accounts (Note 8)	6,934,901	6,807,656
Equity component of convertible debt (Note 7)	2,155,379	2,086,292
Deficit	(28,106,283)	(23,773,937)
Cumulative translation account	(41,702)	(43,468)
	<u>(4,261,225)</u>	<u>(635,095)</u>
Total equity attributable to shareholders of the Company	<u>(4,261,225)</u>	<u>(635,095)</u>
Total equity	<u>(4,261,225)</u>	<u>(635,095)</u>
Total liabilities and shareholder equity	<u>7,756,297</u>	<u>6,161,788</u>

Going concern (Note 2)

Events after the reporting period (Note 15)

On behalf of the Board of Directors

(s) _____

(s) _____

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

Mobi724 Global Solutions Inc. (Formerly Hybrid Paytech World Inc.)

Condensed Interim Consolidated Statements of Net Loss (Unaudited)

Three-month periods ended March 31, 2015 and 2014

(in Canadian dollars except share amounts)

	March 31, 2015	March 31, 2014
	\$	\$
Revenues	88,108	13,197
Expenses		
Share-based payments expense (Note 8)	72,245	228,800
Salaries and benefits	345,698	492,899
Contract labor	80,497	284,887
Computer software development	113,921	143,491
Travel	51,062	77,526
Professional fees	113,789	288,962
Office expense	116,750	111,945
Marketing and promotion	6,023	8,214
Filing fees	4,755	30,958
Purchases	9,000	7,207
Gain on settlement of liabilities	(536)	-
Taxes and licenses	-	4,976
Foreign exchange loss	5,303	215
Depreciation of property and equipment	19,197	27,761
Amortization of intangible assets (Note 5)	145,751	141,482
Bad debt	-	3,097
Total operating expenses	1,083,455	1,852,420
Operating loss	(995,347)	(1,839,223)
Net financial expenses (Note 9)	3,370,979	298,607
Net loss before income taxes	(4,366,326)	(2,137,830)
Recovery of deferred tax	(33,980)	(33,980)
Net loss	(4,332,346)	(2,103,850)
Net loss attributable to:		
Shareholders of the Company	(4,332,346)	(2,094,144)
Non-controlling interest	-	(9,706)
Net loss	(4,332,346)	(2,103,850)
Loss per share (Note 13)		
Basic and diluted	\$(0,10)	\$(0,05)
Weighted average number of outstanding common shares (Note 13)		
Basic and Diluted	45,071,271	39,360,516

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

Mobi724 Global Solutions Inc. (Formerly Hybrid Paytech World Inc.)

Condensed Interim Consolidated Statements of Comprehensive Loss (Unaudited)

Three-month periods ended March 31, 2015 and 2014

(in Canadian dollars)

	March 31, 2015	March 31, 2014
	\$	\$
Net loss	(4,332,346)	(2,103,850)
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods		
Cumulative translation adjustment	1,766	(5,389)
Comprehensive loss	(4,330,580)	(2,109,239)
Comprehensive loss attributable to:		
Shareholders of the Company	(4,330,580)	(2,103,420)
Non-controlling interest	-	(5,819)
Comprehensive loss	(4,330,580)	(2,109,239)

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

Mobi724 Global Solutions Inc. (Formerly Hybrid Paytech World Inc.)

Condensed Interim Consolidated Statements of Changes in Equity (Unaudited)

For the three-month periods ended March 31, 2015 and 2014

(in Canadian dollars except share amounts)

	Share Capital	Share Capital	Other equity accounts	Equity component of convertible debt	Deficit	Cumulative translation adjustment	Total Equity
	Number	\$	\$	\$	\$	\$	\$
Balance December 31, 2014	44,514,438	14,288,362	6,807,656	2,086,292	(23,773,937)	(43,468)	(635,095)
Net loss for the period					(4,332,346)		(4,332,346)
Other comprehensive income						1,766	1,766
Comprehensive loss for the period					(4,332,346)	1,766	(4,330,580)
Conversion of convertible debt (Note 7)	996,859	480,618	55,000	(71,400)			464,218
Settlement of liabilities	250,000	27,500					27,500
Share-based payments (Note 8)			72,245				72,245
Issuance of convertible debt				140,487			140,487
Balance March 31, 2015	45,761,297	14,796,480	6,934,901	2,155,379	(28,106,283)	(41,702)	(4,261,225)

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

Mobi724 Global Solutions Inc. (Formerly Hybrid Paytech World Inc.)

Condensed Interim Consolidated Statements of Changes in Equity (Unaudited)

For the three-month periods ended March 31, 2015 and 2014 (continued)

(in Canadian dollars except share amounts)

	Share Capital	Share Capital	Other equity accounts	Equity component of convertible debt	Deficit	Cumulative translation adjustment	Total	Equity of non- controlling interest	Total equity
	Number	\$	\$	\$	\$	\$	\$	\$	\$
Balance December 31, 2013	27,798,695	9,090,426	5,576,714	422,907	(20,252,726)	(16,520)	(5,179,199)	(353,552)	(5,532,751)
Net loss for the period					(2,094,144)		(2,094,144)	(9,706)	(2,103,850)
Other comprehensive (loss) income						(9,276)	(9,276)	3,887	(5,389)
Comprehensive loss for the period					(2,094,144)	(9,276)	(2,103,420)	(5,819)	(2,109,239)
Conversion of convertible debt (Note 7)	7,987,033	2,317,841	198,843	(351,507)			2,165,177	-	2,165,177
Share-based payments (Note 8)			228,800				228,800	-	228,800
Warrants exercised (Note 8)	7,987,033	2,642,280	(198,843)				2,443,437	-	2,443,437
Balance March 31, 2014	43,772,761	14,050,547	5,805,514	71,400	(22,346,870)	(25,796)	(2,445,205)	(359,371)	(2,804,576)

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

Mobi724 Global Solutions Inc.
(Formerly Hybrid Paytech World Inc.)

Condensed Interim Consolidated Statements of Cash Flows (Unaudited)
For the three-month periods ended March 31, 2015 and 2014
(in Canadian dollars)

	March 31, 2015	March 31, 2014
	\$	\$
Operating activities		
Net loss for the period	(4,332,346)	(2,103,850)
Adjustments for items not involving cash		
Depreciation of property and equipment	19,197	27,761
Amortization of intangible assets	145,751	141,482
Share-based payments compensation	72,245	228,800
Fair value adjustment on liability for acquisition of Mobi	3,142,896	258,174
Accretion expense on convertible debt	115,133	23,962
Interest on convertible debt	86,876	10,091
Recovery of deferred taxes	(33,980)	(33,980)
	(784,228)	(1,447,560)
Change in non-cash working capital items	270,440	(283,303)
	(513,788)	(1,730,863)
Investing activities		
Acquisition of property and equipment	-	(80,773)
Acquisition of intangibles assets	(7,281)	(286,557)
	(7,281)	(367,330)
Financing activities		
Repayment of long-term debt	(8,607)	(8,607)
Proceeds from issue of demand debt	50,000	-
Repayment of demand debt	(138,485)	-
Proceeds from issue of convertible debt	372,500	-
Deferred financing fees	-	(46,643)
Proceeds from exercise of warrants	-	2,443,437
	275,408	2,388,187
Effect of the exchange rate changes on cash	4,182	22,296
Variation in cash during the period	(241,479)	312,290
Cash, beginning of the period	289,182	94,768
Cash, end of the period	47,703	407,058

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Mobi724 Global Solutions Inc. (Formerly Hybrid Paytech World Inc.)

Notes to the Condensed Interim Consolidated financial statements (Unaudited)

For the three-month periods ended March 31, 2015 and 2014

(in Canadian dollars except share and per share amounts)

1. Statute of Incorporation and Nature of Activities

Mobi724 Global Solutions Inc. (the "Company" or "Mobi724") was incorporated under the Business Corporations Act (Alberta) on February 8, 2005. On February 13, 2015, the Company changed its corporate name from Hybrid Paytech World Inc. to Mobi724 Global Solutions Inc. The Company's registered office and its head office is located at 257 Sherbrooke Street East, Suite 400, Montreal, Quebec H2X 1E3. The consolidated financial statements comprise the Company and its wholly-owned subsidiaries First Equity Strategy LLC ("First Equity"), incorporated in the State of Delaware, Hybrid-PayTech Asia Inc. incorporated in the Philippines (until the loss of control in 2014, see Note 2 e) iii)), Hybrid-PayTech Asia Pacific (HK) Limited, incorporated in Hong Kong, Vault Acquiring Solutions LLC (51% in 2013), incorporated in the state of Delaware, USA, and Mobi724 Asia Inc., incorporated in the Philippines. The Company's other subsidiaries are a 51% ownership of Solutions Mobi724 Inc., incorporated under the Corporations Act (Canada) including Solutions Mobi724 Inc.'s fully owned subsidiary, Mobi724 Solutions S.R.L., incorporated in Argentina. The Company is a technology leader in digital incentives (such as mobile couponing and loyalty rewards) and payment solutions (including mobile payments). Mobi724 is a provider of both payment and couponing / rewards transactions for both online and offline points of sale.

The common shares of Mobi724 are traded under the symbol "MOS" on the Canadian Securities Exchange ("CSE").

2. Basis of preparation and Going Concern

a) Statement of compliance

These condensed interim consolidated financial statements and the notes thereto have been prepared in accordance with International Accounting Standards ("IAS") 34, *Interim Financial Reporting* as issued by the International Accounting Standards Board ("IASB"). They do not include all of the information required in the full annual financial statements. Certain information and footnote disclosures normally included in annual financial statements were omitted or condensed where such information is not considered material to the understanding of the Company's interim financial information. As such, they should be read in conjunction with the consolidated financial statements of the Company as at and for the year ended December 31, 2014.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 4, 2015.

The preparation of financial data is based on accounting principles and methods of computation consistent with those used in the preparation of the audited annual financial statements as at December 31, 2014.

Other new or amended accounting standards had no significant impact on the Company's accounting methods.

b) Going concern

These condensed interim consolidated financial statements have been prepared on a going concern basis in compliance with IFRS. A going concern basis contemplates the realization of the carrying value of assets and the settlement of liabilities in the normal course of business as they come due, which is dependent on future events including amongst other things, attaining a satisfactory revenue level from its Mobile POS technology system and e-couponing solutions, attainment of profitable operations, the generation of cash from operations and the ability to secure new financing arrangements and new capital to carry out its business plan. These matters are dependent on a number of items outside of the Company's control and there exists material uncertainties that may cast significant doubt about the Company's ability to continue as a going concern.

In assessing whether the going concern assumption is appropriate, management takes into account all available information about the future, which is at least, but not limited to twelve months from the end of the reporting period. Management is aware, in making its assessment, of material uncertainties related to events and conditions that may cast a significant doubt upon the Company's ability to continue as a going concern as described in the following paragraphs, and accordingly, the appropriateness of the use of accounting principles applicable to a going concern. These condensed interim consolidated financial statements do not reflect the adjustment to the carrying values of assets and liabilities, expenses and financial position classifications that would be necessary if the going concern assumption was not appropriate. These adjustments could be material.

The Company has generated limited revenues since inception and has generated losses from continuing operations totaling \$4,332,346 for the three months ended March 31, 2015, and an accumulated deficit of \$28,106,283 since the Company's inception on February 8, 2005. As at March 31, 2015, the Company's committed cash obligations and expected level of expenses for the next twelve months exceeds its committed sources of funds, even after taking into consideration the conversion of the convertible debt into capital and the financing received subsequent to March 31, 2015.

Mobi724 Global Solutions Inc. (Formerly Hybrid Paytech World Inc.)

Notes to the Condensed Interim Consolidated financial statements (Unaudited)

For the three-month periods ended March 31, 2015 and 2014

(in Canadian dollars except share and per share amounts)

2. Basis of preparation and Going Concern (cont'd)

The Company can give no assurance that it will achieve profitability or be capable of sustaining profitable operations. These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of the carrying amounts of assets or the amount and classification of liabilities that might result if the Company is unable to continue as a going concern. These factors raise substantial doubt regarding the ability of the Company to continue as a going concern.

3. Accounting standards issued but not yet effective

At the date of authorisation of these condensed interim consolidated financial statements, certain new standards, and amendments to existing standards have been published by the IASB that are not yet effective, and have not been adopted early by the Company. Information on those expected to be relevant to the Company's condensed interim consolidated financial statements is provided below.

Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement. New standards, interpretations and amendments not either adopted or listed below are not expected to have a material impact on the Company's financial statements.

IFRS 9 'Financial Instruments' (2014)

The IASB recently released IFRS 9 'Financial Instruments' (2014), representing the completion of its project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The new standard introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new 'expected credit loss' model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

The Company's management have yet to assess the impact of IFRS 9 on these condensed interim consolidated financial statements. The new standard is required to be applied for annual reporting periods beginning on or after 1 January 2018.

IFRS 15 'Revenue from Contracts with Customers'

IFRS 15 presents new requirements for the recognition of revenue, replacing IAS 18 'Revenue', IAS 11 'Construction Contracts', and several revenue-related Interpretations. The new standard establishes a control-based revenue recognition model and provides additional guidance in many areas not covered in detail under existing IFRSs, including how to account for arrangements with multiple performance obligations, variable pricing, customer refund rights, supplier repurchase options, and other common complexities.

IFRS 15 is effective for reporting periods beginning on or after 1 January 2017. The Company's management have not yet assessed the impact of IFRS 15 on these condensed interim consolidated financial statements.

4. Trade and other receivables

	March 31, 2015	December 31, 2014
	\$	\$
Trade receivable	48,333	33,665
Sales tax receivable	32,032	61,655
Other receivable	9,023	6,824
	89,388	102,144

Mobi724 Global Solutions Inc. (Formerly Hybrid Paytech World Inc.)

Notes to the Condensed Interim Consolidated financial statements (Unaudited)

For the three-month periods ended March 31, 2015 and 2014

(in Canadian dollars except share and per share amounts)

5. Intangible assets

	Licensed Software	Software technology	EMV Payment Switch	Patents	Total Intangibles	Goodwill
	\$	\$	\$	\$	\$	\$
Cost						
Balance January 1, 2015	1	2,889,675	1,028,441	80,378	3,998,495	3,139,191
Additions, internally produced	-	-	7,281		7,281	-
Additions, separately acquired						
Disposal	-	-			-	-
Balance March 31, 2015	1	2,889,675	1,035,722	80,378	4,005,776	3,139,191
Accumulated amortization and impairment						
Balance January 1, 2014	-	829,979	-	7,285	837,264	-
Amortization		143,987	-	1,764	145,751	-
Balance March 31, 2015	-	973,966	-	9,049	983,015	-
Net Book Value March 31, 2015	1	1,915,709	1,035,722	71,329	3,022,761	3,139,191

	Licensed Software	Software technology	EMV Payment Switch	Patents	Total Intangibles	Goodwill
	\$	\$	\$	\$	\$	\$
Cost						
Balance January 1, 2014	1	2,813,324	543,037	17,302	3,373,664	3,139,191
Additions, internally produced	-	-	485,404	-	485,404	-
Additions, separately acquired	-	85,351	-	81,076	166,427	-
Disposal	-	(9,000)	-	(18,000)	(27,000)	-
Balance December 31, 2014	1	2,889,675	1,028,441	80,378	3,998,495	3,139,191
Accumulated amortization and impairment						
Balance January 1, 2014	-	259,783	-	-	259,783	-
Amortization	-	570,196	-	7,285	577,481	-
Impairment	-	-	-	-	-	-
Balance December 31, 2014	-	829,979	-	7,285	837,264	-
Net Book Value December 31, 2014	1	2,059,696	1,028,441	73,093	3,161,231	3,139,191

As at March 31, 2015, the EMV payment switch is not yet available for use as the asset is not yet complete and put into use. The switch is expected to be complete and in use during the last quarter of 2015.

Mobi724 Global Solutions Inc. (Formerly Hybrid Paytech World Inc.)

Notes to the Condensed Interim Consolidated financial statements (Unaudited)

For the three-month periods ended March 31, 2015 and 2014

(in Canadian dollars except share and per share amounts)

6. Accounts payable and accrued liabilities

	March 31, 2015	December 31, 2014
	\$	\$
Accounts payable and accrued liabilities	2,844,477	2,687,189
Salaries and related benefits	24,448	78,575
Amounts due to related parties (Note 11)	141,498	5,648
Liability for third party garnishment resulting from assumption of judgment against former directors (a)	250,000	250,000
	<u>3,260,423</u>	<u>3,021,412</u>

- (a) In February 2014, the Company assumed a liability in the amount of \$1,000,000 for the settlement of a judgement rendered by the Quebec Superior Court issued on December 4, 2013 against two former directors and founders of the Company and the Company with respect to a garnishment issued against the Company pursuant to a judgement issued against the former directors and founders. A payable of \$1,000,000 was recorded as at December 31, 2013.

An amount of \$250,000 was paid at signing in February 2014, and the balance including interest to be paid no later than June 27, 2014. As at March 31, 2015 and December 31, 2014, an amount of \$250,000 remains payable.

Mobi724 Global Solutions Inc. (Formerly Hybrid Paytech World Inc.)

Notes to the Condensed Interim Consolidated financial statements (Unaudited)

For the three-month periods ended March 31, 2015 and 2014

(in Canadian dollars except share and per share amounts)

7. Convertible debt*2013 convertible notes*

During the three-month period ended March 31, 2015, convertible notes issued in 2013, in the aggregate amount of \$535,618 (capital and accrued interest), were fully converted into 996,859 common shares and 747,645 warrants exercisable at \$0.50 and \$1.60.

During the three-month period ended March 31, 2015, \$425,000 of demand debt was converted into convertible debt. The Company also issued \$372,500 convertible debt for cash proceeds.

2010 – 2012 convertible notes

During the three-month period ended March 31, 2014, pursuant to the approval of the Autorité des Marchés Financiers, the convertible notes issued between 2010 and 2012 in the aggregate amount of \$2,516,684 (capital and accrued interest) were fully converted into 7,987,033 common shares and 7,987,033 warrants exercisable at \$0.30 and \$0.40.

The following tables summarize the components of the convertible debt:

	Liability component	Embedded conversion option reserve	Embedded warrant reserve	Total equity component	Total
	\$	\$	\$	\$	\$
Balance, December 31, 2014	2,724,762	1,871,789	214,503	2,086,292	4,811,054
Convertible debt issued during period	657,013	140,487	-	140,487	797,500
Interest and accretion interest expense	202,009				202,009
Convertible debt converted during period	(464,218)	(16,400)	(55,000)	(71,400)	(535,618)
Balance March 31, 2015	3,119,566	1,995,876	159,503	2,155,379	5,274,945
Balance, December 31, 2013	2,507,959	169,064	253,843	422,907	2,930,866
Accretion interest expense	34,053	-	-	-	34,053
Convertible debt converted during period	(2,165,177)	(152,664)	(198,843)	(351,507)	(2,516,684)
Balance March 31, 2014	376,835	16,400	55,000	71,400	448,235

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Notes to the Condensed Interim Consolidated financial statements (Unaudited)

For the three-month periods ended March 31, 2015 and 2014

(in Canadian dollars except share and per share amounts)

8. Shareholders' Equity*a) Movements in the Company's share capital are as follows :*

	Number of common shares	Amount
Balance, December 31, 2014	44,514,438	14,288,362
Shares issued upon conversion of convertible debt (Note 7)	996,859	480,618
Shares issued for settlement of liabilities ¹	250,000	27,500
Balance, March 31, 2015	45,761,297	14,796,480
Balance, December 31, 2013	20,882,966	9,090,426
Shares issued for conversion of convertible debt (Note 7)	7,987,033	2,317,841
Exercise of warrants ² (Note 7)	7,987,033	2,642,280
Balance, March 31, 2014	43,772,761	14,050,547

Shares issued for settlement of liabilities

¹During the three-month period ended March 31, 2015, due to the Company's cash position, an agreement was reached to settle outstanding trade payable balances in the amount of \$28,036 to arm's length parties by issuing 250,000 common shares having a value of \$27,500.

Exercise of warrants

²During the three-month period ended March 31, 2014, a total of 7,987,033 warrants were exercised for a cash consideration of \$2,443,437 (exercise price between \$0.30 to \$0.40). An amount of \$198,843 from the exercise of the warrants was reclassified from warrant reserve to share capital.

b) Share Purchase Options

The Company has adopted an incentive stock option plan (the "Stock Option Plan") which provides that the Board of Directors of the Company may from time to time, at its discretion, grant to directors, officers, employees and other key personnel of the Company, options to purchase common shares, provided that the number of common shares reserved for issuance under the Stock Option Plan shall not exceed ten percent (10%) of the issued and outstanding common shares exercisable for a period of up to five (5) years. The stock options vest over a period of time approved by the Board of Directors. The price per common share, which is defined by the CSE at the date of grant, and the number of common shares, which is determined by the members of the board, may be allotted to each director, officer, employee or other key personnel of the Company and all other terms and conditions of the options granted under the Stock Option Plan.

Mobi724 Global Solutions Inc. (Formerly Hybrid Paytech World Inc.)

Notes to the Condensed Interim Consolidated financial statements (Unaudited)

For the three-month periods ended March 31, 2015 and 2014

(in Canadian dollars except share and per share amounts)

8. Shareholders' Equity (cont'd)

The following table summarizes the share option activities under this plan:

	For the three-month period ended March 31, 2015		For the three-month period ended March 31, 2014	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance, beginning of period	3,273,393	0.82	5,463,624	0.88
Granted	-	-	180,000	0.50
Forfeited	(343,081)	0.89	(735,656)	0.97
Expired	(480,161)	1.02	(5,000)	1.10
Balance, end of period	2,450,151	0.77	4,902,968	0.85
Exercisable options	2,345,151	0.76	3,685,170	0.81

Outstanding options as at March 31, 2015 are as follows:

Range of exercise prices	Weighted average residual life span (in years)	Outstanding options	Weighted average exercise price	Exercisable options	Weighted average exercise price
0.50	1.78	1,055,000	0.50	1,055,000	0.50
0.96	0.95	1,201,667	0.96	1,096,667	0.96
1.00	0.50	158,484	1.00	158,484	1.00
1.10	0.07	35,000	1.10	35,000	1.10
0.50 to 1.10	0.94	2,450,151	0.77	2,345,151	0.76

Share options outstanding at the end of the period have the following expiry dates and exercise prices:

Expiry date	Exercise price	Share options	
		March 31, 2015	December 31, 2014
October 17, 2015	1.10	35,000	266,667
December 4, 2015	1.00	158,484	287,726
October 30, 2016	0.96	1,201,667	1,589,000
February 28, 2017	0.50	180,000	180,000
May 14, 2017	0.50	200,000	200,000
July 10, 2017	0.50	675,000	750,000
		2,450,151	4,722,968

There were no options exercised during the three-month periods ended March 31, 2015 and 2014.

An amount of \$72,245 has been expensed as share-based payment awards for the period (\$228,800 for March 31, 2014). The offsetting credit has been recorded as option reserve. The stock based compensation expense was calculated according to the weighted average fair value of options granted based on the Black-Scholes valuation model using the assumptions shown below based on the expected number of options expected to vest.

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8. Shareholders' Equity (cont'd)

The fair value of each option granted was estimated on the grant date using the Black-Scholes option pricing model, using the following assumptions:

	For the three months ended March 31, 2015	For the three months ended March 31, 2014
Share price	-	0.50
Exercise price	-	0.50
Risk-free interest rate	-	1.02%
Expected life	-	3 years
Expected estimated volatility	-	143.4%
Dividend yield	-	nil
Fair value of options granted	-	0.39

c) *Other equity accounts are as follows:*

	March 31, 2015	December 31, 2014
	\$	\$
Contributed Surplus	2,982,107	2,339,107
Option reserve	1,253,749	1,759,010
Warrant reserve	2,699,045	2,709,539
	6,934,901	6,807,656
<i>Contributed Surplus</i>		\$
Balance, December 31, 2014		2,339,107
Warrant expired/cancelled during the period		65,494
Stock options expired		577,506
Balance, March 31, 2015		2,982,107
Balance, December 31, 2013		48,534
Warrant expired/cancelled during the period		63,915
Stock options expired		4,650
Balance, March 31, 2014		117,099

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8. Shareholders' Equity (cont'd)

	\$
<i>Option Reserve</i>	
Balance, December 31, 2014	1,759,010
Stock based payments	72,245
Stock options expired	(577,506)
Balance, March 31, 2015	1,253,749
Balance, December 31, 2013	2,561,274
Stock based payments	228,800
Stock options exercised	(4,650)
Balance, March 31, 2014	2,785,424

*Warrants Reserve***Warrants issued and outstanding**

	Number of warrants	Amount	Weighted Average Exercise Price
Balance, December 31, 2014	10,793,145	2,709,539	1.17
Expired/cancelled during the period	(623,751)	(65,494)	1.25
Issued during the period ¹	747,645	55,000	0.62
Balance, March 31, 2015	10,917,039	2,699,045	1.13
Balance, December 31, 2013	13,919,948	2,966,906	1.13
Expired/cancelled during the period	(608,719)	(63,915)	(1.24)
Issued during the period ²	7,987,033	198,843	0.31
Exercised during the period	(7,987,033)	(198,843)	(0.31)
Balance, March 31, 2014	13,311,229	2,902,991	1.13

¹ In the three-month period ended March 31, 2015, 747,645 warrants were issued in connection with the conversion of the convertible debt and were recorded in warrant reserve at the value attributed to them at the time of the issue of the convertible debt.

These warrants were still outstanding as at March 31, 2015.

² In the three-month period ended March 31, 2015, 7,987,033 warrants were issued in connection with the conversion of the convertible debt and were recorded in warrant reserve at the value attributed to them at the time of the issue of the convertible debt.

These warrants were all exercised during the period ended March 31, 2014. An amount of \$198,843 was transferred from warrant reserve to common stock.

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9. Financial expense

Financial expenses comprises of the following:

	Three-month period ended March 31, 2015 \$	Three-month period ended March 31, 2014 \$
Interest and banking fees	2,157	4,553
Interest expense on long term debt	23,917	1,827
Interest expense on convertible debt	86,876	10,091
Accretion expense on convertible debt	115,133	23,962
Fair value adjustment on liability for acquisition of Mobi	3,142,896	258,174
Total finance expenses	3,370,979	298,607

10. Financial instruments**a. Measurement categories**

The following table shows the carrying values of assets and liabilities for each of these categories as at March 31, 2015 and December 31, 2014.

	March 31, 2015 \$	December 31, 2014 \$
Assets		
<i>Loans and receivables</i>		
Cash	47,703	289,182
Short-term investments	39,425	39,425
Trade and other receivables (excluding sales taxes receivable)	57,356	40,489
Total loans and receivables	144,484	369,096
<i>Fair value</i>		
Financial derivative asset	1,320,000	1,320,000
Liabilities		
<i>Amortized cost</i>		
Accounts payable and accrued liabilities (excluding salaries and related benefits)	3,235,975	2,942,837
Convertible debt	3,119,566	2,724,762
Demand debt	90,657	604,142
Long term debt	161,316	169,923
Total amortized cost	6,607,514	6,441,664
<i>Fair Value</i>		
Liability for the acquisition of non-controlling interest of Mobi	5,238,160	2,095,264

b. Fair Value

The net carrying amount of the cash, short-term investments, trade and other receivables (excluding non-financial assets) and accounts payable and accrued liabilities (excluding non-financial liabilities) is considered a reasonable approximation of fair value since all amounts are short-term in nature.

The fair values of the convertible debt and demand debt are approximately equal to their carrying value due to their short-term maturity dates. The fair value of the long-term debt is not significantly different than its carrying amount.

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11. Financial instruments (cont'd)

The estimated fair value of the liability for the acquisition of non-controlling interest of Mobi is categorized within Level 1 of the fair value hierarchy. The fair value was determined based on an estimated number of common shares to be issued to the remaining shareholders of Mobi times the share price of the Company as at March 31, 2015 and December 31, 2014.

The reconciliation of the liability for the acquisition of non-controlling interest of Mobi is as follows:

	March 31, 2015	March 31, 2014
	\$	\$
Opening balance, January 1	2,095,264	6,110,388
Fair value adjustment on liability	3,142,896	258,174
Ending balance, March 31	5,238,160	6,368,562

The estimated fair value of the financial derivative asset is classified as Level 2 and was determined using the following inputs: Fair value of underlying stock - \$0.20; Volatility as determined using an average of the underlying stock's historical volatility - 105.49%; the risk free interest rate - 1.05%; remaining life - 1.5 years.

12. Related Party Transactions

The following table summarized the transaction and balances outstanding with related parties of the Company:

	For the three-month period ended March 31, 2015	For the three-month period ended March 31, 2014
	\$	\$
Transactions:		
Rent paid to a company controlled by a significant shareholder	28,210	-
	March 31, 2015	December 31, 2014
Balances outstanding:		
Amounts due to officers and directors	11,498	1,577
Amounts due to persons that are significant shareholders and founders of the Company	278,899	266,786
Demand debt due to a directors and significant shareholder	80,000	430,000
Convertible debt due to a directors and significant shareholder	400,000	
	770,397	698,363

Compensation of key management personnel

The remuneration of directors and other members of key management personnel during the period were as follows:

	For the three-month period ended March 31, 2015	For the three-month period ended March 31, 2014
	\$	\$
Management fees, commissions and finder's fees and salaries	-	174,267
Share-based payments compensation	-	129,132
	-	303,399

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13. Loss per share

a. Basic

Basic loss per common share is calculated by dividing the net loss attributable to the owners of the Company by the weighted average number of outstanding common shares during the period.

	For the three month period ended March 31, 2015 \$	For the three month period ended March 31, 2014 \$
Net loss for the period	(4,332,346)	(2,094,144)
Weighted average number of common shares outstanding	45,071,271	39,360,516

b. Diluted

For the three-month period ended March 31, 2015 and 2014, the diluted net loss per share was calculated based on the net loss attributable to owners of the parent using the basic weighted average number of shares outstanding, since the convertible debt, all the outstanding warrants and stock options and the potential share issuance for the business acquisition have been excluded from the calculation of diluted net loss per share because they were anti-dilutive. Accordingly, diluted net loss per share for each period was the same as the basic net loss per share.

14. Segmented reporting

The Company operates and reports its results as two operating segments (one in March 2014), which are the development of new Internet technologies to facilitate point of sale payments and e-couponing, as these are monitored by the Company's chief decision maker and strategic decisions are made on the basis of segment operating results. Each of the operating segments is a reportable segment for financial reporting purposes. The segments do not earn any inter-segment revenues. The Company's financial information by reportable segment is as follows:

	March 31, 2015			
	Payment solution	E-couponing	Unallocated	Consolidated
Revenues from external customers	21,029	67,079	-	88,108
Total operating expenses	694,903	311,537	77,015	1,083,455
Operating loss	673,874	244,458	77,015	995,347
Net financial expenses	22,005	3,452	3,345,522	3,370,979
Net loss (income) before income taxes	695,879	247,910	3,422,537	4,366,326
Income tax expense (recovery)	-	33,980	-	33,980
Net loss (income)	695,879	213,930	3,422,537	4,332,346

15. Events after the Reporting Period

In July 2015, the Company issued 9,696,968 common shares for cash consideration of \$800,000. The Company also issued 9,696,968 common share purchase warrants exercisable at a \$0.0825 between November 15, 2015 and March 31, 2016.