GLOBAL SOLUTIONS

MANAGEMENT DISCUSSION ANALYSIS

FOR THE YEAR ENDED DECEMBER 31, 2018

INTRODUCTION

This Management Discussion and Analysis ("MD&A") for MOBI724 Global Solutions Inc. and its subsidiaries (the "Company", "MOBI724" or "we") is current as of April 30, 2019 and focuses on the significant activities of the Company which occurred during the year ended December 31, 2018, and should be read in conjunction with the Company's consolidated financial statements and accompanying notes for the year ended December 31, 2018. The Company's consolidated financial statements and comparative information have been prepared in accordance with International Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

All amounts in this document are in Canadian dollars, which is the reporting currency of the Company. This MD&A was not audited nor reviewed by the Company's external auditors. This MD&A is the responsibility of management. Prior to its release the Company's Board of Directors (the "Board") has approved this MD&A on the Audit Committee's recommendation.

The Company's continuous disclosure materials, including interim filings, audited consolidated financial statements, management proxy circulars and various press releases issued by the Company can be found on SEDAR at www.sedar.com and on the Company's website at www.mobi724.com.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains forward-looking statements and information within the meaning of applicable Canadian securities legislation ("forward looking statements"). Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, potential future events or performance (often, but not always, using words or phrases such as "believes", "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", or "intends" or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken or achieved) are not statements of historical fact, but are "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or developments in the Company's business or in its industry, to differ materially from the anticipated results, performance, achievements or developments expressed or implied by such forward-looking statements. Forward-looking statements include disclosure regarding possible events, conditions or results of operations that are based on assumptions about future conditions, courses of action and consequences.

Forward-looking statements may also include, without limitation, any statement relating to future events, conditions or circumstances. The Company cautions you not to place undue reliance upon any such forward-looking statements. Forward-looking statements relate to, among other things, the successful commercialization of our technology, comments about potential future revenues, joint development agreements and expectations of signed contracts with customers and the like. A variety of inherent risks, uncertainties and factors, many of which are beyond the Company's control, affect the operations, performance and results of the Company and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. Some of these risks and uncertainties include the risk of not securing required capital in future, the risks of not successfully concluding agreements with potential partners on a timely basis and the risks associated with bringing new technologies to the market. This list is not exhaustive and does not include all the factors that may affect any of the Company's forward-looking statements.

Although the Company has attempted to identify important factors that could cause actual results to differ materially from those contained in forward-looking statements, there may be other factors that cause results not to be as anticipated, estimated or intended. There can be no assurance that such statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, readers should not place undue reliance on forward–looking statements. The Company does not undertake to update any forward-looking statements that are incorporated by reference herein, except in accordance with applicable securities law.

CORPORATE OVERVIEW

MOBI724 is a global financial technology ("Fintech") company that offers a unique and fully integrated suite of payment solutions, card linked offers and rewards, digital marketing platform that works on any payment or loyalty card and any mobile device and business intelligence solutions. MOBI724 was incorporated under the *Business Corporations Act* (Alberta) on February 8, 2005. The Company's registered office, and its head office, is located at 257 Sherbrooke St. East, Suite 400, Montreal, Quebec, H2X 1E3. The Company has additional offices in Buenos Aires, Argentina and sales offices in Bogota, Colombia; and Wilmington, DE, USA.

Effective March 14, 2018, the common shares of MOBI724 trade under the symbol "MOS" on the TSX Venture Exchange (TSX-V) and on the OTCQB under the symbol "MOBIF". Prior to March 14, 2018, the common shares of MOBI724 were traded on the Canadian Securities Exchange.

Product Offerings - MOBI724 offers a fully integrated suite of multiple Payment, Card-linked Offers & Rewards and Digital Marketing and Business Intelligence solutions, which work with any payment card, on any mobile device and at any point of sale; and a mobile EMV compliant payment platform. MOBI724 provides turn-key solutions for card associations, card issuers, banks, retailers, manufacturers, offer providers, to create, manage, deliver and track and measure incentive campaigns worldwide in real time. The company captures value from big data to deliver seamless and personalized user experiences for the benefits of all parties in the ecosystem. MOBI724 presently has operations in North and Latin America, the Caribbean and Asia Pacific.

The Company has divided its reporting into 3 segments that are as follows:

- Card-Linked Offers & Rewards ("CLO&R"), previously called E-couponing - provides card issuers, banks and merchants the ability to issue offers and rewards linked to a payment card, which can be redeemed directly at the point-of-sale in a seamless user experience for all parties in the ecosystem (card issuers, retailers and cardholders). These solutions link a customer's loyalty points (rewards currency) or merchants' offers to his/her payment card thereby allowing the customer to use his/her payment cards to pay for purchases with his/her loyalty points (rewards currency) and to redeem merchants' offers. These solutions work with QR codes and is compatible to any other front-end payment identifiers.

- Digital Marketing & Business Intelligence ("DMBI"), previously called Digital marketing - offers a comprehensive loyalty driven, and customer relationship, solution for retailers to deliver, manage and control a multitude of reward options. MOBI724 also provides a variety of tactical/promotional solutions for retailers who are looking to leverage their customer purchase data. Mobi724 business intelligence and data analytics platform offers a vast array of tools which enable users (merchants, payment card issuers) to extract actionable insight from a customer's purchase data and other indicators to measure performance.

- EMV Payments ("Payments"), previously called Payment solution - delivers a turnkey solution to merchants, acquiring networks and financial institutions to capture card transactions on any mobile device or point-of-sale and payment host. MOBI724's EMV Payments platform is designed to allow banks (card issuers), acquirers and merchants to quickly deploy and offer EMV mobile point-of-sale and standard point-of-sale payments in any location. The mobile payment solution allows for conversion of smart mobile devices into payment terminals with an added security feature as the payment card is encrypted when swiped. The Company's easy to adapt switch gateway ("Switch Gateway") is designed for easy integration with all payment protocols. The Switch Gateway provides full ATM functionality directly at any point of sale, including cash remittance.

Technology Value - MOBI724's solutions add value to all types of transactions by:

(i) leveraging available user and purchasing data to increase transaction volumes and spend in a seamless user experience for all parties in the eco-system (banks and or payment card issuers, retailers and cardholders);

(ii) enabling payment, card issuers, retailers and offer-providers to create, manage, deliver and "track and measure" incentive campaigns worldwide to any device and allow their redemption at any point of sale;

(iii) allowing banks to process end-to-end EMV transactions, focus on authentication, industry sector security standards and quick merchant adoption; and,

(iv) allowing merchants to process payments with a wide range of devices over a secure and seamless transaction process.

The device agnostic connectivity of MOBI724's PCI and Switch Gateway simplifies deployment and integration and introduces new payment and digital incentive solutions to the market thereby enabling multi layered intelligent transactions.

Global Partner – In January 2017, MOBI724 signed an agreement with Visa to integrate its solutions with the Visa Offers Platform. Visa will provide MOBI724 with qualifying purchase notifications to enable the Company to deliver integrated CLO&R and DMBI platforms and solutions to participating Visa-issuing banks and their cardholders.

In October 2017, MOBI724 signed a co-marketing agreement with Visa to provide Visa clients a suite of integrated loyalty solutions, including MOBI724's CLO&R and DMBI solutions ("Integrated Loyalty Solutions") through the Visa Loyalty and Offers Platform in Latin America and the Caribbean.

As part of their agreement, MOBI724 will help expand the development of CLO&R and Integrated Loyalty Solutions to Visa's merchants, acquirers and issuers in Latin America and the Caribbean. The agreement expands beyond countries where Visa Offers Platform is currently operational. MOBI724 agnostic connectivity enables integration with any acquiring network, hence permitting Visa clients using these networks in the region to benefit through leveraging CLO&R and DMBI products and services into their business model.

In Argentina, Mobi724 has integrated its solutions with Prisma, the largest acquiring network and in Colombia, the company integrated with CreditbanCo Colombia's largest acquiring network.

Global Customer Base – MOBI724 provides products and services to major financial and retail companies globally in Canada, USA, Latin America ("LatAm"), the Caribbean and the Philippines.

CORPORATE MISSION

The Company's mission is to enable smart transactions everywhere!

The Company will seek to achieve its mission value – Enable Smart Transactions Anywhere - by generating revenue through the licensing of its software platform and deriving transactional revenues while delivering turnkey solutions to card issuers and retailers.

In order to adequately support the management team in its objective to create value for shareholders, the Company is supported by a board of seven (7) directors, composed of experienced and well-known business operators.

OPERATIONAL HIGHLIGHTS

Q1

First Bank (payment card issuer) - Customer Signed: On January 23, 2018, the Company entered into an agreement with Panama based Credicorp Bank to provide MOBI724's suite of integrated Loyalty Solutions, including Card-Linked Offers & Rewards, Digital Marketing and Business Intelligence Solutions, through the Visa Loyalty and Offers Platform. Leveraging MOBI724's integration and connectivity to the Visa Offers Platform will allow Credicorp to maximize cardholders' purchase activity and to generate incremental revenues for the bank.

Trading Platform – higher standards for our shareholders: The Company moved from the Canadian Securities Exchange to the TSX Venture Exchange (TSXV) on March 14, 2018 (symbol "MOS"). The Company has also been trading on the OTCQB (symbol "MOBIF") since May 4th, 2017.

Q2

AI – Artificial Intelligence: The Corporation is developing a proprietary AI engine which will enable the extraction of actionable insight from customer purchase history and other relevant data sources, thereby improving probabilities of the ROI of marketing campaigns. Commercialization of this technology is expected to begin in fiscal 2019.

New Funding for $930,000 Closed: On April 13, 2018, eligible warrant holders exercised 6,200,000 eligible warrants at a price equal to $0.15 for total gross proceeds of $930,000 pursuant to the early exercise warrant incentive program ("Incentive Program"). In accordance with the Incentive Program, the eligible warrant holders received 6,200,000 incentive warrants ("Incentive Warrants") exercisable at a price of $0.46 which shall expire on April 13, 2019.

Company Received $536,706 from Settlement of Litigation: In November 2017, the Company and UseMyServices Inc. finalized and signed an agreement that settled the dispute between the two parties and the Superior Court homologated the transaction in December 2017. Subsequently, the bailiff was authorized by the Superior Court to proceed with the sale of the remaining seized assets and on May 2, 2018 the amount of $536,706, plus accrued interest, was remitted to the Company by the bailiff.

First VOP Commercial Operation Launched: On June 5, 2018, the Company launched its first Visa Offers Platform ("VOP") commercial operation in Panama, with Credicorp Bank, implementing its One Swipe solution where cardholders are able to redeem offers, coupons and campaigns instantly and directly at the point of sale, using their credit cards; and in a seamless process both for the cardholder and the retailer, and where cardholders can receive a real-time campaign notification on their mobile devices at the time of the transaction. The One Swipe solution was implemented using the VOP to identify and match qualified transactions in real time; the first live use case under the co-marketing agreement between Visa and MOBI724. The Company expects a ramp up in One Swipe solution related transactions in fiscal 2019.

Co-marketing of CLO&R solutions with Visa Central America, Caribbean and LatAm was signed in November 2017: The Company continues to work closely with our partner to seek opportunities with Visa issuers in the region. This past quarter the company engaged into multiple new opportunities and this continues to enhance the company sales pipeline value.

Q3

Extension of Convertible Debenture: On July 16, 2018, the Company extended the maturity date of a $2,705,566.03 at 12% interest bearing debenture which is convertible into common shares of the Company at $0.35 per share (the "Debenture") that was originally issued on September 1, 2016. The Debenture is extended until June 30, 2020 and has received all necessary approvals.

Purchase of Shares by Directors: On July 25th, 2018, CEO Marcel Vienneau and COO Johnny Hawa purchased shares of MOBI724 on the TSX-V exchange, 200,000 shares and 174,000 shares respectively.

Commercial Agreement with MercadoLibre: On September 26, 2018, the Company announced that it signed a commercial agreement with MercadoLibre S.R.L. ("MercadoLibre"), Argentina's largest online marketplace platform, to implement MOBI724's suite of integrated CLO&R Solutions with MercadoLibre's online payments platform, MercadoPago. MOBI724's Card and QR Code Linked Offers & Rewards Platform will permit members of MercadoPago to redeem discounts and coupons when scanning the QR Code at a POS and will allow, third-party benefits and users, the option to redeem their points through MercadoPago.

Q4 and Early 2019

Commercial Agreement with Banco Promerica Guatemala: On November 1, 2018, the Company announced that it signed a commercial agreement with Banco Promerica Guatemala, a leading bank in the country and part of the Promerica Financial Corporation, one of the most important financial groups in the region and one of the largest Visa issuers in Central America, operating in 10 countries, to provide iMOBI724's suite of integrated CLO&R solutions through the Visa Loyalty and Offers Platform. MOBI724's CLO&R solutions will enable members of Banco Promerica's loyalty program to redeem offers and pay with rewards points directly at the POS of participating retailers using a payment card in a single transaction.

Settlement of Outstanding Litigation: On November 20, 2018 MOBI724 arrived at an out-of-court settlement with Mr. Nick Chine ("Chine") in relation to a lawsuit the latter filed against the Company in 2015 in the amount of $338,000 related to unpaid commissions for 2012-2013 allegedly owed to Chine ("Litigation"). Without any admission of liability, the Company pursuant to the settlement of the Litigation agreed, subject to the approval of the TSX Venture Exchange ("Exchange"), to pay Chine an undisclosed sum, including an amount for unpaid commissions of $55,000 ("Unpaid Commissions Amount") in common shares of the Company ("Common Shares") within two (2) business days from the receipt of approval by the Exchange. Upon receipt of the requisite approvals from the Exchange, the Company converted the Unpaid Commissions Amounts into Common Shares at a conversion price of $0.07 (equivalent to the weighted average closing market price per share calculated during the period November 19th and December 3, 2018 inclusively). On January 15, 2019, 785,714 Common Shares were issued to Chine in accordance with the rules of the Exchange.

Completion of Integration and Testing of CLO&R Platform with Prisma Medios De Pago: On November 22, 2018, MOBI724 completed the integration and testing of its CLO&R Platform with Prisma Medios De Pago S.A., the largest payment cards acquirer and processor in Argentina, and the fourth largest in Latin America. This integration marked the final step in a long and rigorous process required to launch the new generation of CLO&R solutions in Argentina.

Completion of Marketing Campaign via VOP: In December 2018 MOBI724 successfully executed a marketing campaign via VOP with a client issuer in Latin America in a new country.

Completion of EMV Integration with Fexco: In December 2018, Mobi724 Asia completed its integration with Fexco and started processing EMV debit transactons from Fexco's terminals.

Completion of Private Placement: On January 15, 2019, the Company completed a private placement financing for aggregate gross proceeds of $1 million. The Offering consisted of the issuance of 7,692,307 common shares at a price of $0.065 for a total amount of $0.5 million and the issuance of a non-secured debenture for the remaining amount of $0.5 million. The Debenture matures 24 months following its issuance, bears interest at a rate of 12% per annum payable semi-annually and is convertible at a price of $0.15 per share.

Signature of Commercial Agreement: On March 15, 2019, MOBI724 signed a new commercial agreement (the "Agreement") with a business partner with operations in multiple countries. In compliance with the terms of the Agreement, MOBI724 is precluded from disclosing the identity of the contracting party as well as the details of the Agreement. The objective sought by the Agreement is to accelerate deployment of MOBI724's solutions in several countries. Through its collaboration with the business partner, MOBI724 will offer CLO&R solutions to payment card users in the countries where the business partner operates thereby allowing MOBI724 to reduce time to market and commercialize its solutions.

Appointment of Allan Rosenhek as CFO: On April 19, 2019, Mr. Allan Rosenhek, a Board Director of the Company was appointed CFO. Mr. Rosenhek, co-founder of MOBI724, has served as an executive in Bell Mobility Investments, Telus, and Glentel among others, being a key figure in strategy, including merger and acquisitions, divestitures, strategic alliances and investments. He played an important role in growing Glentel (acquired in 2015 by BCE and Rogers) into one of the world's largest Cellular Retail Conglomerates and as President & CEO he repositioned and successfully exited a Location Based Mobile Advertising company, KnowledgeWhere (acquired by Liberty Media). He began his career as a practicing lawyer with Simkin Gallagher and Ladner Downs (now Borden Ladner Gervais) specializing in Mergers and Acquisitions and Taxation. Mr. Rosenhek is the founder of a boutique investment bank and also severs on the Board of Hope For Prisoners, a re-entry program that provides the formerly incarcerated with long-term support and services as they work to reclaim their lives, families and standing in the community. He holds an M.B.A. from the Richard Ivey School of Business, an LL.B. from the University of Manitoba Law School and a B.A. from the University of Manitoba.

Completion of Bridge Loan with Investissement Québec: On April 18, 2019 the Company completed through its wholly owned subsidiary, First Equity Strategy LLC, a $221,600 bridge loan with Investissment Québec collaterized against its development of e-business tax credits ("CDAE") for the 2018 year which are expected to total $277,000. A first instalment of $177,280 has been received to date, while the balance will be disbursed when the company files its 2018 tax return. The bridge loan bears interest at rate of two percent (2%) over the prevailing prime lending rate, payable monthly, and is repayable upon receipt by the Company of the 2018 CDAE payments from tax authorities, but no later than December 31, 2020. The bridge loan is also subject to other customary terms and conditions.

OUTLOOK FY 2019

Management's focus is to grow the business and take all necessary steps to render the Company's operations cash flow positive.

Growth Strategy:
In 2018 the Company started processing transactions and executed its first campaigns using MOBI724's new generation of CLO&R solutions in 3 countries in Latin America (Argentina, Guatemala, and Panama). In 2019, management intends to launch commercial accounts with new banks in countries where MOBI724 is already present and to expand the Company's operations to at least 3 new countries.

In Q2 2018, the management changed its business plan. As the length of the sales cycle in each country is approximately the same, the company decided to develop 6 countries in parallel by implementing a "first use" case in one country and to leverage the "first use" case to conclude a contract in parallel, and accelerate the Company's growth, in each of the remaining targeted countries. While this change gives the impression, in the short term, of a slower growth, management believes that this change will provide a stronger foundation for the Company's growth in 2019 and beyond.

The Company's objective is to secure a significant market share in its focus region of Latin America ("LatAm") through partnerships with local payment processing networks. The Company is focused on completing its LatAm partnership plan. Management believes that this approach will secure MOBI724's growth strategy as access to payment transactions in real time is key to the Company's success. Management will continue to monetize MOBI724's relationship with Visa for the LatAm region – one of our key relationship.

The Company continues to advance its proprietary AI and distributed ledger architecture (blockchain) solutions towards commercialization and expects to start monetizing these new solutions in Fiscal 2019. Important progress has been achieved to date in this regard. We have new derivative solutions from our loyalty solutions that management believes will generate revenue.

Operations:
As the Company continues to decrease its burn rate and increase efficiency, management has decided that over the course of the next 24 months, IT operations will be transferred to MOBI724's regional office in Buenas Aires while the IT services in Montreal will focus on R&D – new product development. As the Company expects that the growth in its business will require greater IT resources, the large and competitively price pool of talented IT professionals in Buenos Aires will enable MOBI724 to better control its expansion costs while at the same time grow its IT department directly in the LatAm region where the Company can better serve its growing business.

LONGER TERM OUTLOOK

The Company anticipates that the recently signed agreements will have a material impact on the projected growth and revenues. New products are being developed and deployed by the Company which we believe will function as revenue accelerators. Over the course of the last 24 months, the Company has acquired important insights in relation to working with payment cards issuers and payments processing networks which is believed will serve it well in the implementation of its growth strategy. Management is committed to providing meaningful guidance on annual basis.

PERFORMANCE TRENDS

CLO&R

As banks continue to optimize the rewards delivery costs on their loyalty points programs, this continued focus will provide MOBI724 with new revenue opportunities globally. Payment card issuers continue to require a more seamless and highly personalized user experience for their customers. The Company's "pay with points" solutions is key for this new opportunity. The millennium new market is more focused on instant gratification. These trends over time will potentially add more transaction in the market. As noted by the CardLinx Association, this new segment is growing at an annual rate of more than 50%. On-line to off-line ("O2O") commerce is gaining traction globally and MOBI724 delivers new revenue generating channels and cost reduction opportunities to its clients and partners. In Latin America, the Company has a large and growing sales pipeline.

DMBI

Knowing customers' habits and sending them more relevant offers at the right time, requires the type of innovative solutions offered by MOBI724. The commercialization of this technology presents the Company with the opportunity to add more mid-size merchants to its portfolio as such merchants often do not have the necessary internal expertise and thus are under served in this segment. In emerging markets, business intelligence and insight into customer spending habits provide added value to our customers. The Company intends to leverage the existence of these new products in its portfolio to grow sales in other markets.

While the Company is committed to aggressively implementing and selling its solutions it is continuously subject to changes in the regulatory environment in its existing markets both in relation to the payment space and data privacy. These regulations are subject to change without notice and the Company must adopt to these changes in the various countries where it operates on an ongoing basis.

Payments

Countries that have not transitioned to EMV payment standards are being pushed by card associations and banks to adopt the standards to reduce the fraud risk in payment transactions. These emerging markets add revenue potential to our payment segment as the Company's solutions are focused on transitioning banks and merchants to these new standards.

DIVIDEND POLICY

The Company's policy is to retain earnings, if any, for the financing of future growth and development of its business. As a result, the Company has not paid dividends in the past three (3) years and does not intend to pay dividends in the foreseeable future.

Disclosure of Outstanding Securities as of April 30, 2019

The Company is authorized to issue an unlimited number of Common shares. The holders of the Common shares are entitled to receive notice and to attend all meetings of the shareholders of the Company. Each Common share carries one vote. The holders of Common shares have the right to receive dividends if, as and when declared by the Board of Directors of the Company. In the event of the liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of its assets among its shareholders for the purpose of winding-up its affairs, the holders of Common shares of the Company are entitled to receive the remaining property and assets of the Company on a pro rata basis.

The Company has a common share purchase option plan (the "Option Plan") for its directors, officers, consultants and employees. The maximum number of shares available under the Option Plan is 10% of the outstanding Common shares at the end of the period. Options granted under the Option Plan have grant price and vesting period at the discretion of the Board of Directors. Options are granted at or above the common share price on the TSX-V for the day prior to the grant of the options.

As of April 30, 2019, the Company had 209,337,122 Class A Shares issues and outstanding. The Company also had 227,273 Share Purchase Warrant exercisable at a weighted average price of $0.10 and expiring between November 2020 December 2021. The Company also had 9,090,666 Common Share Purchase Options at a weighted average price of $0.23. The Company could issue a further 11,063,521 Common Shares if all remaining Debentures were fully converted at the option of the holders, not including the additional shares to be issued for the interest portion.

Outstanding Class A shares	209,337,122
Share purchase warrants	227,273
Share Options	9,090,666
Convertible debentures 2016-02 (1)	7,730,188
Convertible debentures 2019-01 (2)	3,333,333
Fully Diluted	**229,718,582**

1) At a conversion price of $0.35, not including the additional shares to be issued for the interest portion.
2) At a conversion price of $0.15, not including the additional shares to be issued for the interest portion if any.

FINANCIAL HIGHLIGHTS – YEARS ENDED DECEMBER 31, 2018, 2017 AND 2016

Summary of Results

For the year ended December 31, 2018, the Company recorded:

- Sales decrease of 11%: $2,570,980 in revenues for the year ended December 31, 2018 compared to $2,874,353 for the same period in 2017. In Q2 of 2018, the company start losing part of its legacy business in Argentina as the pesos dropped importantly placing additional pressure on the remaining contracts as well as signing agreements with new clients as the economy contracted. The Company lost approximately $260,000 during the year due to currency devaluation in its legacy business in Argentina. Were in not for the devaluation of the Argentinean peso, sales would have remained stable. Our new contracts in Argentina are now denominated in or pegged to the US$. This unique event significantly impacted the Company's sales revenue.

- Operating loss decrease of 6%: $7,196,750 in operating losses for the year ended December 31, 2018 compared to an operating loss of $7,658,880 for the same period in 2017.

- Sales increased 4% from $617,646 in Q3 to $640,815 in Q4.

- Reduction of 50% in the burn rate in operating activities from Q3 to Q4 2018 (a reduction in the loss of $466,365).

The following tables set out selected financial information for the Company for the years ended December 31, 2018, 2017 and 2016:

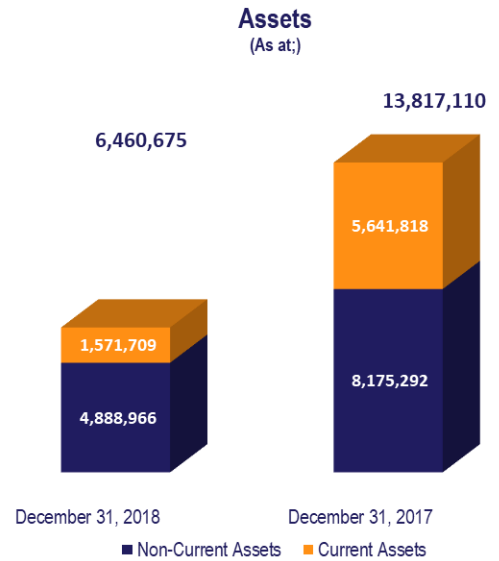
	Year ended December 31, 2018	Year ended December 31, 2017	Year ended December 31, 2016
	$	$	$
Revenues	2,570,980	2,874,353	2,545,257
Net loss	7,275,714	10,767,140	4,934,898
Loss per share - basic and diluted	0.04	0.07	0.05
Total assets	6,460,675	13,817,110	10,488,263
Total non-current financial liabilities	48,197	1,074,477	105,137
Weighted average number of outstanding common shares – Basic and Diluted	**197,506,820**	**162,074,608**	**103,339,498**

FINANCIAL CONDITION

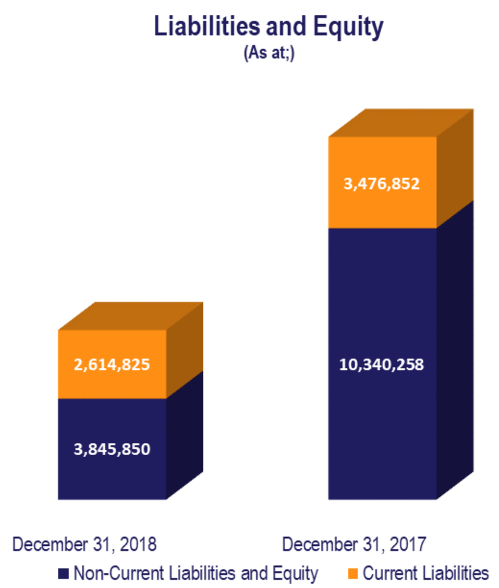
During the year ended December 31, 2018, Cash decreased by $3,255,597 compared to December 31, 2017. The decrease is mainly due to the general and administrative charges and the research and development charges during the commercialization process and the decrease in Accounts payables and accrued liabilities partially offset by the $930,000 from the excise of warrants under the Incentive Program.

Total assets decreased by $7,356,435 during the year ended December 31, 2018, mainly due to:

- a decrease in Cash as describe above.
- a decrease of $696,383 in Trade and other receivables (Trade receivables ($220K) and in Share subscription receivable ($239K)).
- a decrease of $801,445 in Intangibles assets due to the amortization of customer relationships, software technology, patents and EMV payment switch.
- a decrease of $2,500K in Goodwill as a result of the impairment loss allocated to the CLO&R ($1,700K) and DMBI ($800K) cash-generating units.



Total liabilities and Equity decreased by $7,356,435 during the year ended December 31, 2018, mainly due to:



- a decrease of $1,370,707 in Accounts payables and accrued liabilities (Accounts payables and accrued liabilities ($571K), Salaries and related benefits ($440K) and Advance payable to non-controlling interest, without interest ($163K)).
- A decrease of $311,922 in Convertible debt do to the conversion of debentures for an aggregate amount of $345,600 into common shares.
- an increase of $7,275,714 in Net loss.

partially offset by:

- a $930,000 increase in Share Capital as a result of the exercise of warrants under the Incentive Program.

Segmented Reporting

The Company operates and reports its results as three operating segments (2017 – three), which are the development of new internet technologies with its CLO&R, Payments and DMBI solutions. These operating segments 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 also operates in four (2017 – three) different geographical regions. The Company's financial information by reportable segment is as follows:

					December 31, 2018
	Payments	CLO&R	DMBI	Unallocated	Consolidated
Revenues from external customers	308,588	372,343	1,890,049	-	**2,570,980**
Total operating expenses	(662,341)	(3,731,994)	(3,358,356)	(2,015,039)	**(9,767,730)**
Operating loss	(353,753)	(3,359,651)	(1,468,307)	(2,015,039)	**(7,196,750)**
Net financial expenses	(20,407)	(78,194)	(6,020)	(125,620)	**(230,241)**
Net loss before income taxes	**(374,160)**	**(3,437,845)**	**(1,474,327)**	**(2,140,659)**	**(7,426,991)**

					December 31, 2017
	Payments	CLO&R	DMBI	Unallocated	Consolidated
Revenues from external customers	192,413	729,162	1,952,778	-	**2,874,353**
Total operating expenses	(3,587,260)	(1,072,927)	(2,365,724)	(3,507,321)	**(10,533,232)**
Operating loss	(3,394,847)	(343,765)	(412,946)	(3,507,321)	**(7,658,879)**
Net financial income (expenses)	(20,422)	6,263	(21,219)	(4,570,358)	**(4,605,736)**
Gain on renegotiation of purchase price	-	-	-	1,428,088	**1,428,088**
Net loss before income taxes	**(3,415,269)**	**(337,502)**	**(434,165)**	**(6,649,591)**	**(10,836,527)**

The Company's financial information by geographic region is as follows:

	December 31, 2018	December 31, 2017
	$	$
Sales from external customers		
South America	**372,343**	729,162
Canada	**1,890,049**	1,952,778
Caribbean	**258,738**	192,413
Philippines	**49,850**	-
	2,570,980	2,874,353

All of the Company's non-current assets are located in Canada.

The decreased revenues in the CLO&R segment is mainly related to reduced revenues from the legacy coupon business as the Company transitions from its older products to Mobi724's smart transaction technology with a focus on its digital ("CLO&R") and a negative effect of change in foreign exchange rate.

RESULTS OF OPERATIONS

	Year ended December 31, 2018	2017	Variance
	$	$	$
Revenues	2,570,980	2,874,353	(303,373)
Operating expenses			
Costs of sales	223,938	379,006	(155,068)
Research and development charges, net of tax credits	1,585,969	1,769,915	(183,946)
General and administrative charges	5,156,452	5,624,758	(468,306)
Depreciation of property and equipment	19,873	8,046	11,827
Amortization of intangible assets	879,645	1,220,509	(340,864)
Share-based compensation	219,375	746,974	(527,599)
Loss (gain) on settlement of liabilities	(817,522)	784,025	(1,601,547)
Impairment loss on goodwill	2,500,000	-	2,500,000
Operating Loss	(7,196,750)	(7,658,880)	(462,130)
Net finance expense	230,241	4,605,736	(4,375,495)
Gain on renegotiation of purchase price	-	(1,428,088)	1,428,088
Net loss before income taxes	(7,426,991)	(10,836,527)	3,409,536
Income taxes			
Current	(40,869)	115,000	(155,869)
Deferred	(110,408)	(184,387)	73,979
	(151,277)	(69,387)	(81,890)
Net loss	(7,275,714)	(10,767,140)	3,491,426

Revenues

Revenues decreased for the year ended December 31, 2018 by 11%. The Company derived the majority of its revenues from the DMBI segment $1,890,049 (2017 - $1,952,778) followed by the CLO&R segment $372,343 (2017 - $729,162) and the Payments segment $308,588 (2017 - $192,413). The most significant contributors to the revenues variance were as follow:

	YEAR ENDED 2018 VS 2017
Payments	▲ An increase of 60% related to the sale of terminals in Asia, to the continued onboarding of new merchants and more revenues generated from the existing merchant portfolio.
CLO&R	▼ A decrease of 49% mainly related to reduced revenues from the legacy coupon business in Argentina as the Company transitions from the older products to Mobi724's smart transaction technology, 40% of which is due to a negative effect of foreign exchange rate ($260K), partially offset by the revenues from new technologies.
DMBI	▼ A decrease of 3% mainly due to lower activities from existing clients.

Expenses

The most significant contributors to the expenses variance were as follow:

	YEAR ENDED 2018 VS 2017
Cost of sales	▼ A decrease of $155K as a result of the reduction of the sales.
Research and development	▼ The decrease of $184K mainly result from the decrease in IT expenses ($175K).
General and administrative	▼ A decrease of $468K mainly results from a decrease in contract labor ($541K), professional fees ($216K) and travel expenses ($161K) as a result of cost reduction initiatives, partially offset by an increase in IT expenses ($330K) and in filling fees ($44K) related to the cost of moving to the TSXV.
Share-based compensation	▼ A decrease of $528K as a result of the non-recurring issuance for successfull business development in 2017 and forfeitures.
Loss (gain) on settlement of liabilities	▲ An increase in gain on settlement of liabilities of $1,602K mainly due to the $536,706 received from UseMyServices Inc. as a litigation settlement in 2018 and the different settlements of litigation in 2017 ($546K).
Impairment loss on goodwill	▲ An increase as a result of the impairment of the goodwill allocated to the CLO&R ($1,700K) and DMBI ($800K) cash-generating units.
Net finance expense	▼ A decrease of $4,375K mainly as a result of the non-cash fair value adjustment on liability for the acquisition of the non-controlling interest of Mobi ($4,043) and the accretion interest on contingent consideration payable related to the acquisition of IQ 7/24 ($241K).
Gain on renegotiation of purchase price	▼ A decrease of $1,428K as a result of the successful renegotiation of purchase price related to the acquisition of IQ 7/24 Inc. in 2017.

The Company is continuously looking for cost efficiencies. Several initiatives were implemented during the year ended of 2018. We expect to continue to see the effect of those initiatives in the first quarter of 2019 which will further reduce costs and improve cash flow.

Summary of Quarterly Results

The following table provides selected financial information for the last eight quarters:

Quarter ended	Revenues	Net income (loss) ($)	Quarter to quarter variance ($)		EPS Basic and diluted ($)
December 31, 2018	640,815	(3,294,120)	(1,845,730)	a)	(0.02)
September 30, 2018	617,646	(1,448,390)	(534,693)	b)	(0.01)
June 30, 2018	792,612	(913,697)	705,810	c)	(0.00)
Mars 31, 2018	519,907	(1,619,507)	371,525	d)	(0.01)
December 31, 2017	814,666	(1,991,032)	(109,014)	e)	(0.01)
September 30, 2017	630,851	(1,882,018)	(2,426,922)	f)	(0.01)
June 30, 2017	782,443	544,904	7,983,898	g)	0.00
Mars 31, 2017	646,393	(7,438,994)	(5,057,837)		(0.05)

****** Q4 2018 was the Company's lowest burn rate from operating activities of the past 8 quarters -

The main variations in the quarterly results from the prior period are explained as follows:

a) The increase in net loss is principally due to the impairment loss on goodwill of $2,500K recorded in Q4-2018 partially offset by the cost reduction initiative.

b) The increase in net loss is mainly due to the one-time gain in settlement of liabilities of $537K recorded in Q2-2018.

c) The decrease in net loss is mainly due to the one-time gain in settlement of liabilities of $537K recorded in Q2-2018 and lower operating costs.

d) The decrease in net loss is principally due to the cost reduction initiative and the absence of cost related to the settlement of a litigation.

e) The increase in net loss is primarily due to the cost related to the settlement of a litigation.

f) The significant increase in net loss is mainly due to the absence of one-time gain on renegotiation of purchase price in Q2-2017 and the non-cash fair value adjustment for the acquisition of Mobi recorded in Q2-2017.

g) The significant decrease is net loss (The Company recorded a net income of $0.5 million compare to a net loss of $7.4 million in Q1-2017) is mainly due to the one-time gain on renegotiation of purchase price in Q2-2017 and the non-cash fair value adjustment for the acquisition of Mobi recorded in Q2-2017 and the absence of the fair value adjustment on the acquisition of Mobi for $5.2 million recorded in Q1-2017.

Business Combination - Acquisition of IQ 7/24 Inc. and Solutions Mobi724 Inc.

Acquisition of IQ 7/24 Inc.

Effective January 1, 2016, in an effort to further its business objectives, the Company acquired 100% of the common shares of I.Q. 7/24 Inc., a company operating in Montreal, Canada (hereinafter "IQ").

The total purchase price was estimated at $3,715,061 payable through cash already paid of 250,000 and through a contingent consideration of $3,465,061. The contingent consideration payable was discounted using an effective interest rate of 22.5%. The undiscounted estimated amount payable consisted of $5,720,962 payable in 2017 and $162,899 payable in 2018. Accretion interest recorded during the year ended December 31, 2017 amounted to $241,141 ($821,866 in 2016).

On April 28, 2017, the Company signed an addendum to the IQ acquisition agreement modifying the purchase price. Subsequent to this modification, the contingent consideration payable for the acquisition of IQ was modified to a fixed purchase price for a total of $3,100,000. The amount was payable $1,860,000 in cash with the remainder to be paid through the issue of common shares. 3,492,958 shares having a value of $1,240,000 were issued during the year ended December 31, 2017 in relation to the acquisition of IQ. At the time of the modification of the purchase price, the balance of the contingent consideration payable was $4,528,088. The modification resulted in a gain on renegotiation of the purchase price of $1,428,088. The entire liability has been settled in 2017.

Acquisition of Mobi

On July 12, 2013, in an effort to further its business objectives, the Company acquired 51% of the common shares of Solutions Mobi724 Inc. (“Mobi”).

On July 12, 2014, one year after the closing date, the Company was to purchase the remaining Mobi shares from the remaining Mobi shareholders at an evaluation price determined, at that time, as per the contractual agreement, and mostly based on expected future revenues of Mobi. At acquisition date, because the Company has an obligation to acquire the non-controlling interest of Mobi, the Company recorded a liability, at fair value, for the future acquisition of the remaining Mobi shares. The remaining Mobi shares were acquired in 2015.

During the year ended December 31, 2014, the Company also entered into an amendment to the acquisition agreement that modified the terms of the obligation to acquire the non-controlling interest of Mobi. The liability was settled by issuing the remaining Mobi shareholders a fixed percentage ownership of the Company. During the year ended December 31, 2017, 16,306,507 shares were issued having a value of $4,769,275. The previous shareholders of Mobi are all current officers and directors of the company.

CASH FLOW

Below is a representation of the cash flow and liquidity position of the Company for year ended December 31, 2018.

	Year ended December 31, 2018	2017	Variance
	$	$	$
Cash Flow			
Operations[1]	(3,947,642)	(5,342,453)	1,394,811
Non-cash working capital items	(287,068)	510,611	(797,679)
Operating activities	(4,234,710)	(4,831,842)	597,132
Financing activities	1,075,795	10,421,978	(9,346,183)
Investing activities	(113,192)	(1,877,355)	1,764,163
Effect of the exchange rate changes on cash	16,510	(7,614)	24,124
Net change in cash	(3,255,597)	3,705,167	(6,960,764)
Cash, beginning of period	3,735,400	30,233	3,705,167
Cash, end of period	479,803	3,735,400	(3,255,597)

[1] Operations cash flow is cash flows used in operating activities adjusted for certain non-cash working capital items.

A summary of cash flow activities is provided below:

	YEAR ENDED 2018 VS 2017
Operations	The decrease in cash flow used for operations is mainly due to lower selling, general and administrative charges and the gain on settlement of liabilities.
Non-cash working capital items	The decrease from non-cash working capital items is mainly due to the decrease in accounts payable and accrued liabilities and the decrease in Trade and other receivables.
Financing activities	The decrease in cash from financing activities is mainly due to lower proceeds from issuance of common shares and warrants and lower proceeds from long-term debt, partially offset by the proceed received from exercise of warrants.
Investing activities	The decrease in cash flow used in investing activities is mainly due the absence of an investment in business acquisition, partially offset by the addition to intangible assets.

LIQUIDITY AND CAPITAL RESOURCES

As at December 31, 2018, the Company had a cash balance of $479,803, and a negative working capital (current assets less current liabilities) of $1,043,116, total assets of $8,960,675, total liabilities of $2,711,283, and total liabilities and shareholder's equity of $8,960,675.

In comparison as at December 31, 2017, the Company had a cash and short-term investment balance of $3,735,400, total assets of $13,817,110, total liabilities of $4,709,998, and total liabilities and shareholder's equity of $13,817,110. The Company had a working capital of $2,164,966 as at December 31, 2017.

The Company has no other committed sources of future financing as of the date of this MD&A. If delays in reaching positive cash flows from revenues were to occur, the Company's working capital may be insufficient to meet its obligations and budgeted expenditures through September 30, 2019. The Company's sources of funding to this point has been the issuance of equity securities, debt and the, to a lesser extent, cash flows from revenues. However, if working capital proves to be insufficient, management must then secure additional source of funding for its ongoing operations until it reaches positive cash flow, to fund research and development and pay for general and administrative costs.

General economic uncertainty remains and contributes to the volatility in the capital markets making equity financings for emerging companies difficult. Any funding shortfalls may be met in the future in a number of ways including but not limited to, the issuance of new equity or debt financing. While management has been successful in securing financing in the past, there can be no guarantee that it will be able to do so in the future, or that any source of funding or initiatives will be available on reasonable terms to the Company.

Going Concern

These 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. The application of the going concern concept is dependent on future events including amongst other things, attaining a satisfactory revenue level from its Payment solutions, DMBI solutions and CLO&R solutions, attainment of profitable operations and the ability to secure new financing arrangements and new capital to carry out its business plan.

The Company has generated limited revenues since inception and has losses from continuing operations totaling $7,275,714 and $10,767,140 for the years ended December 31, 2018 and 2017 respectively and an accumulated deficit of $49,344,723 since the Company's inception on February 8, 2005. During the year ended December 31, 2018, the Company received approximately $1,160,000 in additional funds from equity financing. In addition, the Company was in breach of its debt covenants under a term loan as of December 31, 2018 which can result in the right by the lender to request immediate repayment of amounts borrowed. As at December 31, 2018, the Company had a negative working capital of $1,043,116 (includes the term loan reclassified to current liabilities). As at the date of these financial statements, the Company's working capital is insufficient to cover the costs to carry out its business plan. The Company is examining available options to raise funds and limit its cash outflow. The Company may be unable to meet its current obligations. The Company can give no assurance that it will achieve profitability or be capable of sustaining profitable operations.

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. As described above, 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.

These 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. Such adjustments could be material.

Share Capital Transactions

A summary of the Company's share capital transactions for the year ended December 31, 2018 is listed below:

Shares Issued for Exercise of Share Options

During the year ended December 31, 2018, the Company issued 400,000 common shares in exchange for services having a fair value of $70,790.

Shares Issued for Settlement of Liabilities

During the year ended December 31, 695,899 common shares were issued to settle outstanding liabilities.

Shares Issued for Exercise of Warrants

During the year ended December 31, 2018, 7,347,167 shares were issued in relation to the exercise of warrants.

Stock Options

During the year ended December 31, 2018, 2,127,400 stock options were issued to directors, officers, employees or consultants of the Company at a weighted average exercise price of $0.32 per common share.

Warrants

During the year ended December 31, 2018, 6,400,000 warrants were issued at a weighted average exercise price of $0.45 per common share.

Contingent Liabilities

In the normal course of operations, the Company may be exposed to a number of lawsuits, claims and contingencies. Provisions are recognized as liabilities in instances when there are present obligations and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and where such liabilities can be reliably estimated. Although it is possible that liabilities may be incurred in instances where no provision has been made, the Company has no reason to believe that the ultimate resolution of such matters will have a material impact on its financial position. On November 20, 2018 the Company arrived at an out-of-court settlement with Mr. Nick Chine ("Chine") in relation to a lawsuit the latter filed against the Company in 2015 in the amount of $338,000 related to unpaid commissions for 2012-2013 allegedly owed to Chine ("Litigation"). Without any admission of liability, the Company pursuant to the settlement of the Litigation agreed, subject to the approval of the TSX Venture Exchange ("Exchange"), to pay Chine an undisclosed sum, including an amount for unpaid commissions of $55,000 ("Unpaid Commissions Amount") in common shares of the Company ("Common Shares") within two (2) business days from the receipt of approval by the Exchange. Upon redeipt of the requisite approvals from the Exchange, the Company converted the Unpaid Commissions Amounts into Common Shares at a conversion price of $0.07 (equivalent to the weighted average closing market price per share calculated during the period November 19th and December 3rd, 2018 (inclusively).

Off-Balance Sheet Transactions

As at December 31, 2018, the Company had not entered into any significant off-balance sheet transactions.

Related Party Transactions

The following table summarizes the transactions and balances outstanding with related parties of the Company:

	December 31 2018	December 31 2017
	$	$
Transactions:		
Contract labor and professional fees paid to officers and directors	**25,500**	167,440
Settlement in shares with a director for consulting fees	**-**	77,435
Settlement in shares with an officer	**-**	219,545

	December 31 2018	December 31 2017
	$	$
Balances outstanding:		
Amounts due to directors and other members of the Company's key management personnel, without interest	**212,243**	141,500
Amounts due to persons that are significant shareholders of the Company without interest	**-**	110,057
Demand debt due to director and significant shareholder	**-**	60,976

The remuneration of directors and other members of key management personnel during the year was as follow:

	December 31 2018	December 31 2017
	$	$
Salaries, benefits, commissions and consulting fees	**884,432**	975,472
Share-based compensation	**110,433**	223,165
	994,865	1,198,637

Valuation of Financial Instruments

The Company uses valuation techniques that include inputs that are not based on observable market data to estimate the fair value of certain types of financial instruments. Management believes that the chosen valuation techniques and assumptions used are appropriate in determining the fair value of financial instruments.

Risk Factors and Uncertainties

The Company operates in the technology industry that is subject to numerous significant risks that can influence the profitability of a company. The Company has disclosed several risks below which it believes to be the most significant and that could have a material impact on its current operations. There may exist other risks that are not indicated below which may currently exist or can arise in the future regarding the Company's operations. An investment in the Company should be considered highly speculative due to the nature of the Company's activities and its current stage of development.

Intellectual Property

The Company's success and future growth are dependent on its ability to develop innovative payment-enabled technology solutions. The Company's commercial advantage will depend to a significant extent on its intellectual property and proprietary technology. If a third-party misappropriates the Company's intellectual property, the Company may be unable to enforce its rights. If the Company is unable to protect its intellectual property against unauthorized use by others, it could have an adverse effect on its competitive position.

Certification Risk

Most products sold in the payment industry require the completion of certain additional steps to have the product certified by the relevant banking authorities and with payment acquires/processors/issuers in each country. Although the Company has developed and certified its payment solution to the point that it is being deployed for commercial use in the Philippines, it is quite likely that said payment solution will need to be certified in any other country where the Company may decide to deploy it. Additional any new payment solution developed by the Company for the Philippines market may also need to be certified in the Philippines. There remain uncertainties as to the Company's ultimate ability to complete necessary certifications in a timely fashion to successfully deploy payment solutions in other countries.

Integration Risk

The Card-Linked Offers ("CLO") solutions offered by the Company require the completion of certain integration steps with various payment acquires/processors/issuers in those countries where the Company wishes to deploy its CLO solutions and where Visa is not a payment acquirer/processor. Although the Company has integrated its CLO solutions in Columbia with its desired payment acquirer/processor and although the Company continues to carry out integration work with payment acquires/processors/issuers in those countries where it wishes to commercialise its CLO solutions and where Visa is not a payment acquirer/processor, there remain uncertainties as to the Company's ultimate ability to complete necessary integrations in a timely fashion to successfully deploy its CLO solutions in other countries.

Financial Viability of Certain Development Partners

The Company has entered into multiple joint development agreements with local partners in various countries. While this is encouraging, some of the Company's partners consist of private companies where there may be a potential risk of those companies having to secure requisite financing to support their orders and their working capital requirements.

Qualified Technical Labour

While the Company has been successful in attracting technical labour to develop its products, there is no guarantee moving forward that the Company will continue to be successful in this regard. The lack of qualified technical labour is a global risk for all technology companies including MOBI724 that can threaten to reduce productivity, increase operating costs, and cause project delays.

Key Management

The Company is dependent on a relatively small number of key employees, of which the loss of any could have an adverse effect on its operations and financial reporting and result in potential material weaknesses in the Company's internal controls and procedures.

Security Breaches, Service Interruptions by Cyber-terrorists or Fraudulent or Illegal Use of Services

As part of its business, the Corporation's activities involve the storage and transmission of confidential personal or proprietary information, such as payment card numbers. Despite the Corporation's implementation of security measures, it is vulnerable to internal and external security breaches, service interruptions and third party and employee fraud schemes and other similar disruptions that could damage MOBI724's reputation. The Corporation's payment services may be susceptible to credit card and other payment fraud schemes, including unauthorized use of credit cards, debit cards or bank account information, identity theft or merchant fraud. If a person penetrates MOBI724's network security or otherwise misappropriates sensitive data, MOBI724 could be subject to liability and merchants, customers or partners could lose confidence in the Corporation's services in particular, or in Internet systems generally, which could have a material adverse effect on Corporation's business, results of operations and financial condition.

The Corporation renews its compliancy with external auditors every year with the Payment Card Industry Security Standards (PCI), which are incorporated in the technical requirements of the data security compliance programs of all major credit cards such as American Express, Discover Financial Services, JCB International, MasterCard and Visa Inc.; however, there is no guarantee that compliance will prevent illegal or improper use of the Corporation's payment system. Further, the Corporation's security measures may not prevent security breaches, service interruptions and fraud schemes and the failure to do so may disrupt the Corporation's business, damage its reputation and expose it to risk of loss or litigation and possible monetary damages that could materially adversely affect the Corporation's business, financial condition and results of operations. As these security threats continue to evolve, MOBI724 may be required to invest significant additional resources to modify and enhance its information security and controls or to investigate and remediate any security vulnerability.

Litigation

All industries, including the technology industry, are subject to legal claims, with and without merit. The Company may in the future be involved in various legal proceedings. While the Company believes that it is unlikely that the final outcome of these legal proceedings will have a material adverse effect on its financial position or results of operations, defense costs will be incurred, even with respect to claims that have no merit. Due to the inherent uncertainty of the litigation process, there can be no assurance that the resolution of any particular legal proceeding will not have a material adverse effect on the Company's future cash flows, results of operations or financial position.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. One of the Company's long-term debts are collateralized by assets of the Company. The Company manages liquidity risk through the management of its capital structure and financial leverage. It also manages liquidity risk by continuously monitoring actual and projected cash flows. The board of directors reviews and approves the Company's operating and capital budgets, as well as any material transactions out of the ordinary course of business.

Credit Risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. Financial instruments that potentially subject the Company to credit risk consist of cash, short-term investments, accounts receivable, and deposits. The Company offsets these risks by depositing its cash and its short-term investments with international financial institutions with low risk credit ratings.

Risks Linked to Common Shares

The price of the Company's common shares can fluctuate for several reasons such as the exchange rate, financing and several other factors. It is possible that the price of common shares might experience significant volatility that has a negative impact on the market capitalization of the Company.

Market Risks

Should the economy contract in countries where the Company is developing or doing business, MOBI724's customers in those countries may take longer to appreciate the value of the Company's offer, postpone budget expenses to a later date or decide not to pursue any new business until market conditions in their country improve.

Future Financing and Access to Capital Markets

To fund its growth, the Company is dependent on securing the additional capital through loans or issuing equity. The availability of this capital is subject to general economic conditions and lender and investor interest in the Company's projects. The financing environment for early stage technology companies remains challenging and the Company cannot assure investors that financing will be available in amounts or on terms acceptable to it to support the Company's business initiatives.

Foreign Exchange Rates

The functional currency of the Company is the Canadian dollar. The Company is exposed to foreign exchange risk as a portion of its monetary balances is denominated in U.S. dollars, Philippine Pesos and Argentina Pesos. Despite the fact that the Company mitigates some of its exposure to foreign exchange risk by pricing its products, whenever possible, in US dollars in its international contracts, the Company, nevertheless, remains exposed to gains and losses due to fluctuations in these foreign currencies. The Company does not use derivatives to manage the exposure to foreign exchange risk.

Fluctuation in Interest Rates

The Company has a long-term debt that is exposed to risks associated to fluctuations in interest rates.

Industry competition

The technology industry is very competitive, and the Company has to compete with other companies relating to access to capital, attraction of technical labour and resources, and market demand. The Company has made significant strides in developing its products over the past four years in its attempt to commercialize products with its various strategic development partners. As of the current fiscal year, the Company has completed its development efforts to the point that it has products available for sale. For most sales in the payment industry, there are additional steps needed to certify a payment solution in order to deploy it. The Company has secured certifications in several important jurisdictions, but each market territory requires separate certifications with various payment acquirers, banks or processors. There remain uncertainties as to the Company's ultimate ability to complete necessary certifications in a timely fashion to deploy successful customer solutions.

Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires Management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities at the date of the financial statements and reported amount of revenues and expenses during the reported periods. Management uses historical experience, general economic conditions and trends, as well as assumptions regarding probable future outcome as the basis for determining estimates. Actual results may differ from these estimates. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances available at the time estimates are made.

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. There have been no changes in the significant judgements and estimates made by the management. The estimates and assumptions that have a significant risk of causing material adjustments to our financial statements were disclosed in *Note 3 – Significant accounting policies* to our 2018 annual audited consolidated financial statements available on www.sedar.com or on our website www.mobi724.com.

Comparative Figures

Certain prior period amounts have been reclassified for consistency with the current period presentation.

Basis of Preparation

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, 2018.

Adoption of new accounting standards, amendments and interpretation during the year

IFRS 9 Financial Instruments

In July 2014, the IASB released IFRS 9 – Financial instruments, which will replace IAS 39 – Financial Instruments: Recognition and Measurement. This IFRS includes a revised model for the classification and measurement of financial assets and liabilities, a forward-looking “expected loss” impairment model and a reformed approach to hedge-accounting. IFRS 9 is effective for annual reporting periods beginning on or after January 1, 2018, date for which the Company adopted this standard and applied retroactively with restatement of comparative periods. The Company assessed that there was no impact of this new standard on its consolidated financial statements, with the exception of financial assets that were classified as Loans and Receivables that are now classified in the amortized cost category.

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 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 annual reporting periods begin on or after January 1, 2018, date for which the Company adopted this standard and applied retroactively with restatement of comparative periods. The Company assessed there were no impact of this new standard on its consolidated financial statements.

Standards, amendments and interpretation not yet in effect

IFRS 16 Leases

In January 2016, the IASB published IFRS 16, Leases which replaces IAS 17 Leases, IFRS 16 eliminates the classification as an operating lease and provides lessees to recognize a right-of-use asset and a leaser liability in the statement of financial position for all leases with exemptions permitted for leases of less than 12 months and assets of low value. In addition, IFRS 16 changes the definition of a lease, sets requirements on how to account for the asset and liability, including complexities such as nonlease elements, variable lease payments and options periods, changes the accounting for sale and leaseback arrangements, largely retains IAS 17’s approach to lessor accounting and introduces new disclosure requirements. IFRS 16 is effective for annual reporting periods beginning on or after January 1, 2019 with early application permitted in certain circumstances. The Company plans to adopt IFRS 16 on January 1, 2019 using the modified retrospective approach. Under this approach, the cumulative impact of the initial application of comparative is not restated. The potential impact of the adoption of this standard on the financial statements of the Company has not yet been finalized.

Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company maintains a set of disclosure controls and procedures designed to provide reasonable assurance that all relevant information is gathered and reported to senior management, including the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), on a timely basis so appropriate decisions can be made regarding public disclosure.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109, Certification of Disclosure in Issuers’ Annual and Interim Filings (“NI 52-109”), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures (“DC&P”) and internal control over financial reporting (“ICFR”), as defined in NI 52-109. In particular, the certifying officers filing this certificate are not making any representations relating to the establishment and maintenance of:

(i) controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

(ii) a process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of condensed interim consolidated financial statements for external purposes in accordance with the issuer's financial reporting framework.

(s) Marcel Vienneau
Marcel Vienneau
Chief Executive Officer