AnalytixInsight Inc.

Consolidated Financial Statements
(Expressed in Canadian dollars)

For the years ended December 31, 2017 and 2016

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of AnalytixInsight Inc.

We have audited the accompanying consolidated financial statements of AnalytixInsight Inc. and its subsidiaries, which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of loss and comprehensive loss, consolidated statements of cash flows and consolidated statements of changes in shareholders' equity for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of AnalytixInsight Inc. and its subsidiaries as at December 31, 2017 and 2016, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

UHY McGovern Hurley LLP

UHY McGovern Hurley LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Canada
April 12, 2018

AnalytixInsight Inc.

Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes		**December 31, 2017**		December 31, 2016
ASSETS					
Current					
Cash		**$**	**1,357,060**	$	292,352
Accounts and other receivables	4		**987,408**		107,934
Prepaid expenses			**87,493**		2,232
Total current assets			**2,431,961**		402,518
Equipment	5		**111,992**		-
Intangible assets	6		**1,501,883**		954,529
Goodwill	6		**677,024**		-
Investment in associate	7		**968,320**		405,558
Assets available for sale	11		**60,000**		60,000
Total assets		**$**	**5,751,180**	$	1,822,605
LIABILITIES					
Current					
Accounts payable and accrued liabilities		**$**	**455,876**	$	878,327
Deferred revenue			**72,220**		27,987
Total current liabilities			**528,096**		906,314
SHAREHOLDERS' EQUITY					
Share capital	9		**16,429,281**		11,994,854
Reserves	10		**1,723,230**		1,177,697
Deficit			**(13,045,873)**		(12,570,809)
Currency translation reserve			**116,446**		314,549
Total shareholders' equity			**5,223,084**		916,291
Total liabilities and shareholders' equity		**$**	**5,751,180**	$	1,822,605
Nature of operations and going concern	1				
Commitments and contingencies	13				
Subsequent events	15				

Approved by the Board of Directors on April 12, 2018.

"Prakash Hariharan"
Prakash Hariharan – Director

"Chaith Kondragunta"
Chaith Kondragunta – Director

The accompanying notes are an integral part of these Consolidated Financial Statements.

AnalytixInsight Inc.

Consolidated Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Notes	Year ended December 31, 2017	2016
REVENUE			
Services	14	**$ 4,516,759**	$ 1,075,349
TOTAL REVENUE		**4,516,759**	1,075,349
Cost of sales		**2,053,032**	460,318
Amortization		**423,865**	221,624
Gross profit		**2,039,862**	393,407
EXPENSES			
Consulting and compensation	12	**1,737,033**	813,707
Professional fees		**274,195**	92,321
General and administration		**466,950**	130,072
Selling and marketing		**205,384**	75,774
Travel		**280,137**	79,503
Software research expenditure		**-**	266,871
Share-based compensation	10, 12	**441,451**	198,757
TOTAL EXPENSES		**3,405,150**	1,657,005
LOSS before other items		**(1,365,288)**	(1,263,598)
OTHER ITEMS			
Accretion		**(3,745)**	(43,087)
Share of gain (loss) of investment accounted for using the equity method	7	**562,762**	(66,443)
Bad debt expense		**(43,707)**	-
Foreign exchange (loss) gain		**(14,360)**	8,228
NET LOSS before discontinued operations		**(864,338)**	(1,364,900)
Discontinued operations	7	**-**	(269,295)
Gain on deconsolidation of Marketwall	7	**-**	816,265
NET LOSS for the year		**(864,338)**	(817,930)
Other comprehensive loss			
Items that may be reclassified to profit and loss:			
Foreign currency translation		**(198,103)**	(5,995)
LOSS AND COMPREHENSIVE LOSS for the year		**$ (1,062,441)**	$ (823,925)
Weighted average number of shares outstanding – basic and diluted		**60,750,935**	43,837,253
Basic loss per share from continuing operations		**$ (0.01)**	$ (0.03)
Basic earnings per share from discontinued operations		**$ 0.00**	$ 0.01
Basic loss per share		**$ (0.01)**	$ (0.02)

The accompanying notes are an integral part of these Consolidated Financial Statements.

AnalytixInsight Inc.

Consolidated Statements of Cash Flows
(Expressed in Canadian dollars)

	Notes	For the year ended December 31, 2017	2016
Cash provided by (used in):			
Operations:			
Net loss for the year		**$ (864,338)**	$ (817,930)
Items not involving cash:			
Depreciation	5	**19,857**	-
Amortization of intangible assets	6	**423,865**	221,624
Accretion		**3,745**	43,087
Gain on deconsolidation of Marketwall	7	**-**	(816,265)
Share of (income) loss of investment accounted for using equity method	7	**(562,762)**	66,443
Loss from discontinued operations		**-**	269,295
Share-based compensation	10	**441,451**	198,757
Net cash from operating activities before changes in working capital		**(538,182)**	(834,989)
Change in non-cash operating working capital		**(1,223,341)**	(117,436)
Net cash flows of continued operations from operating activities		**(1,761,523)**	(952,425)
Net cash flows of discontinued operations from operating activities		**-**	808,728
Net cash flows from operating activities		**(1,761,523)**	(143,697)
Investing:			
Additions to equipment	5	**(4,163)**	-
Euclides assets acquisition - equipment	5, 6	**(134,735)**	-
Euclides assets acquisition costs	6	**(322,328)**	-
Net cash flows of continued operations used in investing activities		**(461,226)**	-
Net cash flows of discontinued operations used in investing activities		**-**	(850,823)
Net cash flows from investing activities		**(461,226)**	(850,823)
Financing:			
Private placement - gross proceeds	9	**2,600,000**	1,090,000
Private placement - issue costs	9	**(104,638)**	(6,400)
Exercise of warrants	9, 10	**759,995**	-
Net cash flows of continued operations		**3,255,357**	1,083,600
Net cash flows of discontinued operations used in financing activities		**-**	(150,290)
Net cash flows from financing activities		**3,255,357**	933,310
Effect of exchange rate change on cash		**32,100**	6,695
Change in cash for the year		**1,032,608**	(61,210)
Cash, beginning of the year		**292,352**	346,867
Cash, end of the year		**$ 1,357,060**	$ 292,352
Supplementary information:			
Shares received in settlement of debt		**$ -**	$ 60,000
Interest paid		**110,000**	-
Shares issued for Euclides Transaction		**1,293,456**	-
Warrants issued for Euclides Transaction		**378,971**	-

The accompanying notes are an integral part of these Consolidated Financial Statements.

AnalytixInsight Inc.

Consolidated Statement of Changes in Shareholders' Equity
(Expressed in Canadian dollars)

	Number of shares	Share capital	Reserves	Deficit	Currency translation reserve	Shareholders' equity
Balance, December 31, 2015	**38,793,025**	**$10,930,005**	**$ 1,544,417**	**$ (12,337,107)**	**$ 320,544**	**$ 457,859**
Private placement, units, net of issue costs	6,812,500	1,064,849	18,751	-	-	1,083,600
Share-based compensation	-	-	198,757	-	-	198,757
Options expired	-	-	(399,402)	399,402	-	-
Warrants expired	-	-	(184,826)	184,826	-	-
Other comprehensive loss for the year	-	-	-	-	(5,995)	(5,995)
Net loss for the year	-	-	-	(817,930)	-	(817,930)
Balance, December 31, 2016	**45,605,525**	**$11,994,854**	**$ 1,177,697**	**$ (12,570,809)**	**$ 314,549**	**$ 916,291**
Private placement, units, net of issue costs	13,000,000	2,350,084	145,277	-	-	2,495,361
Shares issued on Euclides Transaction	5,389,400	1,293,456	-	-	-	1,293,456
Warrants issued on Euclides Transaction	-	-	378,971	-	-	378,971
Share-based compensation	-	-	441,451	-	-	441,451
Options expired	-	-	(389,274)	389,274	-	-
Shares issued on exercise of warrants	2,610,737	790,887	(30,892)	-	-	759,995
Other comprehensive loss for the year	-	-	-	-	(198,103)	(198,103)
Net loss for the year	-	-	-	(864,338)	-	(864,338)
Balance, December 31, 2017	**66,605,662**	**$16,429,281**	**$ 1,723,230**	**$ (13,045,873)**	**$ 116,446**	**$ 5,223,084**

The accompanying notes are an integral part of these Consolidated Financial Statements.

1. Nature of operations and going concern

AnalytixInsight Inc. (the "Company") was continued as a corporation under the *Ontario Business Corporations Act* on August 18, 2014*.* The Company's registered and head office address is located at 65 Queen Street West, Suite 815, Toronto, ON, M5H 2M5. The Company's shares are listed on the TSX Venture Exchange ("TSX.V") under the symbol "ALY". The Company has a wholly owned subsidiary in the United States named Euclides Technologies, Inc. ("Euclides", formerly named CapitalCube Corp) and a 49% interest in an Italian company name Marketwall SRL ("Marketwall").

The Company provides financial research and content for investors, information providers, finance portals and media through its online portal www.capitalcube.com and through its institutional partner Connect platform (collectively referred to as the big data and artificial intelligence business segment). It also provides system integration services for the WorkForce Management ("WFM") industry through its Euclides Technologies, Inc. subsidiary (referred to as the professional services business). Marketwall focuses on mobile opportunities especially in the business to business and business to business to consumer spaces.

The Company has a history of operating losses and expects to incur further losses in the development of its businesses. As at December 31, 2017, the Company has a working capital of $1,903,865 (December 31, 2016 – deficiency of $503,796), a result of a private placement completed during 2017, and increased revenue in 2017. If the Company is unable to achieve profitable operations, other sources of funding will be required, and if not available, it is possible that the Company will be unable to continue as a going concern.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. These consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Significant accounting policies

a) Basis of preparation

These annual consolidated financial statements of the Company and its subsidiaries were prepared in accordance with IFRS, as issued by the International Accounting Standards Board ("IASB"),and have been prepared in accordance with accounting policies based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. The policies set out below were consistently applied to all the years presented unless otherwise noted.

The preparation of financial statements in accordance with International Account Standards ("IAS") 1, Presentation of Financial Statements, requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

These consolidated financial statements have been prepared on a historical cost basis except for financial instruments classified as available for sale, which are stated at their fair value. In addition, these consolidated financial statements have been prepared using the accrual basis of accounting, except for cash flow information.

The consolidated financial statements are presented in Canadian dollars and include the accounts of the Company and its wholly-owned subsidiaries, Euclides, having a US dollar functional currency and Marketwall. (to the date of loss of control, as discontinued operations), having a Euro functional currency. The functional currency was determined through an analysis of factors outlined in IAS 21. In the event that there are changes impacting the factors used to determine the functional currency, the Company re-evaluates its functional currency. No such evaluation was necessary during the reporting periods presented.

2. Significant accounting policies (continued)

b) Principles of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries: Euclides Technologies Inc. and Marketwall (to the date of loss of control, as discontinued operations) (See Note 7). All significant intercompany balances and transactions have been eliminated.

An investor controls an investee when it is exposed, or has rights, to variable returns and has the ability to affect those returns through its power over the investee. A subsidiary is fully consolidated from the date control is transferred to the Company, and is de-consolidated from the date control ceases.

c) Foreign currency translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("Foreign Currencies") are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in Foreign Currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in Foreign Currencies are retranslated at the rates prevailing at the date when the fair value was determined.

Exchange differences are recognized in the consolidated statement of loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), are recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal or partial disposal of the net investment.

Foreign exchange gains and losses that relate to borrowings and cash are presented in the consolidated statement of loss within "foreign exchange gain (loss)". All other foreign exchange gains and losses are also presented in the consolidated statement of loss within "foreign exchange (loss) gain".

The assets and liabilities of foreign operations, including goodwill and fair values adjustments arising on acquisition, are translated at the exchange rates at the reporting date. The income and expenses of foreign operations are translated at the exchange rates at the dates of the transactions.

Foreign currency differences are recognized in other comprehensive loss ("OCL") and accumulated in the translation reserve except to the extent that the translation difference is allocated to non-controlling interest ("NCI").

When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit and loss as part of the gain and loss on disposal. When only a part of the interest in subsidiary is disposed and control is retained, then the relevant portion of the cumulative amount is reattributed to NCI. When only a part of an associate or joint venture is disposed and significant influence or joint control is retained, the relevant portion of the cumulative amount is reclassified to profit and loss.

2. Significant accounting policies (continued)

d) Income tax

Income tax comprises current and deferred tax. Income tax is recognized in the consolidated statement of loss except to the extent that it relates to items recognized directly in other comprehensive income or directly in equity, in which case the income tax is also recognized directly in other comprehensive loss or equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted, at the end of the reporting period, and any adjustment to tax payable in respect of previous years. As at December 31, 2017, the Company had not incurred any current taxes payable (December 31, 2016 - $nil).

Deferred tax is recognized, using the liability method of accounting for income taxes. Under this method, deferred tax assets and liabilities are recognized for the future tax consequence attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases, and for operating losses or tax credits. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilized.

e) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and current balances with banks and similar institutions. They are readily convertible into known amounts of cash and have insignificant risk of changes in value.

f) Share capital

Incremental costs directly attributable to the issuance of common shares and warrants are recognized as a deduction from equity. The proceeds from the exercise of stock options or warrants together with amounts previously recorded over the vesting periods are recorded as share capital. Share capital issued for non-monetary consideration is recorded in accordance with the Company’s share-based compensation policy.

g) (Loss) earnings per share

The Company calculates basic (loss) earnings per share using the weighted average number of common shares outstanding during the period. Diluted (loss) earnings per share is calculated by adjusting the weighted average number of common shares outstanding by an amount that assumes that the proceeds to be received on the exercise of dilutive stock options and warrants are applied to repurchase common shares at the average market price for the period in calculating the net dilution impact. Stock options and warrants are dilutive when the Company has income from operations and the average market price of the common shares during the period exceeds the exercise price of the options and warrants.

h) Research and development

Expenditure on research activities is recognized in profit and loss as incurred. Development expenditures are capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, these expenditures are recognized in profit and loss as incurred. Subsequent to initial recognition, development expenditures are measured at cost less accumulated amortization and any accumulated impairment losses.

2. Significant accounting policies (continued)

i) Financial instruments

The classification of financial instruments depends on the purpose for which the financial instruments were acquired. Management determines the classification of its financial instruments at initial recognition. The classification and measurement of the Company's financial instruments are disclosed in Note 11 to these consolidated financial statements.

Financial assets
Financial assets are accounted for on the settlement date. The Company classifies its financial assets into one of the following categories and the accounting policy for each category is as follows:

Fair value through profit or loss
This category comprises derivatives, or assets acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are initially and subsequently recorded at fair value with changes in fair value recognized in profit or loss for the period.

Loans and receivables
These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recorded at fair value and subsequently recorded on an amortized cost basis using the effective interest method, less any impairment losses. Loans and receivables are included in current assets, except for items with maturities greater than 12 months after the end of the reporting period.

Held to maturity investments
These assets are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity. These assets are initially recorded at fair value and subsequently measured at amortized cost basis using the effective interest method, less any impairment losses. These assets are included in non-current assets, except for those which are expected to mature within 12 months after the end of the reporting period.

Available-for-sale
Non-derivative financial assets not included in the above categories are classified as available-for-sale. They are initially recorded at a fair value and subsequently measured at fair value. Unrealized gains and losses are recognized in other comprehensive loss, except for impairment losses which are recorded in profit or loss for the period.

Financial liabilities
The Company classifies its financial liabilities into one of two categories and the accounting policy for each category is as follows:

Fair value through profit or loss
This category comprises derivatives, or liabilities acquired or incurred principally for the purpose of selling or repurchasing it in the near term. They are initially recorded at fair value with subsequent changes in fair value recognized in profit or loss.

Other financial liabilities
This category includes loan payable and accounts payable and accrued liabilities, all of which are recognized at amortized cost using the effective interest method.

Impairment
At each reporting date, the Company assesses whether there is objective evidence that a financial instrument has been impaired. In the case of held-to-maturity financial instruments, a significant and prolonged decline in the value of the instrument is considered to determine whether impairment has arisen.

Fair value hierarchy
Financial instruments measured at fair value are classified into one of three levels in the fair value hierarchy according to the relative reliability of the inputs used to estimate the fair values. The three levels of the fair value hierarchy are:
Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities;
Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and
Level 3 Inputs that are not based on observable market data.

2. Significant accounting policies (continued)

j) Equipment

Equipment is carried at acquisition cost less accumulated depreciation and impairment losses. Depreciation is determined at rates which will reduce the original cost to estimated residual values over the expected useful life of each asset. Average depreciation time for computers and other equipment is approximately 8 years; furniture is approximately 15 years.

Equipment that is withdrawn from use, or have no reasonable prospect of being recovered through use or sale, are regularly identified and written off. Residual values and useful economic lives are reviewed at least annually, and adjusted if appropriate, at each reporting date.

Subsequent expenditure relating to an item of property, furniture and equipment is capitalized when it is probable that future economic benefits from the use of the assets will be increased. All other subsequent expenditures are recognized as repairs and maintenance.

k) Revenue recognition

The Company derives revenues from subscription fees, licensing fees, advertising and development work.

The Company recognizes revenue when there is evidence a sales arrangement exists, the sales price is fixed and determinable, collectability is reasonably assured and title has passed. Revenue from fixed-price service contracts and subscriptions are recognized over the life of a contract on a straight–line basis. Revenue billed in advance of its recognition is reflected as deferred revenue. Revenue and income from custom service contracts are determined on the percentage of completion method, based on the ratio of costs incurred to date over estimated total costs.

In the normal course of business, the Company enters into non-monetary transactions to exchange advertising for various products and services. Revenue is recognized on these barter transactions only when the services exchanged are dissimilar in nature and when fair value of the advertising services provided by the Company can be reliably measured by reference to non-barter transactions that:

- involve advertising similar to the advertising in the barter transaction;
- occur frequently;
- represent a predominant number of transactions and amount when compared to all transactions to provide advertising that is similar to the advertising in the barter transaction;
- involve cash and/or another form of consideration that has a reliably measurable fair value; and
- do not involve the same counterparty as in the barter transaction.

l) Intangible assets

Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset could be impaired. The amortization period and the amortization method for an intangible asset are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for on a prospective basis by changing the amortization period or method, as appropriate, and treated as changes in accounting estimates. Intangible assets are derecognized on disposal, or when no future economic benefits are expected from their use. Intangible assets with indefinite useful lives are tested for impairment annually, and whenever there is an indication that the intangible asset could be impaired, either individually or at the CGU level. Such intangibles are not amortized. The useful life of an intangible asset with an indefinite useful life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is made on a prospective basis. Management determined the useful life of its intangible assets to be between 4 and 7 years during the years ended December 31, 2017 and 2016.

2. Significant accounting policies (continued)

m) Accounting for business combinations

Accounting for Business Combinations Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition-date fair values of the assets transferred and liabilities assumed by the Company, liabilities incurred by the Company to former owners of the acquiree in exchange for control of the acquiree. Acquisition-related costs are recognized in the statement of operations as incurred. At the acquisition date, the identifiable assets acquired, liabilities and contingent liabilities assumed are recognized at their fair values, except for deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements, which are recognized and measured in accordance with IAS 12 Income tax and IAS 19 Employee Benefits, respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in the consolidated statement of loss as a bargain purchase gain.

n) Discontinued operations

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished and which:

- represents a separate major line of business or geographical area of operations;
- is part of single co-ordinated plan to dispose of a separate major line of business;
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale. When an operation is classified as discontinued operation, the comparative consolidated statement of loss and comprehensive loss is re-presented as if the operation had been discontinued from the start of the comparative year.

o) Impairment of non-financial assets

The carrying amount of the Company's non-financial assets (which include investment in associate, non-financial assets available for sale, intangible assets, and goodwill) is reviewed at each reporting date to determine whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An impairment loss is recognized whenever the carrying amount of an asset or its cash generating unit exceeds its recoverable amount. Impairment losses are recognized in the consolidated statement of loss and comprehensive loss. The recoverable amount of assets is the greater of an asset's fair value less cost to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the assets. For an asset that does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is only reversed if there is an indication that the impairment loss may no longer exist and there has been a change in the estimate used to determine the recoverable amount, however, not to an amount higher than the carrying amount that would have been determined had no impairment loss been recognized in previous year.

Goodwill represents the excess of the cost of an acquired business over the fair value of the identifiable assets acquired and liabilities assumed. Goodwill is measured at cost less accumulated impairment losses and is not amortized. Goodwill is tested for impairment on an annual basis or whenever facts or circumstances indicate that the carrying amount may exceed its recoverable amount.

2. Significant accounting policies (continued)

p) Share-based compensation

Share-based payments to employees are measured at the fair value of the instruments issued and amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured. Share-based payments are recorded at the date the goods or services are received. The corresponding amount is recorded in equity as the option reserve. The fair value of options is determined using a Black-Scholes pricing model which incorporates all market vesting conditions. The number of options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that eventually vest. On exercise, the value recorded is reallocated from option reserve to share capital along with any proceeds received. On expiry, the value recorded is reallocated to deficit.

q) Investment in associates

An associate is an entity over which the Company has significant influence but not control. Investments in associates are based on the Company's ability to exercise significant influence over the operating and financial policies of the investee. Investments in associates are accounted for using the equity method whereby the investment is initially recorded at cost and adjusted thereafter for additional investments made, dividends received and to recognize the Company's proportionate share of the associate's post acquisition income or loss.

The Company's share of the associate's profit or loss is recognised in the consolidated statement of loss, and its share of movements in other comprehensive income is recognised in the consolidated statement of other comprehensive loss with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognises the amount in the consolidated statement of loss and comprehensive loss.

The Company classifies its investment in Marketwall as an investment in associate, as the Company's direct ownership has been diluted to 49% and the Company no longer has control over Marketwall.

r) Changes in accounting policies

The Company adopted the following new standards and interpretation issued by the IASB or International Financial Reporting Interpretation Committee ("IFRIC") as of January 1, 2017.

IAS 7 – Statement of Cash Flows ("IAS 7") was amended in January 2016 to clarify that disclosures shall be provided that enable users of financial statements to evaluate changes in liabilities arising from financing activities. There was no impact on the Company's consolidated financial statements upon adoption of IAS 7 on January 1, 2017.

IAS 12 – Income Taxes ("IAS 12") was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. There was no impact on the Company's consolidated financial statements upon adoption of IAS 12 on January 1, 2017.

2. Significant accounting policies (continued)

s) Future accounting standards issued but not yet effective

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2018. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 2 – Share-based Payment ("IFRS 2") was amended by the IASB in June 2016 to clarify the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB as a complete standard in July 2014 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 10 – Consolidated Financial Statements ("IFRS 10") and IAS 28 – Investments in Associates and Joint Ventures ("IAS 28") were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IFRS 15 - Revenue From Contracts With Customers ("IFRS 15") proposes to replace IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018.

IFRS 16 – Leases ("IFRS 16") was issued in January 2016 and replaces IAS 17 – Leases as well as some lease related interpretations. With certain exceptions for leases under twelve months in length or for assets of low value, IFRS 16 states that upon lease commencement a lessee recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at the amount of the liability plus any initial direct costs. After lease commencement, the lessee shall measure the right-of-use asset at cost less accumulated depreciation and accumulated impairment. A lessee shall either apply IFRS 16 with full retrospective effect or alternatively not restate comparative information but recognise the cumulative effect of initially applying IFRS 16 as an adjustment to opening equity at the date of initial application. IFRS 16 requires that lessors classify each lease as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise it is an operating lease. IFRS 16 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted if IFRS 15 has also been applied.

IFRIC 22 – Foreign Currency Transactions and Advance Consideration ("IFRIC 22") was issued in December 2016 and addresses foreign currency transactions or parts of transactions where there is consideration that is denominated in a foreign currency; a prepaid asset or deferred income liability is recognised in respect of that consideration, in advance of the recognition of the related asset, expense or income; and the prepaid asset or deferred income liability is non-monetary. The interpretation committee concluded that the date of the transaction, for purposes of determining the exchange rate, is the date of initial recognition of the non-monetary prepaid asset or deferred income liability. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018.

2. Significant accounting policies (continued)

IFRIC 23 – Uncertainty Over Income Tax Treatments ("IFRIC 23") was issued in June 2017 and clarifies the accounting for uncertainties in income taxes. The interpretation committee concluded that an entity shall consider whether it is probable that a taxation authority will accept an uncertain tax treatment. If an entity concludes it is probable that the taxation authority will accept an uncertain tax treatment, then the entity shall determine taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates consistently with the tax treatment used or planned to be used in its income tax filings. If an entity concludes it is not probable that the taxation authority will accept an uncertain tax treatment, the entity shall reflect the effect of uncertainty in determining the related taxable profit (tax loss), tax bases, unused tax losses and credits or tax rates. IFRIC 23 is effective for annual periods beginning on or after January 1, 2019. Earlier adoption is permitted.

There are no other standards/amendments or interpretations that are expected to have a significant effect on the consolidated financial statements of the Company.

3. Critical accounting estimates and judgments

The preparation of the consolidated financial statements in conformity with IFRS requires management to make estimates, judgments and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Critical accounting estimates are estimates and assumptions made by management that may result in a material adjustment to the carrying amount of assets and liabilities within the next financial year and include, but are not limited to:

<u>Intangible assets</u>

The Company makes use of experience and assumptions in estimating the useful lives and residual values of intangible assets. Management reviews annually whether any indications of impairment exist for intangible assets. Information that the Company considers includes changes in the market, economic and legal environment in which the Company operates as well as internal sources of information. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from the Company's intangible assets, costs to sell the assets and the appropriate discount rate.

Reductions in the number of subscribers, increases in estimated future costs of sales, increases in estimated future capital costs, depreciation of the US dollar relative to the Canadian dollar and/or adverse current economics could result in a write-down of the carrying amounts of the intangible assets.

<u>Income, value added, withholding and other taxes</u>

The Company is subject to income, value added, withholding and other taxes. Significant judgment is required in determining the Company's provisions for taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. The determination of the Company's income, value added, withholding and other tax liabilities requires interpretation of complex laws and regulations. The Company's interpretation of taxation law as applied to transactions and activities may not coincide with the interpretation of the tax authorities. All tax related filings are subject to government audit and potential reassessment subsequent to the financial statement reporting period. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the tax related accruals and deferred income tax provisions in the period in which such determination is made.

3. Critical accounting estimates and judgments (continued)

Income taxes and recoverability of potential deferred tax assets

In assessing the probability of realizing income tax assets recognized, management makes estimates related to expectations of future taxable income, applicable tax planning opportunities, expected timing of reversals of existing temporary differences and the likelihood that tax positions taken will be sustained upon examination by applicable tax authorities. In making its assessments, management gives additional weight to positive and negative evidence that can be objectively verified. Estimates of future taxable income are based on forecasted cash flows from operations and the application of existing tax laws in each jurisdiction. The Company considers whether relevant tax planning opportunities are within the Company's control, are feasible, and are within management's ability to implement. Examination by applicable tax authorities is supported based on individual facts and circumstances of the relevant tax position examined in light of all available evidence. Where applicable tax laws and regulations are either unclear or subject to ongoing varying interpretations, it is reasonably possible that changes in these estimates can occur that materially affect the amounts of income tax assets recognized. Also, future changes in tax laws could limit the Company from realizing the tax benefits from the deferred tax assets. The Company reassesses unrecognized income tax assets at each reporting period.

Asset carrying values and impairment charges

In the determination of carrying values and impairment charges, management looks at the higher of recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

Share-based payments

Management determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions could materially affect the fair value estimates.

Determination of purchase price paid and allocation of purchase price related to business combination

Determination of whether a set of assets acquired and liabilities assumed constitute a business requires the Company to make certain judgments, taking into account all facts and circumstances. Applying the acquisition method requires the consideration paid and each identifiable asset and liability to be measured at its acquisition-date fair value. The excess, if any, of the fair value of consideration paid over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of the acquisition-date fair values often requires management to make assumptions and estimates about future events. The assumptions and estimates with respect to determining the fair value of net identifiable assets acquired generally require a high degree of judgment, and include estimates of future reserves and resources, sales levels and discount rates. Changes in any of the assumptions or estimates used in determining the fair value of the consideration paid and the fair value of acquired assets and liabilities could impact the amounts assigned to assets, liabilities and goodwill in the purchase price allocation.

Revenue recognition

The process of revenue recognition, including the valuation of barter transactions, involves significant management judgment. The Company performed focused procedures to test the valuation of revenue recorded in consideration of non-barter contracts.

Contingencies

By their nature, contingencies will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgement and estimates of the outcome of future events. See Note 13.

(Expressed in Canadian dollars)

3. Critical accounting estimates and judgments (continued)

Accounting for Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of acquisition-date fair values of the assets transferred and liabilities assumed by the Company, liabilities incurred by the Company to former owners of the acquiree in exchange for control of the acquiree. Acquisition-related costs are recognized in the statement of operations as incurred. At the acquisition date, the identifiable assets acquired, liabilities and contingent liabilities assumed are recognized at their fair values, except for deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements, which are recognized and measured in accordance with IAS 12 Income tax and IAS 19 Employee Benefits respectively.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognized immediately in the statement of operations as a bargain purchase gain.

Determination of significant influence and impairment of investment in associate

Effective October 11, 2016, the Company has classified Marketwall as an associate based on management's judgment that the Company has significant influence through board representation and 49% of the voting rights. Other parties hold 51% of the voting rights and the Company can no longer exercise control over the board of directors and its operational decision making process.

Impairment exists when the carrying value of the investment in associate exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The determination of impairment requires significant judgement and can be triggered by significant adverse changes in the market, economic or legal environment in which the associate operates.

Fair value of investment in securities not quoted in an active market or private company investments

Where the fair values of financial assets and financial liabilities recorded on the consolidated statement of financial position cannot be derived from active markets, they are determined using a variety of valuation techniques. The inputs to these models are derived from observable market data where possible, but where observable market data are not available, judgment is required to establish fair values. Refer to Note 11 for further details.

4. Accounts and other receivables

	December 31, 2017	December 31, 2016
Trade receivables	**$ 824,085**	$ 90,981
Allowance for doubtful accounts	**(40,621)**	-
Other receivables	**203,944**	16,953
	$ 987,408	$ 107,934

(Expressed in Canadian dollars)

5. Equipment

	Furniture and equipment	Computer hardware	Total
Balance, December 31, 2016 and 2015	**$ -**	**$ -**	**$ -**
Additions from Euclides Transaction (Note 6)	117,085	17,650	134,735
Additions	4,163	-	4,163
Effect of foreign currency exchange difference	(6,803)	(1,026)	(7,829)
Balance, December 31, 2017	**$ 114,445**	**$ 16,624**	**$ 131,069**
Accumulated depreciation, December 31, 2016 and 2015	**$ -**	**$ -**	**$ -**
Charges for the period	15,290	4,567	19,857
Effect of foreign currency exchange difference	(600)	(180)	(780)
Accumulated depreciation, December 31, 2017	**$ 14,690**	**$ 4,387**	**$ 19,077**
Net book value, December 31, 2016 and 2015	**$ -**	**$ -**	**$ -**
Net book value, December 31, 2017	**$ 99,755**	**$ 12,237**	**$ 111,992**

6. Intangible assets and goodwill

	Software	Customer relationships	Total
Balance, December 31, 2015	**$ 1,678,400**	**$ -**	**$ 1,678,400**
Effect of foreign currency exchange difference	(50,085)	-	(50,085)
Balance, December 31, 2016	**$ 1,628,315**	**$ -**	**$ 1,628,315**
Additions from Euclides Transaction	-	1,085,277	1,085,277
Effect of foreign currency exchange difference	(106,962)	(63,068)	(170,030)
Balance, December 31, 2017	**$ 1,521,353**	**$ 1,022,209**	**$ 2,543,562**
Accumulated amortization as at December 31, 2015	**$ 463,007**	**$ -**	**$ 463,007**
Charge for the year	221,624	-	221,624
Effect of foreign currency exchange difference	(10,845)	-	(10,845)
Accumulated amortization as at December 31, 2016	**$ 673,786**	**$ -**	**$ 673,786**
Charge for the period	219,076	204,789	423,865
Effect of foreign currency exchange difference	(53,495)	(2,477)	(55,972)
Accumulated amortization as at December 31, 2017	**$ 839,367**	**$ 202,312**	**$ 1,041,679**
Net book value as at December 31, 2016	**$ 954,529**	**$ -**	**$ 954,529**
Net book value as at December 31, 2017	**$ 681,986**	**$ 819,897**	**$ 1,501,883**

(Expressed in Canadian dollars)

6. Intangible assets (continued)

On March 16, 2017, the Company acquired certain net assets of an unrelated company, Euclides Technologies, Inc., relating to Euclides Technologies, Inc.'s WFM software solutions business ("Euclides Transaction"). As consideration, the Company paid US$200,000 (approximately $266,380) in cash plus US$143,166 (approximately $190,683) for certain prepaid expenses and deposits and issued 5,389,400 common shares of the Company (Note 9) and 3,311,125 common share purchase warrants (Note 10) at an exercise price of $0.20 for a period of 3 years from the closing date of Euclides Transaction for the acquired net assets of Euclides Technologies, Inc.. The acquisition is accounted for as a business combination. Details of the fair value of the net assets acquired and purchase consideration is as follows:

The purchase price consideration was allocated as follows:		
Estimated fair value of common shares issued (Note 9)	$	1,293,456
Estimated fair value of common share warrants issued (Note 10)		378,971
Cash consideration		457,063
	$	2,129,490

Fair value of the net assets acquired was allocated as follows:		
Prepayments and deposits	$	190,683
Equipment (Note 5)		134,735
Customer relationships		1,085,277
Goodwill		718,795
	$	2,129,490

Intangibles acquired through the acquisition of the Euclides Technologies, Inc. assets include brand name, non-compete agreements, customer relationships, and client facing website and domain names. The excess of the cost of the acquisition over the fair value of the identifiable assets acquired and liabilities assumed is goodwill and was determined to be $718,795.

If the Euclides Transaction had occurred on January 1, 2017, management estimated that the Company's consolidated revenue would have been approximately $6.000,000 and consolidated loss would have been approximately $460,000 for the year ended December 31, 2017. Management has determined these amounts based on internally prepared financial results obtained from the vendor of the Euclides Transaction. These pro-forma results reflect adjustments for amortization and other costs associated with the Euclides Transaction assuming the fair values used in the preliminary purchase price allocation occurred on January 1, 2017. These pro-forma results may not necessarily be indicative of actual results had the acquisition occurred on January 1, 2017.

Goodwill

A continuity of the goodwill acquired as part of the business combination of Euclides is as follows:

		Goodwill
Balance, December 31, 2016 and 2015	**$**	**-**
Additions from Euclides Transaction		718,795
Effect of foreign currency exchange difference		(41,771)
Balance, December 31, 2017	**$**	**677,024**

(Expressed in Canadian dollars)

7. Investment in associate

In January 2014, the Company registered a wholly owned subsidiary, Marketwall, which was based in Milan, Italy. Marketwall focused on mobile opportunities especially in the business to business and business to business to consumer spaces. On April 8, 2016, the Company and Grupo Intesa Sanpaolo ("Intesa Sanpaolo") executed a definitive agreement pursuant to which Intesa Sanpaolo agreed to exercise their option to acquire a 33% share in the Company's mobile subsidiary, Marketwall, for EUR 212,691 ($315,230). The Company consolidated Marketwall from the date of incorporation to October 11, 2016, when the Company's ownership was further diluted to 49%. The loss of control resulted in a gain on deconsolidation of $816,265 during the year ended December 31, 2016. The Company's ownership of Marketwall as at December 31, 2017 was 49%

As the loss of control of Marketwall met the definition of a disposal group under IFRS 5 "Non-current Assets Held for Sale and Discontinued Operations", the operating activities of Marketwall have been characterized as discontinued operations in the consolidated statement of loss and comprehensive loss.

A continuity of the investment in Marketwall as an associate is as follows:

		Marketwall
Balance, December 31, 2015	**$**	**-**
Acquisition of investment as a result of loss of control		472,001
Share of net loss for the period subsequent to deconsolidation		(66,443)
Balance, December 31, 2016	**$**	**405,558**
Share of net income for the period		562,762
Balance, December 31, 2017	**$**	**968,320**

Summarized financial information for Marketwall as at December 31, 2017 and 2016 and for the years then ended is as follows:

		2017		2016
Current and total assets	$	2,552,354	$	2,198,984
Current and total liabilities		1,086,930		2,358,696
Total shareholders' equity (deficiency)		1,465,424		(159,712)
Revenue		4,213,176		1,704,080
Operating expenses		(3,064,681)		(2,108,974)
Net income (loss) and comprehensive income (loss)		1,148,495		(404,894)

8. Income taxes

Provision for income taxes

Major items causing the Company's effective income tax rate to differ from the combined Canadian federal and provincial statutory rate of 26.5% (2016 – 26.5%) were as follows:

	2017	2016
Loss before income taxes	**$ (864,338)**	$ (817,930)
Expected income tax recovery based on statutory rate	**229,000**	217,000
Adjustment to expected income tax benefit:		
Stock-based compensation	**(117,000)**	(53,000)
Other permanent differences and change in tax rates	**430,000**	145,000
Foreign tax differences	**(179,000)**	(72,000)
Loss of deferred tax assets as a result of Marketwall deconsolidation	**-**	(311,000)
Change in benefit of tax assets not recognized	**(363,000)**	74,000
Deferred income tax provision (recovery)	**$ -**	**$ -**

Deferred income taxes

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2017	2016
Non-capital loss carry-forwards	**$ 8,943,000**	$ 7,715,000
Share issue costs	**140,000**	112,000
Investment in subsidiaries	**2,984,000**	3,498,000
Capital loss carry-forwards	**8,000**	8,000
Intangible assets	**1,831,000**	1,831,000
Total	**$ 13,906,000**	$ 13,164,000

As at December 31, 2017, the Company had estimated non-capital losses for Canadian income tax purposes of approximately $4,748,000 (2016 - $4,167,000) available to use against future taxable income.

The Company's US subsidiary has non-capital losses of approximately $2,410,000 (2016 - $3,548,000) available to use against future taxable income.

No deferred taxes are recognized in the temporary differences related to the investment in associate.

As at December 31, 2017, the Company's non-capital losses, stated in Canadian dollars, expire as follows:

Year of Expiry	Canada	US
2029	$ 184,000	$ -
2030	356,000	-
2031	303,000	-
2032	490,000	-
2033	701,000	348,000
2034	-	1,171,000
2035	1,391,000	1,151,000
2036	1,323,000	-
2037	1,525,000	-
	$ 6,273,000	**$ 2,670,000**

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

(Expressed in Canadian dollars)

9. Share capital

	Number of shares		Stated value
Balance, December 31, 2015	**38,793,025**	**$**	**10,930,005**
Private placement	6,812,500		1,071,138
Share issuance costs	-		(6,289)
Balance, December 31, 2016	**45,605,525**	**$**	**11,994,854**
Private placement	13,000,000		2,458,325
Share issuance costs	-		(108,241)
Shares issued for the Euclides Transaction (Note 6)	5,389,400		1,293,456
Shares issued on exercise of warrants (Note 10)	2,610,737		790,887
Balance, December 31, 2017	**66,605,662**	**$**	**16,429,281**

Private placements

On April 5, 2016, the Company announced that the non-brokered private placement (the "Offering") of 6,812,500 units issued at a price of $0.16 per unit, raised gross proceeds of $1,090,000. Each unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant of the Company. Each whole warrant shall entitle the holder to acquire one common share in the capital of the Company at a price of $0.25 and the warrants will have a term of twelve months from the time of the closing of the Offering. The securities underlying the units, including the common shares and warrants issued on closing, as well as the common shares issuable upon due exercise of the warrants, will all be subject to a four-month statutory hold period commencing on the date of issuance. No finder's fees were paid in connection with the Offering and the proceeds will be used for working capital needs. See Note 10 for issued warrants' ascribed estimated fair values. Certain directors and officers subscribed for total of 1,400,000 units with gross proceeds of $224,000.

On March 6, 2017, the Company closed a non-brokered private placement. The Company issued 13,000,000 units at a price of $0.20 per unit for gross proceeds of $2,600,000. Each unit is comprised of one common share of the Company and one half of one common share purchase warrant. Each whole warrant will entitle the holder thereof to purchase one common share of the Company at a price of $0.35 at any time prior to September 6, 2018. In connection with the placement, the Company paid finder's fees of $90,300 in cash and issued 451,500 non-transferable finder's warrants. Each finder's warrant will entitle the holder thereof to acquire one common share of the Company at a price of $0.35 at any time prior to September 6, 2018. See Note 10 for issued warrants' ascribed estimated fair values. 1,250,000 of these shares were sold to related parties of the Company.

Euclides Technologies Transaction

On March 16, 2017, the Company acquired certain assets of Euclides Technologies, Inc. As a part of consideration, the Company issued 5,389,400 common shares of the Company at a fair market price of $0.24 (see Note 6).

(Expressed in Canadian dollars)

10. Reserves

	No. of options	Weighted average exercise price	Value of options vested	No. of warrants	Weighted average exercise price	Value of warrants vested	Total value
Balance, December 31, 2015	**2,832,000**	**$ 0.55**	**$1,359,591**	**2,913,562**	**$ 0.50**	**$ 184,826**	**$1,544,417**
Granted	1,285,000	0.20	198,757	3,406,250	0.25	18,751	217,508
Expired	(750,000)	0.60	(399,402)	(2,913,562)	0.50	(184,826)	(584,228)
Balance, December 31, 2016	**3,367,000**	**$ 0.41**	**$1,158,946**	**3,406,250**	**$ 0.25**	**$ 18,751**	**$1,177,697**
Granted	2,055,000	0.34	453,244	10,262,625	0.30	524,248	977,492
Expired/forfeited	(802,000)	0.57	(401,067)	-	-	-	(401,067)
Exercised (Note 9)	-	-	-	(2,610,737)	0.29	(30,892)	(30,892)
Balance, December 31, 2017	**4,620,000**	**$ 0.35**	**$1,211,123**	**11,058,138**	**$ 0.29**	**$ 512,107**	**$1,723,230**

Stock option plan

The Company has an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, at its discretion, and in accordance with TSX.V requirements, grant to directors, officers, employees and consultants of the Company, non-transferable options to purchase common shares. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the issued and outstanding common shares of the Company at the grant date. Vesting terms are determined at the time of grant by the Board of Directors.

The following options and warrants were in existence as at December 31, 2017:

Stock options

					Grant date				
Number of options outstanding	Number of options exercisable	Grant date	Expiration date	Exercise price	Estimated grant date fair value vested	Expected volatility	Expected life (years)	Expected dividend yield	Risk-free interest rate
640,000	640,000	20-Dec-13	20-Dec-23	$ 0.75	$ 456,586	121%	10.00	0.00%	2.67%
615,000	615,000	16-Dec-14	16-Dec-19	$ 0.27	$ 92,138	119%	5.00	0.00%	1.29%
100,000	100,000	1-Jul-15	1-Jul-20	$ 0.35	$ 25,460	142%	5.00	0.00%	0.81%
645,000	645,000	29-Feb-16	1-Mar-21	$ 0.19	$ 94,993	108%	5.00	0.00%	0.67%
640,000	640,000	26-Aug-16	26-Aug-21	$ 0.22	$ 100,495	98%	5.00	0.00%	0.72%
1,150,000	700,000	16-Mar-17	16-Mar-22	$ 0.24	$ 180,834	83%	5.00	0.00%	0.81%
630,000	630,000	14-Nov-17	14-Nov-22	$ 0.47	$ 183,120	99%	5.00	0.00%	1.67%
200,000	200,000	11-Dec-17	11-Dec-22	$ 0.53	$ 77,497	97%	5.00	0.00%	1.67%
4,620,000	**4,170,000**			**$ 0.35**	**$1,211,123**		**5.69**		

The weighted average life of the outstanding options at December 31, 2017 is 4.03 years.

(Expressed in Canadian dollars)

10. Reserves (continued)

Warrants

Number of warrants outstanding	Number of warrants exercisable	Grant date	Expiration date	Exercise price	Estimated grant date fair value vested	Grant date: Expected volatility	Grant date: Expected life (years)	Grant date: Expected dividend yield	Grant date: Risk-free interest rate
1,868,625	1,868,625	5-Apr-16	5-Apr-18	$ 0.25	$ 10,286	42%	1.00	0.00%	0.52%
5,497,500	5,497,500	6-Mar-17	6-Sep-18	$ 0.35	$ 114,548	61%	1.50	0.00%	0.76%
380,888	380,888	6-Mar-17	6-Sep-18	$ 0.35	$ 8,302	61%	1.50	0.00%	0.76%
3,311,125	3,311,125	16-Mar-17	16-Mar-20	$ 0.20	$ 378,971	63%	3.00	0.00%	0.81%
11,058,138	**11,058,138**			**$ 0.29**	**$ 512,107**		**1.86**		

Expected volatility is based on historic share prices of the Company. 3,406,250 warrants originally granted on April 5, 2016 were extended for an additional year with the new expiration date being April 5, 2018. See Note 15.

11. Financial instruments

Fair value of financial instruments

The Company's financial assets and financial liabilities as at December 31, 2017 and 2016 were as follows:

	Loans and receivables	Assets at fair value through profit or loss	Available for sale	Other financial (liabilities)	Total
December 31, 2016					
Cash	$ 292,352	$ -	$ -	$ -	$ 292,352
Accounts and other receivables	$ 107,934	$ -	$ -	$ -	$ 107,934
Assets available for sale	$ -	$ -	$ 60,000	$ -	$ 60,000
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ (878,327)	$ (878,327)
December 31, 2017					
Cash	$ 1,357,060	$ -	$ -	$ -	$ 1,357,060
Accounts and other receivables	$ 987,408	$ -	$ -	$ -	$ 987,408
Assets available for sale	$ -	$ -	$ 60,000	$ -	$ 60,000
Accounts payable and accrued liabilities	$ -	$ -	$ -	$ (455,876)	$ (455,876)

At December 31, 2017, and 2016, there are no significant concentrations of credit risk for receivables. The carrying amount reflected above represents the Company’s maximum exposure to credit risk for such receivables.

As at December 31, 2017 and 2016, the Company’s financial instruments consist of cash, accounts and other receivables, assets available for sale, accounts payable and accrued liabilities. Cash and accounts and other receivables are classified as loans and receivables and measured at amortized cost. Accounts payable and accrued liabilities are classified as other liabilities and are measured at amortized cost. The fair values of these financial instruments approximate their carrying values because of their short term nature and/or the existence of market related interest rate on the instruments.

11. Financial instruments (continued)

Fair value of financial instruments (continued)

Level 3 hierarchy

Assets available for sale relate to shares received as debt settlement in the amount of $60,000 for the year ended December 31, 2017 (December 31, 2016 - $60,000). The assets available for sale are classified as a Level 3 financial instrument within the hierarchy of the Company's financial instruments, measured at fair value in the consolidated statements of financial position as at December 31, 2017 and 2016.

Within Level 3, the Company includes private company investments which are not quoted on an exchange. The key assumptions used in the valuation of these instruments include (but are not limited to) the value at which a recent financing was done by the investee, company-specific information, trends in general market conditions and the share performance of comparable publicly-traded companies. Information on recent financing / transaction price was used to determine the value of the assets at $60,000 as at December 31, 2017 (December 31, 2016 - $60,000).

The unrealized gain (loss) recognized for these assets for the year ended December 31, 2017 was $nil (2016 - $nil).

As valuations of investments for which market quotations are not readily available, are inherently uncertain, may fluctuate within short periods of time and are based on estimates, determination of fair value may differ materially from the values that would have resulted if a ready market existed for the investments. Given the size of the private investment portfolio, such changes may have a significant impact on the Company's financial condition or operating results.

For those investments valued based on a recent financing or transaction price, management has determined that there are no reasonably possible alternative assumptions that would change the fair value significantly as at December 31, 2017 and 2016. A +/- 25% change in the fair value of these Level 3 investments as at December 31, 2017 will result in a corresponding +/- $15,000 (2016 - $nil). The sensitivity analysis is intended to reflect the significant uncertainty inherent in the valuation of private investments under current market conditions, and the results cannot be extrapolated due to non-linear effects that changes in valuation assumptions may have on the estimated fair value of these investments. Furthermore, the analysis does not indicate a probability of changes occurring and it does not necessarily represent the Company's view of expected future changes in the fair value of these investments. Any management actions that may be taken to mitigate the inherent risks are not reflected in this analysis.

Financial risk factors

The Company is exposed to a variety of financial instrument related risks:

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. There are no significant concentrations of credit risk for receivables as at December 31, 2017 and 2016.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial liability obligations. The Company manages its liquidity risk through cash and debt management. The Company's objective in managing liquidity risk is to increase revenue, minimize operational costs and to maintain sufficient liquidity in order to meet these operational requirements at any point in time. As at December 31, 2017, the Company has a cash balance of $1,357,060 (December 31, 2016 – $292,352) current liabilities of $528,096 (December 31, 2016 - $906,314) and a working capital of $1,903,865 (December 31, 2016 - deficiency of $503,796). The Company's ability to meet its financial liability obligations and continue to operate as a going concern may include obtaining sufficient funding by means of issuing shares. There is no certainty of the Company's ability to raise additional financing through this method.

Interest rate risk

The Company has cash balances and all amounts are held with accredited banks. As of December 31, 2017, and 2016, the Company did not have any investment in investment grade short term deposit certificates. Interest exposure with respect to its cash balances is minimal.

11. Financial instruments (continued)

Currency risk

The Company generates revenue and incurs expenses and expenditures in Canada, the United States, the Middle East and in the European Union. As a result, fluctuations in the rate of exchange between U.S. dollars, Euros, Canadian dollars and other currencies can have an effect on the Company's reported results. The Company has not utilized any financial instruments or cash management policies to mitigate the risks arising from changes in foreign currency rates. The net Canadian dollar equivalent of the total of its cost of sales, selling and administrative and software development expense and sales denominated in US dollars was approximately $478,000. Accordingly, a 10% increase or decrease in the exchange rate between U.S. and Canadian dollars would result in an increase or decrease of approximately $47,800 in net loss for the period.

The net Canadian dollar equivalent of the total of its cost of sales, selling and administrative and software development expense and sales denominated in Euros was approximately $658,000. Accordingly, a 10% increase or decrease in the exchange rate between Euros and Canadian dollars would result in an increase or decrease of approximately $65,800 in net loss for the period.

The Canadian dollar equivalent of the net asset value denominated in US dollars as at December 31, 2017 was approximately $2,839,000. Accordingly, a 10% increase or decrease in the exchange rate between U.S. and Canadian dollars would impact net loss by approximately $283,900.

Capital management

The Company defines capital that it manages as being composed of share capital, reserves, deficit and cash. Its objective when managing capital is to ensure that the Company will continue as a going concern, so that it can provide products and services to its customers and returns to its shareholders.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments. The Company requires capital to maintain its operating businesses, sustain corporate operations and repay existing obligations. The Company may seek additional financing by means of issuing share capital, the sale of assets or debt financing. There can be no certainty of the Company's ability to raise any additional financing from any of these sources.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. The Company is currently not subject to externally imposed capital requirements.

The Company's capital management objectives, policies and processes have remained unchanged during the years ended December 31, 2017 and 2016.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of December 31, 2017, the Company believes it is compliant with the policies of the TSXV.

(Expressed in Canadian dollars)

12. Related party transactions

Unless otherwise specified, the period end balances of receivables/payables referred to are non-interest bearing, unsecured, receivable or payable on demand, and have arisen from the provision of services and expense reimbursements. There were no amounts owed to key management personnel not disclosed elsewhere in these consolidated financial statements.

Compensation of key management personnel

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and other members of key management personnel (officers) during the periods presented were as follows:

	For the year ended December 31,	
	2017	2016
Short-term benefits	**$ 457,598**	$ 307,500
Share-based payments	**157,127**	123,534
	$ 614,725	$ 431,034

See also Note 10 and 13.

At December 31, 2017, the Company had $10,177 in accounts payables owing to related parties.

13. Commitments and contingencies

The Company is party to certain management contracts. These contracts require payments of $708,000 upon the occurrence of a change in control of the Company, as defined by each officer's respective consulting agreement. The Company is also committed to payments upon termination of $40,500 pursuant to the terms of these contracts.

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity.

(Expressed in Canadian dollars)

14. Segmented information

Information about the Company's revenues based on the type of services provided is as follows:

	Revenue for the year ended December 31, 2017	2016
Big data	**$ 1,273,379**	$ 1,075,349
WorkForce Management	**3,243,380**	-
	$ 4,516,759	$ 1,075,349

Information about the Company's expenses based on the type of services provided is as follows:

	Expenses for the year ended December 31, 2017	2016
Big data	**$ 1,732,477**	$ 1,657,005
WorkForce Management	**1,672,673**	-
	$ 3,405,150	$ 1,657,005

Assets of the Company are segmented based on the type of services provided and were as follows:

	Current assets	Equipment	Intangible assets and goodwill	Other non-current assets	Total assets
Balance, December 31, 2016					
Big data	$ 402,518	$ -	$ 954,529	$ 465,558	$ 1,822,605
WorkForce Management	-	-	-		-
	$ 402,518	**$ -**	**$ 954,529**	**$ 465,558**	**$ 1,822,605**
Balance, December 31, 2017					
Big data	$ 1,463,283	$ 111,992	$ 681,986	$ 1,028,320	$ 3,285,581
WorkForce Management	968,678	-	1,496,921	-	2,465,599
	$ 2,431,961	**$ 111,992**	**$ 2,178,907**	**$ 1,028,320**	**$ 5,751,180**

15. Subsequent events

Subsequent to December 31, 2017, 2,093,625 warrants have been exercised with 2,093,625 common shares issued. These warrants were exercised for a weighted average price of $0.28 per warrant, with total proceeds raised of $583,406.

230,000 stock options have been exercised with 230,000 common shares issued. These stock options were exercised for a weighted average price of $0.17 per stock option, with total proceeds raised of $48,600.

There were 375,000 warrants that expired, unexercised on April 5, 2018.