



MOBI724 GLOBAL SOLUTIONS Inc.

Management Discussion and Analysis (“MD&A”)

For the three months ended March 31, 2017

Management Discussion and Analysis

Introduction

This Management Discussion and Analysis (“MD&A”) for MOBI724 Global Solutions Inc. (the “Company”, “MOBI724” or “we”) focuses on the significant activities of the Company which occurred during the three-months ended March 31, 2017.

This MD&A includes information about the Company up to March 31st, 2017.

The Company’s condensed interim consolidated financial statements (unaudited), along with the comparative periods presented therein, have been prepared in accordance with International Financial Reporting Standards (“IFRS”). This MD&A should be read in conjunction with the condensed interim consolidated financial statements including the accompanying notes for the three months ended March 31, 2017. 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.

The Company’s management is responsible for the preparation of the consolidated financial statements as well as other information contained in this MD&A. The Board of Directors is required to ensure that management assumes their responsibility with regards to the preparation of the Company’s financial statements.

The Board adopted the creation of an Audit Committee (the “Audit Committee”) to assist the management in relation to the preparation of its financial statements. The Audit Committee’s role is to meet with members of the management team to discuss the operating results and the financial situation of the Company. The Audit Committee makes recommendations to the Company’s management before the financial statements are presented to the Board of Directors for their examination and approval.

On May 30, 2017, the Board of Directors approved and authorized for release: i) the interim consolidated financial statements (unaudited) for the three months ended March 31, 2017; and, ii) the MD&A for the three months ended March 31, 2017.

Additional information regarding the Company is available on the SEDAR website at www.sedar.com and includes the Company’s other recent financial reports, securities and continuous disclosure documents.

Certain information provided by the Company in this MD&A, and in other documents publicly filed throughout the year that are not recitation of historical facts, may constitute forward-looking statements. The words “may”, “would”, “could”, “will”, “likely”, “estimate”, “believe”, “expect”, “forecast” and similar expressions are intended to identify forward-looking statements.

Readers are cautioned that such statements are only predictions and the actual events or results may differ materially. In evaluating such forward-looking statements, readers should specifically consider the various factors that could cause actual events or results to differ materially from those indicated by such forward-looking statements.

Corporate Overview

MOBI724 Global Solutions Inc. (CSE:MOS) is a global fintech company that offers a unique and fully integrated suite of payment & digital marketing solutions with combined Card Linked Offers, a Digital Marketing platform, and EMV Payments, that works on any card and any mobile device.

Product Offerings - MOBI724 provides a turnkey solution to its clients to capture card transactions on any mobile device, at any point of sale or from any payment card. MOBI724 provides its customers with full and comprehensive traceability and enriched consumer data through its offerings, which include:

- *Card-Linked Offers & Rewards* - provides card issuers, banks and merchants the ability to issue an offer linked to a payment card, that 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).
- *Digital Marketing & Loyalty* - offers a comprehensive loyalty and customer relationship solution to 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.
- *Payments* - delivers a turnkey solution to merchants and financial institutions to capture card transactions on any mobile device and payment host. Our Mobile platform is designed to allow acquirers, banks/financial institutions and merchants to quickly deploy and offer mobile payments in any location. Our easy to adapt gateway Switch is designed for easy integration with all payment protocols.

Technology Value - MOBI724's solutions add value to all types of transactions benefiting banks, retailers and cardholders by leveraging available user and purchasing data to increase transaction volumes and spend.

Our solutions enable card associations, retailers, manufacturers, offer providers, mobile operators and card issuers to create, manage, deliver and "track and measure" incentive campaigns worldwide to any device and allow its redemption at any point of sales, in a seamless user experience for all the parties in the ecosystem.

Our easy-to-adapt gateway Switch is designed for easy integration with all payment protocols in our target markets.

Our credit and debit EMV payment solutions will allow banks to process end to end EMV transactions, focusing on authentication, approved security and quick merchant adoption which allows the users to process payments with a wide range of devices over a secure and seamless transaction.

MOBI724's PCI and EMV switch, with their device agnostic connectivity, simplifies deployment and integration, and introduces new payment and digital incentives solutions to the market 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 Card-Linked Offers and Loyalty Platforms to participating Visa-issuing banks and their cardholders.

Global Customer Base – MOBI724 has become a preferred provider of fintech services to major financial and retail companies in Canada, USA, ASIA, Latin America ("LATAM") and the Caribbean like Grupo IRSA, the largest shopping mall operator in Argentina, RBC in the Caribbean and Banco Macro Argentina among other banks.

Corporate – 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 Manila (Philippines).

The common shares of MOBI724 are traded under the symbol “MOS” on the Canadian Securities Exchange (“CSE”).

Management Team and Board of Directors

The Company’s management team is entirely dedicated to: i) monetizing the Company’s solutions; ii) generating high financial returns to its shareholders by focusing on revenue generation, reducing the burn rate and improving the balance sheet; iii) being transparent and communicate more frequently and more adequately with its shareholders and the financial community; and, iv) observe the highest of ethical standards in all of its actions.

In order to adequately support the management team in its objective to generate the highest possible revenues for the Company, the company is currently supported by a board of 7 directors, composed of renowned business operators.

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, which is dependent on future events including amongst other things, attaining a satisfactory revenue level from its technologies and solutions, attainment of profitable operations, the generation of cash from operations and the ability to secure new financing arrangements and new capital to carry out its business plan.

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

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

The business plan of the Company is to generate revenue through the license of its software platform, transaction fees, and turnkey solution delivery to card issuers, companies with large base of customers and merchants and similar enterprises.

Forward Looking Statements

This MD&A contains forward-looking statements and forward looking 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, potentials, 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, which speak only as of the date they are made. 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 etc. 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, the risks associated with commercializing and bringing to market our technology. These risks are affected by numerous factors beyond the Company's control: the existence of present and possible future government regulation, the significant and increasing competition that exists in the Company's business sector, uncertainty of revenues, markets and profitability, as well as those other factors discussed in this MD&A report. This list is not exhaustive of 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.

1-BUSINESS HIGHLIGHTS FOR THE THREE MONTHS ENDED MARCH 31, 2017

The following are the key aspects of the Company's overall operational achievements in Q1 2017:

- Sales increase of 42%: \$792,000 sales in Q1 2017 compared to \$557,000 in Q1 2016.
- Operating loss increase of 150%: -\$1.75M in Q1 2017 compared to -\$0.699M in Q1 2016.
- On January 10, 2017, the Company announced the grant of 3,835,000 stock options under its stock option plan to its employees and consultants including 400,000 stock options to the CEO, and 1,800,000 to the Directors. Each option shall vest gradually over a period of 3 years (1/3 per year, the first 1/3 vesting upon grant) and will allow the option holder to acquire one (1) common share of the Company at a price of \$0.15 until January 9, 2020.
- On January 19, 2017, the Company announced that it has signed an agreement with Visa to integrate its solutions with the Visa Offers Platform. Visa will provide MOBI724 with qualifying purchase notifications to enable MOBI724 to deliver integrated Card-Linked Offers and Loyalty Platforms to participating Visa-issuing banks and their cardholders starting in the United States & Central America.
- On January 23, 2017, the Company announced the grant of 650,000 stock options under its stock option plan to key consultants. Each option shall vest gradually over a period of 3 years (1/3 per year, the first 1/3 vesting upon grant) and will allow the option holder to acquire 1 common share of the Company at a price of \$0.15. 150,000 will expire on January 9, 2020 and 500,000 will expire on January 23, 2020.
- On January 30, 2017, the Company announced that it successfully closed an equity private placement in the aggregate amount of \$553,000 dollars by issuing 4,608,333 common shares at \$0.12. For each common share

received, the subscribers were also issued one common share purchase warrant exercisable at \$0.20 exercisable on or before December 15, 2017 after which they shall expire. The proceeds were used for working capital.

- On February 7, 2017, the Company announced it has granted 351,500 stock options under its stock option plan to its employees and consultants. Each option shall vest gradually over a period of 3 years (1/3 per year, the first 1/3 vesting upon grant) and will allow the option holder to acquire 1 common share of the Company at a price of \$0.35 until February 7, 2020.
- On February 9, 2017, the Company issued 1,423,467 common shares at a price of \$0.24 (market price less maximum allowable discount) in forgiveness of \$341,632 of debt.
- On February 16, 2017, the Company announced that it has signed a partnership agreement with CredibanCo, Colombia's largest payment cards network and processor, to deliver an integrated card-linked offers and digital marketing platform for card issuers and retailers in the Colombian market, and allow Colombian card issuers to enable cardholders to redeem offers directly at the more than 172,000 CredibanCo points-of-sale.
- On February 17, 2017, the Company issued 86,353 common shares at a price of \$0.365 in forgiveness of a \$31,518 debt.
- On February 20, 2017, the Company announced that it has issued 9,507,930 common shares of the Company at market price less the maximum allowable discount to the previous shareholders of the MOBI724Solutions Inc. pursuant to the terms of pre-defined anti-dilution provisions and agreements with those shareholders. These shares issued form part of the purchase price for the remaining 49% shares of Solutions Inc. which issuance was announced on October 28, 2015.

(The Purchase Price was subject to a pre-defined anti-dilution provision with a cap of 18.05% of the total issued and outstanding shares of the Company and this issue covers events up to the Company's Board of directors meeting on November 25, 2016. Following this issue, the anti-dilution provision will cover the conversion of some previously issued convertible debentures and the next \$1.92M of new financing (of which \$550K was raised subsequent to the November 25, 2016 Board meeting).

- On March 21, 2017, the Company announced that its wholly owned Argentinian subsidiary, MOBI724 S.R.L., has signed an agreement with HSBC Bank Argentina S.A. to provide services related to technological solutions regarding their customer loyalty and benefit program.

EVENTS AFTER THE REPORTING PERIOD

- On April 04, 2017, the Company announced that it had entered into an agreement with GMP Securities L.P. for a "bought deal" private placement offering of special warrants of the Company at a price per Special Warrant of \$0.35 for aggregate gross proceeds of approximately \$5 million.
- On April 06, 2017, the Company announced that it has increased the size of the "bought deal" private placement previously announced on April 4, 2017 with GMP Securities L.P., from aggregate gross proceeds of approximately \$5 million to approximately \$9.5 million, for the offering of special warrants of the Company at a price per Special Warrant of \$0.35. The Company has granted the Underwriter an option, exercisable in whole or in part, up to 48 hours prior to the closing of the Offering, to arrange for the purchase and sale of up to 20 per cent of the Special Warrants issued in the Offering. Each Special Warrant will entitle the holder thereof to receive and without payment of additional consideration, one (1) unit of the Company consisting of one (1) common share, and one-half of one (0.5) common share purchase warrant. Each whole Warrant, subject to customary adjustments, shall be exercisable into one (1) Common Share at an exercise price of \$0.46 per Warrant Share for a period of two (2) years from the date of issue.

If the volume weighted average price of the common shares on the CSE is equal to or greater than \$0.65 for a period of 10 consecutive trading days then the Company may anytime thereafter accelerate the expiry date of the Warrants to the date that is 30 days following the date on which the Company issues notice to all the Warrant holders of the new expiry date. The Company has agreed to use its reasonable commercial best efforts to obtain a receipt for a final short form prospectus qualifying the distribution of the Units upon exercise of the Special Warrants on or before the date that is 90 days following closing of the Offering.

- On April 21, 2017, the Company successfully completed its private placement offering of special warrants (the “Special Warrants”), previously announced by news releases dated April 4, and April 6, 2017, issuing an aggregate of 29,538,203 Special Warrants at a price of \$0.35 per Special Warrant for aggregate gross proceeds of \$10,338,371, which includes the exercise by GMP Securities L.P. (“GMP”), as sole lead agent, of its option for an additional 2,395,346 Special Warrants. The proceeds will be used for working capital
- On May 11, 2017 the Corporation announced that it has successfully renegotiated the terms of the balance of sale of the acquisition of its wholly owned subsidiary I.Q. 7/24 Inc and that it has paid the I.Q. 7/24 Inc.’s former shareholders the amount of \$800,000 in cash and has issued 3,492,958 common shares (the “Shares”) at a price of \$0.355 for a value of \$1,240,000. The total aggregate value of the renegotiated terms of the balance is \$3,099,937 in Canadian dollars. After the aforesaid payment in cash and the issuance of the Shares, a final payment in the amount of \$1,059,937 will be payable by September 10, 2017.

3-FINANCIAL HIGHLIGHTS: THREE MONTHS ENDED MARCH 31, 2017 AND 2016

SUMMARY OF RESULTS

The Following tables set out selected financial information for the Company for the three months ended March 31, 2017 and 2016 on a consolidated basis:

	March 31 2017	March 31 2016
	\$	\$
Revenues	791,518	557,385
Operating expenses		
Share-based payments expense (Note 8)	245,942	3,306
Salaries and benefits	612,869	570,954
Contract labor	579,555	133,955
Computer software development	79,660	72,323
Travel	99,183	63,492
Professional fees	186,544	69,255
Office expense	206,879	127,022
Marketing and promotion	62,982	29,863
Filing fees	9,100	11,835
Loss (gain) on settlement of liabilities	134,488	(75,600)
Purchases	6,882	28,542
Foreign exchange loss (gain)	176	(981)
Depreciation of property and equipment	1,604	3,832
Amortization of intangible assets	313,886	218,677
Total operating expenses	2,539,750	1,256,475
Operating loss	(1,748,232)	(699,090)
Net financial expenses (Note 9)	5,695,537	298,479
Net loss before income taxes	(7,443,769)	(997,569)
Income tax expense	4,854	
Recovery of deferred tax	(9,629)	(33,980)
	(4,775)	(33,980)
Net loss	(7,438,994)	(963,589)

Loss per share (Note 12)

Basic	(0.05)	(0.01)
Diluted	(0.05)	(0.01)
Weighted average number of outstanding common shares (Note 12)		
Basic and Diluted	136,861,686	99,196,720

RESULTS FROM OPERATIONS

Below are the financial results for the three months ended March 31, 2017 and 2016 from the continuing operations:

	March 31	March 31
	2017	2016
	\$	\$
OPERATING ACTIVITIES		
Net loss	(7,438,994)	(963,589)
Adjustments for items not involving cash		
Depreciation of property and equipment	1,604	3,832
Amortization of intangible assets	313,886	218,677
Share-based payments expense	245,942	3,306
Non-cash professional fees	7,038	
Loss (gain) on settlement of liabilities	134,488	(75,600)
Fair value adjustment on liability for the acquisition of the non-controlling interest of Mobi	5,292,101	118,895
Interest and accretion expense on convertible debt	94,697	99,359
Accretion expense on contingent consideration payable	241,141	
Recovery of deferred taxes	(9,629)	(33,980)
	(1,117,726)	(629,100)
Change in non-cash working capital items	456,568	(367,992)
	(661,158)	(997,092)
INVESTING ACTIVITIES		
Acquisition of property and equipment	(2,542)	(891)
Acquisition of intangibles assets	(64)	
	(2,606)	(891)
FINANCING ACTIVITIES		
Bank loan	(60,000)	
Proceeds from long-term debt		1,692
Repayment of long-term debt	(32,850)	
Proceeds from exercise of warrants		250,000
Proceeds from exercise of share options	13,025	
Proceeds from issuance of common shares and warrants	553,000	
Proceeds from demand debt	360,000	272,000
	833,175	523,692
Effect of the exchange rate changes on cash	(97,396)	
Variation in cash during the period	72,015	(474,291)
Cash, beginning of the period	30,233	430,979
Cash, end of the period	102,248	(43,312)

4-CASH FLOW AND LIQUIDITY**Cash Flow**

Below is a representation of the position of the Company as at March 31, 2017.

Interim consolidated cash-flow	March 31st, 2017	March 31st, 2016
Cash flow from operating activities	(661,158)	(997,092)
Cash flow for investing activities	(2,606)	(891)
Cash flow from financing activities	833,175	523,692
Effect of the exchange rate changes rate	(97,396)	–
Cash at the beginning of the quarter	30,233	430,979
Net cash at end of the quarter	102,248	(43,312)

Summary for the cash flow activities are detailed below:

Operating Activities

For the three months ended March 31, 2017, the cash flow used from operating activities amounted to \$611,158 (\$997,092 in Q1-2016)

Investing Activities

For the three months ended March 31, 2017, \$2,606 was invested for the acquisition of property, equipment and intangible (\$891 in Q1-2016)

Financing Activities

For the three months ended March 31, 2017, the Company obtained Financing from long term debt and from issuance shares and warrants \$833,175 (\$523,692 in Q1 2016).

Liquidity

The Company manages liquidity risk through the management of its capital structure and financial leverage. The Company's cash on hand totalled \$102,248 as at March 31, 2017. Management has been successful to finance operations through financings and will continue, as required, to seek financing. The ability of the Company to continue is dependent upon its ability to obtain financing if required, successfully execute its business plan, generate sufficient cash flows and, ultimately, achieve profitable operations. On April 21, 2017, the Company successfully completed its private placement offering of special warrants issuing an aggregate of 29,538,203 special warrants at a price of \$0.35 per Special Warrant for aggregate gross proceeds of \$10,338,371.05, which included the exercise by GMP Securities L.P. ("GMP"), as sole lead agent, of its option for an additional 2,395,346 Special Warrants.

5- STATEMENT OF FINANCIAL POSITIONS

The following table is the financial position of the Company as at

	March 31, 2017	December 31, 2016
	\$	\$
ASSETS		
Current assets		
Cash	102,248	30,233
Trade and other receivables	787,127	923,651
Prepaid expenses	147,756	147,887
	<u>1,037,131</u>	<u>1,101,771</u>
Non-Current assets		
Property and equipment	20,972	20,034
Intangible assets	3,122,170	3,435,992
Goodwill	5,930,466	5,930,466
	<u>9,073,608</u>	<u>9,386,492</u>
	<u><u>10,110,739</u></u>	<u><u>10,488,263</u></u>
LIABILITIES		
Current liabilities		
Bank loan	30,000	90,000
Accounts payable and accrued liabilities	2,211,316	2,270,351
Liability for the acquisition of Solutions Mobi724 Inc.	2,880,856	726,372
Convertible debt	215,147	523,253
Demand debt, 10% to 25% interest	896,247	536,247
Contingent consideration payable	4,528,088	4,286,947
Current portion of long-term debt	127,258	127,258
	<u>10,888,912</u>	<u>8,560,428</u>
Non-Current liabilities		
Long-term debt	72,287	105,137
Deferred income taxes	333,427	343,056
	<u>11,294,626</u>	<u>9,008,621</u>

Current and Non-current assets are in line with Q1 2016 financial information. However, as of March 31, 2017 Cash is \$102K compared to the March 31, 2016 that was \$30K meaning an increase of \$72K. Current liabilities increased to \$10M in Q1 2017 from \$8.6M in Q1 2016 explained for the increase of the Liability for the acquisition of Mobi724 Solutions Inc. Non-Current liabilities are in line with 2016 financial information for Q1, \$405K in Q1 2017 and \$448K in Q1 2016.

Contingencies and Events after the Reporting Period

To the best of management's knowledge, the Company is presently in compliance, in all material respects, with the laws and regulations already in place.

Off-Balance Sheet Transactions

As at March 31, 2017, the Company had not entered into any significant off-balance sheet transactions.

6-RELATED PARTY TRANSACTIONS

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

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

	March 31, 2017	March 31, 2016
	\$	\$
Transactions:		
Rent paid to company controlled by significant shareholder	–	31,443
	March 31, 2017	March 31, 2016
	\$	\$
Balances outstanding:		
Amounts due to officers	151,073	53,246
Demand debt due to director and significant shareholder	170,000	53,108
Demand debt due to director	360,000	
Amounts due to company controlled by an officer	128,553	
	809,626	106,354

Compensation of key management personnel

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

	March 31, 2017	March 31, 2016
	\$	\$
Management fees, commissions and salaries	230,000	296,900
Share-based payments compensation	121,445	3,306
	351,445	300,206

7- OUTSTANDING SHARE DATA

The Company is authorized to issue an unlimited number of common shares. As at the date of this MD&A, there were 144,613,376 common shares outstanding. Employees, directors, officers and consultants have been granted options to purchase common shares under the Company’s stock option plan. As at the date of this MD&A, there were options outstanding to purchase 7,861,306.

8-SELECTED FINANCIAL INFORMATION

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

LAST 8 QUARTERS	2017				2015			
	First	Fourth	Third	Second	First	Fourth	Third	Second
Revenues	\$791,518	\$2,665,142	\$1,924,243	\$1,282,812	\$557,385	\$437,114	\$271,505	\$160,606
Net income (Loss)	(\$7,438,994)	(\$4,934,898)	(\$2,655,690)	(\$963,589)	(\$963,589)	(\$2,133,968)	(\$1,985,145)	(\$2,811,460)
EPS (In dollars): Basic and diluted	(\$0.05)	(\$0.05)	(\$0.03)	\$0.02	\$0.01	(\$0.04)	(\$0.04)	(\$0.06)

The amounts are cumulative in each year.

9-OUTLOOK FOR 2017

Following the completion of a 3 years strategic planning (2017–2020), our focus for the remainder of 2017 will be:

Monetize the following agreements:

- Visa:
 - VOP platform integration has been completed
 - Testing on platform has completed satisfactorily
 - Rollout with issuers in planning
 - CredibanCo
 - Integration in progress
 - Rollout with issuers in planning

- Expand on the Payment solution
 - Further expand the current deployments
 - The company is in final steps of certification with BancNet for its EMV solution
 - Seek new opportunities in ASIA and Latin America where MOBI724 is already present
 - Strengthen the Philippine market position

- IQ Completed Acquisition:
 - Optimize synergies
 - Optimize operations
 - Leverage current MOBI724 customer base and agreements with IQ’s existing platforms and solution and seek new opportunities for IQ outside the Canadian marketplace

Company’s trading platform in US market and review of existing Canadian platform

- MOBI724 started trading on the OTCQB as of May 04, 2017 under the ticker MOBI-F
- Company is currently reviewing other trading platform options in the Canadian marketplace and the USA

Sales Expansion

- Further increase the sales pipeline

- The company has hired and will continue to add to its business development team for its new markets opportunities
- Accelerate the Sales cycle through new deployments
- Seek new strategic acquisitions
- Seek new strategic partnerships

Resources consolidation

- Sales resources strengthened with new members
- Continuously incorporate new members adding value to the core team

Technology and Solution evolution

- MOBI724 is continuously evaluating new technologies to ensure cutting edge solutions to its customers & partners.

10-CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of consolidated financial statements requires the Company's management to make estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, and revenues and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

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. The estimates and assumptions that have a significant risk of causing material adjustments to the Company's financial statements are addressed below.

Business combinations

For business combinations, the Company must make assumptions and estimates to determine the fair value of the business acquired. To do so, the Company must determine the acquisition-date fair value of the identifiable assets acquired, including such intangible assets as electronic gateways and processor connections, and liabilities assumed. Goodwill is measured as the excess of the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree over the net recognized amount of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date. Additionally, the Company must make assumption on the discount rate and estimated future revenue to determine the fair value of the liability for the consideration transferred. These assumptions and estimates have an impact on the asset and liability amounts recorded in the consolidated statement of financial position on the acquisition date. In addition, the estimated useful lives of the acquired amortizable assets, the identification of intangible assets and the determination of the indefinite or finite useful lives of intangible assets acquired will have an impact on the Company's future profit or loss.

Impairment of non-financial assets

Impairment assessments may require the Company to determine the recoverable amount of a cash-generating unit ("CGU"), defined as the smallest identifiable group of assets that generates cash inflows independent of other assets. This determination requires significant estimates in a variety of areas including: the determination of fair value, selling costs, timing and size of cash flows, and discount and interest rates. The Company supports all assumptions made in the above estimates and updates such assumptions to reflect the best information available to the Company if and when an impairment assessment requires the recoverable amount of a CGU to be determined.

Share-based payments

The estimation of share-based payment costs requires the selection of an appropriate valuation model and consideration as to the inputs necessary for the valuation model chosen. The Company has made estimates

as to the volatility of its own shares, the probable life of options, the time of exercise of those options and expected extinguishments. The model used by the Company is the Black-Scholes model.

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.

Income taxes

The company is subject to income taxes in numerous jurisdictions. Significant judgment is required in determining the worldwide provision for income taxes. There are transactions and calculations for which the ultimate tax determination is uncertain. The company recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred income tax assets and liabilities in the year in which such determination is made.

11- ACCOUNTING STANDARDS ISSUED BUT NOT YET EFFECTIVE

At the date of authorization of filing the consolidated financial statements, certain new standards, and amendments to existing standards have been published by the International Accounting Standards Board ("IASB") that are not yet effective, and have not been adopted early by the Company. Information on those expected to be relevant to the Company's consolidated financial statements is provided below.

Management anticipates that all relevant pronouncements will be adopted in the Company's accounting policies for the first period beginning after the effective date of the pronouncement.

New standards, interpretations and amendments not either adopted or listed below are not expected to have a material impact on the Company's financial statements.

IFRS 9 Financial Instruments

The new standard for financial instruments (IFRS 9) introduces extensive changes to IAS 39's guidance on the classification and measurement of financial assets and introduces a new "expected credit loss" model for the impairment of financial assets. IFRS 9 also provides new guidance on the application of hedge accounting.

Management is continuing to assess the impact of this new standard on the Company's consolidated financial statements. IFRS 9 is effective for annual reporting periods beginning on or after 1 January 2018.

IFRS 15 Revenue from Contracts with Customers

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

IFRS 15 is effective for reporting periods beginning on or after January 1, 2018. Management is continuing to assess the impact of this new standard on its consolidated financial statements.

IFRS 16 Leases

In January 2016, the IASB published IFRS 16 – Leases, which will replace the existing standard IAS 17 – Leases and related interpretations. This IFRS eliminates the classification as an operating lease and requires lessees to recognize a right-of-use asset and a lease liability in the statement of financial position for all leases with exemptions permitted for short-term leases and leases of low value assets. 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 non-lease 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 adoption of this new standard will require the Company to change the method used for accounting for operating leases, but management is continuing to assess the impact of this new standard on its consolidated financial statements.

12-RISKS AND UNCERTAINTIES

The Company operates in the technology industry which 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. For additional discussion of risk factors, please refer to the Company's Annual Information Form which is available upon request from the Company or on its profile at www.sedar.com.

FINANCIAL RISKS

Future financing

Due to the Company's recent liquidity constraints, the success of future operations is directly linked to the ability to access to required capital. Over the past several years, the Company has successfully raised funding to support its development initiatives and fund its Company's corporate structure and overheads. The financing environment for early stage technology companies remains challenging and there is no certainty that the Company will be able to continue to raise financing as it has in the past to continue to support its business initiatives. Post event: Given the recent financing close on April 21st, the management is confident it has the proper funding for the fiscal year 2017

Access to capital markets

To fund its growth, the Company is often dependent on securing the necessary 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. To ensure the availability of capital, the Company maintains an investor relations program in order to inform all shareholders and potential investors of the Company's developments.

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 are denominated in U.S. dollars, Philippine Peso and Argentina Peso. The Company is, therefore, exposed to gains and losses due to fluctuations in these currencies. The Company does not use derivatives to manage the exposure to foreign exchange risk.

Fluctuation in interest Rates

The Company has long term debt that is exposed to risks associated to fluctuations in interest rates. The Company entered into long term financing agreement that bears interest that fluctuate.

OPERATIONAL RISKS***Liquidity risk***

Liquidity risk is the risk that the Company will not be able to meet its obligations as they fall due. The Company's long-term debts are collateralized by equipment 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.

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 product 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.

Market demand

The Company has entered into multiple joint development agreements whereby our partners are subjecting our prototype products to rigorous testing. While this was very encouraging, there is no guarantee that they will continue. Some of the joint development partners that we are dealing with are private companies and there is a potential risk of those companies having to secure all of their requisite financing to support their orders and their working capital requirement.

Qualified technical labour

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 resulting in potential material weaknesses in the Company's environment of internal controls over financial reporting and disclosure controls and procedures.

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 it is unlikely that the final outcome of these legal proceedings will have a material adverse effect on the 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 flow, results of operations or financial position.

Risks linked to common shares

The price of 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.

(s) Marcel Vienneau

Marcel Vienneau

Chief Executive Officer