MOBI724 GLOBAL SOLUTIONS Inc.

Management Discussion and Analysis (“MD&A”)

Three and six month periods ended June 30, 2017

Management Discussion and Analysis

Introduction

This Management Discussion and Analysis ("MD&A") for MOBI724 Global Solutions Inc. (the "Company", "MOBI724" or "we") dated August 29, 2017 focuses on the significant activities of the Company which occurred during the six month period ended June 30, 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.

The Company's condensed interim consolidated financial statements along with the comparative periods presented in them, have been prepared in accordance with International Financial Reporting Standards ("IFRS"). 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 created an Audit Committee ("Audit Committee") to assist management in the preparation of the 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 its examination and approval.

On August 25, 2017, the Board of Directors approved and authorized for release: i) the interim consolidated financial statements for the six months ended June 30, 2017; and, ii) this MD&A for the six months ended June 30, 2017.

Cautionary Note Regarding Forward-Looking Statements

This MD&A contains forward-looking statements and information within the meaning of applicable Canadian securities legislation ("forward looking statements"). Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions, 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. Forward-looking statements relate to, among other things, the successful commercialization of our technology, comments about potential future revenues, joint development agreements and expectations of signed contracts with customers and the like. A variety of inherent risks, uncertainties and factors, many of which are beyond the Company's control, affect the operations, performance and results of the Company and its business, and could cause actual results to differ materially from current expectations of estimated or anticipated events or results. Some of these risks and uncertainties include the risk of not securing required capital in future, the risks of not successfully concluding agreements with potential partners on a timely basis, 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 and does not include all the factors that may affect any of the Company's forward-looking statements.

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

Corporate Overview

MOBI724 is a global financial technology ("**Fintech**") company that offers a unique and fully integrated suite of payment and digital marketing solutions with a combined EMV payment, card linked offers, and digital marketing platform that works on any card and any mobile device.

Product Offerings - MOBI724 provides a turnkey solution to enable smart transactions on any mobile device, at any point-of-sale or from any payment card, and to provide Card-Linked Offers and Rewards solutions. MOBI724's offering, which adds full and comprehensive traceability, enriched consumer data and business intelligence, includes:

- Card-Linked Offers & Rewards ("**CLO&R**") - provides card issuers, banks and merchants the ability to issue offers and rewards linked to a payment card, which can be redeemed directly at the point-of-sale in a seamless user experience for all parties in the ecosystem (card issuers, retailers and cardholders).

- Digital Marketing & Business Intelligence ("**DMBI**")- offers a comprehensive loyalty and customer relationship solution for retailers to deliver, manage and control a multitude of reward options. MOBI724 also provides a variety of tactical/promotional solutions for retailers who are looking to leverage their customer purchase data.

- EMV Payments ("**Payments**") - delivers a turnkey solution to merchants, acquiring networks and financial institutions to capture card transactions on any mobile device or point-of-sale and payment host. MOBI724's EMV Payments platform is designed to allow acquirers and merchants to quickly deploy and offer EMV mobile point-of-sale and standard point-of-sale payments in any location. The Corporation's easy to adapt gateway switch ("Switch Gateway") 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 sale, in a seamless user experience, for all the parties in the eco-system.

Our Payments 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 Switch Gateway, 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 CLO&R and DMBI platforms and solutions 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 in 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") and on the OTCQB under the symbol "MOBIF".

Corporate Mission

The Company's mission is 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 communicating frequently and adequately with its shareholders, the financial community and all other stakeholders; and, iv) observing the highest ethical standards in all of its actions.

The Company will seek to achieve its mission by generating revenue through the licensing of its software platform and delivering turnkey solutions to card issuers, companies with large customer bases, merchants and similar enterprises.

In order to adequately support the management team in its objective to generate create value for shareholders, the Company is supported by a board of 7 directors, composed of experienced and well known 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 among other things, attaining a satisfactory revenue level from its technologies and solutions, attaining profitable operations, generating cash from operations and securing new financing arrangements and new capital as required to implement 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. In making its assessment, management is aware 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.

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 adjustments could be material.

The Company has generated limited revenues since inception and has generated losses from continuing operations totalling $7,014,090 for the six months ended June 30, 2017 and an accumulated deficit of $37,956,893 since the Company's inception on February 8, 2005. During the six month period ended June 30, 2017, the Company received approximately $9,900,000 in additional funds from equity financing and in the form of demand debt.

Operational And Financial Highlights – Q2 2017

Following are the financial and operational highlights of the Company in Q2 2017:

- The Company recorded strong financial results for the six months ended June 30, 2017.
  - Sales increase of 23%: $1,428,836 in revenues for the six months ended June 30, 2017 compared to $1,162,927 in the same period in 2016.
  - Operating loss increase of 162%: -$3,759,320 in operating losses for the six months ended June 30, 2017 compared to -$1,433,300 for the same period in 2016.

- On April 4, 2017, the Company announced that it had entered into an agreement with GMP Securities L.P. ("GMP"), 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 had increased the size of the "bought deal" private placement previously announced on April 4, 2017 with GMP 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 GMP 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, 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 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 Company 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 in the following manner: $530,000 in August 2017 and the balance in October, 2017.

- On June 28, 2017, the Company issued 501,566 common shares at market price varying between $0.23 and $0.235 in forgiveness of $115,664.41 of bona fide debt. On the same day, the Company also issued 202,898 common shares at a price of $0.1725 (market price less the maximum allowable discount pursuant to the settlement agreement) in payment of a $35,000 portion of a lawsuit settlement.

- On June 30, 2017, the Company announced that it has issued 6,798,577 common shares of the Company at market price to the previous shareholders of the Solutions Inc. pursuant to the terms of pre-defined anti-dilution provisions and agreements with those shareholders. 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 May 1, 2017. This is the final issuance with respect to the anti-dilution provisions. Also on June 30, 2017, the Company granted 710,000 stock options under its stock option plan to its employees, officers 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 optionee to acquire 1 common share of the Company at a price of $0.35 until June 30, 2020.

Operational And Financial Highlights – After the Reporting Period

Following are the financial and operational highlights of the Company subsequent to the end of Q2 2017:

- On July 3, 2017, Marcel Vienneau, the CEO of Mobi724, announced that on June 28, 2017, Vienneau acquired control over 4,272,025 common shares ("Common Shares") of the Company as the consideration received for the Company purchasing the remaining 49% in its subsidiary Mobi724 Solutions Inc. ("Solutions Inc.") Vienneau being part of the remaining 49% shareholders of Solutions Inc. which amending transaction occurred on October 28, 2015. The Company had initially acquired a 51% controlling interest in Solutions Inc. in July 2013. In the purchase of the remaining 49% in its subsidiary, the Company agreed to anti-dilution provisions with Solutions Inc. shareholders. Pursuant to the terms of the pre-defined anti-dilution provisions and agreements with those shareholders, the Common Shares acquired by Vienneau represents 2.9% of the issued and outstanding shares of the Issuer. Immediately after the acquisition, Vienneau currently holds 24,901,889 Common Shares representing 16.3% of the outstanding shares. The Common Shares were acquired in the context of an acquisition by the Company of the remaining 49% shares of Solutions Inc. and not with a view of materially affecting control of the Company.

- On July 20, 2017, the Company announced that its transaction switch host has completed the System Integration Certification ("SIT") with the local debit EMV schemes in the Philippines. This first certification step successfully confirmed the host connectivity, security, EMV transaction capability and settlement of MOBI724's solution. This is the first step of a complete process involving MOBI724's technology. Subsequent steps, which are normally completed in days, are expected to commence shortly and will involve a third-party Point-of-Sale ("POS") provider. The certification is on behalf of local clients in the Philippines who will use MOBI724 solutions to roll out a full EMV solution.

- On July 21, 2017, the Company announced that on July 20, 2017 it had filed and received a receipt for its final prospectus qualifying the 29,538,203 common shares of the Company ("Common Shares") and 14,769,101 Common Share purchase warrants ("Purchase Warrants") issuable upon the exercise of the 29,538,203 special warrants ("Special Warrants") previously issued by MOBI724 on April 21, 2017, at a price of $0.35 per Special Warrant, for aggregate gross proceeds of $10,338,371.05. As a result, the Special Warrants will automatically be exercised in accordance with their terms and the underlying Common Shares and Warrants will be issued to the holders of the Special Warrants.

- On July 25, 2017, the Company announced its intention to apply to list its shares on the Toronto Stock Venture Exchange (TSXV).

Financial Highlights- Six Months ended June 30, 2017

Summary of Results

The following tables set out selected financial information for the Company for the six months ended June 30, 2017 and 2016 on a consolidated basis:

	June 30 2017	June 30 2016
	$	$
Revenues	**1,428,836**	1,162,927
Operating expenses		
Share-based payments expense	**411,608**	6,612
Salaries and benefits	**1,475,662**	1,004,493
Contract labour	**726,342**	281,245
Computer software development	**167,979**	131,245
Travel	**333,050**	133,699
Professional fees	**578,092**	259,397
Office expense	**367,743**	282,140
Marketing and promotion	**128,901**	43,561
Filing fees	**26,600**	16,022
Loss (gain) on settlement of liabilities	**280,096**	(75,600)
Purchases	**52,566**	61,178
Foreign exchange loss (gain)	**18,622**	8,804
Depreciation of property and equipment	**3,121**	10,370
Amortization of intangible assets	**617,774**	433,781
Total operating expenses	**5,188,156**	2,596,227
Operating loss	**(3,759,320)**	(1,433,300)
Net financial expense	**4,594,932**	260,368
Net loss before income taxes	**(6,926,164)**	(1,693,668)
Income tax expense	**11,535**	
Recovery of deferred tax	**(43,609)**	(67,960)

	(32,074)	(67,960)
Net loss	**(6,894,090)**	(1,625,708)
Loss per share		
Basic	**(0.05)**	(0.02)
Diluted	**(0.05)**	(0.02)

Segmented Reporting

The Company operates and reports its results as three operating segments (three in 2016), which are the development of new internet technologies to facilitate point of sale payments, e-couponing and digital marketing. Each of the operating segments is a reportable segment for financial reporting purposes. The segments do not earn any inter-segment revenues. The Company also operates in three (three in 2016) different geographies. The Company's financial information by reportable segment is as follows:

					June 30, 2017
	Payment solution	**E-couponing**	**Digital marketing**	**Unallocated**	**Consolidated**
Revenues from external customers	**92,403**	**342,172**	**994,261**		**1,428,836**
Total operating expenses	**1,816,498**	**654,245**	**1,487,649**	**1,229,764**	**5,188,156**
Operating loss (profit)	**1,724,095**	**312,073**	**493,388**	**1,229,764**	**3,759,320**
Net financial expenses	**587**	**2,541**	**13,426**	**4,578,378**	**4,594,932**
Gain on renegotiation of purchase price				**(1,428,088)**	**(1,428,088)**
Net loss before income taxes	**1,724,682**	**314,614**	**506,814**	**4,380,054**	**6,926,164**

					June 30, 2016
	Payment solution	**E-couponing**	**Digital marketing**	**Unallocated**	**Consolidated**
Revenues from external customers	55,037	184,799	923,091		1,162,927
Total operating expenses	488,057	1,464,170	836,179	(192,179)	2,596,227
Operating loss (profit)	433,020	1,279,371	(86,912)	(192,179)	1,433,300
Net financial expenses	61,170	183,512	15,686	–	260,368
Net loss (income) before income taxes	494,190	1,462,883	(71,226)	(192,179)	1,693,668

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

	June 30, 2017	June 30, 2016
	$	$
Sales from external customers		
South America	**342,172**	184,799
Canada	**994,261**	923,358
Caribbean	**92,403**	54,770
	1,428,836	1,162,927

Results of Operations

For the six months ended June 30, 2017, the Company increased its revenues to $1,428,836, operating loss to $3,759,320 and net loss of $6,894,090.

Revenues

Revenues increased for the six months ended June 30, 2017 to $1,428,836 ($1,162,927 in 2016) with strong growth in revenues in each of the Company's three segments: DMBI, CLO&R and Payments. The Company derived in the first six months of 2017 the majority of its revenues from the DMBI segment ($994,261) followed by the CLO&R segment ($342,172) and Payment solutions segment ($92,403).

The Company has added new clients in the DMBI segment at the end of 2016 that commenced generating revenues in the first six months of 2017 as the business model for this segment currently is limited to monthly fees.

Increased revenues in the CLO&R segment are mainly related to the addition of new clients and the sale of other MOBI724 products and services to existing clients.

Increased revenues in the Payments segment are mainly related to increased sales, primarily in the Caribbean region, related to continued onboarding of new merchants and more revenues generated from the existing merchant portfolio.

By geographic segment for the first six months of 2017, revenues in Canada were the largest ($994,261) followed by South America ($342,172) and the Caribbean ($92,403). The percentage of revenues generated in the Canadian market is expected to decrease over time as the Company continues its growth in other geographic regions.

Operating Expenses

Operating expenses increased for the first six months of 2017 to $5,188,156 ($2,596,227 in 2016) as a result of higher costs associated with increased sales and business development activities in each of the three operating segments as well as increases in certain non-cash expenses.

Operating expenses increased primarily as a result of the following:

1) Increase in contract labour costs to $726,342 for the first six months of 2017 related to greater use of short term contract staff to manage new sales and other projects.
2) Increase in salaries expense to $1,475,662 as a result of staff growth. The Company has revised its human resources approach to focus on hiring more senior talent that is also more expensive but will lead to faster growth in revenues and improved margins.

3) Increase in professional fees to $578,092 for the first six months of 2017 for increased use of legal, accounting and other services related to increases in sales contracts and financings.
4) Increase in travel costs to $333,050 for the first six months of 2017. Travel costs were higher as the Company closed agreements with Credibanco in Colombia, Visa USA in Miami and two banks in Argentina. Growth in travel costs is aligned with the Company's growth strategy.
5) Increases in the following non-cash expenses in the first six months of 2017 also contributed to increased operating expenses: 1) increase in share based payments expense to $411,608 as a result of options issued for successful business development activities; 2) a higher loss of $280,096 on settlement of liabilities; and 3) an increase in amortization of intangible assets to $617,774.

Cost of sales – Operating segments

Costs of sales for the Payments segment includes third party gateway fees and commissions for sales staff. For the DMBI segment, cost of sales is primarily commissions to sales staff. In the CLO&R segment, the Company has third party processing gateway transaction fees and sales commissions to internal staff or third-party sales leads agreements.

Net Loss

The Company incurred a net loss of $6,894,090 for the six months ended June 30, 2017 (a loss of $1,625,708 in 2016). Though revenues posted a solid period over period increase, this increase was more than offset by increases in 1) operating expenses for the six months ended June 30, 2017 (as described above), and 2) increases in net financial expenses to $4,594,932 related to the increase in fair value adjustment on liability for the acquisition of Mobi724 Solutions.

By segment for the six months ended June 30, 2017, Payments solutions posted an operating loss of $1,724,095, followed by DMBI with a loss of $493,388, and CLO&R with a loss of $312,073. Operating loss decreased for the six months ended June 30, 2017 vs. the same period in 2016 in CLO&R. and increased in the Payments and DMBI segments. The Company expects its DMBI segment to record an operating profit in the coming quarters. The Company is continuously looking to manage its costs and as such the office of the DMBI business will move to the Company's current head office before the end of Q3 2017 which will reduce costs and improve cash flow.

Performance Trends

Payments

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

CLO&R

As banks continue to reduce the rewards' delivery costs on their loyalty points programs, this focus will add new revenue opportunities globally. Customers continue to require a more seamless user experience and to want to use their points to pay for every day purchases as opposed to aspirational rewards as they did in the past. This trend over time will add more transactions in the market. As noted by the Cardlynx Association, this new segment is growing at more than 50% annually.

DMBI

Knowing customers habits and sending them more relevant offers at the right time requires expertise and this is an opportunity to add more mid-size merchants that are under served in this segment and that do not have all these services internally. In emerging markets, business intelligence and insights adds value to our customers. These new services in our portfolio will be leveraged to our other markets to grow the Company.

As the Company sells its solutions to card issuers and merchants and acquirers, the Company now can cross sell its solutions as they are all integrated and the Company can offer clients fast to market deployment for an added segment. These synergies will reduce our sales costs over time and add potential revenues per client.

As we are committed to aggressively implement and sell our solutions, currently all segments are presently generating negative cash flows.

The focus is to continue to streamline the operations of IQ/724. The Company intends to move the operations of the DMBI segment to its head offices in 2017 to reduce lease, accounting and hosting costs, access the certain tax credits, and gain efficiencies in human resources.

The Company will continue to grow and invest into developing all its markets and opportunities. The Company is continuously subject to new payment regulations in its existing markets. These regulations are subject to change without notice to which the Company would need to adapt to continue its operations in each country.

Summary of Quarterly Results- Q2 2017

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

Item	2017	2017	2016	2016	2016	2016	2015	2015
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
Revenues	$782,443	$ 646,393	$740, 899	$641,431	$605,542	$557,385	165,609 $	$110,899
Net income (Loss)	$544,904	($7,438,994)	($2,381,157)	($928,033)	($662,119)	($963,589)	$281,823	$826,315
EPS ($):								
Basic and diluted	$0.00	($0.05)	($0.02)	($0.01)	($0.01)	($0.01)	$0.00	$0.02

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

2017-Q2

The Company recorded net income of $0.5 million in the quarter which was a significant improvement over the large loss posted in the same quarter last year primarily as a result of higher revenues this quarter vs. the prior quarter, recording net financial income in the quarter vs. net financial expense in the prior quarter and recording a large gain on renegotiation of purchase price.

2017-Q1

The Company incurred a loss of $7.4 million in the quarter which was a significantly higher loss than in the same quarter last year primarily as a result of the revenue increase being offset by large increases in non-cash expenses.

2016-Q4

The Company incurred a loss of $2.4 million in the quarter which was a higher loss than in the same quarter last year (which posted net income) primarily as a result of higher operating expenses.

2016-Q3

The Company incurred a loss of $0.9 million in the quarter compared to net income in the same quarter of last year. The net income in 2015 was as a result of a gain on settlement of liabilities recorded in the amount of $0.6 million as well as a favourable fair value adjustment on the liability for the acquisition of non-controlling interest of Solutions Mobi724 Inc.

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

Acquisition of IQ 7/24 Inc.

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

The total purchase price was estimated at $3,715,061 payable through cash already paid of $250,000 and through a contingent consideration of $3,465,061. The contingent consideration payable has been discounted using an effective interest rate of 22.5%. The undiscounted estimated amount payable consisted of $5,720,962 payable in 2017 and $162,899 payable in 2018. Accretion interest recorded during the six-month period ended June 30, 2017 amounted to $241,141.

	$
Fair value of the consideration transferred	
Amount settled in cash	250,000
Fair value of contingent consideration payable	3,465,061
Total consideration transferred	3,715,061

	$
Identifiable net assets acquired	
Accounts receivable (fair value is equal to gross contractual amount)	287,416
Prepaid expenses	54,589
Property and equipment	2,290
Software technology	975,000
Customer relationships	1,175,000
Bank overdraft	(81,669)
Bank debt	(319,602)
Due to previous IQ shareholders	(180,777)
Trade and other payables	(342,671)
Deferred revenues	(5,790)
Deferred income tax liability	(640,000)
Total identifiable net assets	923,786
Goodwill on acquisition	2,791,275
	3,715,061

The IQ acquisition will allow the Company to create gains in operational efficiencies and allow for synergies between the existing E-couponing cash-generating unit and IQ's existing business. This explains the goodwill arising from the transaction. The acquired goodwill was allocated to the Digital Marketing cash-generating unit. The goodwill that arose from this business combination is not expected to be deductible for tax purposes.

On April 28, 2017, the Company signed an addendum to the IQ acquisition agreement modifying the purchase price. Subsequent to this modification, the contingent consideration payable for the acquisition of IQ was modified to a fixed purchase price for a total of $3,100,000. The amount is payable $1,860,000 in cash and the remainder is to be paid through the issue of common shares. The entire amount is payable during the year ended December 31, 2017.

Acquisition of Mobi

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

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

During the year ended December 31, 2014, the Company also entered into an amendment to the acquisition agreement that modified the terms of the obligation to acquire the non-controlling interest of Mobi. The liability is to be settled by issuing the remaining Mobi shareholders a certain number of shares of the Company that will ensure the remaining Mobi shareholders a fixed percentage ownership of the Company. During the period ended June 30, 2017, 16,420,063 shares were issued having a value of $4,796,529. The previous shareholders of Mobi are all current officers and directors of the company. The entire liability has been settled as at June 30, 2017.

Cash Flow and Liquidity

Below is a representation of the cash flow and liquidity position of the Company for the six months ended June 30, 2017.

Interim consolidated cash-flow ($)	**June 30, 2017**	**June 30, 2016**
Cash flow from operating activities	(1,917,084)	(1,412,893)
Cash flow for investing activities	(788,000)	(7,031)
Cash flow from financing activities	9,913,969	819,323
Effect of the exchange rate changes	(65,323)	–
Cash at the beginning of the quarter	30,233	430,979
Net cash at end of the quarter	7,173,795	(169,622)

As at June 30, 2017 the Company had a cash balance of $7,173,795, total assets of $16,870,573, total liabilities of $4,436,789, and total liabilities and shareholder's equity of $16,870,573. The Company had working capital of $3,680,187.

In comparison, as at December 31, 2016 the Company had a cash balance of $30,233, total assets of $10,488,263, total liabilities of $9,008,621, and total liabilities and shareholder's equity of $10,488,263. The Company had negative working capital of $7, 458,657.

As at June 30, 2017, management considered the working capital sufficient to meet the Company's obligations and budgeted expenditures through June 30, 2018. However, if the working capital proves to be insufficient, management must then secure additional funding to generate revenues and fund research and development and pay for general and administrative costs. General economic uncertainty remains and contributes to the volatility in the capital markets making equity financings for emerging companies difficult. Any funding shortfalls may be met in the future in a number of ways including but not limited to, the issuance of new equity or debt financing. While management has been successful in securing financing in the past, there can be no guarantee that it will be able to do so in the future, or that any source of funding or initiatives will be available on reasonable terms to the Company.

A summary of cash flow activities is provided below:

Operating Activities:

For the six months ended June 30, 2017, cash flow from operating activities was ($1,917,084) (($1,412,893) for the same period in 2016).

Investing Activities

For the six months ended June 30, 2017, $788,000 was invested for the acquisition of property, equipment and intangibles ($7,031 for the same period in 2016).

Financing Activities

For the six months ended June 30, 2017, the Company obtained from financing activities $9,913,969 ($819,323 for the same period in 2016).

STATEMENT OF FINANCIAL POSITION

The following table is the financial position of the Company as at June 30, 2017.

	June 30, 2017	December 31, 2016
	$	$
ASSETS		
Current assets		
Cash and cash equivalents	**7,173,795**	30,233
Trade and other receivables (Note 4)	**799,941**	923,651
Prepaid expenses	**143,240**	147,887
	8,116,976	1,101,771
Non-Current assets		
Property and equipment	**23,323**	20,034
Intangible assets (Note 5)	**2,799,808**	3,435,992
Goodwill (Note 5)	**5,930,466**	5,930,466
	8,753,597	9,386,492
	16,870,573	10,488,263
LIABILITIES		
Current liabilities		
Bank loan	**90,000**	90,000

Accounts payable and accrued liabilities (Note 6)	**2,433,979**	2,270,351
Liability for the acquisition of non-controlling interest of Solutions Mobi724 Inc. (Note 10)		726,372
Convertible debt (Note 7)	**216,280**	523,253
Demand debt, 10% to 25% interest	**576,530**	536,247
Contingent consideration payable (Note 3)		4,286,947
Balance of purchase price payable (Note 3)	**1,060,000**	
Current portion of long-term debt	**60,000**	127,258
	4,436,789	8,560,428
Non-Current liabilities		
Long-term debt	**105,137**	105,137
Deferred income taxes	**299,447**	343,056
	4,841,373	9,008,621

As at June 30, 2017, cash is $7,173,795 vs. $30,233 on December 31, 2016 as a result of the April 2017 financing for aggregate gross proceeds of $10,338,371.

Current liabilities decreased to $4,436,789 as at June 30, 2017 vs. $8,560,428 as at December 31, 2016 as a result of the elimination during the period of the contingent consideration payable for the acquisitions of Mobi and IQ

Share Capital Transactions

A summary of the Company's share capital transactions for the six months ended June 30, 2017 is listed below:

Shares Issued on Closing of Private Placements

During the six months ended June 30, 2017, 4,608,331 common shares were issued for private placements.

Shares Issued on Conversion of Convertible Debt

During the six months ended June 30, 2017, 5,254,338 common shares were issued on conversion of convertible debt.

Shares Issued for Exercise of Share Options

During the six months ended June 30, 2017, 86,833 common shares were issued upon exercise of share options.

Shares Issued for Settlement of Liabilities

During the six months ended June 30, 2017, 2,194,475 common shares were issued to settle outstanding liabilities.

Shares Issued for Business Combination

During the six months ended June 30, 2017, 19,913,021 common shares were issued to the shareholders of Mobi, a wholly owned subsidiary of the Company, representing anti-dilution shares with respect to the acquisition of Mobi.

Stock Options

During the six months ended June 30, 2017, 6,236,500 stock options were issued to directors, officers, employees or consultants of the Company at a weighted average exercise price of $0.21 per common share.

Warrants

During the six months ended June 30, 2017, 35,108,151 warrants were issued at a weighted average exercise price of $0.32 per common share.

Contingent Liabilities

In the normal course of operations, the Company may be exposed to a number of lawsuits, claims and contingencies. Provisions are recognized as liabilities in instances when there are present obligations and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and where such liabilities can be reliably estimated. Although it is possible that liabilities may be incurred in instances where no provision has been made, the Company has no reason to believe that the ultimate resolution of such matters will have a material impact on its financial position.

Off-Balance Sheet Transactions

As at June 30, 2017, the Company had not entered into any significant off-balance sheet transactions.

Related Party Transactions

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

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2017	2016	**2017**	2016
	$	$	**$**	$
Transactions:				
Consulting fee paid to a director in shares	66,000		66,000	
Rent paid to company controlled by significant shareholder	–	31,443	–	62,886

	June 30, 2017	December 31, 2016
	$	$
Balances outstanding:		
Amounts due to officers	**–**	151,073
Demand debt due to director and significant shareholder	**53,760**	50,000
Demand debt due to director	**127,500**	120,000
Amounts due to company controlled by an officer	**–**	128,553
	181,260	449,626

Compensation of key management personnel

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

	For the three-month period ended June 30,		For the six-month period ended June 30,	
	2017	2016	**2017**	2016
	$	$	**$**	$
Management fees, commissions and salaries	**165,965**	231,563	**395,965**	528,463
Share-based payments compensation	**–**	-	**–**	3,306
	165,965	231,563	**395,965**	531,769

In Q2 2017, the Company redefined its senior management team to only include members of its executive committee. Prior, the term management was more broadly defined to include staff beyond the executive committee.

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.

Outlook FY 2017

Consistent with Mobi724's strategic plan, the Company's focus for 2017 will be to grow revenues in its three operating segments (Payments, CLO&R, and DMBI), enhance the organizational structure to accommodate growth, invest in Mobi724 's technology to remain best in class and improve the Company's trading platforms for its common shares.

1. Expand sales and revenues in all 3 operating segments:
   - Increase the sales pipeline.
   - Accelerate the sales cycle through new deployments.
   - Seek new strategic acquisitions.

2. Monetize, expand and develop opportunities in each of the 3 operating segments:

   - CLO&R segment:
     -For Visa, complete platform integration and testing, and commence rollout with users.
     -For Creditbanco, continue integration and plan/ start rollout.
   - Payments segment:
     - Further expand current deployments.
     - Strengthen the Philippine market position.
     - Seek new opportunities in Asia and Latin America where MOBI724 is already present.
   - DMBI:
     - Complete IQ7/24 acquisition to optimize synergies.
     - Leverage MOBI724 customer base and agreements with IQ's existing platforms and solutions.
     - Seek new opportunities for IQ outside the Canadian marketplace.

3. Enhance the organizational structure:

- Strengthen sales and execution resources with new members.
- Recruit a Chief Financial Officer.
- Continuously incorporate new members and add value to the core team.

4. Technology and Solution evolution:
   - Evaluate new technologies to ensure Company offers cutting edge solutions to its customers and partners.

5. Review the Company's trading platforms to improve visibility and liquidity:
   - Expand the Company's trading platform in the US market via an OTC listing.
   - Review the existing Canadian platform to ensure it best meets shareholder needs.
   - Review other platform options in Canada and the U.S.

Risk Factors And Uncertainties

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

Intellectual Property

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

Industry Competition

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

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 requirements.

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 and result in potential material weaknesses in the Company's internal controls and procedures.

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

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

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

Litigation

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

Liquidity Risk

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

Credit Risk

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

Risks Linked to Common Shares

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

Future Financing and Access to Capital Markets

To fund its growth, the Company is 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. 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.

Foreign Exchange Rates

The functional currency of the Company is the Canadian dollar. The Company is exposed to foreign exchange risk as a portion of its monetary balances is denominated in U.S, dollars, Philippine 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 a bank loan and long term debt that is exposed to risks associated to fluctuations in interest rates.

Industry competition

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

Critical Accounting Estimates and Judgements

The preparation of financial statements in conformity with IFRS requires Management to make estimates and assumptions that affect amounts reported in the financial statements and accompanying notes. There is a full disclosure and description of the Company's critical accounting policies, estimates, judgments, and assumptions in the revised three months end interim financial statements as at June 30, 2017.

Comparative Figures

Certain comparative figures have been reclassified to conform with the presentation adopted in the current period

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares. As at June 30, 2017, there were 155,797,773 common shares outstanding. As at August 29, 2017, there were 185,401,349 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 June 30, 2017, there were 12,190,667 options outstanding. As at August 29, 2017, there were 11,540,667 options outstanding as some options expired in July, 2017.

(s) Marcel Vienneau
Marcel Vienneau
Chief Executive Officer