Management Discussion Analysis

For the first quarter ended March 31, 2019

Q1

INTRODUCTION

This Management Discussion and Analysis ("MD&A") for MOBI724 Global Solutions Inc. and its subsidiaries (the "Company", "MOBI724" or "we") is current as of May 29, 2019 and focuses on the significant activities of the Company which occurred during the three-month periods ended March 31, 2019, and should be read in conjunction with the Company's condensed interim consolidated financial statements and accompanying notes for the three-month periods ended March 31, 2019. The Company's condensed interim consolidated financial statements and comparative information have been prepared in accordance with the IAS 34, Interim Financial Reporting as issued by the International Accounting Standards Board ("IASB").

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

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

Cautionary Note Regarding Forward-Looking Statements

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

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

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

CORPORATE OVERVIEW

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

CORPORATE MISSION

The Company's mission is to enable smart transaction everywhere, and is dedicated to: i) monetizing the Company's solutions; ii) generating high financial returns to its shareholders by focusing on generating revenues, reducing the cash 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 high 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 deriving transactional revenues while delivering turnkey solutions to card issuers and retailers with important customer bases.

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

OPERATIONAL HIGHLIGHTS

Q1

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

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

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

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

Business development highlights: The company continues developing commercial accounts at different stages of sales process across Latin America. The multi-country commercial Agreement signed on March 15, is contributing to a momentum in business development. The management is confident, that important revenues will be recognized in 2019 and beyond due to the strategy of fully focusing the company on the Fintech business. Material progress is being made on integrating Travel & Entrainment offering into Mobi724's portfolio of solutions.

AFTER REPORTING PERIOD IN Q2

Signing a Definitive Agreement to Sell Loyalty Based Contracts: On May 09, 2019, MOBI724 has entered into a definitive agreement (a “Transaction”) to sell certain assets associated with iQ724’s loyalty programs in the retail, hospitality and automotive sectors in both Canada and the USA (the “Targeted Accounts”) to Ackroo Inc. (“Ackroo”) (TSX-V:AKR), an arm’s length party. iQ724 will continue to service certain globally strategic accounts and Ackroo will acquire the Targeted Accounts for an amount of $2,800,000. A non-refundable deposit of $100,000 was paid by Ackroo, in trust, at the signing of the definitive agreement and the balance of $2,700,000 will be paid in full at the closing of the Transaction. The parties have agreed to transition the Targeted Accounts from iQ724’s loyalty platform to Ackroo’s loyalty platform over the course of a 24-month period (the “Transition Period”). Under the terms of the agreement, iQ724 will retain all intellectual property rights pertaining to its loyalty platform, however, to ensure that the quality of the service to the Targeted Accounts remains unaffected by the Transaction, the parties have entered into various support agreements that run up to a term of 24-months in order to provide product support services pursuant to which iQ724 will transition the Targeted Accounts to Ackroo’s loyalty platform. In light of the various service agreements entered into with Ackroo and based on the average historical billings of the Targeted Accounts, management expects that the Transaction will result in an immediate decrease of approximately $90K per month in top line revenue. Management is fully confident, that the positive impact from focusing the Company’s resources on the scalable Fintech business, rather than on individual small and medium accounts, will generate more value for the shareholders in the medium and long term.

Terminating of the listing on OTCQB exchange: On May 15, the Company voluntarily terminated the listing on the OTCQB exchange. The initial reason for this listing was to facilitate purchase of shares of MOBI724 for the USA based investors, as many US brokers are precluded from buying and selling the stocks of publicly traded companies listed on The Canadian Securities Exchange (CSE). As presently MOBI724 is listed on the TSX-V exchange, US investors can purchase the shares directly using brokerage accounts that support such trades. The termination of the listing has no impact on the Company’s business.

Closing of Non-Brokered Private Placement: On May 22, MOBI724 completed a non-brokered private placement (the “Private Placement”) of 9,090,909 units (“Units”) of the Company at of price of $0.055 per Unit for gross proceeds of $500,000. Each Unit consists of one common share and one common share purchase warrant (“Warrant”). Each Warrant entitles the holder to purchase one common share at a price of $0.075 for a period of five years from the date of issuance, subject to accelerated expiry. Insiders and employees of the Company subscribed for an aggregate of 2,181,818 Units for gross proceeds of $120,000 under the Private Placement.

OUTLOOK FY 2019

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

<u>Growth Strategy</u>:

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

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

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

<u>New products:</u>

The Company continues to advance its proprietary AI and distributed ledger architecture (blockchain) solutions towards commercialization and expects to start monetizing these new solutions in Fiscal 2019. Important progress has been achieved to date in this regard. For the development of the AI solution, the company is finalizing collaboration with third parties to proceed with testing of the algorithms. The AI development has a dual purpose: to enhance personalisation of the offers for the cardholders; and to enable MOBI724’s clients to better plan and optimize marketing budget through usage of predictive analytics. We have new derivative solutions from our loyalty solutions that management believes will generate revenue.

Operations:

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

LONGER TERM OUTLOOK

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

PERFORMANCE TRENDS

Payments

Shift to digital payments from cash-based commerce is a global trend. Acceleration of this trend is of high interest for the stakeholders in the payment industry. MOBI724 solutions create new ways to pay using payment cards, by enabling seamless and interactive redemption of rewards currencies directly at point-of-sale. As such, the Company's market offering is fully aligned with the business models of payment cards issuers and of processing networks. Scalability of MOBI724 solutions is appreciated by the company's business partners, and combined with the current penetration of the Company's business into Latin American market, creates an important competitive advantage.

CLO&R

As banks continue to optimize 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 everyday purchases as opposed to aspirational rewards as they did in the past. The millennium new market is more focused on instant gratification. These trends over time will add more transactions in the market. As noted by the CardLinx Association, this new segment is growing at more than 50% annually. 62% of companies employing card-linked offers in North America, Asia and Europe saw transactions growth of more than 100% in 2018. On-line to off-line ("O2O") commerce is gaining traction globally and MOBI724 delivers new revenue generating channels and cost reduction opportunities to it's clients and partners (large retailers, payment cards issuers, card acquiring and processing networks). In Latin America and Caribbean in particular, MOBI724 has a substantial edge to secure an important share of card-linked offers market, due to existing commercial relationships with the largest payment processing networks . The Company has a large and growing sales pipeline with many active accounts under development and in closing mode.

DMBI

Knowing customers' habits and sending them more relevant offers at the right time requires the type of innovative solutions offered by MOBI724. As the Company's platform is fully integrated, the business strategy is to focus sales of DMBI, points bank, and soon AI solutions to acquirers, processors and card issuers. As such, MOBI724 becomes a unique end-to-end provider of fintech and customer retention solution to banks, enabling data monetization in a seamless customer journey.

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

FINANCIAL HIGHLIGHTS – PERIODS ENDED MARCH 31, 2019 AND 2018

Summary of Results

For the three months ended March 31, 2019, the Company recorded:

- Sales increase of 13%: $589,451 in revenues in the first quarter compared to $519,907 in revenues for the same period in 2018.
- Operating loss decrease of 34%: $1,228,858 in operating loss compared to an operating loss of 1,852,771 for the same period in 2018.

The following tables set out selected financial information for the Company for the three months ended March 31, 2019 and 2018:

	Three months ended March 31,	
	2019	2018
		$
Revenues	589,451	519,907
Net loss	1,115,232	1,619,507
Loss per share - basic and diluted	0.01	0.01
Total current assets	1,311,024	3,740,059
Total current liabilities	2,659,401	2,523,426
Weighted average number of outstanding common shares – Basic and Diluted	**207,805,071**	**190,634,186**

FINANCIAL CONDITION

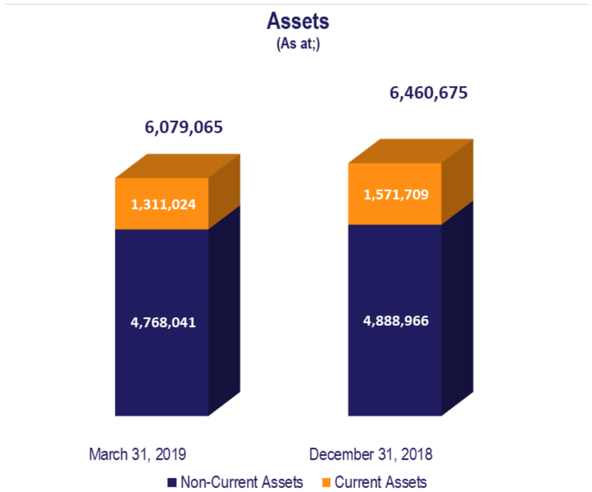
During the first three months of 2019, Cash and Short-term investments decreased by $365,129 compared to December 31, 2018. The decrease is mainly due to the selling, general and administrative charges and the research and development charges during the commercialization process and the decrease in Accounts payables and accrued liabilities partially offset by the $1M private placement financing.

Total assets decreased by $381,610 during the three-month period ended March 31, 2019, mainly due to:

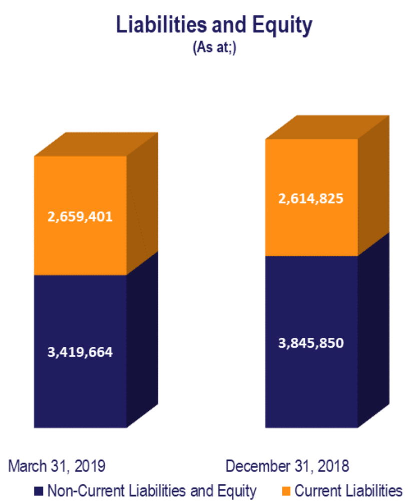
- a decrease in Cash and Short-term investments as describe above.
- a decrease of $115,420 in Intangibles assets due to the amortization of customer relationships, software technology and EMV payment switch.

partially offset by:

- an increase of $75,492 in Trade and other receivables (due mainly to increase in Trade receivables ($51K) and in Tax credit receivable ($41K) partially offset by the decrease in Sales tax receivable ($19K)).



Total liabilities and Equity decreased by $381,610 during the three-month period ended March 31, 2019, mainly due to:



- a decrease of $253,209 in Accounts payables and accrued liabilities (due mainly to the decrease in Accounts payables and accrued liabilities ($225K) and Advance payable to non-controlling interest, without interest ($22K)).
- a decrease of $150K in Demand debt do to the reimbursement of a loan.
- an increase of $1,115,232 in Net loss.

partially offset by:

- a $448K increase in Convertible debt as a result of the issuance of an Unsecured Converted Debentures as part of a private placement, partially offset by the gain on initial recognition on convertible debt.
- a $500K increase in Share Capital as a result of the issuance of 7,692,307 common shares as part of a private placement.

Segmented Reporting

The Company operates and reports its results as three operating segments (2018 – three), which are the development of new internet technologies with its CLO&R, Payments and DMBI solutions. These operating segments are monitored by the Company's chief decision maker and strategic decisions are made on the basis of segment operating results. Each of the operating segments is a reportable segment for financial reporting purposes. The segments do not earn any inter-segment revenues. The Company also operates in four (2018 – three) different geographical regions. The Company's financial information by reportable segment is as follows:

					March 31, 2019
	Payments	CLO&R	DMBI	Unallocated	Consolidated
Revenues from external customers	144,088	73,370	371,993	-	**589,451**
Total operating expenses	(463,020)	(241,067)	(471,470)	(504,848)	**(1,680,405)**
Operating loss	(318,932)	(167,697)	(99,477)	(504,848)	**(1,090,954)**
Net financial income (expenses)	10,203	(30,505)	(189)	(26,449)	**(46,940)**
Net loss before income taxes	**(308,729)**	**(198,202)**	**(99,666)**	**(531,297)**	**(1,137,894)**

					March 31, 2018
	Payments	CLO&R	DMBI	Unallocated	Consolidated
Revenues from external customers	55,241	68,408	396,258	-	**519,907**
Total operating expenses	(1,136,297)	(260,307)	(496,634)	(285,454)	**(2,178,692)**
Operating loss	(1,081,056)	(191,899)	(100,376)	(285,454)	**(1,658,785)**
Net financial income (expenses)	(2,940)	4,970	(2,497)	(52,597)	**(53,064)**
Net loss before income taxes	**(1,083,996)**	**(186,929)**	**(102,873)**	**(338,051)**	**(1,711,849)**

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

	March 31, 2019	March 31, 2018
	$	$
Sales from external customers		
South America	**73,370**	68,408
Canada	**371,993**	396,258
Caribbean	**75,849**	55,241
Philippines	**68,239**	-
	589,451	519,907

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

RESULTS OF OPERATIONS

	Three months ended March 31, 2019	2018	Variance
	$	$	$
Revenues	589,451	519,907	69,544
Operating expenses			
Cost of sales	96,639	45,887	50,752
Research and development charges, net of tax credits	408,759	471,945	(63,186)
Selling, general and administrative charges	1,050,298	1,312,921	(262,623)
Depreciation of property and equipment	5,505	5,809	(304)
Amortization of intangible assets	115,420	288,761	(173,341)
Share-based compensation	16,195	105,717	(89,522)
Gain on settlement of liabilities	(12,411)	(52,348)	39,937
Operating loss	(1,090,954)	(1,658,785)	(567,831)
Net finance expenses	46,940	53,064	(6,124)
Net loss before income taxes	(1,137,894)	(1,711,849)	573,955
Income taxes			
Current	(22,662)	(14,953)	(7,709)
Deferred	-	(77,389)	77,389
	(22,662)	(92,342)	69,680
Net loss	(1,115,232)	(1,619,507)	504,275

Revenues

Revenues increase for the three-month period ended March 31, 2019 by 13%. For the first quarter of 2019, the Company derived the majority of its revenues from the DMBI segment $371,993 (2018 - $396,258) followed by the Payments segment $144,088 (2018 - $55,241) and the CLO&R segment $73,370 (2018 - $68,408). The most significant contributors to the revenues variance were as follow:

	THREE-MONTH PERIOD 2019 VS 2018
Payments	An increase of 161% related to the sale of terminals in Philippines, to the continued onboarding of new merchants and more revenues generated from the existing merchant portfolio.
CLO&R	An increase of 7% despite of the material reduction in legacy coupon business in Argentina and negative effects of foreign exchange rate. The company grew new verticals in CLO&R business over 50% on YoY basis.
DMBI	A decrease of 6% mainly due to lower activities from existing clients.

Expenses

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

	THREE-MONTH PERIOD 2019 VS 2018	
Cost of sales	▲	An increase of $51K as a result of an increase of sales of terminals in Philippines.
Research and development	▼	A decrease of $63K mainly results from a decrease in contract labor ($38K) and professional fees ($36K), partially offset by an increase in IT expenses ($9K).
Selling, general and administrative	▼	A decrease of $263K mainly results from a decrease in contract labor ($116K), filling fees ($70K), professional fees ($69K) and marketing and promotion ($31K) as a result of cost reduction initiatives, partially offset by an increase in IT expenses ($38K).
Share-based compensation	▼	A decrease of $90K as a result of the non-recurring issuance for successfull business development in 2019.

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

Summary of Quarterly Results

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

Quarter ended	Revenues	Net income (loss) ($)	Quarter to quarter variance ($)		EPS Basic and diluted ($)
March 31, 2019	589,451	(1,115,232)	2,178,888	a)	(0.01)
December 31, 2018	640,815	(3,294,120)	(1,845,730)	b)	(0.02)
September 30, 2018	617,646	(1,448,390)	(534,693)	c)	(0.01)
June 30, 2018	792,612	(913,697)	705,810	d)	(0.00)
Mars 31, 2018	519,907	(1,619,507)	371,525	e)	(0.01)
December 31, 2017	814,666	(1,991,032)	(109,014)	f)	(0.01)
September 30, 2017	630,851	(1,882,018)	(2,426,922)	g)	(0.01)
June 30, 2017	782,443	544,904	7,983,898		0.00

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

a) The decrease in net loss is mainly due to the impairment loss on goodwill of $2,500K recorded in Q4-2018.

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

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

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

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

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

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

CASH FLOW

Below is a representation of the cash flow and liquidity position of the Company for the three months ended March 31, 2019.

	Three months ended March 31, 2019	2018	Variance
	$	$	$
Cash Flow			
Operations[1]	(988,616)	(1,288,279)	299,663
Non-cash working capital items	(240,242)	(564,492)	324,250
Operating activities	(1,228,858)	(1,852,771)	623,913
Financing activities	843,430	215,505	627,925
Investing activities	-	(24,342)	24,342
Effect of the exchange rate changes on cash	20,299	(382)	20,681
Net change in cash	(365,129)	(1,661,990)	1,296,861
Cash, beginning of period	479,803	3,735,400	(3,255,597)
Cash, end of period	114,674	2,073,410	(1,958,736)

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

A summary of cash flow activities is provided below:

		THREE-MONTH PERIOD 2019 VS 2018
Operations	⌄	The decrease in cash flow used for operations is mainly due to lower selling, general and administrative charges.
Non-cash working capital items	⌄	The decrease from non-cash working capital items is mainly due to a lower decrease in accounts payable and accrued liabilities.
Financing activities	⌃	The increase in cash from financing activities is mainly due to a private placement financing for aggregate gross proceeds of $1 million in 2019, partially offset by the proceed from exercise of warrants of $172K in 2018.
Investing activities	⌄	The decrease in cash flow used in investing activities is mainly due to the absence of addition to property and equipment.

LIQUIDITY AND CAPITAL RESOURCES

As at March 31, 2019, the Company had a cash balance of $114,674, and a negative working capital (current asset less current liabilities) of $1,348,377, total assets of $6,079,065, total liabilities of $2,749,289, and total liabilities and shareholder’s equity of $6,079,065.

In comparison as at December 31, 2018, the Company had a cash balance of $479,803, total assets of $6,460,675, total liabilities of $2,711,283, and total liabilities and shareholder’s equity of $6,460,675. The Company had a negative working capital of $1,043,116 as at December 31, 2018.

As at the date of this MD&A, the Company’s working capital is insufficient to cover the costs to carry out its business plan. The Company is examining available options to raise funds and limit its cash outflow. If delays in reaching positive cash flows from revenues were to occur, the Company’s working capital may be insufficient to meet its obligations and budgeted expenditures through March 31, 2020. The Company’s sources of funding to this point has been the issuance of equity securities, debt and the, to a lesser extent, cash flows from revenues. However, if working capital proves to be insufficient, management must then secure additional source of funding for its ongoing operations until it reaches positive cash flow, to fund research and development and pay for general and administrative costs.

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

Going Concern

These condensed interim consolidated financial statements have been prepared on a going concern basis in compliance with IFRS. A going concern basis contemplates the realization of the carrying value of assets and the settlement of liabilities in the normal course of business as they come due, which is dependent on future events including amongst other things, attaining a satisfactory revenue level from its 3 segments of business - CLO&R, DMBI and Payments, attainment of profitable operations and the ability to secure new financing arrangement and new capital to carry out its business plan.

The Company has generated limited revenues since inception and has generated losses from continuing operations totalling $1,115,232 for the three-months ended March 31, 2019 and an accumulated deficit of $50,531,694 since the Company's inception on February 8, 2005. During the three-month period ended March 31, 2019, the Company completed a private placement financing for aggregate gross proceeds of $1 million. The Company can give no assurance that it will achieve profitability or be capable of sustaining profitable operations.

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

Share Capital Transactions

A summary of the Company's share capital transactions for the three months ended March 31, 2019 is listed below:

Shares Issued for private placement

During the period, 7,692,307 common shares were issued as part of a private placement.

Shares Issued for Settlement of Liabilities

During the period, 1,500,000 common shares were issued to settle outstanding liabilities.

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 March 31, 2019, 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:

	Three months ended March 31,	
	2019	2018
	$	$
Transactions:		
Contract labor and professional fees paid to officers and directors	-	25,500

	March 31, 2019	December 31, 2018
	$	$
Balances outstanding:		
Amounts due to directors and other members of the Company's key management personnel, without interest	**195,549**	212,243

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

	Three months ended March 31, 2019	2018
	$	$
Salaries, benefits, commissions and consulting fees	**159,700**	299,042
Share-based compensation	**8,965**	23,798
	168,665	322,840

Valuation of Financial Instruments

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

Risk Factors and Uncertainties

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

Intellectual Property

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

Certification Risk

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

Integration Risk

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

Financial Viability of Certain Development Partners

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

Qualified Technical Labour

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

Key Management

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

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

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

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

Litigation

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

Liquidity Risk

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

Credit Risk

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

Risks Linked to Common Shares

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

Future Financing and Access to Capital Markets

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

Foreign Exchange Rates

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

Fluctuation in Interest Rates

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

Industry competition

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

Critical Accounting Estimates and Judgements

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

Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future period affected. There have been no changes in the significant judgements and estimates made by the management. The estimates and assumptions that have a significant risk of causing material adjustments to our financial statements were disclosed in *Note 3 – Significant accounting policies* to our 2018 annual audited consolidated financial statements available on www.sedar.com or on our website www.mobi724.com and they remain unchanged for the first quarter of 2019.

Comparative Figures

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

Basis of Preparation

The preparation of financial data is based on accounting principles and methods of computation consistent with those used in the preparation of the audited annual financial statements as at December 31, 2018, with the exception of the adoption of IFRS 16 on January 1, 2019 as described below.

Initial adoption of new accounting standards in the reporting period

IFRS 16 – *Leases*

In January 2016, the IASB published IFRS 16, Leases which replaces IAS 17 Leases, IFRS 16 eliminates the classification as an operating lease and provides lessees to recognize a right-of-use asset and a leaser liability in the statement of financial position for all leases with exemptions permitted for leases of less than 12 months and assets of low value. In addition, IFRS 16 changes the definition of a lease, sets requirements on how to account for the asset and liability, including complexities such as nonlease elements, variable lease payments and options periods, changes the accounting for sale and leaseback arrangements, largely retains IAS 17's approach to lessor accounting and introduces new disclosure requirements.

The Company adopted this new standard on January 1, 2019 using the modified retrospective method of adoption, with the effect of initially applying this standard on January 1, 2019. The financial information for periods beginning after January 1, 2019 is presented in accordance with IFRS 16, while the comparative periods will not be restated to conform to the new IFRS 16 requirements. The adoption of this new standard did not have a material impact on the Company's condensed interim consolidated financial statements and no adjustments were made to retained earnings as at January 1, 2019.

Outstanding Share Data

The Company is authorized to issue an unlimited number of common shares. As at March 31, 2019, there were 209,337,122 common shares outstanding. As at May 29, 2019, there were 218,678,031 common shares outstanding.

The Company issues warrants from time to time in connection with financings. As at March 31, 2019, there were 23,097,857 warrants outstanding. As at May 29, 2019, there were 9,318,182 warrants outstanding.

Employees, directors, officers and consultants have been granted options to purchase common shares under the Company's stock option plan. As at March 31, 2019, there were 8,894,832 options outstanding. As at May 29, 2019 there were 8,894,832 options outstanding.

Controls and Procedures

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

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

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

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

(s) Marcel Vienneau
Marcel Vienneau
Chief Executive Officer