



STARTMONDAY TECHNOLOGY CORP.

**CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
FOR THE THREE MONTHS ENDED MARCH 31, 2018**

(Expressed in Canadian Dollars)

**NOTICE OF NO AUDITOR REVIEW OF
INTERIM FINANCIAL STATEMENTS**

Under National Instrument 51-102, Part 4, subsection 4.3 (3) (a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed consolidated interim financial statements of StartMonday Technology Corp. (the “Company”) have been prepared by and are the responsibility of the Company’s management.

The Company’s independent auditor has not performed a review of these unaudited condensed consolidated interim financial statements in accordance with standards established by CPA Canada for a review of interim financial statements by an entity’s auditor.

STARTMONDAY TECHNOLOGY CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF FINANCIAL POSITION
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
AS AT

	Notes	March 31, 2018	December 31, 2017
ASSETS			
Current assets			
Cash		\$ 1,865,829	\$ 118,618
Amounts receivable	6	157,330	58,919
Prepaid expenses		40,554	6,541
		2,063,717	184,078
Property and equipment	7	20,935	-
Intangible assets			
Intellectual property	8	721,322	722,788
Total assets		\$ 2,805,970	\$ 906,866
SHAREHOLDERS' EQUITY (DEFICIENCY) AND LIABILITIES			
Current liabilities			
Trade and other payables	9	\$ 333,694	\$ 528,564
Deferred revenue	10	79,748	12,463
Loans payable	11	645,000	863,062
Total current liabilities		1,058,442	1,404,089
Shareholders' equity (deficiency)			
Share capital	12	10,255,040	7,399,451
Subscriptions received in advance	12(b)	-	137,500
Reserves	12(e)	1,213,951	1,137,049
Other comprehensive income (loss)		(131,448)	(14,812)
Deficit		(9,590,015)	(9,156,411)
Total shareholders' equity (deficiency)		1,747,528	(497,223)
Total shareholders' equity (deficiency) and liabilities		\$ 2,805,970	\$ 906,866

Nature of business and going concern (Note 1)
Commitments (Note 17)

These condensed consolidated interim financial statements were approved by the board of directors of the Company on its behalf on May 28, 2018

“Raymond Gibson”
Director

“Morgan Tincher”
Director

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

STARTMONDAY TECHNOLOGY CORP.**CONDENSED CONSOLIDATED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(EXPRESSED IN CANADIAN DOLLARS)

(UNAUDITED)

FOR THE THREE MONTHS ENDED

	Notes	March 31, 2018	March 31, 2017
Revenue	19	\$ 41,389	\$ 35,056
Operating Expenses			
Salaries and consulting fees	13	251,893	635,636
Research and development	14	143,023	-
Depreciation and amortization	7, 8	91,968	68,346
Advertising and marketing		31,625	37,891
Legal and professional		30,729	24,887
Transfer agent and filing fees		24,175	4,249
General and administrative		23,659	9,056
Software services		23,221	28,633
Rent		21,253	25,452
Share-based payments	12(d), 13	16,374	77,485
Travel and entertainment		13,338	24,742
Finance costs		1,621	3,748
Telephone		137	6,157
Total operating expenses		(673,016)	(946,282)
Foreign exchange gain (loss)		198,023	2,073
Net loss for the period		(433,604)	(909,153)
Other comprehensive income (loss) to be reclassified to profit or loss in subsequent periods			
Exchange differences on translation of foreign operations		116,636	(1,717)
Comprehensive loss for the period		(316,968)	(910,870)
Loss per common share – basic and diluted		\$ (0.00)	\$ (0.02)
Weighted average number of common shares outstanding – basic and diluted		67,326,978	53,848,158

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

STARTMONDAY TECHNOLOGY CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENTS OF CASH FLOWS
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)
FOR THE THREE MONTHS ENDED

	March 31, 2018	March 31, 2017
Operating activities		
Loss for the period	\$ (433,604)	\$ (909,153)
Items not affecting cash:		
Depreciation and amortization	91,968	68,346
Share-based payments	16,374	77,485
Change in non-cash working capital items:		
Amounts receivable	(94,120)	25,250
Trade and other payables	(213,073)	246,025
Deferred revenue	64,899	-
Prepaid expenses	(32,794)	(12,518)
Net cash flows used in operating activities	(600,350)	(504,565)
Investing activities		
Purchase of property and equipment (Note 7)	(21,075)	(11,774)
Intellectual property costs (Note 8)	(41,030)	(67,189)
Net cash flows provided by (used in) investing activities	(62,105)	(78,963)
Financing activities		
Proceeds from exercise of warrants (Note 12(b))	75,000	486,151
Proceeds from issue of shares (Note 12(b))	2,703,617	-
Repayment of loans payable (Note 11)	(218,062)	-
Net cash flows provided by financing activities	2,560,555	486,151
Effect of foreign exchange on cash	(150,889)	(1,873)
Change in cash	1,747,211	(99,250)
Cash (bank indebtedness), beginning of period	118,618	138,856
Cash (bank indebtedness), end of period	\$ 1,865,829	\$ 39,606

Supplemental information with respect to cash flows (Note 16)

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

STARTMONDAY TECHNOLOGY CORP.
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (DEFICIENCY)
(EXPRESSED IN CANADIAN DOLLARS)
(UNAUDITED)

	Notes	Numbers of Shares	Share Capital	Subscriptions received in advance	Reserves (Note 14(e))	Other Comprehensive Income (loss)	Deficit	Total
As at December 31, 2016		50,980,608	\$ 5,834,202	\$ -	\$ 2,076,009	\$ 27,869	\$ (7,469,877)	\$ 468,203
Warrants exercised	12(b)	5,360,402	486,151	-	-	-	-	486,151
Transfer fair value of warrants exercised		-	1,008,162	-	(1,008,162)	-	-	-
Share-based payments	12(d)	-	-	-	77,485	-	-	77,485
Loss for the period		-	-	-	-	-	(909,153)	(909,153)
Translation adjustment		-	-	-	-	(1,720)	-	(1,720)
As at March 31, 2017		56,341,010	7,328,515	-	1,145,332	26,149	(8,379,030)	120,966
Subscriptions received in advance	12(b)	-	-	137,500	-	-	-	137,500
Share-based payments	12(d)	-	-	-	(8,283)	-	-	(8,283)
Shares issued to settle trade payables	12(b)	283,746	70,936	-	-	-	-	70,936
Reclassification on deconsolidation of subsidiary	15	-	-	-	-	37,465	-	37,465
Loss for the period		-	-	-	-	-	(777,381)	(777,381)
Translation adjustment		-	-	-	-	(78,426)	-	(78,426)
As at December 31, 2017		56,624,756	7,399,451	137,500	1,137,049	(14,812)	(9,156,411)	(497,223)
Shares issued	12(b)	12,000,000	2,841,117	(137,500)	-	-	-	2,703,617
Finders warrants issued	12	-	(84,728)	-	84,728	-	-	-
Warrants exercised	12(b)	250,000	75,000	-	-	-	-	75,000
Transfer fair value of warrants exercised		-	24,200	-	(24,200)	-	-	-
Share-based payments	12(d)	-	-	-	16,374	-	-	16,374
Loss for the period		-	-	-	-	-	(433,604)	(433,604)
Translation adjustment	14	-	-	-	-	(116,636)	-	(116,636)
As at March 31, 2018		68,874,756	\$ 10,255,040	\$ -	\$ 1,213,951	\$ (131,448)	\$ (9,590,015)	\$ 1,747,528

The accompanying notes are an integral part of these condensed consolidated interim financial statements.

STARTMONDAY TECHNOLOGY CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)**

1. NATURE OF BUSINESS AND GOING CONCERN

StartMonday Technology Corp. (the “Company”) is listed on the Canadian Securities Exchange (“CSE”) and the Frankfurt Stock Exchange. Trading on the Canadian Securities Exchange began on October 24, 2016, and trading on the Frankfurt Stock Exchange began on November 7, 2016. Quoting on OTC (Pink) in the United States under the symbol STDMF commenced February 16, 2017 and as of February 5, 2018, the Company began trading on the OTC. The registered office and records office of the Company is located at Suite 1500, 1055 W. Georgia Street, Vancouver British Columbia, Canada, V6E 4N7.

The Company is principally engaged in candidate selection solutions for employers in the retail and hospitality sectors, who spend a significant amount of time and resources identifying potential candidates from a large pool of applicants.

The Company was incorporated on April 9, 2014 under the BCBCA and entered into was party to a Share Exchange Agreement dated effective July 8, 2016, pursuant to which, shareholders of StartMonday Holding B.V. transferred all of their common shares of StartMonday Holding B.V. to StartMonday Technology Corp. in exchange for 30,000,000 common shares of StartMonday Technology Corp. (the “Transaction”). The Transaction was completed on September 23, 2016, and constituted a reverse acquisition.

These condensed consolidated interim financial statements have been prepared on the basis of accounting principles applicable to a going concern which assumes the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation. For the three month period ended March 31, 2018, the Company incurred a net loss of \$433,604. The Company has funded ongoing operations primarily from proceeds on the issuance of shares, convertible notes and other loans.

On June 9, 2017, the Company’s subsidiary, StartMonday B.V., filed for bankruptcy with the Dutch court. The Company and its remaining subsidiaries (Note 2) have not filed for bankruptcy protection nor are there any plans to do so. StartMonday B.V. employed some of the Company’s product and technical team in Amsterdam. This subsidiary does not control any of the Company’s IP or codebase, enabling the Company to continue operations and execute its business plan through its other subsidiaries. As a result of the filing for bankruptcy protection and the appointment of a receiver, the Company has derecognized the assets and liabilities of StartMonday B.V. effective June 9, 2017 (Note 15). Results of operations of StartMonday B.V. have been included in these condensed consolidated interim financial statements up to June 9, 2017.

The Company’s continuing operations and its financial success is dependent upon the extent to which it can generate sufficient revenue and successfully raise the capital to implement its future plans and attain profitable operations. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. These condensed consolidated interim financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern.

2. BASIS OF PREPARATION

These condensed consolidated interim financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) and International Accounting Standard (“IAS”) 34 “interim financial reporting”, as issued by the International Accounting Standards Board (“IASB”), and interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”). These condensed consolidated interim financial statements have been prepared on a historical cost basis, except for cash flows. The Company does not have financial instruments classified as fair value through profit or loss, or available-for-sale.

This is the first set of the Company’s financial statements where IFRS 9 has been applied. Changes to significant accounting policies are described in note 3.

These condensed consolidated interim financial statements represent the results of the Company and its wholly owned subsidiaries (the “Subsidiaries”). Amounts reported are in Canadian dollars, unless otherwise indicated.

STARTMONDAY TECHNOLOGY CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)**

Subsidiary	Location	Proportion of interest held by the Company
StartMonday Inc.	USA	100%
StartMonday Holding B.V.	Netherlands	100%
Lean Innovations B.V.	Netherlands	100%
StartMonday Innovations Ltd.	United Kingdom	100%

StartMonday Inc. was newly incorporated in the state of Delaware, U.S.A., on January 5, 2017, and is a wholly-owned subsidiary of StartMonday Technology Corp. Lean Innovations B.V. was newly incorporated in the Netherlands on July 1, 2017, and is a wholly-owned subsidiary of StartMonday Holding B.V.

These condensed consolidated interim financial statements include the revenues, expenses and results of operations of StartMonday B.V. up to the date of the appointment of the receiver (June 9, 2017). All assets and liabilities of StartMonday B.V. were deconsolidated effective June 9, 2017, the date on which the Company determined it had lost control of StartMonday B.V.

The reporting currency of the Company is Canadian dollars. The functional currency of an entity is the currency of the primary economic environment in which the entity operates. The functional currency of StartMonday Technology Corp. is Canadian dollars, while the functional currency of StartMonday Holding B.V., StartMonday B.V., StartMonday Innovations Ltd. and Lean Innovations B.V. is the Euro, and the functional currency of StartMonday Inc. is US dollars. The functional currency determinations were conducted through an analysis of the consideration factors identified in IAS 21 *The Effects of Changes in Foreign Exchange Rates* ("IAS 21").

Critical accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

In preparing these condensed consolidated interim financial statements, the significant estimates and judgements applied in these areas were the same as those described in the Company's audited consolidated financial statements for the year ended December 31, 2017.

3. SIGNIFICANT ACCOUNTING POLICIES

Except as described below, the condensed consolidated interim financial statements have been prepared by management in accordance with the accounting policies described in the Company's audited consolidated financial statements for the year ended December 31, 2017.

The changes in accounting policies are also expected to be reflected in the Company's consolidated financial statements as at and for the year ending December 31, 2018.

The Company has initially adopted IFRS 9 Financial Instruments from January 1, 2018. The effect of initially applying these standards did not have a material impact on the Company's financial statements. A number of other new standards are also effective from January 1, 2018 but they also did not have a material impact on the Company's financial statements.

IFRS 9 Financial Instruments

IFRS 9 sets out requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. There was no material impact to the Company's financial statements as a result of transitioning to IFRS 9.

The details of the new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

STARTMONDAY TECHNOLOGY CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)**

(i) Classification and measurement of financial assets and liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies related to financial liabilities and derivative financial instruments. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

A financial asset is classified as measured at: amortized cost; fair value through other comprehensive income (FVOCI) or fair value through profit or loss (FVTPL). The classification of financial assets is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification. The Company's financial assets which consist primarily of cash and cash equivalents, trade and other receivables, and contract assets are classified at amortized cost.

(ii) Impairment of financial assets

An 'expected credit loss' (ECL) model applies to financial assets measured at amortized cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments. The Company's financial assets measured at amortized cost and subject to the ECL model consist primarily of trade receivables and contract assets.

The adoption of the ECL impairment model had a negligible impact on the carrying amounts of the Company's financial assets on the transition date given the receivables are substantially all current and the minimal historical level of customer default.

4. RECENT ACCOUNTING PRONOUNCEMENTS**New standards and interpretations not yet adopted**

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods.

- IFRS 16 – Leases: New standard to establish principles for recognition, measurement, presentation, and disclosure of leases with an impact on lessee accounting, effective for annual periods beginning on or after January 1, 2019. This standard has not yet been adopted by the Company and is being evaluated to determine its impact.

5. FINANCIAL RISK FACTORSCredit 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. The Company's cash is held primarily at large financial institutions in Canada and the Netherlands. The Company has no investment in asset-backed commercial paper. Management believes that the Company is not subject to significant credit risk with respect to cash.

The Company's amounts receivable primarily consists of VAT receivable from the government of the Netherlands, GST receivable from the government of Canada, and trade receivables from third parties pertaining to revenue. The Company's maximum exposure to credit risk is the carrying value of its financial assets. Management believes that the Company is not subject to significant credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. As at March 31, 2018, the Company had cash of \$1,865,829 and current liabilities

STARTMONDAY TECHNOLOGY CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)**

of \$1,058,442. As such, the Company may not have sufficient cash to fund corporate overhead costs and the repayment of the Company's cash obligations for the next fiscal year and is exposed to liquidity risk. The Company intends to continue raising funds through equity financings, exercise of warrants and entering into sales contracts with new customers that will provide increased sources of funds and liquidity in the future.

Market risk

The significant market risks to which the Company is exposed are interest rate risk, foreign currency risk, and price risk.

Interest rate risk

Interest rate risk is the risk that the fair value or the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company has cash held in non-interest bearing accounts and there is currently minimal interest rate risk. The Company's liabilities bear interest at fixed rates and are current in nature. As a result, a 1% fluctuation in market interest rates would insignificantly impact profit or loss.

Foreign currency risk

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. As at March 31, 2018, the assets and liabilities of the subsidiaries are denominated primarily in Euros. As at March 31, 2018, a 10% variation in the exchange rate between Canadian dollars and Euros would have an approximate \$240,000 impact on loss and comprehensive loss.

Price risk

Price risk is defined as the potential adverse impact on the Company's profit or loss due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements, and the stock market to determine the appropriate course of action to be taken by the Company.

6. AMOUNTS RECEIVABLE

	March 31, 2018	December 31, 2017
	\$	\$
Trade receivables	12,840	9,442
Input tax credits	144,490	49,477
	157,330	58,919

The Company's estimate for allowance for doubtful accounts as at March 31, 2018 and December 31 2017, is \$nil.

7. PROPERTY AND EQUIPMENT

The following table sets forth the cost, accumulated depreciation and net book value of the Company's property and equipment:

	Computers	Furniture and fixtures	Total
	\$	\$	\$
COST			
Balance, December 31, 2016	-	-	-
Additions	-	11,774	11,774
Translation adjustment	-	527	527
Derecognized on deconsolidation (Note 15)	-	(12,301)	(12,301)
Balance, December 31, 2017	-	-	-
Additions	10,940	10,135	21,075
Translation adjustment	288	268	556
Balance, March 31, 2018	11,228	10,403	21,631

STARTMONDAY TECHNOLOGY CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS**
(EXPRESSED IN CANADIAN DOLLARS)

	Computers	Furniture and fixtures	Total
	\$	\$	\$
ACCUMULATED DEPRECIATION			
Balance, December 31, 2016	-	-	-
Additions	-	1,203	1,203
Translation adjustment	-	27	527
Derecognized on deconsolidation (Note 15)	-	(1,230)	(1,230)
Balance, December 31, 2017	-	-	-
Additions	169	509	678
Translation adjustment	5	13	18
Balance, March 31, 2018	174	522	696
NET BOOK VALUE	11,054	9,881	20,935

8. INTANGIBLE ASSETS

The Company's intangible assets consist of intellectual property associated with the Company's software application. The Company capitalizes development costs associated with its intellectual property.

INTELLECTUAL PROPERTY	March 31, 2018	December 31, 2017
	\$	\$
COST		
Balance, beginning of period	1,133,909	812,517
<u>Additions:</u>		
Consultants	51,731	79,232
Salaries, wages of development team	-	183,583
Translation adjustment	62,760	58,577
Balance, end of period	1,248,400	1,133,909
ACCUMULATED AMORTIZATION		
Balance, beginning of period	411,121	116,166
Additions	91,290	278,847
Translation adjustment	24,667	16,108
Balance, end of period	527,078	411,121
NET BOOK VALUE	721,322	722,788

9. TRADE AND OTHER PAYABLES

	March 31, 2018	December 31, 2017
	\$	\$
Trade payables	307,619	413,823
Accrued liabilities	5,450	37,359
Accrued wages and salaries	4,475	23,652
Due to related parties (Note 13)	16,150	53,730
	333,694	528,564

STARTMONDAY TECHNOLOGY CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)****10. DEFERRED REVENUE**

	March 31, 2018	December 31, 2017
	\$	\$
Deferred revenue	79,748	12,463
	79,748	12,463

The Company has entered into contracts with certain customers to provide services over a twelve-month period. Payment for services under these contracts is generally received in advance. The Company records revenue for these contracts evenly throughout the twelve-month period. Deferred revenue represents the revenue that will be recognized subsequent to the period end.

11. LOANS PAYABLE

	March 31, 2018	December 31, 2017
	\$	\$
Short-term loans ⁽¹⁾	-	18,062
Advances ⁽²⁾	645,000	845,000
	645,000	863,062

⁽¹⁾ This balance (€12,000) comprises amounts advanced to the Company by two individuals, one of which is a member of key management (Note 13). The loans bore interest at 6% per annum, were due on December 31, 2017 and were paid during the three months ending March 31 2018. There was no security on these loans.

⁽²⁾ This balance comprises amounts advanced to the Company from a third-party in the form of short-term, due on demand, unsecured, non-interest bearing advances.

Aggregate accrued interest on loans payable amounts to \$Nil (December 31, 2017 - \$2,360), included within trade and other payables (Note 9).

12. SHARE CAPITAL AND RESERVES**(a) Authorized share capital:**

The Company has authorized an unlimited number of common shares and preferred shares without nominal or par value.

(b) Common shares issued:

During the three months ended March 31, 2018, the Company issued common shares as follows:

- On January 11, 2018, the Company closed a non-brokered private placement for 12,000,000 units (the "Units") at a price of \$0.25 per Unit for proceeds of \$3,000,000. Each Unit is comprised of one common share and one-half of one transferable common share purchase warrant (the "Warrants"). Each Warrant will entitle the holder to purchase an additional common share at \$0.50 until January 11, 2019. In connection with the Offering, the Company has paid eligible finders a cash commission in the aggregate amount of \$158,883, and issued an aggregate of 632,030 non-transferable finders' warrants with the same terms as the warrants attached to the units. All securities issued in connection with the Offering were subject to a statutory hold period of four months plus a day from the date of issuance in accordance with applicable securities legislation which expired on May 12, 2018. At December 31, 2017, \$137,500 had been received as subscriptions received in advance.
- On the exercise of \$0.30 warrants (originally issued with an exercise price of \$0.40 per share, but were reduced to \$0.30 per share on August 9, 2017), 250,000 common shares for proceeds of \$75,000.

STARTMONDAY TECHNOLOGY CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)**

During the year ended December 31, 2016, the Company issued common shares as follows:

- On the exercise of \$0.05 warrants, 4,541,250 common shares for proceeds of \$227,063.
- On the exercise of \$0.25 warrants, 457,152 common shares for proceeds of \$114,288.
- On the exercise of \$0.40 warrants, 362,000 common shares for proceeds of \$144,800.
- For the provision of \$35,468 of consulting services, which were previously included in trade and other payables, 283,746 common shares with a fair value of \$70,936, resulting in a loss on settlement of \$35,468.

Escrowed shares:

In connection with the reverse acquisition of SM Holding, certain shares issued were subject to an Escrow Agreement. As at March 31, 2018, 9,999,585 (December 31, 2017 – 9,999,585) common shares remained held in escrow. The common shares are subject to timed releases as follows:

- 10% (1,666,597 common shares) released upon the date of listing on the CSE (listed on October 24, 2016)
- 15% (2,499,895 common shares) released every six months thereafter until all escrow shares have been released (thirty-six months following the date of listing on the CSE being October 24, 2019) (Subsequent to March 31, 2018, 2,499,895 common shares were released from escrow)

Pooled shares:

Certain shareholders entered into a pooling agreement pursuant to which the common shares of the Company issued to these shareholders in connection with the Transaction (30,000,000 common shares), would be pooled and released as to one-third (33.3%) on September 23, 2017, and one-third (33.3%) every six months thereafter until September 23, 2018. As at March 31, 2018, 10,000,000 common shares remain unreleased.

(c) Warrants:

A summary of changes in warrants is presented below:

	Number of warrants	Weighted average Exercise price
Balance, December 31, 2016	8,115,602	\$ 0.20
Warrants of SM Technology	(5,360,402)	0.09
Balance, December 31, 2017	2,755,200	0.30
Warrants issued	6,000,000	0.50
Finders' warrants issued	632,030	0.50
Exercise of warrants	(250,000)	0.30
Balance, December 31, 2017	9,137,230	\$ 0.45

On January 11, 2018, the Company issued 6,000,000 warrants in connection with a non-brokered private placement (Note 12(b)). Each Warrant will entitle the holder to purchase an additional common share at \$0.50 until January 11, 2019. In connection with the private placement, the Company has issued eligible finders an aggregate of 632,030 non-transferable finders' warrants with the same terms as the warrants attached to the units.

A summary of warrants outstanding as at March 31, 2018, is as follows:

Number of Warrants Outstanding	Weighted Average Exercise Prices	Expiry date	Weighted Average Remaining Contractual Life (years)
2,505,200	\$0.30	July 25, 2018	0.32
6,000,000	\$0.50	January 11, 2019	0.78
632,030	\$0.50	January 11, 2019	0.78
9,137,230	\$0.45		0.66

STARTMONDAY TECHNOLOGY CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)**

The fair values of the warrants assumed during the year ended December 31, 2016, and the warrants and finders' warrants issued in the three months ended March 31, 2018, were estimated on the date of issuance, and date of closing respectively using the Black-Scholes option pricing model with the following weighted average inputs:

	2016	2018
Risk-free interest rate	0.50%	1.40%
Expected life of warrants	1.22 years	1.0 years
Annualized volatility	100%	100%
Dividend rate	0%	0%
Weighted average fair value per warrant	\$ 0.16	\$ 0.13

(d) Stock Options:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2016	4,250,000	\$ 0.18
Granted	195,000	0.37
Forfeited	(1,681,000)	0.25
Balance, December 31, 2017	2,764,000	0.15
Granted	410,000	0.37
Balance, March 31, 2018	3,174,000	\$ 0.18

As at March 31, 2018, the following stock options were outstanding and exercisable:

Option Expiry date	Number of Options Outstanding	Weighted Average Remaining Contractual Life (years)	Weighted Average Exercise Price	Number of Options Exercisable
October 24, 2021	2,000,000	3.57	\$ 0.10	2,000,000
October 24, 2021	600,000	3.57	0.25	437,500
March 2, 2022	14,000	3.92	0.40	-
September 1, 2022	50,000	4.42	0.35	-
November 28, 2022	100,000	4.67	0.37	-
March 9, 2023	410,000	4.94	0.37	-
Outstanding, March 31, 2018	3,174,000	3.87	\$ 0.18	2,437,500

The Company has an incentive stock option plan (the "Plan") having terms consistent with the regulatory requirements of the CSE. Pursuant to the Plan, the Company's board of directors may grant options to purchase the number of common shares which is equivalent to up to 10% of the aggregate number of issued and outstanding common shares as at the date of grant. The Plan provides that an option can be exercisable for a maximum of 10 years from the date of grant, and the options will vest, and have exercise prices subject to directors' approval.

As at March 31, 2018, stock options in respect of an additional 3,713,476 common shares were available for issue under the Plan.

STARTMONDAY TECHNOLOGY CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)**

The fair value of the stock options granted during the periods ended March 31, 2017, December 31, 2017 and December 31, 2016, was estimated on the date of grant using the Black-Scholes option pricing model with the following weighted average inputs:

	2018	2017	2016
Risk-free interest rate	1.40%	1.19%	0.53%
Expected life of stock options	5 years	5 years	5 years
Annualized volatility	100%	100%	100%
Dividend rate	0%	0%	0%
Weighted average fair value per option	\$ 0.28	\$ 0.28	\$ 0.23

During the three months ended March 31, 2018, the Company recorded \$16,374, (2017 - \$77,485) of share-based payments expense for the vesting of stock options granted (Note 12(e)).

(e) Reserves:

The following is a summary of changes in reserves:

	Share-based payments	Conversion of convertible notes	Finders' warrants	Reverse acquisition warrants	Total
	\$	\$	\$	\$	\$
December 31, 2016	599,082	202,065	59,777	1,215,085	2,076,009
Share-based payments	77,485	-	-	-	77,485
Transfer fair value of warrants	-	-	(59,777)	(948,385)	(1,008,162)
March 31, 2017	676,567	202,065	-	266,700	1,145,332
Share-based payments	(8,283)	-	-	-	(8,283)
December 31, 2017	668,284	202,065	-	266,700	1,137,049
Share-based payments	16,374	-	-	-	16,374
Finders' warrants issued	-	-	84,728	-	84,728
Transfer fair value of warrants	-	-	-	(24,200)	(24,200)
March 31, 2018	684,658	202,065	84,728	242,500	1,213,951

13. RELATED PARTY TRANSACTIONS**Key management personnel compensation**

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company as a whole. The Company has determined that key management personnel consist of executive and non-executive members of the Company's Board of Directors and officers.

The Company entered into the following transactions with key management personnel, for the three months ended March 31, 2018 and 2017:

Transactions with key management personnel:		
Years ended:	March 31, 2018	March 31, 2017
	\$	\$
Salaries and consulting fees	112,385	78,963
Share-based payments	1,113	4,526
	113,498	83,489

STARTMONDAY TECHNOLOGY CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)**

Balances due to related parties:		
As at:	March 31, 2018	March 31, 2017
	\$	\$
Amounts due to key management personnel included in trade and other payables (Note 9)	16,150	53,730
Loans due to key management personnel (Note 11)	-	15,052
	16,150	68,782

During the three months ending March 31, 2018, loans to key management personnel of €10,000 were repaid.

There were no other transactions with related parties during the three months ended March 31, 2018, and 2017.

14. RESEARCH AND DEVELOPMENT

	March 31, 2018	March 31, 2017
	\$	\$
Salaries and professional fees	96,644	-
Legal and professional	23,189	-
Travel and entertainment	15,460	-
Advertising and marketing	7,730	-
	143,023	-

The Company has begun preparation for the commercial release of CareerChain, a blockchain technology solution for the human resource sector and has begun a phased developmental process in preparation for an upcoming product launch. StartMonday has been developing CareerChain as a new brand asset and blockchain solution specifically for the job market. CareerChain plans to establish an independent foundation for the base layer of the blockchain solution. The CareerChain Foundation then plans to create its own cryptocurrency and plans to hold a token sale and continue development of CareerChain. In return for the Company's efforts to establish the platform and to cover preliminary development costs incurred by the Company, the Company will receive 15% of all issued tokens. Development costs incurred by the Company in connection with CareerChain are classified as research and development costs.

15. DECONSOLIDATION OF SUBSIDIARY

As a result of the filing for bankruptcy of StartMonday B.V. as detailed in Note 1, and the appointment of a receiver, the Company has derecognized the assets and liabilities of StartMonday B.V. effective June 9, 2017 upon the loss of control. The Company has received no consideration in the deconsolidation of StartMonday B.V.

Analysis of assets and liabilities derecognized		\$
Current assets		
Cash (bank indebtedness)		(3,800)
Amounts receivable		102,907
Prepaid expenses		31,943
Non-current assets		
Property and equipment (Note 7)		11,071
Current liabilities		
Trade and other payables		(387,666)
Net liabilities deconsolidated		(245,545)
Gain on deconsolidation of subsidiary		\$
Fair value of interest retained		-
Less: net liabilities deconsolidated		(245,545)
Add: cumulative translation adjustment		37,465
Gain on deconsolidation of subsidiary		208,080

STARTMONDAY TECHNOLOGY CORP.**NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS
(EXPRESSED IN CANADIAN DOLLARS)****16. SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS**

During the three months ended March 31, 2018, the Company incurred the following significant non-cash investing and financing activities:

- As at March 31, 2018, \$16,565, (March 31, 2017 - \$44,701) of intellectual property costs were included in trade and other payables.

17. COMMITMENTS

The Company entered into an office lease commitment for office space in Amsterdam, Netherlands on December 1, 2017 for a 6-month period, with monthly rent of \$1,944. The Company entered into a second office lease commitment for office space in Amsterdam, Netherlands on February 1, 2018 for a 6-month period, with monthly rent of \$2,258. Both leases are renewable on a month to month basis after the six month periods and can be cancellable by the Company after the six month periods.

18. CAPITAL MANAGEMENT

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern and to maintain a flexible capital structure which optimizes the costs of capital at an acceptable risk. In the management of capital, the Company includes components of shareholders' equity (deficiency).

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash or bank indebtedness.

The Company is not subject to externally imposed capital requirements and there has been no change with respect to the overall capital risk management strategy during the three months ended March 31, 2018.

19. SEGMENTED INFORMATION

The Company is principally engaged in candidate selection solutions for employers in the retail and hospitality sectors. All of the Company's non-current assets were located in Europe at both March 31, 2018 and December 31, 2017.

For the year three months ended March 31, 2018 the Company derived revenue from four customers (March 31, 2017 – two customers) totalling 71% (March 31, 2017 - 84%) of the Company's total revenue for the three months ended March 31, 2018. At March 31, 2018, two customers (December 31, 2017 – two customers) accounted for 46% (December 31, 2017 - 46%) of total trade receivables.

All of the Company's revenues were earned from operations in Europe.

	March 31, 2018	March 31, 2017
Primary geographical market	\$	\$
Europe	41,389	35,056
Major products/service line		
Software as a service ("SaaS")		
licensing services	41,389	35,056

All of the Company's contracts are considered to be short-term, fixed-price and fixed-time.