



**ANNUAL INFORMATION FORM**

**For the Year Ended December 31, 2014**

**Dated April 30, 2015**

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## DEFINITIONS

In this Annual Information Form, the following words and phrases have the meanings set forth below, unless otherwise indicated.

“**ABCA**” means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, together with any or all regulations promulgated thereunder, as amended from time to time.

“**Amalgamation**” means the amalgamation of Southtech and Redfall pursuant to the Amalgamation Agreement.

“**Amalgamation Agreement**” means the amalgamation agreement dated May 7, 2014, as amended on July 31, 2014 between Southtech and Redfall.

“**AML-CTF**” means anti-money laundering - counter terrorist financing.

“**ANXPro**” means Mega Idea Holdings Limited.

“**APA**” means the asset purchase agreement between the Company and an arm’s length private risk management and consulting services company dated April 30, 2015.

“**Banks**” means the Company’s US banking partners.

“**BIG**” means Business Instincts Group Inc.

“**Board**” means the board of directors of Vogogo, as constituted from time to time.

“**Common Shares**” means the common shares in the capital of the Company, as constituted from time to time.

“**Company**” or “**Vogogo**” means Vogogo Inc., a company amalgamated pursuant to the laws of the Province of Alberta, and where the context requires, its predecessors.

“**CPC**” means a capital pool company, as that term is defined pursuant to Policy 2.4 of the TSXV Corporate Finance Manual.

“**CPC Escrow Agreement**” means the escrow agreement dated December 11, 2011 among Southtech, CIBC Mellon Trust Company and certain of the holders of Southtech Shares.

“**Customers**” means Vogogo’s customers and “**Customer**” means any one of them.

“**ECP**” means E-comprocessing, a division of eMerchantPay Limited.

“**EMI**” means Electronic Money Issuer.

“**FCA**” means Financial Conduct Authority.

“**KYC**” means know-your-customer.

“**Limitless Debenture**” means, collectively, the secured convertible debenture issued to Limitless I Corp. on February 11, 2014 and amended and restated on March 17, 2014.

“**Management**” means the senior management of the Company.

“**NI 52-110**” means National Instrument 52-110 - *Audit Committees*.

“**Option**” means an option to acquire a Common Share pursuant to the Stock Option Plan.

“**PCI-DSS**” means Payment Card Industry Data Security Standard.

“**PCI**” means Payment Card Industry.

“**PSP**” means payment services provider.

“**Qualifying Transaction**” means the qualifying transaction completed by Southtech, as that term is defined pursuant to Policy 2.4 of the TSXV Corporate Finance Manual, pursuant to the Amalgamation.

“**Redfall**” means Redfall Technologies Inc.

“**Redfall Compensation Warrants**” has the meaning ascribed to it in the section titled “*General Development of the Business*”.

“**Redfall Shares**” means the common shares in the capital of Redfall.

“**Redfall Financing**” has the meaning ascribed to it in the section titled “*General Development of the Business*”.

“**Redfall Finder’s Warrants**” has the meaning ascribed to it in the section titled “*General Development of the Business*”.

“**Redfall Warrants**” means the Redfall Share purchase warrants entitling the holder thereof to purchase an aggregate of 288,462 Redfall Shares at a price of \$0.52 per Redfall Share, expiring April 1, 2017.

“**RIPKIT**” means a computer-assisted tool for planning including developing and monitoring responsibilities in perspective. The RIPKIT is a proprietary tool offered through BIG.

“**Rock Trading**” means The Rock Trading Company of Malta.

“**Shareholders**” means the holders of Common Shares from time to time and “**Shareholder**” means any one of them.

“**Southtech**” means Southtech Capital Corporation.

“**Southtech Shares**” means the common shares in the capital of Southtech.

“**SPA**” means the share purchase agreement dated January 1, 2015 between the Company and Vanado, Inc.

“**Stock Option Plan**” means the stock option plan of the Company.

“**Subscription Receipts**” means the 11,333,332 subscription receipts of Redfall, issued at a price of \$0.75 per Subscription Receipt under the Subscription Receipts Offering, for total gross proceeds of approximately \$8.5 million. Each Subscription Receipt entitled the holder to acquire one Redfall Share, which was converted into one Common Share as part of the Amalgamation.

“**Subscription Receipts Offering**” means the issuance and sale, via private placement, of an aggregate of 11,333,332 Subscription Receipts.

“**TSX**” means the Toronto Stock Exchange.

“**TSXV**” means the TSX Venture Exchange.

“**US**” or “**United States**” means the United States of America, its territories and possessions, any state of the United States, and the District of Columbia.

“**Value Security Escrow Agreement**” means the agreement dated September 11, 2014 among Vogogo, CST Trust Company and certain holders of Common Shares.

“**Vogogo Platform**” has the meaning ascribed to it in the section titled “*Vogogo Inc.*”.

“**Vogogo Technology**” means the risk management and payment processing technology that enables secure transaction processing between businesses and their customers, utilizing conventional banking and payment networks.

“**Warrants**” means the issued and outstanding warrants of the Company, including the Redfall Finder’s Warrants, the Redfall Compensation Warrants and Redfall Warrants that became warrants of the Company pursuant to the Amalgamation. Each warrant entitles the holder thereof to purchase one Common Share, subject to adjustment in accordance with its terms.

### **FORWARD-LOOKING STATEMENTS**

Certain information contained in this Annual Information Form constitutes forward-looking information under applicable securities legislation. Such forward-looking information is included for the purpose of providing information about management’s current expectations and plans relating to the future. Readers are cautioned that reliance on such information may not be appropriate for other purposes, such as making investment decisions. Forward-looking information typically contains statements with words such as “anticipate”, “believe”, “expect”, “plan”, “intend”, “estimate”, “target”, “goal”, “propose”, “project” or similar words suggesting future outcomes or statements regarding an outlook. Forward-looking information in this Annual Information Form may include, but is not limited to, information with respect to:

- the Company’s growth strategy;
- the availability of operating cash flow and the ability to finance operations;
- future capital and other expenditures, including the amount and nature thereof;
- the ability of the Company to obtain financing on acceptable terms, or at all;
- future economic conditions;
- future currency and exchange rates;
- the Company’s continued ability to obtain and retain qualified staff and equipment in a timely and cost efficient manner;
- technical decision making;
- future liquidity, creditworthiness and financial capacity;
- future interest rates;
- future costs and expenses; and
- future transaction and operational plans and the timing associated therewith.

Forward-looking information is based on a number of factors and assumptions which have been used to develop such information but which may prove to be incorrect. Although the Company believes that the expectations reflected in such forward-looking information are reasonable, undue reliance should not be placed on forward-looking information because the Company can give no assurance that such expectations will prove to be correct. In addition to other factors and assumptions which may be identified in this Annual Information Form, assumptions have been made regarding and are implicit in, among other things:

- the ability of the Company to execute its strategy;
- currency, exchange and interest rates;
- the state of the capital markets; and
- the ability of the Company to obtain financing on acceptable terms.

Readers are cautioned that the foregoing is not an exhaustive list of all factors and assumptions that have been used.

Forward-looking information is based on management's current expectations regarding future growth, results of operations, foreign exchange rates, future capital and other expenditures (including the amount, nature and sources of funding thereof), business prospects and opportunities, and future economic conditions.

The forward-looking information contained herein is made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking information, whether as a result of new information, future events or otherwise, unless required by applicable securities laws. The forward-looking information contained herein is expressly qualified by this cautionary statement.

## VOGOGO INC.

### General

Vogogo is a risk management and electronic payment services business headquartered in Calgary, Alberta. The Company's shares are traded on the TSXV under the trading symbol "VGO". Vogogo resulted from the Amalgamation of Southtech and Redfall.

Vogogo has spent recent years developing and launching the Vogogo Technology which enables secure transaction processing between businesses and their customers, utilizing conventional banking and payment networks. Vogogo provides automated risk management services including fraud mitigation, KYC, sanctions checks and AML-CTF processes and procedures, combined with a bundled suite of payment services. This unique combination gives Vogogo the security, flexibility and scalability to meet the demands of a marketplace enabled by technology and seeking reliable, flexible, cost effective and compliant access to conventional banking and payment services.

In addition to information in respect of Vogogo contained herein, further details concerning the Company are provided in the financial statements and related management's discussion and analysis, which have been filed under the profile of the Company at [www.sedar.com](http://www.sedar.com).

The Company's head office address is 400, 320 – 23<sup>rd</sup> Avenue S.W., Calgary, Alberta T2S 0J2 and the registered office address is 4600, 525 – 8<sup>th</sup> Avenue S.W., Calgary, Alberta T2P 1G1.

### Organizational Structure of the Company

As at the date hereof, the Company's subsidiaries are set out below:

<b>Name</b>	<b>Place of Incorporation</b>	<b>Ownership Interest</b>
Vogogo Canada Inc.	Alberta, Canada	100%
Vogogo USA Inc.	Delaware, US	100%
Vogogo E.U. Ltd.	England and Wales, UK	100%
Vanado, Inc.	Colorado, US	100%

In this Annual Information Form, unless the context otherwise requires, the "Company" or "Vogogo" refers to Vogogo Inc. together with its subsidiaries as listed above.

## GENERAL DEVELOPMENT OF THE BUSINESS

### History

The following describes the development of Vogogo's business over the last three completed financial years.

#### *Southtech*

Southtech was incorporated under the ABCA on April 21, 2011. On December 12, 2011, Southtech amended its articles to remove the restrictions on the transfer of securities. Southtech was a CPC as defined pursuant to Policy 2.4 of the TSXV Corporate Finance Manual. The Southtech Shares commenced trading under the stock symbol "STU.P" on May 3, 2012. Southtech's business as a CPC was to identify and evaluate corporations, businesses or assets for acquisition or participation with a view to completing a Qualifying Transaction. On April 9, 2014, the Southtech Shares were halted pending the announcement of the Amalgamation. On May 9, 2014, the TSXV suspended the Southtech Shares from trading until further notice as Southtech failed to complete a Qualifying Transaction within twenty-four months of its listing. Southtech applied for an extension to complete its Qualifying Transaction and the TSXV granted the extension, which gave Southtech until September 17, 2014 to complete its Qualifying Transaction. The Amalgamation, which was effected on September 11, 2014, constituted Southtech's Qualifying Transaction.

## ***Redfall***

Redfall was a private company incorporated as “Redfall Financial Inc.” on January 23, 2008 under the ABCA. On December 30, 2009, Redfall amended its articles to change its name to “Redfall Technologies Inc.”. On March 13, 2012, Redfall amended its articles pursuant to section 173(1)(f) of the ABCA to subdivide the common shares of Redfall (“**Redfall Shares**”) by changing every one Redfall Share, whether issued or unissued, into 1,300 Redfall Shares.

During Redfall’s initial years, it designed and built web-based risk management and payment processing technology (the “**Vogogo Platform**”) used to process data and payments on behalf of online poker operators. Redfall enabled the poker operators to process and remit legal tender to and from their customers while effectively mitigating payment related fraud and other forms of risk inherent in online payments. Redfall serviced the online poker operators until the summer of 2010. Upon the disruption of the online poker industry by US authorities, Redfall refocused its business on Canadian small and mid-sized businesses that faced challenges in accessing and effectively using online payments. Adjustments were made to Redfall’s processing and risk management technology, and Redfall launched the Vogogo Platform in April 2011 in Canada. Up until the summer of 2013, Redfall strategically developed the Vogogo Platform based on participation and feedback from clients. This allowed Redfall to evolve the Vogogo Platform through three major revisions while also allowing Redfall to develop and integrate its own banking relationships and card acquiring structure. This was necessary for Redfall to be competitive in the industry and to allow the Vogogo Platform to effectively support all the popular electronic payment types in the US and Canada. This process involved taking incremental steps to implement, develop and operate increasingly sophisticated banking and payment types, including comprehensive risk management processes and procedures.

On January 25, 2013, Redfall issued an unsecured convertible debenture with a principal amount of \$100,000. The principal bore interest at a rate of 10% per annum and was convertible into Redfall Shares at \$0.52 per share, at any time, at the option of the holder. Unless earlier repaid, at the option of Redfall, or demanded in the event of default, the principal was due and payable in full on January 25, 2014. Interest was due and payable quarterly on each of April 25, 2013, July 25, 2013, October 25, 2013 and January 25, 2014. The debenture was repaid in full along with interest on January 25, 2014.

On March 6, 2013, Redfall issued a second unsecured convertible debenture with a principal amount of \$100,000. The principal bore interest at a rate of 10% per annum and was convertible into Redfall Shares at \$0.52 per share, at any time, at the option of the holder. Unless earlier repaid, at the option of Redfall, or demanded in the event of default, the principal was due and payable in full on March 6, 2014. Interest was due and payable quarterly on each of June 6, 2013, September 6, 2013, December 6, 2013 and March 6, 2014. This debenture was converted into Redfall Shares on March 5, 2014 and a total of 192,307 Redfall Shares were issued from treasury.

During the 12-month period from July 2013 to July 2014, Redfall raised an aggregate of \$1,416,755 pursuant to equity financings and an aggregate of \$3,164,345 in accordance with the terms of the Limitless Debenture. On February 11, 2014, Redfall issued the Limitless Debenture in the principal amount of \$2,000,000. On March 17, 2014, Redfall amended and restated the Limitless Debenture, increasing the principal amount to \$3,164,345. The Limitless Debenture was secured by a first charge against all of Redfall’s present and after-acquired property and was scheduled to mature on August 11, 2014. The Limitless Debenture bore interest at a rate of ten percent (10%) per annum. The principal amount of the Limitless Debenture was also convertible into Redfall Shares at a price of \$0.33 per Redfall Share. The aggregate principal amount of \$3,164,345 was converted to 9,588,924 Redfall Shares on March 26, 2014. No interest was due or payable on the conversion date. In connection with the issuance of the initial Limitless Debenture financing completed on February 11, 2014, Redfall issued an aggregate of 2,275,000 Warrants (the “**Redfall Finder’s Warrants**”), each such Redfall Finder Warrant being exercisable at a price of \$0.33 per Redfall Finder’s Warrant on or before February 11, 2019.

Redfall entered into a consulting agreement with BIG dated February 1, 2014 with respect to certain consulting services for a period of one (1) year (the “**BIG Consulting Agreement**”). BIG is a management consulting firm based in Calgary, Alberta that focuses on the strategic growth of startup and early stage companies. The BIG Consulting Agreement was amended and extended for a six (6) month period on February 1, 2015.

The services provided pursuant to the BIG Consulting Agreement are:



- *Strategic Planning Services* – Assist and provide guidance on corporate strategy, competitive positioning, ongoing management of team leaders for project management and development, corporate strategy, public relations and marketing, and identification of merger and/or acquisition targets. Provide operational strategic planning assistance, support and guidance. Provide review and support of statements of work, contracts and other operational needs as they arise. Facilitate executive planning, manage and build relationships with shareholders; and provide general coaching to management employees and management teams (excluding senior management).
- *Public Relations Services* – Liaise with media contacts, develop a storyline in the media, facilitate meetings and discussions related to public relations, coordinate media inquiries, and manage the database of press and media contacts.
- *Program Management Services* – Provide program management support so deadlines are being adhered to, monitor program status, issues and risk using the RIPKIT, and provide general and administrative support for the team when necessary. Organize and facilitate in-person quarterly offsites, manage RIPKIT access and software version updates, maintain technical RIPKIT infrastructure.
- *Shareholder Communication Services* – Provide support to management with circulation of shareholder related material, coordination of transfer and escrow agents, management of the sales force application, weekly reporting of lead generation, and coordination with the MailChimp tool for email distribution. MailChimp is a web-based email marketing service that helps design email announcements, share them on social networks and track results.

On June 30, 2014 and August 4, 2014, Redfall completed a brokered and non-brokered private placement financing (the “**Redfall Financing**”) of an aggregate of 11,333,332 Subscription Receipts at a price of \$0.75 per Subscription Receipt and raised gross proceeds of approximately \$8.5 million, which was a condition of closing the Amalgamation. In connection with the Redfall Financing, Redfall issued to the agents and certain arm’s length finders an aggregate of 793,332 warrants to purchase Redfall Shares at a price of \$0.75 per Redfall Share, exercisable on or before June 30, 2016 (the “**Redfall Compensation Warrants**”). Immediately prior to completion of the Amalgamation, these Subscription Receipts converted into 11,333,332 Redfall Shares.

Pursuant to the Amalgamation Agreement, on September 11, 2014, Southtech and Redfall completed the Amalgamation. The former shareholders of Redfall received one fully paid Common Share for every one Redfall Share and the former shareholders of Southtech received one Common Share for every five Southtech Shares. Upon closing of the Qualifying Transaction, the former shareholders of Redfall owned 95.62% of the Common Shares. The new amalgamated company changed its name to “Vogogo Inc.”.

### ***Vogogo***

Through the latter half of 2014, Vogogo prepared its payment processing and risk management platform to effectively service the cryptocurrency industry.

In October 2014, Vogogo entered into an agreement that provides its customers with access to the Interac Online payment network, which is a transfer and payment service made available to Canadians who bank online with many of Canada’s banks (<http://www.interac.ca/en/interac-online/interac-online-for-consumers#whereitworks>). This integration added Interac Online as an option in Vogogo’s suite of fiat payment services, providing additional flexibility and convenience in the overall service offering. Vogogo also entered into agreements to integrate its proprietary compliance, risk management and payment processing platform with CoinTrader, which is a North American Bitcoin exchange, and Cryptsy, a leading alternative cryptocurrency exchange in the US. Pursuant to these agreements, Vogogo will provide CoinTrader and Cryptsy with risk management, security, compliance and payment services, in support of offering their users an effective and efficient experience when transacting between cryptocurrencies such as Bitcoin and fiat currencies such as the US dollar or Canadian dollar.

In December 2014, the Company entered into agreements with cryptocurrency exchanges ANXPro of China and Rock Trading based in Europe. Vogogo also signed contracts with Canadian cryptocurrency exchange QuadrigaCX, and Hong Kong based BitMEX, a Bitcoin derivatives exchange. It is expected that these exchanges will integrate with Vogogo’s payment processing and risk management platform in support of offering their users an effective and

efficient experience when transacting between cryptocurrencies such as Bitcoin and fiat currencies such as the US dollar or Canadian dollar.

***Subsequent Developments***

On January 1, 2015, Vogogo acquired all of the issued and outstanding shares of Vanado, Inc., a Denver-based specialized consulting and payment services company, pursuant to the SPA. The aggregate deemed purchase price of the acquisition was approximately \$610,000, comprised of the issuance of 227,273 Common Shares. The SPA provides for certain post-closing payments of up to \$1,000,000, which shall be payable in Common Shares upon Vogogo achieving certain performance thresholds set out in the SPA. The acquisition of Vanado, Inc. effectively expands Vogogo's US operational presence in support of servicing the US market in the future. In January 2015, Vogogo also entered into agreements with Canadian cryptocurrency exchanges Bitcoin Brains, Taurus Exchange, and Canada's largest Bitcoin exchange, CAVirtex.

In February 2015, the Company finalized a strategic partnership with the acquiring division of UK based ECP, enabling Vogogo to offer ECP's European-based cryptocurrency merchants the ability to accept credit and debit cards from customers worldwide as a method of payment. Vogogo also announced a technical integration with US-based Bitcoin platform, Harborly.

On April 30, 2015, the Company completed the acquisition of certain assets from an arm's length private risk management and consulting services company for an aggregate deemed purchase price of approximately \$1,650,000, comprised of the issuance of 600,000 Common Shares pursuant to the APA. In connection with the acquisition, the Company has entered into employment and consulting agreements with certain individuals. The acquisition, by way of adding experienced and highly talented individuals, is expected to complement and bolster the Company's existing integrated risk management and compliance services. The APA also provides for certain post-closing payments of up to \$3,000,000, which shall be payable in cash or Common Shares, in the sole discretion of the Company, upon the Company achieving certain performance thresholds set out in the APA.

## DESCRIPTION OF THE BUSINESS

Vogogo is a risk management and electronic payment services business. The Company's shares trade on the TSXV under the trading symbol "VGO". The Company offers web-based risk management and payment solutions that are secure, effective and efficient.

### Summary

Vogogo has spent recent years developing and launching the Vogogo Technology to enable secure transaction processing between businesses and their customers, utilizing conventional banking and payment networks. Vogogo provides automated risk management services including fraud mitigation, KYC, sanctions checks and AML-CTF processes and procedures, combined with a bundled suite of payment services. This unique combination gives Vogogo the security, flexibility and scalability to meet the demands of a marketplace enabled by technology and seeking reliable, flexible, cost effective and compliant access to conventional banking and payment services.

Vogogo remains primarily focused on providing compliant risk management, payment and pre-paid services to the new and emerging cryptocurrency market. Management believes that businesses developing and offering services based on cryptocurrencies or blockchain technologies are poised to significantly disrupt conventional financial services on a global scale. Vogogo's premise is that, in order for businesses offering services based on these technologies to gain mass adoption and proliferate, they must be able to offer their end users convenient and efficient methods of getting funds into and out of the cryptocurrency ecosystem(s). These businesses face a significant challenge in that they do not have the risk management and regulatory knowledge, technology, banking relationships, or operational experience to effectively secure access to conventional banking and payment services. This problem exists across the global cryptocurrency industry and is prevalent in all the major markets including Canada, the European Economic Area and the US.

Vogogo believes it has the risk management and regulatory knowledge, technology, banking relationships, and operational experience to effectively service the cryptocurrency industry. Vogogo provides convenient and flexible payment options allowing end users to conveniently get fiat currencies in and out of the cryptocurrency ecosystem(s). Management believes that this emerging market opportunity is significant and will expand for many years to come. Vogogo is creating an early mover advantage as the Company has many of the players in the cryptocurrency industry either under contract or in negotiations. Vogogo remains focused on first enabling the major cryptocurrency markets of the US, Canada and the European Economic Area.

The businesses involved in offering cryptocurrency-based services have a difficult time securing access to conventional banking and payment services, which are similar challenges to those faced by early online gaming operators. Similar to the cryptocurrency industry, the online gaming industry emerged and grew very rapidly with services that were considered high risk from a banking perspective and consequently required sophisticated approaches to transactional risk management, compliance and financial crime prevention. Similar to the gaming operators, effective access to, and interoperability with, conventional banking and payments are critical components for cryptocurrency-based services to be successful and gain mass adoption. Vogogo developed its risk mitigation and payment processing expertise in the online gaming industry. A large portion of Vogogo's historical processing portfolio has been for operators in the online poker industry. Banks, merchants, and investors view this as credible validation of Vogogo's capabilities and a key competitive advantage to servicing the cryptocurrency market. Vogogo is moving forward with its plan to commercially market its risk management and electronic payment services to cryptocurrency-based clients servicing the US, European Economic Area and Canadian markets.

Vogogo also provides automated electronic payment processing for accounts payable and accounts receivable processes. Management believes the US and Canada lag behind other mature economies in the adoption of electronic payments for accounts payable and accounts receivable processes. While adoption is progressing, paper cheques, featuring time-consuming manual actions, continue to be a significant component of the overall US and Canadian payment landscape, with corresponding high costs and slow settlement speeds. Management believes that this situation is primarily due to the banks' slow pace in modernizing their business models to offer effective electronic transaction solutions to the market, particularly for business-to-business payables and receivables.

To effectively execute on its business plan, Vogogo is working on achieving the following milestones in Canada, the European Economic Area and the US.

1. FCA – EMI License – Vogogo is becoming a direct provider of compliant risk management, payment processing and stored value services in the UK and the broader European Economic Area. This includes meeting the application requirements in order to secure an EMI license issued by the FCA, including a security deposit estimated at approximately \$500,000. An EMI license will require that Vogogo maintain comprehensive operational policies and procedures in order to maintain compliance and good standing as a regulated EMI with the FCA. Vogogo has completed the majority of the required tasks and Management expects to obtain an EMI license in the third quarter of 2015.

Vogogo is currently working in partnership with other EMIs and payment institutions in Europe, so securing an EMI license is not required for Vogogo to service the European Economic Area market. Securing an EMI license however, is expected to help solidify Vogogo's European offering with direct banking relationships and improved operating margins.

2. PCI-DSS Testing and Audit – As a payment processor, Vogogo is subject to annual audit and testing to demonstrate compliance with PCI-DSS as a condition of receiving PCI certification. Prior to scaling to large processing volumes in partnership with existing European EMIs and payment institutions, the most recent PCI-DSS testing and audit must be finalized to confirm that Vogogo properly handles sensitive payment-card data. Vogogo has previous experience with PCI-DSS compliance and has completed the majority of the tasks in respect of the current audit, providing Management confidence in being able to finalize the audit and testing process.
3. US Regulatory Oversight – As a service provider direct to US banking partners, Vogogo and the Banks need to be satisfied that the activities conducted by the Banks and Customers do not expose the Banks to compliance risks arising from servicing of Customers. The Banks have a regulatory obligation to oversee the services provided to Customers and are expected by US federal and state banking regulators to understand the risks posed and to ensure that the services provided are conducted in a safe, sound and compliant manner.

Based on the beliefs that cryptocurrencies or blockchain technologies are not yet broadly understood and that businesses developing and offering services based on these technologies are poised to significantly disrupt conventional financial services, Vogogo in coordination with its banking partners and legal counsel have determined that educating and gaining appropriate oversight from relevant US banking regulators on the Vogogo service offering are important steps in ensuring that the Vogogo services are well understood, compliant and remain confidently reliable in the long term. As Vogogo provides a new service offering for a new and disruptive industry, the expected timing of US regulatory oversight is uncertain and there are no prescribed objectives that need to be achieved. It is a “feeling out” rather than a formal process. It is expected that the Company will be able to start offering services in the US in 2015.

Vogogo continues to monitor the proposed cryptocurrency regulations introduced in New York State in July 2014 as well as related developments in various other US states. While there remains potential for proposed cryptocurrency regulations to affect the industry, to date there has been minimal resulting effect on the industry, and minimal impact for Vogogo's service offering in the US.

4. American Institute of Chartered Professional Accountants Service Organization Control (“SOC”) Accounting Standards Control – As a direct provider of compliant risk management, payment processing and pre-paid services to US banks, Vogogo has determined that securing and maintaining SOC 1 & 2 accounting standards with a third party independent audit will significantly improve Vogogo's credibility with US banks and regulators. SOC requires that Vogogo implement and maintain comprehensive operational controls, policies and procedures, and regularly report on the effectiveness of the controls in place. SOC implementation is expected to be completed in 2015 and the corresponding third party audit is expected to be completed in 2016.

## **Personnel**

As at December 31, 2014, Vogogo had 18 full-time employees in its head office in Calgary. The Company also engaged 4 part-time consultants to provide support.

## **Products and Services**

Vogogo is responding to market demand for technology that offers multiple payment and financial services in a single web-based application that is all encompassing, easy to access, simple to setup and effective in its use. With that concept in mind, the Vogogo web-based service can be used via any device with access to the Internet. The technology-enabled services and primary drivers of revenue are as follows.

### **1. Risk Management**

Vogogo maintains mutually beneficial working relationships with various banking vendors that support Vogogo as a commercial payment processor. Vogogo works directly with two Canadian banks and is developing two additional Canadian banking relationships. As well, in anticipation of entering the US market, Vogogo works directly with one US bank and is in various stages of finalizing processing arrangements with three additional US banking vendors. Fostering and protecting these relationships is important as they provide the banking services necessary for Vogogo to operate. To achieve this, Vogogo has developed and implemented automated risk management tools and processes specifically designed to avoid any situation that would adversely affect the reputation, regulatory standing, or pose unacceptable financial risk to Vogogo or any of its banking or processing vendors. Vogogo uses innovative technology to seamlessly receive from clients the information necessary to apply effective risk management. Using software, this information is verified against several proprietary and third party authentications, databases and business intelligence processes. These processes confirm the identity of individuals and businesses, and allow Vogogo to accurately determine the financial risk to Vogogo or any of its banking or processing vendors.

Vogogo conducts formal risk underwriting and approval procedures for each client. These procedures are based on evaluating the inherent risks associated with payment processing. Vogogo's risk management processes are established in coordination with banking and processing vendors, banking and payment standards, industry regulations, applicable laws as well as ethical business practices. Vogogo's sophistication in identifying, monitoring and mitigating risk is aimed at providing merchants, banks, vendors and partners with confidence in their payment processing functions.

Risk Management services represent an important aspect of Vogogo's current payment processing activities. Independent risk management services do not currently contribute to revenue but hold considerable potential for revenue generation going forward.

### **2. Direct Withdrawal and Direct Deposit Payments**

Direct withdrawal and deposit payments include sending and receiving funds directly to and from customers' bank accounts. These payment types are:

- (a) good for businesses that want or need the flexibility and efficiency of an electronic payment method but cannot support the higher costs associated with card-based payments; and
- (b) a more efficient alternative to paper cheques (often post-dated) for businesses that use a recurring billing model.

The majority of businesses in North America continue to use paper cheques as they lack the understanding necessary to set up direct payment types with a bank. Fees associated with direct withdrawal and deposit payments currently represent approximately 84% of Vogogo's revenues.

The ability to process direct withdrawal and deposit payments requires a commercial cash management services agreement with a banking vendor that is also capable of providing the technical integration necessary to support

large commercial processing volumes through the automated clearing settlement system of the banking networks. An automated clearing settlement system facilitates the pulling or pushing of funds from/to a customer's bank account and the corresponding settlement of those funds to/from a business bank account. Specifically, via integrations with the banks, Vogogo provides payment routing information to the banking system allowing the settling of funds through the automated clearing settlement system. Vogogo charges a fee to the business receiving or sending the payment. Separate fees are charged to Vogogo by each bank Vogogo works with. Fees earned by Vogogo range from a flat \$0.99 per transaction to 4% of the payment amount. The corresponding cost to Vogogo is included within a larger commercial cash management service provided to Vogogo by each banking vendor and ranges from \$0.05 to \$0.25 per transaction. Other than as described above, no other direct costs are associated with direct withdrawal and direct deposit payments.

Direct withdrawal payments are commercially available in Canada, are pending launch in the European Economic Area, and continue to be tested in the US.

### 3. Online Banking Payments

Online banking payments are commonplace for remittances to large utility and service providers. Management believes there is a significant opportunity for growth in this payment method as many small and mid-sized businesses do not have the understanding and resources necessary to set up this service within the banking system. Fees associated with online banking payments currently represent approximately 15% of Vogogo's revenues.

The ability to process online banking payments requires registration, participation and technical integration with a corporate creditor network. Corporate creditor networks are accessed through banking vendors. A corporate creditor network enables customers to "push" payments online from their bank accounts to businesses. Similarly, Vogogo provides a network for the various banks and processors involved in settling funds remitted from customers to businesses. Vogogo charges a fee to the business receiving the payment. Separate fees are charged to Vogogo by each participating bank. Fees earned by Vogogo range from a flat \$0.99 per transaction to 1% of the payment amount. The corresponding cost to Vogogo is included within a larger commercial cash management service package with each vendor bank and ranges from \$0.05 to \$0.25 per transaction.

Online banking payments are commercially available with Vogogo in Canada and pending launch in the European Economic Area. The U.S. market does not have feasible support for online banking payments.

### 4. Card Payments

The use of credit and debit cards continues to grow in North America and beyond. They are commonly accepted and remain the most popular method for online (e-commerce) payments. Fees associated with card-based payments currently represent 1% of Vogogo's revenues but, due to their popularity, represent a large opportunity for revenue generation going forward. Vogogo charges the recipient of the payment a percentage of the remittance amount plus a flat fee for processing card-based payments. Vogogo then shares a portion of the fees with the card programs (e.g. Visa, MasterCard) and with the acquiring bank. The fees earned by Vogogo range from 2% to 3% (average 2.7%) of the remittance amount plus \$0.35 per transaction. The portion of the fees shared with the card schemes and acquiring banks can vary considerably based on several factors including, but not limited to, region, card type, method of making payment (e.g. online, in person) and the merchant category. On average, Vogogo shares 1.8% per transaction, resulting in an average margin of 0.9% of the remittance amount plus \$0.15 per transaction.

Card payments are commercially available with Vogogo in Canada, the US and the European Economic Area.

### **Specialized Skill and Knowledge**

In order to be successful in the payment processing and financial services industry, Vogogo had to recruit, mentor, develop and foster several key skill sets within its team. Successfully designing, developing, delivering and operating commercial services via web-based software requires a combination of experience and talent with software development, delivery and commercial support. Vogogo has spent over five years developing and maturing

these aspects of its business. Today, Vogogo is supported by an experienced operations and technology team consisting of several expert resources.

Software is only part of the equation – other key skills include understanding commercial banking and cash management services.. By nature, these bank services are complex, rigid and, often, built on antiquated technology. Vogogo’s team has developed an expert understanding of these systems and their limitations, and how to effectively integrate technology with them. In addition, Vogogo’s team has developed expertise in global card payment networks and processors that support all card-based payment systems. There are several networks, each with its own set of regulations, compliance requirements, limitations and technical specifications. Vogogo’s team has developed an expert understanding of these systems and their limitations, and how to effectively integrate technology with them.

### **Competition**

The payment processing industry is highly competitive. Vogogo competes with other providers of payment processing services on the basis of:

- quality and reliability of service;
- ability to evaluate, undertake and manage risk;
- efficiency in managing risk (fully automated);
- ability to offer differentiating products and services;
- speed in approving customer applications and enabling processing; and
- cost to the customer.

Many large and small companies compete with Vogogo in providing payment processing, risk management and related services to a wide range of customers. Many of Vogogo’s current and prospective competitors have substantially greater financial, technical and marketing resources, larger customer bases, longer operating histories, more developed infrastructures, greater name recognition and/or more established relationships in the industry than Vogogo currently has. As a result, Vogogo’s competitors may be able to adopt requirements more quickly, take advantage of acquisitions and other opportunities more readily, achieve greater economies of scale, and devote greater resources to the marketing and sale of their services. There are also many smaller transaction processors that provide various services to small and medium sized merchants. See “*Risk Factors*”.

Vogogo’s current market focus is on enabling businesses seeking the benefits of cryptocurrency based commerce and the primary competitors in this space include the following:

Silicon Valley Bank (U.S.):

Fidor Bank (Europe);

DC Bank (Canada);

Ego Pay (Europe); and

Payza (Europe).

### **Reorganization**

The Company was formed pursuant to the Amalgamation that was effected on September 11, 2014. See “*General Development of the Business*” for further details regarding the Amalgamation.

## DESCRIPTION OF CAPITAL STRUCTURE

Vogogo is authorized to issue an unlimited number of Common Shares and an unlimited number of preferred shares (the “**Preferred Shares**”).

As at December 31, 2014, there were 39,574,791 Common Shares and nil Preferred Shares outstanding. As of the date hereof, 40,500,897 Common Shares and nil Preferred Shares were issued and outstanding. The following is a summary of the rights, privileges, restrictions and conditions attaching to the Common Shares and Preferred Shares.

### **Common Shares**

The Company is authorized to issue an unlimited number of Common Shares. The holders of the Common Shares are entitled to dividends if, as and when declared by the Board; to one vote per share at meetings of the Shareholders; and, upon liquidation, to receive such assets of the Company as are distributable to the holders of the Common Shares.

### **Preferred Shares**

The Company is authorized to issue an unlimited number of Preferred Shares, issuable in series. Each series of Preferred Shares will have such designations, rights, privileges, restrictions and conditions as the Board may from time to time determine before issuance. The holders of each series of Preferred Shares will be entitled, in priority to holders of Common Shares, to be paid rateably with holders of each other series of Preferred Shares the amount of dividends, if any, specified as being payable preferentially to the holders of such series and, upon liquidation, dissolution or winding-up of the Company, in priority to holders of Common Shares, to be paid rateably with holders of each other series of Preferred Shares the amount, if any, specified as being payable preferentially to holders of such series.

### **Options**

As of the date hereof, the Company has granted a total of 3,580,000 Options to purchase Common Shares to its directors, officers, employees and consultants, exercisable at prices of between \$0.33 and \$3.65 per Common Share (weighted average – \$1.02) with various expiry dates ending March 12, 2020 (weighted average expiry term – 4.25 years).

### **Warrants**

As of the date hereof, the Company has 2,906,182 Warrants outstanding. These warrants were issued by Redfall prior to the Amalgamation. Each Warrant entitles the holder thereof to purchase one Common Share at a price of: (i) \$0.33 per Common Share, exercisable on or before February 11, 2019, if the Warrant was a Redfall Finder’s Warrant; (ii) \$0.52 per Common Share, exercisable on or before April 1, 2017, if the Warrant was a Redfall Warrant; or (iii) \$0.75 per Common Share, exercisable on or before June 30, 2016, if the Warrant was a Redfall Compensation Warrant.

## DIVIDENDS

Vogogo has not declared or paid any dividends on the Common Shares since incorporation. It is not currently expected that dividends will be paid in respect of the Common Shares during the current phase of development of Vogogo’s business and operations. The payment of dividends in the future will be at the discretion of the Board and will be dependent on the future earnings and financial condition of the Company and such other factors as the Board considers appropriate.

## PRIOR SALES

The following table sets forth all securities issued by the Company in 2014.



<u>Date</u>	<u>Number and Type of Security</u>	<u>Issue Price Per Security</u>	<u>Aggregate Issue Price</u>	<u>Nature of Consideration Received</u>
February 11, 2014	Limitless Debenture <sup>(1)</sup>	N/A	\$2,000,000	Cash
February 11, 2014	2,275,000 Redfall Finder's Warrants <sup>(2)</sup>	N/A	N/A	Remuneration
March 5, 2014	192,307 Redfall Shares <sup>(3)</sup>	\$0.52	\$100,000	Conversion of debenture
March 17, 2014	Limitless Debenture <sup>(1)</sup>	N/A	\$3,164,345	Cash
March 17, 2014	3,333,334 Redfall Options <sup>(4)</sup>	N/A	N/A	N/A
March 17, 2014	500,000 Redfall Shares	\$0.09	\$45,000	Cash
March 26, 2014	9,588,924 Redfall Shares <sup>(5)</sup>	\$0.33	\$3,164,345	Conversion of debenture
April 1, 2014	400,000 Redfall Options <sup>(6)</sup>	N/A	N/A	Remuneration
April 2, 2014	48,077 Redfall Shares	\$0.52	\$25,000	Cash
April 7, 2014	784,615 Redfall Shares	\$0.52	\$408,000	Cash
April 28, 2014	1,450,000 Redfall Options <sup>(7)</sup>	N/A	N/A	Remuneration
April 30, 2014	288,462 Redfall units <sup>(8)</sup>	\$0.52	\$150,000	Cash
April 30, 2014	3,333,334 Redfall Shares <sup>(9)</sup>	\$0.09	\$300,000	Exercise of Redfall Options
May 2, 2014	200,000 Southtech Shares <sup>(10)</sup>	\$0.10	\$20,000	Cash
June 30, 2014	479,540 Redfall Shares <sup>(8)</sup>	\$0.52	\$249,361	Exercise of Redfall Warrants
June 30, 2014	7,528,333 Subscription Receipts <sup>(11)</sup>	\$0.75	\$5,646,250	Cash
August 4, 2014	3,804,999 Subscription Receipts <sup>(11)</sup>	\$0.75	\$2,853,749	Cash
September 11, 2014	39,098,012 Common Shares <sup>(12)</sup>	N/A	N/A	N/A
September 11, 2014	1,075,000 Options <sup>(13)</sup>	N/A	N/A	Cash
September 18, 2014	102,500 Common Shares <sup>(14)</sup>	\$0.33 to \$0.75	\$47,725	Remuneration
September 22, 2014	20,000 Common Shares <sup>(14)</sup>	\$0.50	\$10,000	Cash
October 1, 2014	158,386 Common Shares <sup>(15)</sup>	\$0.75	\$118,789.50	Cash
October 9, 2014	20,000 Common Shares <sup>(14)</sup>	\$0.50	\$10,000	Cash
October 14, 2014	10,000 Common Shares <sup>(15)</sup>	\$0.75	\$7,500	Cash
October 28, 2014	10,000 Common Shares <sup>(15)</sup>	\$0.75	\$7,500	Cash
October 29, 2014	128,643 Common Shares <sup>(15)</sup>	\$0.75	\$96,482.25	Cash
November 7, 2014	5,250 Common Shares <sup>(15)</sup>	\$0.75	\$3,937.50	Cash
December 2, 2014	22,000 Common Shares <sup>(15)</sup>	\$0.75	\$16,500	Cash

**Notes:**

- (1) For information regarding the Limitless Debenture, see "Information Concerning Redfall - General Development of the Business".
- (2) Each Redfall Finder's Warrant is exercisable at a price of \$0.33 before February 11, 2019 and was issued in connection with the Limitless Debenture financing. See "Information Concerning Redfall - General Development of the Business".
- (3) 192,307 Redfall Shares were issued upon conversion of the aggregate principal amount of a \$100,000 Redfall debenture, at a price of \$0.52 per Redfall Share pursuant to a convertible debenture dated March 6, 2013.
- (4) 1,666,668 of the 3,333,334 Redfall Options were issued to non-arm's length parties to Redfall. Such Redfall Options were issued at an exercise price of \$0.09 per Redfall Share, expiring March 17, 2015.
- (5) 9,588,924 Redfall Shares were issued upon conversion of an amended and restated secured convertible debenture dated March 17, 2014 in favour of Limitless (the "Limitless Debenture"). The principal and interest owing pursuant to the Limitless Debenture, at the option of the holder, was convertible to Redfall Shares at a price of \$0.33 per Redfall Share and the aggregate principal of \$3,164,345 was converted on March 26, 2014. No interest was payable or due on conversion. Prior to the Amalgamation, Limitless completed a restructuring whereby the shareholders of Limitless each received Redfall Shares equal to such shareholder's proportionate interest in the aggregate Redfall Shares held by Limitless. As a result of such restructuring, an aggregate of 53,333 Redfall Shares were cancelled prior to the closing of the Amalgamation.
- (6) In consideration for certain advisory services provided by Fin-Serv Advisors Inc., an arm's length party, to Redfall, Redfall has issued 400,000 Redfall Options, all of which are fully vested and each of which is exercisable at an exercise price of \$0.52 per share before April 1, 2017.
- (7) Redfall Options granted to officers and employees of Redfall to acquire Redfall Shares at an exercise price of \$0.33 per Redfall Share before April 28, 2019.
- (8) Each Redfall unit included one Redfall Share and 2.66240127795 Redfall Share purchase warrants for an aggregate subscription of 288,462 Redfall Shares and 768,002 Redfall Warrants, exercisable at a price of \$0.52 per Redfall Share before April 30, 2017. 479,540 Redfall Warrants issued in connection with the Redfall Units have been exercised, leaving a balance of 288,462 Redfall Warrants.
- (9) 1,666,668 of the 3,333,334 Redfall Shares were issued to non-arm's length parties to Redfall pursuant to the exercise of the same number of Redfall Options issued on March 17, 2014.
- (10) Represents the exercise price of the agent's options, which were issued in connection with the Southtech initial public offering and subsequently exercised on May 2, 2014.
- (11) Issued pursuant to the Redfall Financing.
- (12) An aggregate of 39,098,012 Common Shares were issued on September 11, 2014 in connection with the closing of the Amalgamation.
- (13) Options granted to officers, directors and consultants of Vogogo to acquire Common Shares at an exercise price of \$0.75 per Common Share before September 11, 2019.

(14) Represents Common Shares issued upon the exercise of Stock Options.

(15) Represents Common Shares issued upon the exercise of Warrants.

### MARKET FOR SECURITIES

The Common Shares are listed and posted for trading on the TSXV under the symbol “VGO”. The following table sets forth the price ranges and traded volume of Common Shares in 2014 as reported by the TSXV. The amounts prior to September 11, 2014 relate to the Southtech Shares.

<u>2014</u>	<u>High</u>	<u>Low</u>	<u>Volume</u>
January	0.09	0.09	4,500
February	0.22	0.11	3,000
March	0.20	0.11	9,000
April	0.25	0.17	5,000
May	0.17	0.17	0
June	0.17	0.17	0
July	0.17	0.17	0
August	0.17	0.17	0
September	3.52	0.75	11,871,625
October	4.08	2.38	7,753,759
November	4.60	2.94	4,987,144
December	3.60	1.90	3,954,706

### ESCROWED SECURITIES

#### Escrowed Securities

The following table sets forth all of the securities of the Company held in escrow as at December 31, 2014.

<u>Designation of Class</u>	<u>Number of Securities</u>	<u>Percentage of Class</u>
Common Shares	9,816,347 <sup>(1)(2)</sup>	24.80%
Options	997,500 <sup>(3)(4)</sup>	26.72%
Warrants	216,347 <sup>(5)</sup>	7.16%

#### Notes:

- (1) Subject to the CPC Escrow Agreement, 200,000 Common Shares will be released on each of March 11, 2015, September 11, 2015 and March 11, 2016.
- (2) Subject to the Value Security Escrow Agreement, 3,072,116 Common Shares will be released on March 12, 2015, 3,072,115 Common Shares will be released on September 12, 2015 and 3,072,116 Common Shares will be released on March 12, 2016.
- (3) Subject to the CPC Escrow Agreement, 32,500 Options will be released on each of March 11, 2015, September 11, 2015 and March 11, 2016.
- (4) Subject to the Value Security Escrow Agreement, 300,000 Options will be released on each of March 12, 2015, September 12, 2015 and March 12, 2016.
- (5) Subject to the Value Security Escrow Agreement, 72,116 Warrants will be released on March 12, 2015, 72,115 Warrants will be released on September 12, 2015 and 72,116 Warrants will be released on March 12, 2016.

### DIRECTORS AND EXECUTIVE OFFICERS

#### Directors and Executive Officers

The following table sets forth the names, province or state and country of residence, present positions with Vogogo and principal occupations during the past five years of the executive officers and directors of Vogogo. The term of office for each director is from the date of the annual meeting at which they are elected until the next annual meeting or until their successor is elected or appointed.

<u>Name and Residence</u>	<u>Position(s) with Vogogo</u>	<u>Principal Occupation(s), Work Experience and Education</u>
Margaret (Peggy) E. Gilmour <sup>(1)(2)(3)(4)</sup>	Director since December 16,	Ms. Gilmour is a senior finance, risk management and audit executive with extensive experience in the US and Canadian

<u>Name and Residence</u>	<u>Position(s) with Vogogo</u>	<u>Principal Occupation(s), Work Experience and Education</u>
Toronto, Ontario, Canada	2014	<p>financial services industry. She has worked in and has a deep understanding of both US and Canadian regulatory environments.</p> <p>Previously, Ms. Gilmour was recruited by CIBC as SVP Wholesale / Brokerage Operations, overseeing a team of 1200, where she assumed responsibility for the global back office operations for CIBC Wholesale Banking and CIBC Wood Gundy. Preceding this, she joined RBC Capital Markets as Managing Director, Global Reconciliations Shared Services. She was recruited to this role in 2010 to initiate and lead a global team, with a mandate to provide governance and control over all trade reconciliation processes worldwide.</p> <p>Previously, Ms. Gilmour was Vice-President and Senior Operational Risk Officer for BMO Financial Group. She was a member of the bank's Sarbanes-Oxley and Basel II Steering Committees. In this role, she was responsible for evolving the bank's operational risk framework, tools and practices for Bank of Montreal, Harris Bank (Chicago) and BMO Nesbitt Burns.</p> <p>Ms. Gilmour holds a Bachelor of Commerce degree from the University of Toronto and is a Chartered Accountant.</p>
Robert (Geoff) Gordon <sup>(3)</sup> Calgary, Alberta, Canada	Chief Executive Officer and Director since September 11, 2014	<p>Working as a full time employee with Vogogo as the Chief Executive Officer, Mr. Gordon's responsibilities include, but are not limited to, business strategy, internal team coordination, business development, financing, shareholder coordination and the continued development of commercial payments and banking relationships.</p> <p>Mr. Gordon has gained experience from owning and managing businesses since the mid 1990s. Mr. Gordon became involved in the payment services industry in 2001 and, since then, has helped build and operate several payment processing and financial related services. Prior to his current role with Vogogo, Mr. Gordon was the Managing Partner of Redfall beginning in 2009. Mr. Gordon's experience ranges from white label debit cards to commercial payment gateways to e-wallet services in several countries including Canada, the US, Japan, Australia, Philippines and Hong Kong (China). These experiences have provided Mr. Gordon with an in-depth understanding of regional and international payment and banking services as well as risk management.</p>
Dale Johnson <sup>(1)(2)(3)(5)</sup> Invermere, British Columbia, Canada	Director since September 11, 2014	<p>Mr. Johnson is currently the non-executive Chairman of Optimal Payments Plc, a public company listed on the AIM Market of the London Stock Exchange, which provides safe payment and money transfer services. Mr. Johnson is also a director of CanElson Drilling Inc., a public oil and gas drilling company listed on the TSX.</p> <p>Mr. Johnson has over 30 years of experience in corporate leadership, operations management, business development, project management and turnarounds for private and public companies. He was a founding member and a Principal of Tri Ocean Engineering Ltd., an oilfield engineering firm, from 1976 to 1987. He was a founder and Chief Executive Officer of Alpeco Limited, a specialized oilfield equipment packager, from 1988 to 1993, which was acquired by Taro Industries Ltd. where he continued as Senior Vice-President - Operations</p>

<u>Name and Residence</u>	<u>Position(s) with Vogogo</u>	<u>Principal Occupation(s), Work Experience and Education</u>
Anthony (Tony) Lacavera <sup>(1)(2)(3)</sup> Toronto, Ontario, Canada	Director since September 11, 2014	<p>until 1997. More recently, he was President of Neovia Financial Plc's (now part of Optimal Payments plc) Asia Pacific operations, establishing the company's services in online payments in the region, from September 2005 to December 2006. Mr. Johnson has a Bachelor and Master's degrees in Applied Science from the University of British Columbia, and a Management Diploma from the University of Calgary.</p> <p>Mr. Lacavera is the Chairman and CEO of Globalive Holdings and Chairman of WIND Mobile, which are telecommunication companies. The Globe and Mail's Report on Business Magazine named Mr. Lacavera CEO of the Year for 2010. He was named one of Canada's Top 40 under 40 in 2006. Under Mr. Lacavera's leadership, Globalive has received numerous best in business awards including ranking #1 on Profit Magazine's 2004 list of Canada's 100 fastest growing companies. Mr. Lacavera holds a Bachelor of Science from the University of Toronto.</p>
Kris Read Calgary, Alberta, Canada	Chief Technology Officer since September 11, 2014	<p>Working as a full time employee with Vogogo as the Chief Technology Officer, Mr. Read's responsibilities include, but are not limited to, leading the technology development team in the design, development, deployment and operation of the Vogogo technology.</p> <p>An entrepreneur and technology executive, Mr. Read has built a reputation over the past decade providing strategic leadership, agile process management, software architecture design, and product vision. In the startup space, Mr. Read assembled and led teams at early-stage companies including Poynt (mobile local search) and Curve Dental (practice management on the web). Working with ThoughtWorks Inc., a software-as-a-service ("SAAS") based project management service, and subsequently independently, Mr. Read delivered technology consulting in the US and Canada to companies such as Stripe, Shaw Communications, Canadian Pacific, and AT&amp;T.</p> <p>Mr. Read holds a Bachelors of Science specializing in computer science from the University of Calgary and a Masters of Science specializing in Software Engineering from the University of Calgary. He is a conference speaker and published expert in areas such as DevOps, Cloud Computing, Mobile, Web Applications and Continuous Delivery.</p>
Karim Teja Calgary, Alberta, Canada	Chief Financial Officer since September 11, 2014	<p>Working as an independent part-time contractor with Vogogo as the Chief Financial Officer, Mr. Teja's responsibilities include, but are not limited to, implementation of controls, financing management, investor relations, assessment of and due diligence for mergers and acquisitions, intellectual property administration, profit and loss management, cash flow management, compliance with securities and exchange regulations, management of accounts payable and accounts receivable, payroll management and cash management.</p> <p>Since September 2007, Mr. Teja has been a consultant advising pre-commercial and early commercial technology and software companies on financial, operational and strategic matters. From June 1999 to September 2007, Mr. Teja served as an officer of Imaging Dynamics Company Ltd. ("IDC"), a</p>

<u>Name and Residence</u>	<u>Position(s) with Vogogo</u>	<u>Principal Occupation(s), Work Experience and Education</u>
Rodney Thompson Calgary, Alberta, Canada	Chief Revenue Officer since February 10, 2015	<p data-bbox="810 260 1417 499">TSX-listed company that developed and commercialized a proprietary digital x-ray technology. Mr. Teja was instrumental in transitioning IDC from a strictly R&amp;D organization to a company with revenues of almost \$40 million and product installations and distribution partners in over 35 countries. Prior to IDC, Mr. Teja was the Chief Financial Officer and Chief Operating Officer of Erasoft Technologies Inc., a private software company, where he helped negotiate its successful acquisition by a NASDAQ traded company.</p> <p data-bbox="810 520 1417 705">Mr. Teja holds a Bachelor’s degree in Business Administration with honours from Simon Fraser University and an honours certificate from the Canadian Securities Institute. He received the designation of Certified General Accountant (CGA) in 1992. He completed the Canadian Securities Course. He also received the Ernst and Young Entrepreneur of the Year award – Prairies Region in 2006.</p> <p data-bbox="810 743 1417 905">Working as a full time employee with Vogogo as the Chief Revenue Officer, Mr. Thompson’s responsibilities include, but are not limited to, business development , sales management, client account management, country development, and marketing management including the continued development of third party marketing groups.</p>
Thomas B. Wenz <sup>(3)</sup> Denver, Colorado, United States	Chief Operating Officer and Director since February 10, 2015	<p data-bbox="810 1476 1417 1881">Working as a full time employee with Vogogo as the Chief Operating Officer, Mr. Wenz’s experience includes various senior leadership positions in the areas of technology, finance, corporate strategy, business development and operations. With a deep background in payments and risk management, Mr. Wenz was the Founder and President of Vanado, Inc. as well as President, CFO &amp; COO of SGS Systems, Inc. Both organizations provided software for global, multi-language, multi-currency transactional processing platforms. Additionally, he has a background in global strategic consulting, having served in senior level and executive roles with Sorteio Games, Inc., eLocal Network, Galusha, Higgins &amp; Galusha, and Robert Half International, where he built an extensive record of driving a bottom-line impact for clients in retail, health care, financial, and the consumer electronics</p>

<u>Name and Residence</u>	<u>Position(s) with Vogogo</u>	<u>Principal Occupation(s), Work Experience and Education</u>
		industries.  Mr. Wenz is a magna cum laude graduate of the University of Montana, with a degree in Business Administration. He went on to earn his CPA and then returned to the University of Montana to receive an MBA. As well, Mr. Wenz has experience as a board member working with various companies in financial services, technology and energy sectors.

**Notes:**

- (1) Member of the Audit Committee.
- (2) Member of the Compensation Committee.
- (3) Member of the Corporate Governance Committee.
- (4) Chair of the Audit Committee.
- (5) Chair of the Compensation Committee and Chair of the Corporate Governance Committee.

As of the date hereof, the directors and executive officers of Vogogo, as a group, beneficially own, directly or indirectly, 10,903,318 Common Shares representing approximately 26.53% of the issued and outstanding Common Shares of Vogogo.

As of the date hereof, the directors and executive officers of Vogogo, as a group, beneficially own, directly or indirectly: (a) 995,000 Options to purchase Common Shares issuable pursuant to the Stock Option Plan; and (b) Warrants to purchase 288,462 Common Shares. If all such Options and Warrants were exercised, the directors and executive office Vogogo, as a group, would hold approximately 25.99% of the then issued and outstanding Common Shares (on a fully diluted basis).

**Corporate Cease Trade Orders or Bankruptcies**

Except as disclosed below, to the knowledge of management, no director, executive officer or Shareholder holding a sufficient number of securities of Vogogo to affect materially the control of Vogogo:

- (a) is, as at the date hereof, or has been, within 10 years before the date hereof, a director or chief executive officer or chief financial officer of any Company (including Vogogo) that, while that person was acting in that capacity:
  - (i) was the subject of a cease trade or similar order or an order that denied the relevant Company access to any exemption under securities legislation, for a period of more than 30 consecutive days;
  - (ii) was subject to an event that resulted, after the director or officer ceased to be a director or officer, in the Company being the subject of a cease trade or similar order or an order that denied the relevant Company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or
  - (iii) is, as at the date hereof, or has been within 10 years from the date hereof, a director or executive officer of any company (including Vogogo) that, while that person was acting in such capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Teja was Chief Financial Officer of Preo Software Inc. (“Preo”) from June 2008 to September 2013. On March 26, 2013, an order was issued by the Court of Queen’s Bench of Alberta to appoint a receiver to liquidate the assets of Preo. The major creditor sold the intellectual property assets to a company in the US.

### **Personal Bankruptcies**

To the knowledge of management, no director or executive officer of Vogogo has, within the 10 years before the date hereof, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or became subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold such person's assets.

### **Penalties or Sanctions**

To the knowledge of management, no director, executive officer or Shareholder holding a sufficient number of securities of Vogogo to affect materially the control of Vogogo has: (i) been subject to any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority, other than penalties for late filing of insider reports; or (ii) been subject to any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable investor in making an investment decision.

### **Conflicts of Interest**

Circumstances may arise where Board members are directors or officers of companies that are in competition to the interests of Vogogo. No assurances can be given that opportunities identified by such Board members will be provided to Vogogo. Pursuant to the ABCA, directors who have an interest in a proposed transaction upon which the Board is voting are required to disclose their interests and refrain from voting on the transaction.

## **RISK FACTORS**

### **New Technology**

The Company's success will depend in part on its ability to develop software and products that keep pace with continuing changes in technology, evolving industry standards and changing client preferences and requirements. The Company's software and products embody complex technology that may not meet those standards, changes and preferences. The Company may be unable to successfully address these developments on a timely basis or at all. Failure to respond quickly and cost-effectively to new developments through the development of software and new products or enhancements to existing software and products could reduce the Company's revenue.

### **Dependence on Key Personnel and Consultants**

The success of the Company will be largely dependent upon the performance of its management and key employees. Failure by the Company to attract and retain key employees with necessary skills could have a materially adverse impact upon the Company's growth and profitability. The Company currently does not have key person insurance for its management or other key employees. These individuals, and the contributions they will make, are important to the future operations and success of the Company. The unexpected loss or departure of any of the key officers, employees or consultants of the Company could be detrimental to the Company's future operations. The competition for skilled technical, management, sales and other employees is high in the Company's industry. There can be no assurance that the Company will be able to engage the services of such personnel or retain the Company's current personnel.

### **Losses from Operations**

As at December 31, 2014, the Company had cash and cash equivalents of \$6,519,384 (2013 - \$92,222) and had a positive net working capital position of \$5,984,455 (2013 - \$795,209 negative net working capital position). However, the Company had an accumulated deficit of \$11,105,431 (2013 - \$1,047,980) and had a net loss of \$8,980,661 (2013 - \$1,047,980). The Company has not yet been able to generate the transaction volumes required to create positive cash flows from operations. Whether and when the Company can generate sufficient operating cash flows or raise sufficient equity or debt financing in order to pay for its expenditures and settle its obligations as they fall due subsequent to December 31, 2014 is uncertain.

### **Additional Capital Requirements**

The Company intends to continue to make investments to support its business growth and will require additional funds to implement its business strategy, including expansion of sales and marketing activities; development of new software, products and features; enhancement of its current operating infrastructure; and acquisition of complementary businesses and technologies. The Company's cash reserves may not be sufficient to fund its ongoing activities at all times. Accordingly, the Company may need to engage in equity or debt financings to secure additional funds. If the Company raises additional funds through further issuances of equity or convertible debt securities, shareholders of the Company could suffer significant dilution, and any new equity securities the Company issues could have rights, preferences and privileges superior to those of current shareholders. Any debt financing secured by the Company in the future could involve restrictive covenants relating to its capital raising activities and other financial and operational matters, which might make it more difficult for the Company to obtain additional capital and to pursue business opportunities. The Company can provide no assurance that sufficient debt or equity financing will be available for necessary or desirable infrastructure expenditures or acquisitions or to cover losses, and accordingly, the Company's ability to continue to support its business growth and to respond to business challenges could be significantly limited.

### **Cryptocurrency Risks**

Cryptocurrency may be used, among other things, to buy and sell goods and services, and is a new and rapidly evolving financial technology subject to a high degree of uncertainty. The further development and acceptance of any cryptocurrency network is subject to a variety of factors that are difficult to evaluate. The slowing or stopping of the development or acceptance of a cryptocurrency network may adversely affect an investment in Vogogo. The factors affecting the further development of the cryptocurrency industry include continued worldwide growth in the adoption and use of cryptocurrency; government and quasi-government regulation of cryptocurrency; restrictions on or regulation of access to and operation of networks or other cryptocurrency systems; changes in consumer demographics and public tastes and preferences; the availability and popularity of other forms or methods of buying and selling goods and services, including new means of using fiat currencies; and general economic conditions. A decline in the popularity or acceptance of cryptocurrency may have a negative impact on Vogogo.

### **Foreign Currency, Payment Processing and Fiscal Matters**

The Company's operations are subject to inherent market and industry risks resulting from unpredictable fluctuations in foreign currency exchange rates, failed or fraudulent financial transactions and similar credit risks. These occurrences could have a material adverse impact on the Company's results of operations.

### **Competition Risks**

The markets for payment processing are very competitive and have been characterized by rapid technological change. This competition could result in increased pricing pressure, reduced profit margins, increased sales and marketing expenses, and failure to increase, or the loss of, market share or expected market share, any of which would likely seriously harm Vogogo's business, operating results and financial condition.

Some of the Company's competitors and potential competitors are substantially larger and have greater financial, technical, marketing and other resources than Vogogo. Given their capital resources, the larger companies with which Vogogo competes, or may compete in the future, are in a better position to substantially increase their research and development efforts or to withstand any significant reduction in transactions by customers in Vogogo's markets. Such larger companies typically have broader product lines and market focus and thus are not as susceptible to downturns in a particular market. In addition, some of Vogogo's competitors have been in operation much longer than Vogogo has and, therefore, may have more long-standing and established relationships with the Company's current and potential domestic and foreign customers.

Vogogo would be at a competitive disadvantage if its competitors bring their products to market earlier, if their products are more technologically capable than Vogogo's, or if any of the competitors' products or technologies become preferred in the industry. Moreover, we cannot be assured that existing or potential customers will not



develop their own products, or acquire companies with services that are competitive with Vogogo's services. Any of these competitive threats could have a material adverse effect on Vogogo's business, operating results or financial condition.

### **Customer Base and Market Acceptance**

While management believes it can grow its client base, the inability to grow such a client base could have a material adverse effect on the Company. Although the Company believes that its products offer advantages over competitive companies and products, no assurance can be given that the Company's products will attain a degree of market acceptance on a sustained basis or that it will generate revenues sufficient for sustained profitable operations. Since the Company's current revenue source is highly dependent on electronic currency exchanges (specifically, BitCoin exchanges), the regulatory and acceptance risks of such electronic currencies could have a material impact on the Company's business.

### **Consumer Privacy, Data Use and Security**

The Company is subject to regulations related to privacy and data protection and information security in the jurisdictions in which it does business, and could be negatively impacted by these regulations. Recently, these topics have received heightened legislative and regulatory focus in jurisdictions around the world. Regulation of privacy and data protection and information security may raise concerns about and scrutiny of the Company's practices in regard to the collection, use, disclosure or security of personal and sensitive information. Failure to comply with applicable privacy and data protection and security laws and regulations could result in fines, sanctions or other penalties, which could materially and adversely affect the Company's results of operations and overall business, as well as have a negative impact on reputation. Any addition or change to regulations in these areas (as well as the manner in which such laws could be interpreted or applied) may also increase the Company's costs to comply with such regulations. Changes to these laws could also impact the Company's business operations by requiring changes to the Company's data practices and could impact aspects of the Company's business such as fraud monitoring. Any of these changes could materially and adversely affect the Company's business and results of operations.

### **Future Acquisitions**

The Company may seek to expand its business and capabilities through the acquisition of compatible technology, products or businesses. There can be no assurance that suitable acquisition candidates can be identified and acquired on favorable terms, or that the acquired operations can be profitably operated or integrated in the Company's operations. To the extent Vogogo is successful in identifying suitable companies or products for acquisition, the Company may deem it necessary or advisable to finance such acquisitions through the issuance of shares, securities convertible into shares, debt financing, or a combination thereof. In such cases, the issuance of shares or convertible securities could result in dilution to the shareholders of the Company at the time of such issuance or conversion. The issuance of debt to finance acquisitions may result in, among other things, the encumbrance of certain of the Company's assets, impeding the Company's ability to obtain bank financing, decreasing the Company's liquidity, and adversely affecting its ability to declare and pay dividends to shareholders of the Company.

### **Stage of Development**

The Company may be subject to growth-related risks, capacity constraints and pressure on its internal systems and controls, particularly given the early stage of the Company's development. The ability of the Company to manage growth effectively will require it to continue to expand its operational and financial systems and to train and manage its employee base. The inability of the Company to deal with this growth could have a material adverse impact on its business, operations and prospects.

### **Transaction Processing Systems**

The Company's payment processing systems and other key service offerings may experience interruptions as a result of a disaster including, but not limited to, technology malfunctions, fire, weather events, power outages,

telecommunications disruptions, terrorism, workplace violence, accidents or other catastrophic events. A disaster that occurs at, or in the vicinity of, the Company's primary and/or back-up facilities in any location could interrupt its services. Although the Company continually monitors and assesses risks, potential impacts, and develops effective response strategies, the Company cannot ensure that its business would be immune to these risks.

Additionally, the Company relies on third-party service providers for the timely transmission of information across its global data network. Inadequate infrastructure in lesser-developed markets could result in service disruptions, which could impact the Company's ability to do business in those markets. If, as a result of natural disaster, one of the Company's service providers fails to provide the communications capacity or services the Company requires, the failure could interrupt the Company's services. Because of the intrinsic importance of the Company's processing systems to its business, any interruption or degradation could adversely affect the perception of the reliability of products carrying the Company's brand and materially reduce the Company's results of operations.

### **Legal Risks**

The Company is subject to legal risks related to operations, contracts, relationships and otherwise, which could result in the Company being served with legal claims. Whether or not the claims are legally valid, such claims may result in legal fees, damages, settlement and other costs as well as significant time and distraction of Management and employees.

### **Money Laundering and Terrorism**

The Company is subject to regulations that affect the payments industry. In particular, many of the Company's customers are subject to regulations applicable to banks and other financial institutions and, consequently, the Company is at times affected by such regulations. Regulation of the payments industry, including regulations applicable to the Company and its customers, has increased significantly in the last several years. The Company is subject to anti-money laundering and anti-terrorism regulations with respect to the activities of its internet payment gateway. Money laundering or terrorist financing involving the Company's payment gateway could result in an enforcement action and/or damage the Company's reputation, which could result in a material adverse impact on the Company's business.

### **Conflicts of Interest**

Certain directors of the Company may engage in businesses similar to the Company and situations may arise where the directors may be in direct competition with the Company's business. Conflicts of interest, if any, which arise will be subject to and governed by the procedures prescribed by the Act, which require a director or officer of a corporation who is a party to, or is a director or an officer of, or has a material interest in any person who is a party to, a material contract or proposed material contract with the Company to disclose his/her interest and, in the case of directors, to refrain from voting on any matter in respect of such contract unless otherwise permitted under the Act.

### **Regulatory Regime**

Vogogo's profitability is in part dependent upon the continuation of a favourable regulatory regime with respect to the continuing operations and the future growth and development of the electronic payment services industry and cryptocurrency. Regulation of the payments industry has increased significantly in recent years. Complying with these and other regulations increases costs and can reduce revenue opportunities. Similarly, the impact of such regulations on clients may reduce the volume of payments processed. Moreover, such regulations can limit the types of products and services that may be offered. If the regulatory regime or the interpretation of the legislation in an applicable jurisdiction is modified in a manner that adversely affects the Company or its partners, such as the proposed cryptocurrency regulations introduced in New York in July 2014, the industry as a whole, as well as the Company's profitability and processing platform, may be adversely affected.

Vogogo's anticipated global operations may require it to be compliant with laws in many jurisdictions on matters such as anti-corruption, trade restrictions, taxation, securities regulation, banking regulations and data privacy, amongst others. Complying with these diverse requirements in multiple jurisdictions may be a challenge and could

require significant resources. Some of these laws may impose conflicting requirements; there may be restrictions on the movement of cash and other assets; or restrictions on the import and export of certain technologies; or restrictions on the repatriation of earnings, all of which may expose the Company to penalties for non-compliance and harm its reputation. Vogogo's relationship with its banking partners requires that it comply with complex laws and regulations relating to the banking and payment processing industry.

### **Change in Laws**

Vogogo is subject to applicable local, state, provincial and federal laws and regulations. New legislation may be enacted or new interpretations, rulings or regulations could be adopted, any of which could harm Vogogo, potentially with retroactive effect. Additionally, any changes to the laws and regulations governing Vogogo's operations may cause Vogogo to alter its business strategy in order to avail itself of new or different opportunities. Such changes could result in material differences to the strategies and plans set forth herein and may result in the Company's business focus shifting from the areas of expertise of the management team and Board to other business lines or services in which management and Board members may have less expertise or little or no experience. Thus, any such changes, if they occur, could have a material adverse effect on Vogogo's results of operations.

### **Banking & Processing**

Vogogo's success depends on its ability to secure and develop banking and/or third party processing relationships that can effectively support the Company's service offering in target markets. The Vogogo service offering is focused on new and emerging markets that are considered high risk from a banking perspective and consequently require sophisticated approaches to transactional risk management, compliance and financial crime prevention. Due to the high-risk nature of the target markets, Vogogo may be unable to successfully secure or retain banking partners. Failure to do so could reduce Vogogo's revenue potential or may adversely affect Vogogo in a material manner.

### **Future Growth**

Vogogo's future growth and profitability depend upon the growth of the markets in which Vogogo currently operates and the Company's ability to increase its penetration and service offerings within these markets, as well as the emergence of new markets for these services and its ability to penetrate these new markets. It may be difficult to attract new clients because of potential disadvantages associated with switching payment processing vendors, such as transition costs, business disruption and loss of accustomed functionality. Vogogo seeks to overcome these factors by making investments to enhance the functionality of its technology and to differentiate its services. However, there can be no assurance that Vogogo's efforts will be successful, and client resistance may adversely affect our growth.

Vogogo's expansion into new markets is also dependent upon its ability to adapt its existing technology and offerings or to develop new or innovative applications to meet the particular service needs of each new market. In order to do so, Vogogo will need to anticipate and react to market changes and devote appropriate financial and technical resources to its development efforts, and there can be no assurance that these efforts will be successful.

### **Economic and Political Risk**

The electronic payments industry depends heavily on the overall level of consumer, business and government spending. Vogogo is exposed to general economic conditions that affect consumer confidence, consumer spending, consumer discretionary income and changes in consumer purchasing habits. A sustained deterioration in general economic conditions, or increases in interest rates, may adversely affect Vogogo's revenues by reducing the number or average amount of the transactions made using electronic payments that the Company processes. As a result, changes in economic conditions could adversely impact the Company's future revenues and profits.

## **Public Company Costs**

As a public company, Vogogo currently incurs significant legal, accounting and other expenses not incurred by private companies. It may be time consuming, difficult and costly to develop, implement and maintain the additional internal controls, processes and reporting procedures required by federal statutes, applicable securities laws, other government regulations affecting public companies and/or stock exchange compliance requirements. Vogogo may need to hire additional financial reporting, internal auditing and other finance staff in order to develop, implement and maintain appropriate internal controls, processes and reporting procedures, which will increase Vogogo's expenses and may adversely affect the Company's operating results and financial condition.

## **Intellectual Property**

Vogogo's ability to compete effectively is dependent in part upon the proprietary nature of its technologies and software platforms. Vogogo generally will rely on a combination of trade secret, copyrights, trademark and patent law to protect its proprietary rights in the Company's intellectual property. Although Vogogo attempts to protect its proprietary technologies through trade secrets, trademarks, patents and license and other agreements, these may be insufficient. Vogogo may not always be able to successfully protect or enforce its proprietary rights, which may materially adversely affect the Company's business prospects, financial condition and results of operations. In addition, there can be no assurance that Vogogo's competitors will not independently utilize existing technologies to develop products that are substantially equivalent or superior to those of the Company, which also could material adversely affect Vogogo's business prospects, financial condition and results of operations.

## **Legal Proceedings**

From time to time, Vogogo may be involved in various litigation matters. Vogogo may, from time to time, also be involved in or be the subject of governmental or regulatory agency inquiries or investigations. If Vogogo is unsuccessful in its defense in the litigation matters, or any other legal proceeding, Vogogo may be forced to pay damages or fines and/or change its business practices, any of which could have a material adverse effect on the Company's business, financial condition and results of operations. For more information about our legal proceedings, see "*Legal and Regulatory Proceedings*".

## **INDUSTRY CONDITIONS – REGULATORY OVERVIEW**

Vogogo remains primarily focused on servicing the emerging cryptocurrency market. As a new transaction technology, cryptocurrency is considered high risk from a banking perspective and consequently requires sophisticated approaches to transactional risk management, compliance and financial crime prevention. To effectively execute on its business plan, Vogogo is subject to or seeks conformance with the following regulatory regimes in the European Economic Area, the US and Canada.

### **EUROPE**

1. *FCA – EMI* – Obtain an EMI license to become a direct provider of compliant risk management, payment processing and stored value services in the UK and to the broader European Economic Area. See "*Description of the Business*".
2. *PCI-DSS Testing and Audit* – As a processor of card based payments, Vogogo is subject to a yearly audit and testing to demonstrate compliance with PCI-DSS as a condition of receiving PCI certification. See "*Description of the Business*".

### **US**

1. *US Regulator Oversight* – As a service provider direct to US banking partners, Vogogo is not directly subject to regulatory licensing but, together with the Banks, is subject to US federal and state banking regulations. Securing US regulator oversight will improve regulatory visibility and enhances visibility in this endeavour. See "*Description of the Business*".

## **CANADA**

1. *Financial Transactions and Reports Analysis Centre of Canada (“FINTRAC”) – Money Service Business (“MSB”) –* As a direct provider of compliant risk management, payment processing and stored value services in Canada, Vogogo is subject to satisfactorily maintaining its existing MSB status with FINTRAC. MSB status with FINTRAC helps solidify Vogogo’s Canadian offering including the opportunity to further develop direct Canadian banking relationships, maximizing Vogogo’s business model and margins, enhancing the overall service offering and creating more comprehensive relationships with customers.

### **LEGAL AND REGULATORY PROCEEDINGS**

Except as noted below, Vogogo is not a party to any legal proceeding nor was it a party to, nor is or was any of its property the subject of, any legal proceeding during the financial year ended December 31, 2014, nor is Vogogo aware of any such contemplated legal proceedings, which involve a claim for damages, exclusive of interest and costs, that may exceed 10 percent of the current assets of Vogogo.

In December 2014, a statement of claim was filed in the Alberta Court of Queen’s Bench by a company controlled by the previous Chief Technology Officer of the Company. The claim alleges breaches of certain provisions of the ABCA by the Company and its CEO in connection with a February 2014 repurchase of certain Redfall Shares from such entity by Redfall. The claim seeks damages in excess of \$15,000,000. The Company believes the suit is without merit and the Company has instructed its counsel to vigorously defend against these claims. As of the date hereof, the claim is still pending.

During the year ended December 31, 2014, there were no: (i) penalties or sanctions imposed against the Company by a court relating to securities legislation or by a securities regulatory authority; (ii) penalties or sanctions imposed by a court or regulatory body against the Company that would likely be considered important to a reasonable investor in making an investment decision; or (iii) settlement agreements the Company entered into before a court relating to securities legislation or with a securities regulatory authority.

### **INTEREST OF MANAGEMENT AND OTHERS IN MATERIAL TRANSACTIONS**

No director, officer or principal Shareholder, nor any affiliate or associate of such a person, has or has had any material interest in any transaction or any proposed transaction within the three most recently completed financial years or during the current financial year that has materially affected or is reasonably expected to materially affect Vogogo, except as set forth below.

### **TRANSFER AGENT AND REGISTRAR**

CST Trust Company, at its principal office in Calgary, Alberta, is the transfer agent and registrar for the Common Shares.

### **MATERIAL CONTRACTS**

Except for contracts entered into in the ordinary course of business, the Company has not entered into any material contracts within the most recently completed financial year, or before the most recently completed financial year that are still in effect.

### **INTERESTS OF EXPERTS**

The auditors of the Company, Collins Barrow Calgary LLP are independent with respect to the Company, in accordance with the Rules of Professional Conduct of the Institute of Chartered Accountants of Alberta.

### **ADDITIONAL INFORMATION**

Additional information, including information as to directors' and officers' remuneration and indebtedness, principal holders of the Company's securities and securities authorized for issuance under equity compensation plans is contained in the Proxy Statement and Information Circular of the Company prepared in connection with the most recent annual meeting of Shareholders that involved the election of directors. Additional financial information is provided in the Company's financial statements and management discussion and analysis for the year ended December 31, 2014.

Copies of this Annual Information Form, any interim financial statements of the Company subsequent to the annual financial statements, the Company's Proxy Statement and Information Circular and other additional information relating to the Company are available on SEDAR at [www.sedar.com](http://www.sedar.com).