VOGOGO INC.

Management's Discussion and Analysis

For The Three Months and Year Ended December 31, 2015

MANAGEMENT'S DISCUSSION & ANALYSIS

This Management's Discussion & Analysis ("MD&A") is intended to provide readers with the information that management ("Management") of Vogogo Inc. ("Vogogo" or the "Corporation"), formerly Southtech Capital Corporation ("Southtech"), believes is required to gain an understanding of the financial results of the Corporation for the three months and years ended December 31, 2015 and 2014, and to assess the Corporation's future prospects. Accordingly, certain sections of this report contain forward-looking statements and forward-looking information (collectively, "Forward-Looking Information"), as defined under applicable Canadian securities laws, which are based on current plans and expectations. See under the heading "Special Note Regarding Forward Looking Information". Additional information relating to Vogogo, including the Corporation's Annual Information Form, is available under Vogogo's profile on www.sedar.com.

This MD&A, presented and dated as of April 29, 2016, should be read in conjunction with the audited consolidated financial statements and related notes for the years ended December 31, 2015 and 2014.

The Corporation's audited consolidated financial statements have been prepared on a "going concern" basis, which presumes that the Corporation will be able to realize its assets and discharge its liabilities in the normal course of business for the foreseeable future.

The operations of the Corporation have been primarily funded through private placements of equity and debt. The continued operations of the Corporation are dependent on the Corporation's ability to generate profitable operations in the future, to receive continued financial support from shareholders, and/or to complete sufficient equity and debt financings.

Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Corporation's ability to continue as a going concern. The consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material.

All currency amounts in the accompanying financial statements and this MD&A are in Canadian dollars unless otherwise noted.

Special Note Regarding Forward Looking Information

Certain statements in this MD&A, other than statements of historical fact, may include Forward-Looking Information that involves various risks and uncertainties. These can include, without limitation, statements based on current expectations involving a number of risks and uncertainties related to all aspects of the online payment processing industry as well as those factors set forth under the heading "*Risk Factors*" in the Annual Information Form of the Corporation dated April 30, 2015 and the risk factors set out herein. These risks and uncertainties may have a material impact on future prospects and may cause actual results to differ from information contained herein. There can be no assurance that such statements will prove to be accurate as actual results and future events could differ materially from those anticipated in such statements. These forward-looking statements are based on the estimates and opinions of Management on the dates they are made and are expressly qualified in their entirety by this notice. Since actual events and results could differ materially, the reader is cautioned not to place undue reliance on any Forward-Looking Information. The Corporation assumes no obligation to update Forward-Looking Information should circumstances or Management's estimates or opinions change, except as required by law.

Business Overview

Vogogo is a risk management and payment services business that has spent recent years developing and launching technologies that enable secure and compliant transaction processing for businesses. Vogogo offers risk mitigation services, including know-your-customer ("KYC") profiling and on-boarding, client underwriting, fraud mitigation, real time transaction monitoring, and smart transaction routing, coupled with compliance-based services such as reporting, sanction checks and anti-money laundering-counter terrorist financing ("AML-CTF") processes. Vogogo also offers a suite of payment services that can be sold separately or bundled together with its risk management services. Vogogo's services are designed and tailored for business verticals that are highly regulated and need to effectively meet compliance requirements as well as verticals that feature higher inherent risk levels, including the cryptocurrency industry.

Vogogo has obtained authorization from the Financial Conduct Authority ("FCA"), the UK's banking and financial services regulator, to operate as an authorized Electronic Money Institution ("EMI"). As an authorized EMI, Vogogo has also established safeguarding accounts with two commercial banks based in Europe and finalized transaction acquiring relationships with two European banks. Discussions are progressing with an additional European acquiring bank.

Obtaining the EMI authorization allows Vogogo to operate as an independent provider of payment processing, stored value, e-wallet, pre-paid card, and foreign exchange services in addition to providing related risk management services. The authorization is issued for the UK and extends to the broader European Economic Area ("EEA") through a cross-border services arrangement known as passporting.

Vogogo is also registered and able to operate in compliance as a Canadian Money Service Business with the Financial Transactions and Reports Analysis Centre of Canada (FINTRAC).

Strategic Focus

Vogogo and the Cryptocurrency Vertical

Throughout 2014 and the first half of 2015, Vogogo was focused on servicing the emerging cryptocurrency market. Management believed that businesses developing and offering services based on cryptocurrencies or blockchain technologies were poised to disrupt conventional financial services and it was expected that there would continue to be growth in the cryptocurrency sector for the foreseeable future.

Vogogo developed technology to mitigate the inherent risks involved with cryptocurrencies, which enabled the Corporation to provide access to commercial banking and payments for businesses operating in the cryptocurrency market. The Corporation believed it had the operational experience, knowledge of transaction risk management, regulatory requirements, and technology.

Throughout 2015, Vogogo was able to successfully secure several prominent cryptocurrency based businesses as clients in Canada. While a European banking partner was established in late 2015, arranging supportive acquiring relationships for cryptocurrency transactions proved problematic in the larger US market. The nascent cryptocurrency technologies coupled with traditional bank conservatism and an uncertain, developing regulatory environment specific to each jurisdiction resulted in significant caution by banking partners and regulators in assessing and preparing to fully engage with Vogogo. This resulted in longer-than-expected and still uncertain timing for Vogogo to be able to deliver payment services to the cryptocurrency industry in the key markets of the US and Europe.

As well, while cryptocurrency usage continued to gain adoption, albeit at a slowing pace, transaction services based on cryptocurrencies remain cumbersome for users and the corresponding service businesses are mired in low margin business models. As a result, early adopters still drive the cryptocurrency market and Management believes that many of the businesses in the cryptocurrency sector have been unable to achieve sustainable financial viability.

Throughout 2015, cryptocurrencies and blockchain technologies attracted significant attention from the conventional financial services sector. Many conventional financial services businesses (e.g. banks) started to apply research and develop ways to deploy these technologies to improve their businesses. Regulators also took considerable interest and regulatory frameworks that included these technologies began to take shape. Management came to believe that these technologies had transitioned from a competitive-disruptive path to a more integrated path with conventional financial services. This resulted in a reduced number of viable companies that were offering services based solely on cryptocurrencies and, as a result, the momentum declined for disrupting the business models of the conventional financial services sector. Vogogo's market opportunity based on servicing cryptocurrency companies was no longer growing as expected. In Q3 2015, Management determined that the focus of the Corporation's business development efforts needed to extend beyond the cryptocurrency market in order to meet the growth projections the Corporation had planned for.

Expanded Sales Focus

In Q3 2015, Vogogo commenced an expanded sales program focused on providing payment processing and risk management services to business verticals that have challenges dealing with transaction risk. Establishing supportive acquiring bank relationships remained problematic, even for clients outside of the cryptocurrency market. To mitigate against the uncertainty of bank support in Europe and to increase margins, Vogogo worked throughout 2015 to secure an EMI Authorization from the UK's FCA. Management believed that an EMI authorization would significantly decrease the banks' degree of caution around actively working with Vogogo and would allow the Corporation to become a Payment Facilitator ("PayFac") with European banking partners. The PayFac structure provides a more efficient payment framework and lowers the cost of related banking services. Vogogo secured authorization as an EMI and arranged supporting safeguarding bank accounts in November 2015. Management then began to work with existing European banking partners to establish a PayFac structure and successfully secured its first active European PayFac relationship in Q1 2016.

Vogogo also continued to work with its US bank partner on a jointly administered bank program that is expected to provide payment processing and stored value services in a structure that Management believes fulfills all US regulatory compliance obligations. The program is expected to support qualified businesses operating in high-risk verticals, including the cryptocurrency sector. A contract between Vogogo and its US banking partner to provide a jointly administered US bank program was finalized in December 2015.

The Focus for 2016

Vogogo is focused on generating short-term revenue by selling payment services through its new PayFac relationship while also pursuing longer-term sales of both risk management and payment services. The process for activating the PayFac relationship involved comprehensive set-up and coordination with Vogogo's European banking partner, with several corresponding delays. Originally scheduled to be active in January 2016, the PayFac program went live in March 2016.

Vogogo continues to work with its US bank partner on a jointly administered US bank program. The process for activating the US bank program also involves comprehensive set-up and coordination, and there have been several corresponding delays. Originally scheduled to be active in February 2016, the program is expected to go live in May 2016**.** Management has determined that US Service Organization Control ("SOC") Compliance implementation is no longer a requirement for the business.

The board of directors ("Board") and Management recognize that Vogogo's balance sheet strength is a valuable strategic asset, especially in current market conditions. With Board direction, Management commenced a vigorous cost reduction program in March 2016 while simultaneously focusing on tactical short-term revenue opportunities. Adjustments include staffing reductions and intense cost stewardship that prioritize cash preservation while maintaining critical business functions. The adjustments are expected to be substantially complete in Q2 2016.

Due to the deterioration in Vogogo's original market opportunity involving services for the cryptocurrency industry and the longer-than-expected timing for generating material revenues in more conventional payment processing and transaction risk services, the Board determined at its meeting in April 2016 that a process would be immediately initiated to identify and examine strategic alternatives for the Corporation. The process will have a focus on increasing shareholder value and may include, but not limited to, a modified plan for continuing the business; the sale or combination of Vogogo's payment and risk management assets to or with another firm; a strategic vend-in, amalgamation, reverse amalgamation or similar transaction; a sale of one or more corporate assets; a strategic business combination or strategic partnership. Opportunities, if any, will be assessed based on synergies with Vogogo's business and the potential to increase shareholder value. There can be no assurance that this exploration process will result in any transaction. There is no set timetable with respect to the Board's review, and the Corporation does not expect to make further public comment regarding these matters unless and until the Board approves a specific action or otherwise concludes its review.

While the Board explores strategic options, Vogogo will implement an operational plan based on maintaining the existing services and client base while making cash conservation a top priority. The plan includes reduced staffing levels amongst other cost cutting initiatives.

ABOUT VOGOGO

Vogogo Inc., formerly Southtech Capital Corporation ("Southtech"), is a risk management and electronic payment services business. The Corporation offers risk mitigation services and also processes multiple types of electronic payments, including card payments, pre-authorized debit, direct deposit, peer-to-peer transfers and online banking payments.

Vogogo Canada Inc. was incorporated under the Business Corporations Act (Alberta) on July 26, 2010 and is a wholly owned subsidiary of the Corporation. In addition, on August 13, 2012 the Corporation incorporated Vogogo USA Inc., a wholly owned subsidiary registered in Delaware, and on October 1, 2014 the Corporation incorporated Vogogo EU Ltd., a wholly owned subsidiary registered in the United Kingdom. Lastly, the Corporation acquired Vanado, Inc., a wholly owned subsidiary registered in Colorado, on January 1, 2015.

The Corporation's head office is located at 400, 320 – 23rd Avenue SW, Calgary, Alberta, Canada, T2S 0J2. The registered office is located at Torys LLP, 4600, 525 – 8th Avenue SW, Calgary, Alberta, Canada, T2P 1G1.

Southtech was incorporated pursuant to the provisions of the Business Corporations Act (Alberta) on April 21, 2011 and was classified as a Capital Pool Company ("CPC") as defined in Policy 2.4 of the TSX Venture Exchange ("TSX Venture") Corporate Finance Manual. The principle business of Southtech was to identify and evaluate potential acquisitions or businesses and, once identified and evaluated, to negotiate an acquisition or participation subject to receipt of regulatory and, if required, shareholder approval ("Qualifying Transaction").

On September 11, 2014, Southtech completed its Qualifying Transaction, which was effected pursuant to an agreement between Southtech and Redfall Technologies Inc. ("Redfall"). Pursuant to the agreement, Southtech and Redfall completed a business combination by way of an amalgamation. The former shareholders of Redfall received one fully paid common share in the new amalgamated company for every one class A common share held in Redfall and the former shareholders of Southtech received one fully paid common share in the new amalgamated company for every five common shares held in Southtech. The new amalgamated company changed its name to "Vogogo Inc."

Upon closing of the Qualifying Transaction, the shareholders of Redfall owned 95.62% of the common shares of Vogogo and, as a result, the transaction is a reverse acquisition of Southtech by Redfall. For accounting purposes, Redfall is considered the acquirer and Southtech the acquiree. Accordingly, the consolidated financial statements are in the name of Vogogo Inc. (formerly Southtech) and are a continuation of the financial statements of Redfall. Additional information on the transaction is disclosed in Note 6(i).

BASIS OF PRESENTATION

This MD&A of the results of operations should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2015 and 2014.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The consolidated financial statements were approved and authorized for issue by the Board on April 29, 2016.

Certain supplementary measures in this MD&A do not have any standardized meaning as prescribed under IFRS and, therefore, may not be comparable with calculation of similar measures for other entities and should be considered non-IFRS measures. These measures are described and presented in order to provide information regarding the Corporation's financial results, liquidity and ability to generate funds to finance its operations. These measures are identified and presented, where appropriate, together with reconciliations to the equivalent IFRS measures. However, they should not be used as an alternative to IFRS measures because they may not be consistent with calculations of other companies. These non-IFRS measures, and certain operational definitions used by the Corporation, are further explained below.

EBITDA and Adjusted EBITDA

EBITDA refers to net income before finance costs, taxes, depreciation and amortization. Adjusted EBITDA is calculated as EBITDA before costs associated with non-recurring business acquisition costs and share-based compensation. These measures do not have a standardized definition prescribed by IFRS and, therefore, may not be comparable to similar captioned terms presented by other users. The EBITDA and Adjusted EBITDA are calculated as follows:

EBITDA = Comprehensive Loss + Interest Expense – Interest Income +Accretion + Taxes (if any) + Depreciation + Amortization.

Adjusted EBITDA = EBITDA + Stock Based Compensation

Management believes that EBITDA and adjusted EBITDA are key indicators for the results generated by the Corporation's core business activities because they eliminate non-recurring items and the impact of finance and tax structure variables that exist between entities.

Cash Flow From Operations

Cash flow from operations is defined as the cash generated or used in operating activities including working capital related to operating activities. It is calculated by adding non-cash items to the comprehensive income and then adding or deducting working capital sources or uses related to operating activities.

SUMMARY OF FINANCIAL AND OPERATIONAL RESULTS

The following tables set forth unaudited interim and audited annual financial data prepared in accordance with IFRS for the three months and years ended December 31, 2015 and 2014, respectively.

Financial Snapshot

($)	Three Months Ended		Year Ended	
	Dec 31, 2015	**Dec 31, 2014**	**Dec 31, 2015**	**Dec 31, 2014**
Revenues	**80,656**	15,981	**142,195**	216,600
Comprehensive loss	**(2,875,176)**	(2,033,915)	**(12,144,394)**	(8,980,661)
			As at Dec 31, 2015	**As at Dec 31, 2014**
Working capital (current assets less current liabilities)			**7,428,490**	5,984,455
Total assets			**15,788,160**	7,459,303
Total liabilities			**5,195,288**	1,315,286

Summary Results of Operations

($)	Three Months Ended		Year Ended	
	Dec 31, 2015	**Dec 31, 2014**	**Dec 31, 2015**	**Dec 31, 2014**
Loss from operating activities	**(2,876,445)**	(2,046,309)	**(12,120,646)**	(8,685,803)
General and administrative	**488,560**	955,175	**3,151,364**	2,620,823
Sales and marketing	**521,502**	399,264	**1,559,967**	1,056,021
Research and development	**1,144,630**	477,975	**3,798,355**	1,331,780
Transaction costs	**-**	-	**-**	373,304
Net cash used in operating activities	**(1,788,724)**	(1,941,146)	**(8,379,816)**	(4,855,839)
Non-cash operating items:				
Amortization and depreciation	**323,765**	2,422	**865,073**	9,689
Accretion	**-**	-	**-**	282,169
Stock-based compensation	**380,275**	227,454	**2,888,082**	2,579,934
EBITDA	**(2,565,591)**	(2,047,398)	**(11,337,101)**	(8,679,627)
Adjusted EBITDA (EBITDA less share-based compensation)	**(2,185,317)**	(1,819,944)	**(8,449,019)**	(6,099,693)

Selected Annual Information

($)	For the years ended December 31, 2015 (audited)	2014 (audited)	2013 (audited)
Total revenues	**142,195**	216,600	159,527
General and administrative	**3,151,364**	2,620,823	695,902
Sales and marketing	**1,559,967**	1,056,021	202,295
Development and Operations	**3,798,355**	1,331,780	239,447
Total comprehensive loss	**(12,144,394)**	(8,980,661)	(1,047,980)
Basic and diluted loss per share	**(0.27)**	(0.33)	(0.07)
Total assets	**15,788,160**	7,459,303	1,616,279
Total liabilities	**5,195,288**	1,315,286	2,242,237
Net working capital	**7,428,490**	5,984,455	(795,209)

Summary of Quarterly Results

The following table presents unaudited selected financial data for each of the last eight quarters up to December 31, 2015.

($)	Dec 31, 2015	Sept 30, 2015	June 30, 2015	Mar 31, 2015	Dec 31, 2014	Sept 30, 2014	June 30, 2014	Mar 31, 2014
Total assets	15,788,160	16,393,119	18,525,387	5,432,724	7,459,303	9,187,195	9,458,084	3,504,394
Net working capital	7,428,490	9,896,109	11,451,878	3,749,580	5,984,455	7,526,431	1,299,384	1,742,505
Total liabilities	5,195,288	4,019,059	4,271,793	1,982,002	1,315,286	1,497,427	7,992,940	1,595,060
Revenue	80,657	31,527	18,268	11,743	15,981	16,985	66,669	116,963
Net loss and comprehensive loss	(2,875,176)	(2,628,001)	(2,882,088)	(3,759,129)	(2,033,915)	(2,508,898)	(2,060,333)	(2,377,515)
Basic and diluted loss per Share	(0.05)	(0.06)	(0.06)	(0.10)	(0.07)	(0.08)	(0.06)	(0.16)

Comprehensive loss for the three months ended December 31, 2015 increased to $2.9 million compared to $2.0 million for the same period in 2014. The higher quarterly loss was the result of higher general and administrative, sales and marketing, development and operations costs, and stock-based compensation expenses realized in 2015 as compared to the same period in 2014. The higher expenditures were partially offset by higher revenues in Q4 2015. Each of these items is discussed in more detail under the Results of Operations section.

RESULTS OF OPERATIONS

Revenues

($)	December 31, 2015	December 31, 2014
Revenues	142,195	216,600

Vogogo's 2015 revenue was $142,195 as compared to $216,600 recorded in 2014. The change in revenue was related to early stage customer volatility as Vogogo was exploring the cryptocurrency market opportunity.

General and Administrative

($)	December 31, 2015	December 31, 2014
General and administrative expenses	**3,151,364**	2,620,823

General and administrative ("G&A") expenses consist primarily of personnel costs, processing costs and overhead expenses relating to the Corporation's human resource, finance, legal, regulatory and administrative functions. For the year ended December 31, 2015, G&A expenses increased by $530,541 or 20% to $3,151,364 from $2,620,823 in 2014.

The increase in G&A expenses for the year ended December 31, 2015 is the result of higher salary, consulting and legal expenses in support of the Corporation's expenditures to secure its EMI licensing in Europe as well as development costs to establish the capacity to offer transaction risk and compliance services. Included in 2014 general and administrative expenses is a non-cash commission expense of $215,000 related to the issuance of 500,000 Class A common shares of Redfall at $0.09 per share, which was below the average market price. The fair value adjustment was calculated as the difference between $0.09 (issue price) and $0.52 (fair value market price) and was recorded as commission expense during the year.

For the year ended December 31, 2015, 75% of G&A expenses related to personnel, consulting, professional fees and rent while, for the same period in 2014, 93% of G&A expenses related to personnel, consulting, professional fees and rent. The 2015 expenses had a larger percentage relating to higher legal, regulatory and administrative costs as compared to 2014.

Sales and Marketing

($)	December 31, 2015	December 31, 2014
Sales and marketing expenses	**1,559,967**	1,056,021

Sales and marketing expenses consist principally of salaries, commissions, travel and other costs associated with the Corporation's sales force, marketing and commercialization activities including advertising, collateral development and printing, sales training, trade shows and pre-sales technical support. Sales and marketing expenses for the year ended December 31, 2015 were higher by $503,946 or 48% compared to the previous year as a result of the Corporation's increased activity in broadening its plan to service businesses in other vertical markets in an effort to offer transaction risk and compliance services, in the key regional markets of Canada, the US and Europe.

Sales and marketing expenses are expected to decrease significantly from current levels over the next two quarters as Vogogo more narrowly focuses on the most promising customer opportunities.

Development and Operations

($)	December 31, 2015	December 31, 2014
Development and operations expenses	**3,798,355**	1,331,780

Development and operations ("D&O") expenses include personnel and related equipment costs to develop and support the Corporation's products. The Corporation expenses all research costs as they are incurred. Development costs are only capitalized if they meet the criteria set out by IFRS. While Vogogo believes that investment in R&D is required to remain competitive and will result in creating a valuable asset, Vogogo did not capitalize any development costs during 2015. Expenditures for the year ended December 31, 2015 were based on further developing the risk management and payment processing technology to service businesses operating in higher risk verticals with e-commerce markets, in the key regional markets of Canada, the US and Europe. The goal is to differentiate from competitors in terms of relevant and superior technology.

D&O expenses for the year ended December 31, 2015 were higher by $2,466,575 or 185% compared to the previous year as a result of Management's decision to adjust the Vogogo Technology to more effectively handle risk management and to better scale to the specific requirements of the opportunity offered by servicing higher risk market verticals.

The 2014 expenses were primarily due to the Corporation deploying resources to re-purpose its payment platform from supporting strictly gaming companies to supporting broader electronic payment applications.

For the years ended December 31, 2015 and 2014, 100% of the R&D expenses related to personnel, consulting and IT expenses.

Transaction costs

($)	December 31, 2015	December 31, 2014
Transaction costs	-	373,304

On July 31, 2014, Southtech and Redfall filed a joint information circular to obtain approval from their respective shareholders to proceed with the Qualifying Transaction, and the approval was granted at meetings held on September 10, 2014 followed by approval by the TSX Venture. In connection with this transaction, the Corporation completed a private placement and raised $8.5 million on a brokered and non-brokered basis. Expenses related to the Qualifying Transaction included transaction costs of $373,304 that were incurred during the second and third quarters of 2014. No such expenses were incurred in 2015.

Listing costs

($)	December 31, 2015	December 31, 2014
Listing costs	-	930,852

On September 11, 2014, the Corporation completed its Qualifying Transaction, which was effected pursuant to an agreement between Southtech and Redfall. The former shareholders of Redfall received one fully paid common share in the new amalgamated company for every one Class A common share held in Redfall and the former shareholders of Southtech received one fully paid common share in the new amalgamated company for every five common shares held in Southtech.

The transaction was a reverse acquisition of Southtech and has been accounted under IFRS 2, Share-based Payments. Accordingly, the transaction has been accounted for at the fair value of the equity instruments granted by the shareholders of Redfall to the shareholders and option holders of Southtech. The difference between the net assets acquired and the fair value of the consideration paid of $930,852 has been recognized as a listing expense in the statement of loss and comprehensive loss for the period ended September 30, 2014. No such expenses were incurred in 2015.

The results of operations of Southtech are included in the consolidated financial statements of Vogogo from the date of the Qualifying Transaction, September 11, 2014.

The fair values of the net assets of Southtech acquired on September 11, 2014 are as follows:

	$
Cash	47,858
Other receivables	707
	48,565
Purchase price allocation is as follows:	
Fair value of common shares (1,240,000 shares at $0.75 per share) $930,000	930,000
Fair value of stock options (120,000 options exercisable at $0.50 per share)	49,417
	979,417
Listing costs	**930,852**

Amortization

($)	December 31, 2015	December 31, 2014
Amortization expense	**865,073**	9,689

Amortization expense relates to the property and equipment and intangible assets owned by the Corporation. Specifically, the Corporation owns computer equipment, furniture and fixtures, leasehold improvements and intangible assets related to the Corporation's risk platform. These assets are depreciated over their useful lives and impairments, if any, are assessed at every reporting period. Expenses incurred for the year ended December 31, 2014 are primarily the result of depreciating office equipment, furniture, fixtures and intangible assets. The expenses in 2015 reflect the amortization of the Corporation's intangible assets of $3,869,893 associated with the acquisition of Mevia Inc. ("Mevia") during the second quarter of 2015.

Stock-based Compensation

($)	December 31, 2015	December 31, 2014
Stock-based compensation	**2,888,082**	2,579,934

On January 1, 2015, the Corporation acquired all of the issued and outstanding shares of Vanado Inc. ("Vanado"), a specialized consulting and payment services company based in Denver, Colorado, by the issuance of 227,273 common shares in the capital of the Corporation pursuant to a share purchase agreement ("Agreement") and the fair value of contingent consideration comprised of certain post-closing payments of up to $1,000,000 payable in common shares of the Corporation subject to the Corporation achieving certain performance thresholds set out in the Agreement. The fair value of the shares issued was $545,455 and the fair value of the contingent consideration was estimated at $738,584, for a total of $1,284,039. The acquisition did not meet the definition of a business combination under IFRS 3 and, accordingly, the entire $1,284,039 was allocated to stock-based compensation. The performance threshold was deemed to be achieved during the year ended December 31, 2015 and as a result 591,366 common shares of the Corporation were issued on December 3, 2015 with a fair value of $0.78 per share for total value of $461,265.

The remaining $1,703,991 of stock-based compensation for the year ended December 31, 2015 resulted from the vesting of previously issued stock options as well as valuing the following option grants using the Black Scholes Option-Pricing Model:

- On February 17, 2015, the Corporation granted 100,000 options to acquire common shares for a period of five years at a price of $2.83 per common share, expiring five years from the date of grant.
- On March 12, 2015, the Corporation granted an aggregate of 380,000 options to acquire common shares for a period of five years at a price of $2.65 per common share, expiring five years from the date of grant.
- On August 28, 2015, the Corporation granted an aggregate of 155,000 options to acquire common shares for a period of five years at a price of $1.09 per common share, expiring five years from date of grant.
- On September 7, 2015, the Corporation granted an aggregate of 1,150,000 options to acquire common shares for a period of five years at a price of $1.20 per common share, expiring five years from date of grant.
- On November 25, 2015, the Corporation granted an aggregate of 130,000 options to acquire common shares for a period of five years at a price of $0.85 per common share, expiring five years from date of grant.

On March 17, 2014, the Corporation issued 3,333,334 stock options to certain officers and directors of the Corporation at an exercise price of $0.09. These stock options vested immediately and expired in one year on March 17, 2015. All these stock options were exercised during Q2 2014 and, as a result, $1,452,020 was transferred to share capital from contributed surplus. On April 1, 2014, the Corporation issued 400,000 stock options at an exercise price of $0.52. These stock options vested immediately and expire three years from the date of issuance on April 1, 2017. On April 28, 2014, the Corporation issued an additional 1,450,000 stock options at an exercise price of $0.33. 250,000 of these stock options vested immediately and the balance vests in equal tranches on the first, second and third anniversary of the grant date. These stock options expire five years from the date of issuance on April 28, 2019. The Corporation also issued 1,705,000 stock options on September 11, 2014 at an exercise price of $0.75. 500,000 of these stock options vested immediately and the balance vest in equal tranches on the first, second and third anniversary of the grant date. These stock options expire five years from the date of issuance on September 11, 2019. As part of the Qualifying Transaction, 120,000 stock options were deemed to be issued on September 11, 2014 to Southtech option holders at an exercise price of $0.50. These stock options vested immediately and expired on September 11, 2015. 122,500 stock options were exercised during Q3 2014 and as a result $59,207 was transferred to share capital from contributed surplus during Q3 2014. The Corporation also issued 200,000 stock options on November 27, 2014 at an exercise price of $3.65. These stock options vest in equal tranches on the first, second and third anniversary of the grant date. These stock options expire five years from the date of issuance on November 27, 2019. 20,000 stock options were exercised during Q4 2014 and as a result $8,236 was transferred to share capital from contributed surplus during Q4 2014.

The Corporation's shares did not have sufficient public trading data and, therefore, the Corporation has used the historical volatilities of certain members of its peer group for input into the Black-Scholes Option Pricing Model until Q3 2014. From Q4 2014 the Corporation used its own trading data for the Black-Scholes Option Pricing Model.

Net Loss and Comprehensive Loss

($)	**December 31, 2015**	**December 31, 2014**
Net Loss	**(12,161,955)**	(8,980,661)
Comprehensive loss	**(12,144,394)**	(8,980,661)

Included in net loss and comprehensive loss for the year ended December 31, 2015 and 2014 are significant non-cash charges including $2,888,082 and 2,579,934 respectively in stock-based compensation and amortization of $865,073 and $9,689 respectively. The higher loss excepting non-cash items is the result of higher D&O, G&A and sales and marketing expenses as the Corporation's operations were significantly increased in 2015. The increase was partially offset by lower acquisition and listing costs and no accretion costs in 2015.

The difference between net loss and comprehensive loss in 2015 is the result of foreign exchange gain on translation of foreign operations. In 2014 this amount was immaterial and therefore was not accounted for separately.

The Corporation's cash and cash equivalents at December 31, 2015 totaled $10,489,615 (December 31, 2014 - $6,519,384) and the positive net working capital position amounted to $7,428,490 (December 31, 2014 - $5,984,455). The Corporation has an accumulated deficit of $23,267,386 (December 31, 2014 - $11,105,431). The Corporation has not yet been able to generate the transaction volumes required to sustain future operations. Whether and when the Corporation 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, 2015 is uncertain.

Liquidity and Capital Resources

Royalty Financing Liability

In 2013, the Corporation entered into a $1 million investment agreement with AVAC Ltd. to help fund the development and commercialization of the Corporation's web-based payment service provider technology. The proceeds were available to the Corporation if and when certain pre-determined milestones were achieved. Any amount drawn pursuant to the investment agreement was repayable in the form of a 3.5% royalty based on quarterly gross revenues, beginning with the quarter ending December 31, 2014 and extending until twice the gross amount received was remitted or until the Corporation had repaid all advances received plus 20% interest compounded annually from the date each advance was received, less royalties paid. During the year ended December 31, 2013, the Corporation received $200,000 as part of this arrangement. At March

31, 2014, the liability was comprised of the $200,000 principal plus $29,699 in accrued interest. This liability was fully re-paid on April 24, 2014.

Convertible Debentures

On January 25, 2013 the Corporation 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 common shares at $0.52 per share, at any time, at the option of the holder. Unless earlier repaid, at the option of the Corporation, 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 the Corporation 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 common shares at $0.52 per common share, at any time, at the option of the holder. Unless earlier repaid, at the option of the Corporation, 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 common shares on March 5, 2014 and a total of 192,307 common shares were issued from treasury (see note 13 (viii) of financial statements).

On February 11, 2014, the Corporation issued a $2,000,000 secured convertible debenture. On March 17, 2014, the Corporation increased the amount of the convertible debenture issued to $3,164,345. The debenture was secured by a first charge against all of the Corporation's present and after-acquired property and was scheduled to mature August 11, 2014. The principal bore interest at a rate of 10% per annum. The debenture along with the accrued interest was convertible into common shares of the Corporation at $0.33 per share at the option of the holder. On March 26, 2014, the Corporation issued 9,588,924 common shares upon conversion of the full $3,164,345 convertible debenture.

Capital Management

Management closely monitors cash flow requirements and has sufficient cash to meet all of its current operational and financial obligations.

The Corporation's objectives when managing capital are to safeguard its ability to continue as a going concern in order to pursue the development and sales of its payment services and to maintain a flexible capital structure that optimizes the costs of capital at an acceptable risk. However, it should be noted that the Corporation is at an early stage of its redefined commercialization program and will continue to be dependent on its ability to manage cash on hand, increase its revenues and raise additional debt or equity to meet its obligations and repay its liabilities arising from normal business operations when they become due.

The management of capital includes the components of shareholders' equity, comprised of share capital and retained earnings (deficit). The Corporation strives to maximize the value associated with shareholders' equity. In order to maintain or adjust its capital structure, the Corporation may from time to time issue shares, issue new debt, dispose of assets or adjust its spending, taking into account changes in economic conditions and the risk characteristics of the underlying assets.

The Corporation manages its working capital through timely collection of receivables, controlling exposure to future commitments and securing favorable terms from suppliers.

In order to preserve cash, the Corporation does not currently pay dividends.

The Corporation's overall strategy with respect to managing its capital structure is:

- To safeguard the Corporation's ability to continue as a going concern
- To maintain appropriate cash reserves on hand to meet ongoing development and operating costs
- To invest cash on hand in highly liquid and highly rated financial instruments

The Corporation plans to fund these expenditures through current cash available and if necessary and feasible, various financing options including equity and/or debt financing.

The Corporation optimizes its capital structure with a view to ensure a strong financial position to support its operations and growth strategies. The Corporation's capital structure is made up of share capital, warrants, contributed surplus and deficit as equity components. In order to maintain or adjust its capital structure, the Corporation may from time to time issue shares and adjust its spending.

	December 31, 2015 $	December 31, 2014 $
Share capital	**30,944,778**	14,934,913
Warrants	**550,364**	1,196,919
Contributed surplus	**2,347,555**	1,117,616
Deficit	**(23,249,825)**	(11,105,431)
	10,592,872	6,144,017

The Corporation is not subject to externally imposed capital requirements and the Corporation's overall strategy with respect to capital risk management remained unchanged during the years presented.

Acquisitions

a. Acquisition of Vanado shares

On January 1, 2015, the Corporation acquired all of the issued and outstanding shares of Vanado, a specialized consulting and payment services company based out of Denver, Colorado, USA, from an arm's length third-party pursuant to a share purchase agreement ("SPA").

The purchase was satisfied by the issuance of 227,273 common shares of the Corporation with a fair value of $2.40 per share based on the closing trading price on January 1, 2015 for total consideration of $545,455. Additional consideration included certain post-closing payments of up to $1 million payable on or before December 31, 2016. These post-closing payments shall be payable in common shares of the Corporation upon the Corporation achieving certain performance thresholds as set out in the SPA. $500,000 of the contingent consideration was dependent on the Corporation securing US domestic automated clearing house processing capabilities, and the remaining contingent consideration is dependent on meeting monthly revenue targets of US $200,000, US $425,000 and US $600,000 in any two consecutive months. The fair value of the contingent consideration was valued at $738,584 at the closing date based on the likelihood of the performance thresholds being met and the estimated timing of the payments. The performance threshold related to the clearing house capabilities was achieved during the year ended December 31, 2015 and as a result 591,366 common shares of the Corporation were issued on December 3, 2015 with a fair value of $0.78 per share for total value of $461,265.

The Corporation did not acquire any assets or liabilities or obtain inputs or processes on acquisition of Vanado other than the personnel employed by Vanado. As a result, management concluded that this acquisition does not meet the definition of business combination under IFRS and represents a share-based payment. Accordingly, the Corporation has recorded the cost of acquiring Vanado as stock-based compensation in the statement of loss and comprehensive loss.

The stock-based compensation recognized upon acquisition consisted of:

	$
Shares issued (227,273 common shares at $2.40 each)	545,455
Contingent consideration payable based on milestones	738,584
Stock-based compensation	**1,284,039**

Management reviewed the probability of meeting the performance conditions and discounted future expected cash flows to record a fair value estimate of contingent consideration. This liability is reviewed each reporting period and any adjustments to this liability value are adjusted through the statement of loss and comprehensive loss. There was an adjustment of $99,948 during the year ended December 31, 2015.

b. Acquisition of assets of Mevia

On April 30, 2015, the Corporation acquired certain assets from an arm’s length third party private risk management and consulting services company, Mevia, in order to obtain the company’s risk management software, pursuant to an asset purchase agreement (“APA”).

The purchase was satisfied by the issuance of 600,000 common shares of the Corporation with a fair value of $2.75 per share based on the closing trading price on April 30, 2015 for total consideration of $1,650,000. Additional consideration included certain post-closing payments of up to $3 million payable on or before April 30, 2017. These post-closing payments shall be payable in common shares of the Corporation upon the Corporation achieving certain performance as set out in the APA. The contingent consideration is dependent on meeting monthly revenue targets of CDN $250,000, CDN $500,000 and CDN $800,000 in any two consecutive months. The post-closing payments represent a provision and were measured at fair value of $2,219,893.

The Corporation acquired only intangible assets consisting of risk management software and no other assets or liabilities were acquired as per the APA. Management concluded that this acquisition meets the definition of business combination under IFRS and has determined that the acquisition fair value equates to the fair value of the assets acquired, and has therefore recorded this acquisition value as the intangible asset addition on the statement of financial position. The intangible asset acquired was measured at fair value at the acquisition date based on estimated discounted cash flows.

These intangible assets are being amortized on a straight-line basis over the estimated useful life of three years.

The Intangible Assets recognized upon acquisition consisted of:

	$
Shares issued (600,000 common shares at $2.75 each)	1,650,000
Contingent consideration payable based on milestones	2,219,893
Intangible Assets	**3,869,893**

Book value of intangible assets is as follows:

	$
Balance, December 31, 2013 and 2014	-
Additions	3,869,893
Amortization	(859,976)
Balance, December 31, 2015	**3,009,917**

c. Management reviewed the probability of meeting the performance conditions and discounted future expected cash flows to record a fair value estimate of contingent consideration. This liability is reviewed each reporting period and any adjustment to this liability value is reflected in the statement of loss and comprehensive loss. None of the performance targets were met during the year and there was no adjustment required for the year ended December 31, 2015.

d. Contingent Consideration - Acquisitions

Estimated contingent consideration payable on milestones as at December 31, 2015:

	Vanado	Mevia	Total
	$	**$**	**$**
Current portion	**377,267**	**2,219,893**	**2,597,160**
Long-term portion	**-**	**-**	**-**
	377,267	**2,219,893**	**2,597,160**

The revenues and profit or loss since the closing date of the acquisitions, and pro forma revenues and profit or loss giving effect to the acquisitions as if they had occurred on January 1, 2015, are not practical to determine. The operations of the acquired assets are not managed as separate business units, and the Corporation's general business overhead and other costs are not allocated or identified on a specific asset basis. Such allocations would, accordingly, be arbitrary and would require significant assumptions and estimates concerning management's intentions and decision-making.

Related Party Transactions

(a) The Corporation considers its key management personnel to be its Chief Executive Officer, Chief Relationship Officer, Chief Financial Officer, Chief Operating Officer and Chief Technology Officer. Key management compensation is composed of salary and benefits, stock-based compensation and consulting fees paid to key management and companies controlled by key management. During the year ended December 31, 2015, key management compensation amounted to $2,142,049 (2014 - $1,315,830), split between general and administrative, sales and marketing, development, operations, and stock-based compensation expenses, based on work performed.

Total personnel expenses for employees, consultants, directors and management included in expenses in the consolidated statement of loss and comprehensive loss total $7,591,175 (2014 - $2,597,493) for the year ended December 31, 2015, split between general and administrative, sales and marketing, development and operations expenses, based on work performed.

(b) On April 28, 2014, the Corporation provided loans to two companies controlled by two key management personnel for $75,000 each for a total of $150,000. These companies provided promissory notes to the Corporation. These two loans bear interest at 3 percent per annum and were originally due on April 28, 2015. The loan agreements were amended during the year to extend the maturity date to April 28, 2016. Interest expense of $7,500 (2014 - $3,000) has been accrued as at December 31, 2015 and included in the notes receivable balance.

Commitments and Contingencies

(a) Commitments

The Corporation is committed to a leases for its Calgary office space, expiring July 31, 2017, and its London, UK office space, expiring December 31, 2016 for future minimum rental payments exclusive of occupancy costs as follows:

	London $	Calgary $	Total $
2016	11,257	82,368	93,625
2017	-	48,048	48,048
	11,257	**130,416**	**141,673**

(b) Contingencies

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 Corporation. The claim alleges a breach of certain provisions of the Business Corporations Act (Alberta) by the Corporation in connection with a February 2014 repurchase of certain common shares of the Corporation previously held by the plaintiff. The claim seeks damages in an amount in excess of $15,000,000.

Subsequent to the year-end, on January 20, 2016, a statement of claim was filed in the Alberta Court of Queen’s Bench by a firm that was party to a proposed business combination in 2014, which did not proceed and was mutually terminated at that time. The claim alleges a breach of certain provisions of the business combination agreement pursuant to the Corporation completing the reverse take-over transaction in September 2014. The claim seeks damages in an amount in excess of $4,000,000.

The Corporation believes these suits are without merit and litigation counsel has been authorized and instructed to vigorously defend against these claims and, accordingly, the Corporation has not accrued a provision relating to the claims. As at the date of these consolidated financial statements, these claims are still pending.

Off-Balance Sheet Arrangements

At the date of this report, the Corporation had no off-balance sheet arrangements.

Outstanding share capital

Vogogo is authorized to issue an unlimited number of preferred shares without nominal or par value and an unlimited number of common shares. As at the date of this MD&A, the Corporation had 49,022,410 common shares, 4,305,084 stock options, 1,396,951 warrants convertible into common shares, and no preferred shares outstanding.

As at December 31, 2015, a total of 3,272,116 common shares (December 31, 2014 – 9,816,347) were held in escrow in compliance with TSX Venture requirements. These shares were released from escrow on March 11, 2016.

SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements in conformity with IFRS requires Management to make judgments in applying its accounting policies, including estimates and assumptions about the future. These judgments, estimates, and assumptions affect the reported amounts of assets and liabilities at the reporting date, and reported amounts of revenues and expenses during the reporting period. Estimates and judgments are continuously evaluated and are based on Management’s experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates under different assumptions or conditions. The following discusses the most significant accounting judgments, estimates and assumptions that the Corporation has made in the preparation of its condensed interim consolidated financial statements.

1) Areas of Judgment

(a) Impairment tests
Management exercises judgment to determine whether there are factors that would indicate that an asset or a cash generating unit (“CGU”) is impaired. Factors considered include whether an active market exists for the output produced by the asset or group of assets, estimates of future revenues and costs, discount rates and other relevant assumptions.

(b) Business combinations
Determining whether an acquisition should be accounted for as a business combination or represents an asset purchase requires judgment on a case-by-case basis, depending on Management’s assessment as to whether the acquisition meets the definition of a business.

(c) Going concern
Determining if the Corporation has the ability to continue as a going concern is dependent on its ability to raise additional financing and to achieve profitable operations. Certain judgments are made when determining if the Corporation will be able to continue as a going concern. Further disclosure is included in note 2(c) of the financial statements.

2) Assumptions and Critical Estimates

(a) Stock-based compensation and warrants

The amounts recorded relating to fair value of stock options and warrants are based on estimates of future volatility in the Corporation's share price, expected lives of options and warrants, the risk-free interest rate, and other relevant assumptions. Volatility is estimated based on the average price volatility of common shares of a comparative group of companies over the preceding period equaling the expected lives of the Corporation's options and warrants.

(b) Impairment of property and equipment and intangible assets

Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less disposal costs and its value in use. The fair value less disposal costs estimate is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. The value in use estimate is based on a discounted cash flow model. The cash flows are derived from the projection for the next five years and do not include restructuring activities that the Corporation is not yet committed to or significant future investments that will enhance the performance of the asset or CGU being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

(c) Estimate of useful life for intangibles

Management's judgment involves the use of estimates for determining the useful life for intangibles to determine amortization methods and rates.

(d) Contingent consideration

The valuation of the contingent consideration issued on the acquisition of shares of Vanado and the acquisition of assets from Mevia (note 7) has been recorded at fair value and has been based on Management's assessment of the likelihood of the performance targets being met. The associated liability is measured at fair value at each reporting date based on the likelihood of the performance targets being met.

(e) Tax assets and liabilities

Provisions for income taxes are made using the best estimate of the amount expected to be paid or recovered based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of each reporting period. However, it is possible that at some future date an additional liability could result from audits by tax authorities. Where the final outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

Deferred tax assets and liabilities contain estimates about the nature and timing of future permanent and temporary differences as well as the future tax rates that will apply to those differences. Changes in tax laws and rates as well as changes to the expected timing of reversals may have a significant impact on the amounts recorded for deferred tax assets and liabilities. Management closely monitors current and potential changes to tax law and bases its estimates on the best available information at each reporting date.

FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Corporation's risk management policies are established to identify, analyze and manage the risks faced by the Corporation and to implement appropriate procedures to monitor risks in adherence with established controls. Risk management policies and systems are reviewed periodically in response to the Corporation's activities and to ensure applicability.

In the normal course of business, the main risks arising from the Corporation's use of financial instruments include credit risk, liquidity risk and market risk. These risks, and the actions taken to manage them, include:

(a) Fair value

Due to the short-term nature of trade and other receivables, notes receivable, deposits, trade and other payables and trust liabilities, the Corporation determined that the carrying amounts of these financial instruments approximate their fair value. Long-term investment consists of common shares held in a private corporation. The Corporation has determined that the fair value of these common shares cannot be reliably determined and as such the long-term investment is carried at cost.

(b) Credit risk

Credit risk is the risk of financial loss to the Corporation if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises from cash held with banks and financial institutions, trade and other receivables, deposits and notes receivable. The maximum exposure to credit risk is equal to the carrying value of the Corporation's cash and cash equivalents, cash held in trust, trade and other receivables, deposits and notes receivable.

The Corporation minimizes credit risk associated with its cash balance substantially by dealing with major financial institutions in Canada, the United States and the United Kingdom. Trade and other receivables consist primarily of accrued interest receivable on the guaranteed investment certificates issued by the Corporation's Canadian bank. The notes receivable are due from key management personnel and the Corporation minimizes the associated credit risk by monitoring the amount receivable and the financial position of the debtors.

Approximately 51% of the Corporation's revenue during the year ended December 31, 2015 (2014 - 73%) was generated from 3 (2014 – 2) customers.

(c) Liquidity risk

Liquidity risk is the risk that the Corporation will incur difficulties meeting its financial obligations as they come due. As at December 31, 2015, the Corporation has cash and cash equivalents of $10,489,615 (2014 - $6,519,384) and has a positive net working capital position of $7,428,490 (2014 - $5,984,455) in order to manage liquidity risk. Trade and other payables, trust liabilities and the contingent consideration payable are expected to be paid in the next year.

(d) Currency risk

Currency risk is the risk that the value of financial assets and liabilities denominated in currencies, other than the functional currency of the Corporation, will fluctuate due to changes in foreign currency exchange rates. As at December 31, 2015, the Corporation's exposure to currency risk is limited to cash and cash equivalents of US $338,718 (2014 - US $583,064); GBP 389,938 (2014 – GBP Nil) and trade and other payables of US $296,774 (2014 - US $36,268); GBP 7,644 (2014 – GBP Nil) and trade and other receivables of US $11,382 (2014 – US $Nil); Euro 2,697 (2014 – Euro Nil). A 1% change in the exchange rate between the Canadian and US dollar, GBP and Euro would have a $4,500 (2014 – $5,500) impact on the net income and cash flows of the Corporation.

(e) Interest rate risk

Interest rate risk is the risk that the fair value and cash flows associated with the Corporation's interest bearing financial assets and liabilities will fluctuate due to changes in market interest rates. As at December 31, 2015, the Corporation is not exposed to any interest rate risk.

Risks and Uncertainties

Due to the nature of the business, the legal and economic climate in which the Corporation is operating and the present stage of development of its operations, the Corporation is subject to risks. The Corporation's future development and actual operating results may be different from those expected as at the date of this MD&A. There can be no certainty that the Corporation will be able to successfully implement its corporate strategy. No representation is or can be made as to the future performance of the Corporation and there can be no assurance that the Corporation will achieve its objectives. Accordingly, readers should carefully consider the following discussion of risks that pertain to the Corporation (the text below summarizes some of these risks and is not intended to be complete or exhaustive).

Additional Capital Requirements

The Corporation 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 Corporation's cash reserves may not be sufficient to fund its ongoing activities at all times. Accordingly, the Corporation may need to engage in equity or debt financings to secure additional funds. If the Corporation raises additional funds through further issuances of equity or convertible debt securities, shareholders of the Corporation could suffer significant dilution, and any new equity securities the Corporation issues could have rights, preferences and privileges superior to those of current shareholders. Any debt financing secured by the Corporation 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 Corporation to obtain additional capital and to pursue business opportunities. The Corporation 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. Accordingly, the Corporation's ability to continue to support its business growth and to respond to business challenges could be significantly limited.

Banking & Processing

The Corporation's success depends on its ability to secure and develop banking and/or third party processing relationships that can effectively support Vogogo's service offering in target markets. The Corporation's service offering is focused on market verticals 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 its target markets, the Corporation may be unable to successfully secure and retain banking partners. Failure to do so could materially reduce the Corporation's revenue potential.

Regulatory Risk

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 Corporation to penalties for non-compliance and harm its reputation. Vogogo's relationships with its banking partners require that it comply with complex laws and regulations relating to the banking and payment processing industry.

New Technology

The Corporation'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 Corporation's software and products embody complex technology that may not meet those standards, changes and preferences. The Corporation 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 Corporation's revenue.

Dependence on Key Personnel and Consultants

The success of the Corporation will be largely dependent upon the performance of its Management and key employees. Failure by the Corporation to attract and retain key employees with necessary skills could have a materially adverse impact upon the Corporation's growth and profitability. The Corporation 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 Corporation. The unexpected loss or departure of any of the key officers, employees or consultants of the Corporation could be detrimental to the Corporation's future operations. The competition for skilled technical, management, sales and other employees is high in the Corporation's industry. There can be no assurance that the Corporation will be able to engage the services of such personnel or retain the Corporation's current personnel.

Foreign Currency, Payment Processing and Fiscal Matters

The Corporation'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 Corporation's results of operations.

Competition

The Corporation operates in a competitive industry that is constantly evolving and changing. The Corporation expects this competition to increase as new competitors enter the market. The Corporation's competitors may have greater financial, technical, sales, production and marketing resources. The Corporation may not be able to compete on the same scale as these companies. Such competition may result in reduced sales, reduced margins and / or increased operating expenses.

Customer Base and Market Acceptance

While Management believes it can expand its client base, the inability to expand such a client base could have a material adverse effect on the Corporation. Although the Corporation believes that its products offer advantages over competitive companies and products, no assurance can be given that the Corporation'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 Corporation'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 Corporation's business.

Consumer Privacy, Data Use and Security

The Corporation 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 Corporation's practices in regard to the collection, use, disclosure or security of personal and sensitive information. Failure to comply with the privacy and data protection and security laws and regulations to which we are subject could result in fines, sanctions or other penalties, which could materially and adversely affect the Corporation's results of operations and overall business, as well as have an impact on the Corporation's 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 Corporation's costs to comply with such regulations. Changes to these laws could also impact the Corporation's business operations by requiring changes to the Corporation's data practices and other processes such as fraud monitoring. Any of these changes could materially and adversely affect the Corporation's overall business and results of operations.

Future Acquisitions

The Corporation 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 Corporation's operations. To the extent Management is successful in identifying suitable companies or products for acquisition, the Corporation 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 Corporation 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 Corporation's assets, impeding the Corporation's ability to obtain bank financing, decreasing the Corporation's liquidity, and adversely affecting its ability to declare and pay dividends to shareholders of the Corporation.

Continued Losses from Operations

As at December 31, 2015, the Corporation had cash and cash equivalents of $10,489,615 (2014 - $6,519,384) and had a positive net working capital position of $7,428,490 (2014 - $5,984,455). However, the Corporation had an accumulated deficit of $23,267,386 (2014 - $11,105,431) as at December 31, 2015 and incurred a net loss during the year ended December 31, 2015 of $12,161,955 (2014 - $8,980,661). The Corporation has not yet been able to generate the transaction volumes required to create positive cash flows from operations. Whether and when the Corporation can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to December 31, 2015 is uncertain.

Stage of Development

The Corporation may be subject to growth-related risks, capacity constraints and pressure on its internal systems and controls, particularly given the early stage of the Corporation's development. The ability of the Corporation 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 Corporation to deal with this growth could have a material adverse impact on its business, operations and prospects.

Transaction Processing Systems

The Corporation'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, our primary and/or back-up facilities in any location could interrupt our services. Although the Corporation continually monitors and assesses risks and potential impacts, and develops effective response strategies, the Corporation cannot ensure that its business would be immune to these risks.

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

Legal Risks

The Corporation is subject to legal risks related to operations, contracts, relationships and otherwise, which could result in the Corporation 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 Corporation is subject to regulations that affect the payments industry. In particular, many of the Corporation's customers are subject to regulations applicable to banks and other financial institutions and, consequently, the Corporation is at times affected by such regulations. Regulation of the payments industry, including regulations applicable to the Corporation and its customers, has increased significantly in the last several years. The Corporation 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 Corporation's payment gateway could result in an enforcement action and/or damage the Corporation's reputation, which could result in a material adverse impact on the Corporation's business.

Operating Results and Financial Condition May Fluctuate on a Quarterly and Annual Basis

Operating results and financial condition may fluctuate from quarter to quarter and year to year, and are likely to continue to vary due to a number of factors, some of which are outside of the Corporation's control. These events could, in turn, cause the market price of the Corporation's shares to fluctuate. If operating results do not meet the expectations of securities analysts or investors, the market price of the Corporation's shares would likely decline.

Indemnity Risks

Certain of the Corporation's agreements with its merchants contain indemnity provisions that require the Corporation to indemnify the merchant whether or not a transaction is properly completed. Corresponding indemnity claims could potentially have an adverse impact on the Corporation's business.

Due to all of the foregoing factors and risks discussed in this "Risk and Uncertainties" section, individuals should not rely on quarter-to-quarter or year-to-year comparisons of the Corporation's operating results as an indicator of future performance.

Forward Looking Statements May Prove Inaccurate

Prospective investors are cautioned not to place undue reliance on forward-looking information. By its nature, forward looking information involves numerous assumptions, known and unknown risks, and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward looking information or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. See under the heading "*Special Note Regarding Forward-Looking Information*".

Conflicts of Interest

Certain directors of the Corporation may engage in businesses similar to the Corporation and situations may arise where the directors may be in direct competition with the Corporation's business. Conflicts of interest, if any, that 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 Corporation 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.

Absence of Cash Dividends

The Corporation has not paid any cash dividends to date on the common shares and there are no plans for such dividend payments in the foreseeable future.