Form 51-102F4

Business Acquisition Report

Item 1 Identity of Company

1.1 Name and Address of Company

Carl Data Solutions Inc. (the "**Company**")
Suite 700 – 510 West Hastings Street
Vancouver, BC V6B 1L8

1.2 Executive Officer

The name, position and business telephone number of an executive officer who is knowledgeable about this significant acquisition and this report are as follows:

Kevin Ma, CPA, CA
Chief Financial Officer
Telephone: (604) 340-5846

Item 2 Details of Acquisition

2.1 Nature of Business Acquired

On October 13, 2015, the Company acquired 100% of the issued and outstanding shares of common stock of Seattle-based FlowWorks Inc. (**"FlowWorks"**), a Washington corporation, pursuant to a merger agreement dated September 25, 2015 between the Company, FlowWorks and FlowData, Inc., a Washington corporation and a wholly-owned subsidiary of the Company.

FlowWorks is the owner of a Software-as-a-Service (SaaS) web-based online application that provides its clients with advanced tools to analyze environmental data. The FlowWorks application is a powerful web-based platform that allows clients to understand environmental data through a variety of collection, analysis, and reporting tools. The application is currently focused on water management. FlowWorks adds a multi-faceted utility platform and value components to the Company's Big Data-as-a-Service (**"BDaaS"**) platform which will allow for the development and release of other data analysis applications in the utilities sector.

2.2 Acquisition Date

The acquisition was completed on October 13, 2015

2.3 Consideration

In consideration for the acquisition of FlowWorks, the Company issued an aggregate of 7,629,397 common shares (the **"Acquisition Shares"**) of the Company at a deemed price of $0.25 per Acquisition Share.

One shareholder of FlowWorks, holding approximately 11% of of the issued and outstanding shares of common stock of FlowWorks at the time of acquisition, dissented to the acquisition. Carl agreed to assume any obligation in connection with payment of the fair value for such dissenting shares and all expenses in connection with obligations of the Company relating to the dissenter's rights. This amount has not yet been finalized.

The Company recently raised $143,000 as a bridge loan as part of its obligations of the acquisition.

Also, in connection with the acquisition, the Company entered into an escrow agreement with the holders of the Acquisition Shares, whereby 25% of the Acquisition Shares were released from escrow on October 13, 2015, 15% of the Acquisition Shares will be released from escrow on January 21, 2016 and 15% of the Acquisition Shares will be released from escrow every six months thereafter.

2.4 Effect on Financial Position

The Company currently conducts the operations of FlowWorks as a wholly-owned subsidiary and a separate division while integrating certain of its functions with those of the Company

The Company has no current plans or proposals for material changes in its business affairs or the affairs of FlowWorks which may have a significant effect on the financial performance and financial position of the Company.

2.5 Prior Valuations

Not applicable.

2.6 Parties to Transaction

The acquisition did not involve an informed person, associate or affiliate of the Company.

2.7 Date of Report

January 12, 2016

Item 3 Financial Statements

The following financial statements are attached hereto as schedules and form part of this report:

1. Audited financial statements of Flow Works for the years ended December 31, 2014 and 2013, attached hereto as Schedule A; and

2. Unaudited financial statements of Flow Works for the three and nine months ended September 30, 2015 and 2014, attached hereto as Schedule B.

The Company has obtained the consent of the auditors to include the audit report on the financial statements of FlowWorks as at and for the years ended December 31, 2014 and 2013, in this report.

Schedule "A"

Audited Financial Statements of Flow Works Inc.

For the years ended December 31, 2014 and 2013

See Attached Document

Financial Statements of

FLOW WORKS INC.

For the years ended December 31, 2014 and 2013

(Expressed in U.S. Dollars)

WOLRIGE MAHON

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of FlowWorks Inc.

We have audited the accompanying financial statements of FlowWorks Inc., which comprise the statements of financial position as at December 31, 2014, December 31, 2013 and January 1, 2013, and the statements of comprehensive income (loss), statements of cash flows and statements of shareholders' deficiency for the years ended December 31, 2014 and December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of FlowWorks Inc. as at December 31, 2014, December 31, 2013 and January 1, 2013, and its financial performance and its cash flows for the years ended December 31, 2014, and December 31, 2013 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to note1 in the financial statements which indicates that FlowWorks Inc. has an accumulated a deficit of $1,009,238 since inception. These conditions, along with other matters as set forth in note 1, indicate the existence of a material uncertainty that may cast significant doubt about FlowWorks Inc.'s ability to continue as a going concern.

"Wolrige Mahon LLP"

CHARTERED PROFESSIONAL ACCOUNTANTS

January 11, 2016
Vancouver, B.C.

FLOW WORKS INC.
STATEMENTS OF FINANCIAL POSITION
AS AT

(expressed in U.S. dollars)

	DECEMBER 31, 2014	DECEMBER 31, 2013	January 1, 2013
ASSETS			
Current Assets			
Cash (note 6)	$ 119,729	$ 92,119	$ 71,501
Accounts receivable (note 16)	217,012	158,388	219,382
Prepaid expenses	13,572	14,049	5,820
	350,313	264,556	296,703
Non-Current Asset			
Intangible asset (note 7)	257,376	281,331	307,463
Total Assets	$ 607,689	$ 545,887	$ 604,166
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities			
Accounts payable (note 16)	$ 885,470	$ 888,984	$ 952,160
Accrued liabilities	10,015	15,676	17,704
Note payable (note 8)	388,465	382,278	402,040
Total Liabilities	1,283,950	1,286,938	1,371,904
Shareholders' Deficiency			
Common shares (note 9)	332,977	200,000	200,000
Deficit	(1,009,238)	(941,051)	(967,738)
	(676,261)	(741,051)	(767,738)
Total Liabilities and Shareholders' Deficiency	$ 607,689	$ 545,887	$ 604,166

GOING CONCERN (note 1)
SUBSEQUENT EVENTS (note 17)

APPROVED ON BEHALF OF
THE BOARD OF DIRECTORS

"Greg Johnston" *(signed)*	***"Brian Lofquist"*** *(signed)*
Director	**Director**

FLOW WORKS INC.
STATEMENTS OF INCOME (LOSS) AND COMPREHENSIVE INCOME (LOSS)
FOR THE YEARS ENDED

(expressed in US dollars)	**December 31, 2014**	**December 31, 2013**
Data Services Revenues	$ 798,249	$ 833,693
Operating Expenses		
Selling and marketing (note 16)	106,559	197,831
Salaries and benefits (note 16)	442,452	285,702
Office	100,734	75,151
Professional fees	82,589	42,804
Subcontracted fees (note 16)	167,839	179,175
Research and development (note 16)	22,718	97,560
	922,891	878,223
Operating Loss	(124,642)	(44,530)
Other Income (Expenses)		
Interest expense	(53,920)	(6,241)
Foreign exchange gain (loss)	110,375	77,458
Income (Loss) Before Taxes	(68,187)	26,687
Income Tax Expense (Recovery) (note 10)	-	-
Net Income (Loss) and Comprehensive Income (Loss) for the year	$ (68,187)	$ 26,687
Basic and Diluted Income (Loss) Per Share (note 11)	$(0.05)	$0.02
Weighted Average Number of Shares Outstanding (note 11)	1,289,861	1,200,000

FLOW WORKS INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED

(expressed in U.S. dollars)

	December 31, 2014	December 31, 2013
Cash Flows used in Operating Activities		
Net loss	$ (68,187)	$ 26,687
Adjustments for items not affecting cash		
Amortization (note 7)	24,176	26,313
Interest expense	53,920	6,241
Foreign exchange loss (gain)	(110,375)	(77,458)
	(100,466)	(18,217)
Changes in non-cash working capital		
(Increase) Decrease in accounts receivable	(67,465)	54,159
Decrease (Increase) in prepaid expenses	257	(8,409)
Increase (Decrease) in accounts payable and accrued liabilities	68,246	(3,917)
	(99,428)	(23,616)
Cash Flows from Financing Activities		
Proceeds from issuance of common shares (note 9)	132,977	-
Foreign exchange on cash	(5,939)	(2,998)
Increase in Cash	27,610	20,618
Cash – Beginning of Year	92,119	71,501
Cash – End of Year	$ 119,729	$ 92,119

SUPPLEMENTAL INFORMATION (note 14)

FLOW WORKS INC.
STATEMENTS OF SHAREHOLDERS' DEFICIENCY
FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013

(expressed in U.S. dollars, except per share and share amounts)

	Common Shares			
	Shares	**Amount**	**Deficit**	**Total**
Balance – December 31, 2013	1,200,000	$ 200,000	$ (941,051)	$ (741,051)
Shares issued for cash (note 9(b)(i))	359,445	132,977	-	132,977
Net gain (loss) for the year	-	-	(68,187)	(68,187)
Balance – December 31, 2014	1,559,445	$ 332,977	$ (1,009,238)	$ (676,261)
Balance – December 31, 2012	1,200,000	$ 200,000	$ (967,738)	$ (767,738)
Net gain (loss) for the year	-	-	26,687	26,687
Balance – December 31, 2013	1,200,000	$ 200,000	$ (941,051)	$ (741,051)

1. Description of Business and Nature of Operations

Flow Works Inc. ("FlowWorks" or the "Company") was incorporated in Washington State, USA on May 5, 2010. FlowWorks provides its clients with a suite of web-based software applications to analyze environmental data. The FlowWorks application is a web-based platform that allows clients to understand environmental data through a variety of collection, analysis, and reporting tools. The application is currently focused on water management.

These financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least its next fiscal year. These financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Realization values may be substantially different from carrying values as recorded in these financial statements. At December 31, 2014, the Company had not achieved profitable operations, had an accumulated a deficit of $1,009,238 since inception and expects to incur further operating losses in the development of its business. The Company's ability to continue as a going concern is dependent upon the ability to develop its business units, further develop marketable software, potentially find, acquire and develop various other business segments with growth potential obtain the necessary financing to carry out this strategy and meet its corporate overhead needs and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The head office and principal address is located at 606 Maynard Avenue S., Suite #251, Seattle Washington State, USA. 98104.

2. Basis of Preparation, Statement of Compliance and Adoption of International Financial Reporting Standards

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), effective for the Company's reporting for the year ended December 31, 2014 and were approved by the Board of Directors on January 11, 2016.

The Company's financial statements have been prepared on a historical cost basis except for certain financial instruments which are measured at fair value, as explained in note 12, and are presented in US dollars except where otherwise indicated.

These are the Company's first IFRS financial statements and have been prepared in accordance with IFRS 1, *First-Time Adoption of IFRS*. Subject to certain transition elections disclosed in Note 18, the Company has consistently applied the same accounting policies, as set out below, in the preparation of these financial statements, including the nature and effect of changes in accounting policies from those previously used by the Company in the year ended December 31, 2012 and prior.

Discussion of the Company's opening IFRS statement of financial position and statements of loss and comprehensive loss, cash flows and shareholders' deficiency prepared as a result of the first time adoption of IFRS is contained in Note 18. That note includes information on the provisions of IFRS 1 and the exemptions that the Company elected to apply, reconciliations of assets, liabilities, equity, net income and comprehensive income for the comparative period and at the date of transition, January 1, 2013.

3. Summary of Significant Accounting Policies

The significant accounting policies used in the preparation of these financial statements are summarized below.

(a) Cash

Cash comprises cash at banks.

(b) Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events, where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The expense relating to any provision is presented in profit or loss net of any reimbursement. Provisions are discounted using a current risk-free pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(c) Revenue Recognition

Services revenue is recognized when the amount of revenue can be reliably measured, the stage of completion of the work involved in supplying the services can be reliably measured, it is probable that economic benefits associated with the transaction will flow to the Company, and the costs incurred and to be incurred can be reliably measured.

(d) Intangible Asset

Software development expenditures consist of costs incurred to develop the Company's software to earn revenue with respect to the Company's business operations. Development costs are capitalized in accordance with IAS 38, *Intangible Assets*, and, accordingly, are recognized when the Company can demonstrate: (i) the technical feasibility of the asset, (ii) the intention to complete and use or sell the asset, (iii) the ability to use or sell the asset, (iv) how the intangible asset will generate probable future economic benefits, (v) the availability of adequate technical, financial and other resources to complete the development and to use or sell the asset; and (vi) the ability to reliably measure the expenditure attributable to the asset during its development. Costs that do not meet these criteria are considered research costs and are expensed as incurred.

Separately acquired assets which meet the definition of intangible assets are initially recognized at the cost of purchase, which includes: (i) the purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates; and (ii) any directly attributable cost of preparing the asset for its intended use.

Intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses. Software development costs are intangible assets with a finite useful life, and accordingly are amortized over the assets' estimated useful lives commencing when the software is available for use, being when it is in the location and condition necessary for it to be capable of operating in the manner intended by management. The intangible assets are being amortized over 15 years on a straight-line basis.

The Company assesses intangible assets at each reporting date for indicators of impairment, which may include observable indications of a significant decline in the value of the asset, significant adverse changes impacting the Company or the asset arising from changes in the technological, market, economic or legal environment in which the Company operates. When a project is deemed to no longer have commercially viable prospects to the Company, development expenditures in respect of that project are deemed to be impaired. As a result, those development costs, in excess of estimated recoveries, are written off to the statement of comprehensive loss.

(e) Related Party Transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control, related parties may be individuals or corporate entities and include key management of the Company and its parent. A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations between related parties.

(f) Current and Deferred Income Taxes

Income tax expense comprises current and deferred income taxes. Current and deferred income taxes are recognized in profit or loss except to the extent that they relate to a business combination or to items recognized directly in equity or in other comprehensive income.

Current income taxes are the expected taxes payable or receivable on the taxable income or loss for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to taxes payable in respect of previous periods.

Deferred income taxes are recognized using the liability method, on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for tax purposes. However, deferred income taxes are not recognized if they arise from initial recognition of an asset or liability in a transaction other than a business combination, except for goodwill, that, at the time of the transaction, affects neither accounting nor taxable profit nor loss. Deferred income taxes are determined using tax rates and laws that have been enacted or substantively enacted by reporting date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets and liabilities are presented as non-current in the financial statements.

Deferred income tax assets and liabilities are offset if there is a legally enforceable right to offset current income tax assets and liabilities, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously. Deferred income tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the assets can be utilized.

(g) Foreign Currencies

The Company's reporting currency and the functional currency of all of its operations is the U.S. dollar as this is the principal currency of the economic environment in which it operates.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined.

Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge.

Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income in the statement of comprehensive income to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

(h) Earnings (Loss) Per Share

Basic earnings (loss) per share is calculated by dividing the net income (loss) for the period by the weighted average number of common shares outstanding during the period.

Diluted earnings (loss) per share is calculated using the treasury share method whereby all "in the money" options, warrants and equivalents are assumed to have been exercised at the beginning of the period and the proceeds from the exercise are assumed to have been used to purchase common shares at the average market price during the period.

Where dilutive potential ordinary shares have an anti-dilutive impact they are excluded from the calculation of diluted earnings (loss) per share.

(i) Financial Assets

Financial assets are classified as financial assets at fair value through profit or loss ("FVTPL"), held-to-maturity, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value adjusted, except for FVTPL, for transaction costs as described below. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at FVTPL

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Transaction costs associated with financial assets at FVTPL are expensed as incurred. The Company classifies its cash as at FVTPL.

Held-to-maturity

Held-to-maturity assets are non-derivative financial assets with fixed or determinable payments and fixed maturity that the Company has the positive intention and ability to hold to maturity other than:

(a) those that the Company upon initial recognition designates as at FVTPL;

(b) those that the Company designates as available for sale; and

(c) those that meet the definition of loans and receivables.

Such assets are carried at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial instrument. Gains and losses are recognized in profit or loss when the financial assets classified in this category are derecognized or impaired, as well as through the amortization process. The Company does not have any financial assets in this category.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method. Gains and losses are recognized in profit or loss when a financial asset classified in this category is derecognized or impaired, as well as through the amortization process. Accounts receivable are classified as loans and receivables.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified as (a) financial assets at FVTPL, (b) held-to-maturity or (c) loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income, except for foreign currency monetary available-for-sale financial assets where the foreign currency element of the fair value is recorded in profit or loss in accordance with IAS 21 *The effects of changes in foreign exchange rates*. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired.

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost. The Company does not have any financial assets in this category.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

(j) Financial Liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Accounts payable, accrued liabilities and the note payable are included in this category of financial liabilities.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

(k) Impairment of financial assets

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss. Any subsequent recovery in the fair value of the asset is recognized within other comprehensive income, except for debt instruments where the increase in fair value can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the for which the amount of the impairment loss reversal is recognized in profit or loss..

(l) Derecognition of Financial Assets and Liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

Financial liabilities are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

(m) Impairment of Non-Current Non-Financial Assets

The carrying amounts of non-current non-financial assets are reviewed and evaluated for impairment when events or changes in circumstances indicate that the carrying amounts of the assets may not be recoverable. Non-current non-financial assets include intangible assets. If the recoverable amount is less than the carrying amount of the asset, an impairment loss is recognized and the asset is written down to recoverable value.

The recoverable amount is the higher of an asset's "fair value less costs to sell" and "value-in-use". Where the asset does not generate cash flows that are independent from other assets, the recoverable amount of the cash-generating unit to which the asset belongs is determined, with a cash-generating unit being the smallest identifiable group of assets and liabilities that generate cash inflows independent from other assets. "Fair value less costs to sell" is determined as the amount that would be obtained from the sale of the asset or cash-generating unit in an arm's length transaction between knowledgeable and willing parties. In assessing "value-in-use", the future cash flows expected to arise from the continuing use of the asset or cash-generating unit in its present form are estimated using assumptions that an independent market participant would consider appropriate, and are then discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset or unit.

Where conditions that gave rise to a recognized impairment loss are subsequently reversed, the amount of such reversal is recognized into earnings immediately, though it is limited such that the revised carrying amount of the asset or cash-generating unit does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash generating unit in the prior period.

4. Significant Accounting Judgments and Estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions 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. However, actual outcomes may differ significantly from these estimates.

Areas requiring a significant degree of judgment relate to the recoverability and measurement of deferred tax assets and liabilities, the ability to continue as a going concern and the capitalization of development costs. Actual results may differ from those estimates and judgments. Areas requiring a significant degree of estimation include allowances for doubtful accounts.

(a) Acquired Software

The application of the Company's accounting policy for software development expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

(b) Allowances for Doubtful Accounts

The Company must make an assessment of whether trade receivables are collectible from customers. Accordingly, management establishes an allowance for estimated losses arising from non-payment, taking into consideration customer credit, current economic trends and past experience. If future collections differ from estimates, future earnings would be affected.

5. Accounting Standards and Amendments Issued but Not Yet Adopted

At the date of authorization of these financial statements, the IASB and IFRIC has issued the following new and revised standards, amendments and interpretations which are not yet effective during the year ended December 31, 2014:

(i) IFRS 15 'Revenue from contracts with customers' is the final standard on revenue from contacts with customers and is effective for annual reporting periods beginning on or after January 1, 2017 with early adoption permitted. Entities have the option of using either a full retrospective or a modified retrospective approach to adopt the guidance.

(ii) IFRS 9 'Financial Instruments: Classification and Measurement' is a new financial instruments standard with a tentative effective date for annual periods beginning on or after January 1, 2018 that replaces IAS 39 and IFRIC 9 for classification and measurement of financial assets and financial liabilities. IFRS 9 requires that all financial assets be classified as subsequently measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified as subsequently measured at amortized cost except for financial liabilities classified as at FVTPL, financial guarantees and certain other exceptions.

The Company has not early adopted these standards, amendments and interpretations. The Company is currently assessing the impact that these standards, amendments and interpretations will have on the financial position and financial performance of the Company.

6. Cash

	December 31 2014	December 31 2013	January 1, 2013
Denominated in Canadian dollars	$ 105,961	$ 3,197	$ -
Denominated in U.S. dollars	13,768	88,922	71,501
	$ 119,729	$ 92,119	$ 71,501

7. Intangible Asset

On September 30, 2010, the Company entered into agreement with Kerr Wood Leidal Associates Ltd. ("KWL") to acquire a suite of online data collection, monitoring, analysis, and reporting tools permitting users to efficiently manage their monitoring systems from a customized webpage ("Acquired Software") for a total purchase price of CDN $400,000 (US $375,280). As part of the purchase, the Company and KWL entered into a Note and Security Agreement whereby the Company issued a note for CDN $400,000 (US $375,280) as consideration for the purchase price (see note 8).

Cost	Acquired Software	Total
Balance – January 1, 2013	$ 375,280	$ 375,280
Additions	-	-
Balance – December 31, 2013	375,280	375,280
Additions	-	-
Balance – December 31, 2014	$ 375,280	$ 375,280

Accumulated Amortization		
Balance – January 1, 2013	$ 67,817	$ 67,817
Charge for the year	26,132	26,132
Balance – December 31, 2013	93,949	93,949
Charge for the year	23,955	23,955
Balance December 31, 2014	$ 117,904	$ 117,904

Net Book Value		
Balance – January 1, 2013	$ 307,463	$ 307,463
Balance – December 31, 2013	$ 281,331	$ 281,331
Balance – December 31, 2014	$ 257,376	$ 257,376

The acquired software has a remaining useful life of 10.5 years as at December 31, 2014.

8. Note Payable

	December 31, 2014	December 31, 2013	January 1, 2013
Balance – beginning of year	$ 382,278	$ 402,040	$ 402,040
Interest expense	53,290	6,241	-
Settlement of interest	(13,769)	-	-
Impact of foreign exchange translation	(33,334)	(26,003)	-
Balance – end of year	$ 388,465	$ 382,278	$ 402,040

The note originally matured on December 31, 2013 and was subsequently extended to December 31, 2014. In addition, the original interest terms were amended whereby interest only accrued and became payable on the note from January 1, 2014 at a rate of 5% per annum. In addition, as part of the renegotiation of the note payable, historical accounts payable to a related party under common control were also amended to call for interest to be accrued on the amounts outstanding on the historical payables of CDN $791,000. The interest on these payables is at a rate of 5% per annum, payable to the same related party as holds the note, and was effective as of November 1, 2013. The note payable is secured by all of the Company's assets.

Subsequent to December 31, 2014, the Company issued 814,614 common shares of the Company for the conversion of the note payable in full, including accrued interest (note 17(b)).

9. Share Capital

(a) Authorized share capital

The Company is authorized to issue 10,000,000 shares of common stock, with no par value.

(b) Issued share capital

During the years ended December 31, 2014 and 2013, the Company issued common shares as follows:

(i) On September 10, 2014, the Company issued 359,445 shares at a price of $0.37 per share for gross proceeds of $132,977.

(expressed in US dollars)

10. Income Tax Expense

a) The provision for income taxes for the years ended December 31, 2014 and 2013 consists of:

	2014	2013
Accounting income (loss) before income taxes	$ (68,187)	$ 26,687
Federal and state income tax rate of 35.5% (2013 – 35.5%)	(24,206)	9,474
Non-deductible and (non-taxable) items	(38,477)	(26,785)
Change in estimate	-	-
Change in tax rate	-	-
Change in unrecognized deferred tax benefits	62,683	17,311
Provision for (recovery of) income taxes	$ -	$ -

The applicable federal and state statutory income tax rate used for the 2014 and 2013 reconciliations above is the corporate tax rate payable by corporate entities in the State of Washington, USA on taxable profits under tax law in that jurisdiction.

b) At December 31, 2014 and 2013, the Company has the following deductible temporary differences and unused non-capital losses available to offset future taxable income for which no deferred tax asset has been recognized.

	December 31, 2014	December 31, 2013
Tax loss carry-forwards	$ 410,144	$ 347,726
Other	1,312	1,047
Total	$ 411,456	$ 348,773

c) Loss carry forwards

As at December 31, 2014, the Company has available net operating losses for Federal income tax purposes in the United States totaling approximately $1,155,000 which are available to be carried forward to reduce taxable income in future years and for which no deferred income tax asset has been recognized, and which expire as follows:

	December 31, 2014
2030	145,000
2031	316,000
2032	471,000
2033	47,000
2034	176,000
Total non-capital losses	$ 1,155,000

(expressed in US dollars)

11. Income (Loss) Per Share

The following table sets forth the computation of basic and diluted income (loss) per share for the years ended December 31, 2014 and 2013:

	2014	2013
Numerator		
Net income (loss) for the year	$ (68,187)	$ 26,687
Denominator		
For basic – weighted average number of shares outstanding	1,289,861	1,200,000
Effect of dilutive securities	-	-
For diluted – adjusted weighted average number of shares outstanding	1,289,861	1,200,000
Income (Loss) Per Share		
Basic	$(0.05)	$0.02
Diluted	$(0.05)	$0.02

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the year. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options, and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive.

(expressed in US dollars)

12. Financial Instruments

Financial Assets and Liabilities

Information regarding the Company's financial assets and liabilities as at December 31, 2014 and 2013 and January 1, 2013 is summarized as follows:

	December 31, 2014	December 31, 2013	January 1, 2013
Financial Assets			
Fair value through profit and loss, at fair value			
Cash	$ 119,729	$ 92,119	$ 71,501
Loans and receivable, at amortized cost			
Accounts receivable	217,012	158,388	219,382
Total Financial Assets	$ 336,741	$ 250,507	$ 290,883
Financial Liabilities			
Other liabilities, at amortized cost			
Accounts payable	$ 885,470	$ 888,984	$ 952,160
Accrued liabilities	10,015	15,676	17,704
Note payable	388,465	382,278	402,040
Total Financial Liabilities	$ 1,283,950	$ 1,286,938	$ 1,371,904

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

As at December 31, 2014, the Company does not have any Level 2 or 3 financial instruments.

(expressed in US dollars)

	December 31, 2014	December 31, 2013	January 1, 2013
Level 1			
Financial assets at fair value			
Cash	$ 119,729	$ 92,119	$ 71,501
Total Financial Assets at Fair Value	$ 119,729	$ 92,119	$ 71,501

There were no transfers between level 1 and 2 during the year ended December 31, 2014 and 2013.

Financial Instrument Risk Exposure

The Company's financial instruments expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk. These risks arise from the normal course of operations and all transactions are undertaken to support those operations. Risk management is carried out by management under policies approved by the Board of Directors. Management identifies and evaluates the financial risks in co-operation with the Company's operating units. The Company's overall risk management program seeks to minimize potential adverse effects on the Company's financial performance, in the context of its general capital management objectives as further described in note 13.

Concentration of Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is in its cash accounts and accounts receivable.

The Company's maximum exposure to credit risk at the date of the statement of financial position from its financial instruments is summarized as follows:

	December 31, 2014	December 31, 2013	January 1, 2013
Accounts receivables –			
Currently due	$ 58,895	$ 60,977	$ 38,393
Past due by 90 days or less, not impaired	104,501	79,025	91,127
Past due by greater than 90 days, not impaired	53,616	18,386	89,862
	217,012	158,388	219,382
Cash	119,729	92,119	71,501
	$ 336,741	$ 250,507	$ 290,883

Substantially all of the Company's cash is held with major financial institutions in the United States, and management believes the exposure to credit risk with respect to such institutions is not significant. Those financial assets that potentially subject the Corporation to credit risk are primarily accounts receivable. Management actively monitors the Company's exposure to credit risk under its financial instruments, particularly with respect to accounts receivable. Historically, the Company has managed its credit tightly and has experienced minimal bad debts. Based on this past experience and its detailed review of accounts receivable past due, which were collectable, no material provision had been recorded in respect of impaired accounts receivable as at December 31, 2014 and 2013.

During the year ended December 31, 2014, approximately 5 customers (2013 – 5 customers) accounted for over 60% (2013 – 74%) of gross sales.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its obligations associated with financial liabilities. The Company has a planning and budgeting process in place by which it anticipates and determines the funds required to support its normal operating requirements.

The Company's ongoing liquidity is impacted by various external events and conditions. The Company expects to repay its financial liabilities in the normal course of operations and to fund future operational and capital requirements through operating cash flows, as well as future equity and debt financing.

The Company coordinates this planning and budgeting process with its financing activities through the capital management process described in note 13. The Company's financial liabilities are comprised of its accounts payable and accrued liabilities, the contractual maturities of which at December 31, 2014 and 2013 are summarized as follows:

	December 31, 2014	December 31, 2013	January 1, 2013
Accounts payable and accrued liabilities with contractual maturities –			
Within 90 days or less	$ 66,346	$ 115,038	$ 240,518
Later than 90 days, not later than one year	829,139	789,622	729,346
	$ 895,485	$ 904,660	$ 969,864

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to fair value interest rate risk on its note payable and certain outstanding accounts payables to related parties and is of the opinion that it has no significant exposure at December 31, 2014 to interest rate risk through its other financial instruments.

Currency Risk

Currency risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities.

The Company realizes approximately 47% (2013 – 31%) of its sales in US dollars and makes a significant amount of its purchases in US dollars. Consequently, some assets and liabilities are exposed to foreign exchange fluctuations.

The Company's objective in managing its foreign currency risk is to minimize its net exposure to foreign currency cash flows by holding approximately fifty percent of its cash in Canadian dollars. The Company monitors and forecasts the values of net foreign currency cash flow and statement of financial position exposures and from time to time could authorize the use of derivative financial instruments such as forward foreign exchange contracts to economically hedge a portion of foreign currency fluctuations. The Company has not employed any currency hedging programs during the years ended December 31, 2014 and 2013.

The following tables provide an indication of the Company's significant foreign currency exposures as at December 31, 2014 and 2013, and January 1, 2013 (in US dollar equivalent):

(expressed in US dollars)

	December 31, 2014	December 31, 2013	January 1, 2013
Cash	$ 105,961	$ 3,197	$ -
Accounts receivable	126,409	67,529	136,422
Accounts payable	(885,470)	(885,184)	(951,732)
Note payable	(388,465)	(382,278)	(402,040)
	$ (1,041,565)	$ (1,196,736)	$ (1,217,350)

Based on the above net exposure at December 31, 2014, a 10% depreciation or appreciation of the US dollar against the Canadian dollar would result in an approximately $104,157 decrease or increase respectively in both net and comprehensive loss (2013 – $119,674).

13. Management of Capital

The capital managed by the Company includes the components of shareholders' equity as described in the statements of shareholders' deficiency. The Company is not subject to externally imposed capital requirements.

The Company's objectives of capital management are to create long-term value and economic returns for its shareholders. It does this by seeking to maximize the availability of finance to fund the growth and development of its software, and to support the working capital required to maintain its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of its assets, seeking to limit shareholder dilution and optimize its cost of capital while maintaining an acceptable level of risk. To maintain or adjust its capital structure, the Company considers all sources of finance reasonably available to it, including but not limited to issuance of new capital, issuance of new debt and the sale of assets in whole or in part. The Company's overall strategy with respect to management of capital at December 31, 2014 remains fundamentally unchanged from the year ended December 31, 2013.

14. Supplemental Cash Flow Information

The Company did not make any cash payments for interest and income taxes during the years ended December 31, 2014 and 2013.

15. Segmented Information

The Company operates in one reportable segment, being data services, which information is regularly reviewed by the Company's General Manager, being the chief decision making officer. Revenue is earned in two main regions, being Canada and United States. The following is a breakdown of revenue by geographic areas based on the customers' location:

	Year ended December 31, 2014	Year ended December 31, 2013
Revenue		
Canada	$ 373,173	$ 261,075
United States	421,351	569,743
Other	3,725	2,875
	$ 798,249	$ 833,693

(expressed in US dollars)

16. Related Party Transactions

The Company's related parties include key management personnel and companies related by way of directors or shareholders in common.

(a) Key Management Personnel Compensation are as follows:

	December 31, 2014	December 31, 2013
Salaries and short-term benefits	$ 172,150	$ 220,103
	$ 172,150	$ 220,103

Key management includes the Company's Board of Directors and members of senior management.

(b) Trade Related Party Transactions

(i) During the year ended December 31, 2014, the Company made $ 112,182 (2013 - $ 119,854) in sales to Kerr Wood Leidal Associates Ltd. ("KWL"), a company owned by certain individuals who were at certain times directors and shareholders of the Company. During the year ended December 31, 2014, the Company incurred $ 223,487 (2013 - $ 350,384) of expenses from KWL.

(ii) The amounts due to (from) related parties as at December 31, 2014 and 2013 are as follows:

	December 31, 2014	December 31, 2013	January 1, 2013
Due to General Manager	$ -	$ 5,300	$ -
Due to KWL	886,972	885,184	951,732
Due from KWL	(76,309)	(38,666)	(125,140)
Note payable to KWL	388,465	382,278	402,040
	$ 1,199,128	$ 1,234,096	$ 1,228,632

17. Subsequent Events

(a) On September 25, 2015, the Company issued 1,170,134 shares at a price of CDN $0.49103 per share for a total of CDN $574,562 to settle accounts payable for services rendered to the Company and interest payable on the note.

(b) On September 25, 2015, the Company issued 814,614 shares at a price of CDN $0.49103 per share for the conversion of CDN $400,000 in debt.

(c) On October 13, 2015, the Company was acquired by Carl Data Solutions Inc. ("Carl"). As purchase consideration, the shareholders of the Company received 7,629,397 common shares of Carl (the "Acquisition Shares"). One shareholder of the Company, holding approximately 11% of the Company, has dissented to the transaction. Carl agreed to assume any obligation in connection with payment of the fair value for such dissenting shares and all expenses in connection with obligations of the Company relating to the dissenter's rights.

In connection with the acquisition, the Company entered into an escrow agreement with the holders of the Acquisition Shares, whereby 25% of the Acquisition Shares were released from escrow on October 13, 2015, 15% of the Acquisition Shares will be released from escrow on January 21, 2016 and 15% of the Acquisition Shares will be released from escrow every six months thereafter.

18. First Time Adoption of IFRS

The Company's financial statements for the year ending December 31, 2014 are the first annual financial statements that were prepared in accordance with IFRS. IFRS 1, *First-time Adoption of International Financial Reporting Standards*, requires that comparative financial information be provided. The first date at which the Company has applied IFRS was January 1, 2013 (the "Transition Date"). IFRS 1 requires first-time adopters to retrospectively apply all effective IFRS standards as of the reporting date, which for the Company is December 31, 2014. However, it also provides for certain optional exemptions and certain mandatory exceptions for first time IFRS adoption. Prior to transition to IFRS, the Company had not prepared financial statements.

The IFRS 1 applicable exemptions and exceptions applied in the first-time adoption to IFRS are as follows:

Optional exemptions

a. Leases

IFRS 1 allows an exemption for first-time adopters to determine whether an arrangement existing at the IFRS transition date contains a lease on the basis of facts and circumstances existing at the transition date, instead of the inception of the agreements. The Company has elected to use this exemption.

b. Fair value of financial instruments

IFRS 1 allows an exemption for first-time adopters to determine fair value of financial instruments prospectively to transactions entered into on or after the date of transition to IFRS. The Company has elected to use this exemption.

Mandatory exceptions

a. Estimates

In accordance with IFRS 1, an entity's estimates under IFRS at the date of transition to IFRS must be consistent with estimates made for the same date under previous accounting framework, unless there is objective evidence that those estimates were in error. The Company had not previously prepared financial statements. The Company's IFRS estimates as of January 1, 2013 are consistent with its prior accounting estimates for the same date.

Reconciliation of prior period members' equity, comprehensive loss and cash flows to IFRS

IFRS1 requires an entity to reconcile equity, comprehensive loss, and cash flows for prior periods. The changes made to the statement of financial position as shown below have not resulted in material adjustments to the statement of operations and comprehensive loss and the statement of cash flows and, therefore, no reconciliations of the statement of operations and comprehensive loss and the statement of cash flows have been disclosed.

(i) Reconciliation of statement of financial position as at January 1, 2013 (Transition Date)

(expressed in U.S. Dollars)	**Prior period amount**	**Effect of transition to IFRS**	**IFRS**
ASSETS			
Current Assets			
Cash (note 6)	$ 71,501	$ -	$ 71,501
Accounts receivable (note 16)	219,382	-	219,382
Prepaid expenses	5,820	-	5,820
	296,703	-	296,703
Non-Current Assets			
Intangible assets (note 7)	307,463	-	307,463
Total Assets	$ 604,166	$ -	$ 604,166
LIABILITIES AND SHAREHOLDERS' DEFICIENCY			
Current Liabilities			
Accounts payable (note 16)	$ 952,160	$ -	$ 952,160
Accrued liabilities	17,704	-	17,704
Note payable (note 8)	402,040	-	402,040
Total Liabilities	1,371,904	-	1,371,904
Shareholders' Deficiency			
Common Share (note 9)	200,000	-	200,000
Deficit	(967,738)	-	(967,738)
	(767,738)	-	(767,738)
Total Liabilities and Shareholders' Deficiency	$ 604,166	$ -	$ 604,166

Schedule "B"

Unaudited Financial Statements of Flow Works Inc.

For the three and nine months ended September 30, 2015 and 2014

See Attached Document

Condensed Interim Financial Statements of

FLOW WORKS INC.

For the three and nine months ended September 30, 2015
(Unaudited)

(Expressed in U.S Dollars)

FLOW WORKS INC.
CONDENSED INTERIM STATEMENTS OF FINANCIAL POSITION
(UNAUDITED)

(expressed in U.S. dollars)

	September 30, 2015	December 31, 2014
ASSETS		
Current Assets		
Cash	$ 79,625	$ 119,729
Accounts receivable	176,862	217,012
Prepaid expenses and other current assets	22,395	13,572
	278,882	350,313
Non-Current Assets		
Intangible asset	237,775	257,376
Total Assets	$ 516,657	$ 607,689
LIABILITIES AND SHAREHOLDERS' DEFICIENCY		
Current Liabilities		
Accounts payable	$ 357,362	$ 885,470
Accrued liabilities	7,645	10,015
Note payable (note 5)	-	388,465
Total Liabilities	365,007	1,238,950
Shareholders' Deficiency		
Common shares (note 6)	1,177,371	332,977
Deficit	(1,025,721)	(1,009,238)
	151,650	(676,261)
Total Liabilities and Shareholders' Deficiency	$ 516,657	$ 607,689

GOING CONCERN (note 1)
SUBSEQUENT EVENTS (note 13)

APPROVED ON BEHALF OF
THE BOARD OF DIRECTORS

"Greg Johnston"
(signed)
Director

"Brian Lofquist"
(signed)
Director

FLOW WORKS INC.
CONDENSED INTERIM STATEMENTS OF LOSS AND COMPREHENSIVE LOSS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015 (UNAUDITED)

(expressed in U.S. dollars)

	Three months ended		Nine months ended	
	September 30, 2015	**September 30, 2014**	**September 30, 2015**	**September 30, 2014**
Data Services Revenues	$ 174,382	$ 207,954	$ 549,802	$ 612,715
Operating Expenses				
Selling and marketing (note 12)	23,102	13,146	82,147	76,632
Salaries and benefits (note 12)	111,093	146,167	331,827	327,899
Office	48,164	28,020	114,589	71,762
Professional fees	33	2,508	10,102	82,589
Subcontracted fees (note 12)	38,156	42,756	108,547	129,756
Research and development (note 12)	-	4,326	-	22,758
Provision for credit losses	7,314	-	7,314	-
	227,862	236,923	654,526	711,396
Operating Loss	(53,480)	(28,969)	(104,724)	(98,680)
Other Income (Expenses)				
Interest	-	(13,673)	(16,023)	(40,818)
Foreign exchange	8,806	33,550	104,264	52,542
Net Loss and Comprehensive Loss for the period	$ (44,674)	$ (9,092)	$ (16,483)	$ (86,956)
Weighted Average Number of Common Shares (note 7)	1,667,312	1,278,140	1,595,796	1,226,333
Basic and Diluted Loss Per Share (note 7)	($0.03)	($0.01)	($0.01)	($0.07)

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

FLOW WORKS INC.
CONDENSED INTERIM STATEMENTS OF CASH FLOWS
FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2015 (UNAUDITED)

(expressed in U.S. dollars

	Nine months ended September 30, 2015	September 30, 2014
Cash Flows used in Operating Activities		
Net loss	$ (16,483)	$ (86,956)
Items not affecting cash from operations –		
Accrued interest	16,023	40,818
Amortization	19,765	17,587
Provision for credit losses	7,314	-
Foreign exchange (gain) loss	(104,264)	(52,542)
	(77,645)	(81,093)
Changes in non-cash working capital balances related to operations –		
Increase in accounts receivables	(59,162)	(53,942)
Increase in prepaid expenses and other current assets	(8,658)	(9,003)
Increase in accounts, other payables and accrued liabilities	116,540	89,015
	(28,925)	(55,023)
Cash Flows from in Financing Activities		
Proceeds from issuance of common shares	-	132,977
	-	132,977
Foreign exchange on cash	(11,179)	(24,909)
Increase (decrease) in Cash	(40,104)	53,045
Cash – Beginning of Period	119,729	92,119
Cash – End of Period	$ 79,625	$ 145,164

SUPPLEMENTAL CASH FLOW INFORMATION (note 10)

FLOW WORKS INC.
CONDENSED INTERIM STATEMENTS OF SHAREHOLDERS' DEFICIENCY
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2015 AND 2014 (UNAUDITED)

(expressed in U.S. dollars)

	Common Shares			
	Shares	**Amount**	**Deficit**	**Total**
Balance – December 31, 2014	1,559,445	$ 332,977	$ (1,009,238)	$ (676,261)
Shares issued for conversion of debt (note 5(b)(i) and (ii))	1,984,748	844,394	-	844,394
Net loss for the period	-	-	(16,483)	(16,483)
Balance – September 30, 2015	3,544,193	$ 1,177,371	$ (1,025,721)	$ 151,650
Balance – December 31, 2013	1,200,000	$ 200,000	$ (941,051)	$ (741,051)
Shares issued for cash (note 5(b)(iii))	359,445	132,977	-	132,977
Net loss for the period	-	-	(86,956)	(86,956)
Balance – September 30, 2014	1,559,445	332,997	(1,028,007)	(695,030)
Net income for the period	-	-	18,769	18,769
Balance – December 31, 2014	1,559,445	$ 332,997	$ (1,009,238)	$ (676,261)

1. Description of Business and Nature of Operations

Flow Works Inc. ("FlowWorks" or the "Company") was incorporated in Washington State, USA on May 5, 2010. FlowWorks provides its clients with a suite of web-based software applications to analyze environmental data. The FlowWorks application is a web-based platform that allows clients to understand environmental data through a variety of collection, analysis, and reporting tools. The application is currently focused on water management.

These interim condensed financial statements have been prepared on a going concern basis, which assumes that the Company will be able to meet its obligations and continue its operations for at least its next fiscal year. These interim condensed financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern. Realization values may be substantially different from carrying values as recorded in these financial statements. At September 30, 2015, the Company had not achieved profitable operations, had an accumulated deficit of $1,025,721 since inception and expects to incur further operating losses in the development of its business. The Company's ability to continue as a going concern is dependent upon the ability to develop its business units, further develop marketable software, potentially find, acquire and develop various other business segments with growth potential, obtain the necessary financing to carry out this strategy and meet its corporate overhead needs and discharge its liabilities as they come due. Although the Company has been successful in the past in obtaining financing, there is no assurance that it will be able to obtain adequate financing in the future or that such financing will be on terms advantageous to the Company. These conditions indicate a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The head office and principal address is located at 606 Maynard Avenue S., Suite #251, Seattle Washington State, USA. 98104.

2. Basis of Preparation and Statement of Compliance

These interim condensed financial statements have been prepared in accordance with IAS 34 Interim Financial Reporting. These interim financial statements follow the same accounting policies and methods of computation as compared with the most recent annual financial statements, being for the year ended December 31, 2014, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). These interim condensed financial statements do not include all of the information required for full annual financial statements, accordingly, these condensed interim financial statements should be read in conjunction with the Company's most recent annual financial statements. These condensed interim condensed financial statements were approved for issuance by the Board of Directors on January 11, 2016.

These financial statements have been prepared on a historical cost basis, except for derivative financial instruments, and certain financial assets which have been measured at fair value. All figures are expressed in U.S. dollars unless otherwise indicated.

3. Accounting Standards and Amendments Issued but Not Yet Adopted

At the date of authorization of these condensed interim financial statements, the IASB and IFRIC has issued the following new and revised standards, amendments and interpretations which are not yet effective during the period ended September 30, 2015:

(i) IFRS 15 'Revenue from contracts with customers' is the final standard on revenue from contacts with customers and is effective for annual reporting periods beginning on or after January 1, 2017 with early adoption permitted. Entities have the option of using either a full retrospective or a modified retrospective approach to adopt the guidance.

(ii) IFRS 9 'Financial Instruments: Classification and Measurement' is a new financial instruments standard with a tentative effective date for annual periods beginning on or after January 1, 2018 that replaces IAS 39 and IFRIC 9 for classification and measurement of financial assets and financial liabilities. IFRS 9 requires that all financial assets be classified as subsequently measured at amortized cost or at fair value based on the Company's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Financial liabilities are classified as subsequently measured at amortized cost except for financial liabilities classified as at FVTP, financial guarantees and certain other exceptions.

(figures in tables are expressed in U.S. dollars)

The Company has not early adopted these standards, amendments and interpretations. The Company is currently assessing the impact that these standards, amendments and interpretations will have on the financial position and financial performance of the Company.

4. Significant Accounting Judgments and Estimates

The preparation of the Company's financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions 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. However, actual outcomes may differ significantly from these estimates.

Areas requiring a significant degree of judgment relate to the recoverability and measurement of deferred tax assets and liabilities, the ability to continue as a going concern and the capitalization of development costs. Actual results may differ from those estimates and judgments. Areas requiring a significant degree of estimation includes allowances for doubtful accounts.

(a) Acquired Software

The application of the Company's accounting policy for software development expenditures requires judgment in determining whether it is likely that future economic benefits will flow to the Company, which may be based on assumptions about future events or circumstances. Estimates and assumptions made may change if new information becomes available. If, after the expenditure is capitalized, information becomes available suggesting that the recovery of the expenditure is unlikely, the amount capitalized is written off in profit or loss in the period the new information becomes available.

(b) Allowances for Doubtful Accounts

The Company must make an assessment of whether trade receivables are collectible from customers. Accordingly, management establishes an allowance for estimated losses arising from non-payment, taking into consideration customer credit, current economic trends and past experience. If future collections differ from estimates, future earnings would be affected.

5. Note Payable

	September 30, 2015	December 31, 2014
Balance – beginning of period/year	$ 388,465	$ 382,278
Interest accrued	16,023	53,290
Settlement of interest	-	(13,769)
Impact of foreign exchange translation	(51,351)	(33,334)
Conversion of debt and accrued interest for shares	(353,147)	-
Balance – end of period/year	$ -	$ 388,465

On September 30, 2010, the Company entered into agreement with Kerr Wood Leidal Associates Ltd. (“KWL”) to acquire a suite of online data collection, monitoring, analysis, and reporting tools permitting users to efficiently manage their monitoring systems from a customized webpage (“Acquired Software”) for a total purchase price of CDN $400,000 (US $375,280). As part of the purchase, the Company and KWL entered into a Note and Security Agreement whereby the Company issued a note for CDN $400,000 (US $375,280) as consideration for the purchase price. The original term of the note matured on December 31, 2013 and was subsequently extended to December 31, 2014. The principal outstanding bears interest at an interest rate of 5% per annum, beginning January 1, 2014. The loan payable is secured by all of the Company’s assets.

On September 25, 2015, the Company issued 814,614 common shares of the Company to KWL for the conversion in full of the note payable (note 6(b)(ii)). In addition, the interest outstanding on the note was settled in full as part of the issuance of 1,170,134 commons shares of the Company to KWL (note 6(b)(ii)). KWL is a related party of the Company.

6. Share Capital

(a) Authorized Share Capital

The Company is authorized to issue 10,000,000 shares of common stock, with no par value.

(b) Issued Share Capital

During the nine months ended September 30, 2015 and 2014, the Company issued common shares as follows:

(i) On September 25, 2015, the Company issued 1,170,134 shares at a price of CDN $0.49103 per share for a total of CDN $574,571 to settle accounts payable for services rendered to the Company and accrued interest outstanding on the note payable. These transactions occurred with a party related to the Company.

(ii) On September 25, 2015, the Company issued 814,614 shares at a price of CDN $0.49103 per share for the conversion in full of the CDN $400,000 note payable. These transactions occurred with a party related to the Company.

(iii) On September 10, 2014, the Company issued 359,445 shares at a price of $0.37 per share for gross proceeds of $132,977.

(figures in tables are expressed in U.S. dollars)

7. Loss Per Share

The following table sets forth the computation of basic and diluted loss per share for the three and nine months ended September 30, 2015 and 2014:

	Three months ended		Nine months ended	
	September 30, 2015	**September 30, 2014**	**September 30, 2015**	**September 30, 2014**
Numerator				
Net loss for the period	$ (44,674)	$ (9,092)	$ (16,483)	$ (86,956)
Denominator				
For basic – weighted average number of shares outstanding	1,667,312	1,278,140	1,595,796	1,226,333
Effect of dilutive securities –	-	-	-	-
For diluted – adjusted weighted average number of shares outstanding	1,667,312	1,278,140	1,595,796	1,226,333
Loss Per Share				
Basic	($0.03)	($0.01)	($0.01)	($0.07)
Diluted	($0.03)	($0.01)	($0.01)	($0.07)

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the three and nine months ended September 30, 2015 and 2014.

(figures in tables are expressed in U.S. dollars)

8. Financial Instruments

Financial Assets and Liabilities

Information regarding the Company's financial assets and liabilities as at September 30, 2015 and December 31, 2014 is summarized as follows:

		September 30, 2015		December 31, 2014
Financial Assets				
Fair value through profit and loss, at fair value				
Cash	$	79,625	$	119,729
Loans and receivable, at amortized cost				
Accounts receivable		176,862		217,012
Total Financial Assets	$	256,487	$	336,741
Financial Liabilities				
Other liabilities, at amortized cost				
Accounts payable	$	357,362	$	885,470
Accrued liabilities		7,645		10,015
Note payable		-		388,465
Total Financial Liabilities	$	365,007	$	1,283,950

The fair value of financial assets and financial liabilities at amortized cost is determined in accordance with generally accepted pricing models based on discounted cash flow analysis or using prices from observable current market transactions. The Company considers that the carrying amount of all its financial assets and financial liabilities recognized at amortized cost in the financial statements approximates their fair value due to the demand nature or short term maturity of these instruments.

The following table provides an analysis of the Company's financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 fair value measurements are those derived from inputs that are unobservable inputs for the asset or liability.

As at September 30, 2015, the Company does not have any Level 2 or 3 financial instruments.

(figures in tables are expressed in U.S. dollars)

	September 30, 2015	December 31, 2014
Level 1		
Financial assets at fair value		
Cash	$ 79,625	$ 119,729
Total Financial Assets at Fair Value	$ 79,625	$ 119,729

There were no transfers between level 1 and 2 during the period ended September 30, 2015 and year ended December 31, 2014.

9. Management of Capital

The capital managed by the Company includes the components of shareholders' equity as described in the statements of shareholders' deficiency. The Company is not subject to externally imposed capital requirements.

The Company's objectives of capital management are to create long-term value and economic returns for its shareholders. It does this by seeking to maximize the availability of finance to fund the growth and development of its software, and to support the working capital required to maintain its ability to continue as a going concern. The Company manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of its assets, seeking to limit shareholder dilution and optimize its cost of capital while maintaining an acceptable level of risk. To maintain or adjust its capital structure, the Company considers all sources of finance reasonably available to it, including but not limited to issuance of new capital, issuance of new debt and the sale of assets in whole or in part. The Company's overall strategy with respect to management of capital at September 30, 2015 remains fundamentally unchanged from the year ended December 31, 2014.

10. Supplemental Cash Flow Information

(a) The Company did not make any cash payments for interest and income taxes during the three and nine months ended September 30, 2015 and 2014.

(b) On September 25, 2015, the Company issued 1,170,134 shares at a price of CDN $0.49103 per share for a total of CDN $574,562 to settle accounts payable for services rendered to the Company, accrued interest outstanding on the note payable, and accounts receivable for services rendered by the Company (note 6(b)(i)).

(c) On September 25, 2015, the Company issued 814,614 shares at a price of CDN $0.49103 per share for the conversion in full of the CDN $400,000 note payable (notes 5 and 6(b)(ii)).

(figures in tables are expressed in U.S. dollars)

11. Segmented Information

The Company operates in one reportable segment being, being data services, which information is regularly reviewed by the Company's General Manager, being the chief decision making officer. Revenue is earned in two main regions, being Canada and United States. The following is a breakdown of revenue by geographic areas based on the customers' location:

	Three months ended		Nine months ended	
	September 30, 2015	**September 30, 2014**	**September 30, 2015**	**September 30, 2014**
Revenue				
Canada	$ 74,069	$ 110,644	$ 230,529	$ 294,030
United States	99,338	96,410	316,248	315,860
Other	975	900	3,025	2,825
	$ 174,382	$ 207,954	$ 549,802	$ 612,715

12. Related Party Transactions

The Company's related parties include key management personnel and companies related by way of directors or shareholders in common.

(a) Key Management Personnel Compensation

	Three months ended		Nine months ended	
	September 30, 2015	**September 30 2014**	**September 30 2015**	**September 30 2014**
Salaries and short-term benefits	$ 33,350	$34,875	$98,600	$142,550
	$33,350	$34,875	$98,600	$ 142,550

Key management includes the Company's Board of Directors and members of senior management.

(b) Trade Related Party Transactions

(i) During the three and nine months ended September 30, 2015, the Company made $20,263 and $65,231, respectively, (2014 - $29,073 and $83,680, respectively) sales to Kerr Wood Leidal Associates Ltd. ("KWL"), a company owned by certain individuals who were at certain times directors and shareholders of the Company. During the three and nine months ended September 30, 2015, the Company incurred $47,592 and $136,848, respectively, (2014 - $50,548 and $161,131, respectively) of expenses from KWL.

(ii) The amounts due to (from) related parties as at September 30, 2015 and December 31, 2014 are as follows:

(figures in tables are expressed in U.S. dollars)

	September 30, 2015	December 31, 2014
Due to General Manager	$ 260	$ -
Due to KWL	383,667	887,167
Due from KWL	(35,931)	(76,309)
Note payable to KWL	-	388,465
	$ 347,996	$ 1,199,128

13. Subsequent Events

(a) On October 13, 2015, the Company was acquired by Carl Data Solutions Inc. ("Carl"). As purchase consideration, the shareholders of the Company received 7,629,397 common shares of Carl (the "Acquisition Shares"). One shareholder of the Company, holding approximately 11% of the Company, has dissented to the transaction. Carl agreed to assume any obligation in connection with payment of the fair value for such dissenting shares and all expenses in connection with obligations of the Company relating to the dissenter's rights.

In connection with the acquisition, the Company entered into an escrow agreement with the holders of the Acquisition Shares, whereby 25% of the Acquisition Shares were released from escrow on October 13, 2015, 15% of the Acquisition Shares will be released from escrow on January 21, 2016 and 15% of the Acquisition Shares will be released from escrow every six months thereafter.