

## FORM 5

### **QUARTERLY LISTING STATEMENT**

Name of Listed Issuer: **Glance Technologies Inc.** (the “**Issuer**”).

Trading Symbol: **GET**

Quarter: **August 31, 2018**

This Quarterly Listing Statement must be posted on or before the day on which the Issuer’s unaudited interim financial statements are to be filed under the *Securities Act*, or, if no interim statements are required to be filed for the quarter, within 60 days of the end of the Issuer’s first, second and third fiscal quarters. This statement is not intended to replace the Issuer’s obligation to separately report material information forthwith upon the information becoming known to management or to post the forms required by the Exchange Policies. If material information became known and was reported during the preceding quarter to which this statement relates, management is encouraged to also make reference in this statement to the material information, the news release date and the posting date on the Exchange website.

#### **General Instructions**

- (a) Prepare this Quarterly Listing Statement using the format set out below. The sequence of questions must not be altered, nor should questions be omitted or left unanswered. The answers to the following items must be in narrative form. When the answer to any item is negative or not applicable to the Issuer, state it in a sentence. The title to each item must precede the answer.
- (b) The term “Issuer” includes the Listed Issuer and any of its subsidiaries.
- (c) Terms used and not defined in this form are defined or interpreted in Policy 1 – Interpretation and General Provisions.

There are three schedules which must be attached to this report as follows:

#### **SCHEDULE A: FINANCIAL STATEMENTS**

Financial statements are required as follows:

For the first, second and third financial quarters interim financial statements prepared in accordance with the requirements under Ontario securities law must be attached.

If the Issuer is exempt from filing certain interim financial statements, give the date of the exempting order.

## **SCHEDULE B: SUPPLEMENTARY INFORMATION**

The supplementary information set out below must be provided when not included in Schedule A.

### **1. Related party transactions**

***All related party transactions have been disclosed in the Issuer's financial statements for the interim period ended August 31, 2018***

Provide disclosure of all transactions with a Related Person, including those previously disclosed on Form 10. Include in the disclosure the following information about the transactions with Related Persons:

- (a) A description of the relationship between the transacting parties. Be as precise as possible in this description of the relationship. Terms such as affiliate, associate or related company without further clarifying details are not sufficient.
- (b) A description of the transaction(s), including those for which no amount has been recorded.
- (c) The recorded amount of the transactions classified by financial statement category.
- (d) The amounts due to or from Related Persons and the terms and conditions relating thereto.
- (e) Contractual obligations with Related Persons, separate from other contractual obligations.
- (f) Contingencies involving Related Persons, separate from other contingencies.

### **2. Summary of securities issued and options granted during the period.**

***All securities issued and options granted have been disclosed in the notes to the financial statement for the interim period ended August 31, 2018.***

Provide the following information for the period beginning on the date of the last Listing Statement (Form 2A):

- (a) summary of securities issued during the period,

Date of Issue	Type of Security (common shares, convertible debentures, etc.)	Type of Issue (private placement, public offering, exercise of warrants, etc.)	Number	Price	Total Proceeds	Type of Consideration (cash, property, etc.)	Describe relationship of Person with Issuer (indicate if Related Person)	Commission Paid
06/05/18	Common	Option exercise	340,000	\$0.43	\$144,500	Cash	N/A	Nil
06/08/18	Common	Warrant exercise	280,333	\$0.30	\$62,500	Cash	N/A	Nil
06/09/18	Common	Option exercise	11,250	\$0.295	\$3,687.50	N/A	N/A	Nil
06/11/18	Common	Warrant exercise	27,500	\$0.25	\$6,875	Cash	N/A	Nil
06/13/18	Common	Warrant exercise	8,000	\$0.25	\$2,000	Cash	N/A	Nil
06/14/18	Common	Warrant Exercise	2,000	\$0.30	\$600	Cash	N/A	
06/15/18	Common	Warrant exercise	15,000	\$0.30	\$4,500	Cash	N/A	Nil
06/15/18	Common	Option exercise	75,000	\$0.18	\$13,500	Cash	N/A	Nil
06/18/18	Common	Warrant exercise	12,000	\$0.25	\$3,000	Cash	N/A	Nil
06/19/18	Common	Warrant exercise	6,940	\$0.40	\$2,776	Cash	N/A	Nil
06/19/18	Common	Warrants exercised	5,843	\$0.33	\$1,928	Cash	N/A	Nil
	Warrant	Exercise of Agent Option	9,272	\$0.33	Nil	N/A	N/A	Nil
06/19/18	Common	Agent Option exercise	18,544	\$0.18	\$3,338	Cash	N/A	Nil
06/19/18	Common	Warrant exercise	2,500	\$0.30	\$750	Cash	N/A	Nil
06/20/18	Common	Warrant exercise	15,054	\$0.40	\$6,022	Cash	N/A	Nil
06/21/18	Common	Warrant exercise	63,000	\$0.25	\$15,750	Cash	N/A	Nil
07/16/18	Common	Warrant exercise	11,111	\$0.30	\$33,333	Cash	N/A	Nil
07/17/18	Common	Warrant exercise	37,037	\$0.25	\$9,259	Cash	N/A	Nil
07/24/18	Common	Warrant exercise	313	\$0.33	\$103	Cash	N/A	Nil
07/24/18	Common	Warrant exercise	20,000	\$0.30	\$6,000	Cash	N/A	Nil
07/31/18	Common	Warrant exercise	23,000	\$0.30	\$6,900	Cash	N/A	Nil
08/03/18	Common	Warrant exercise	21,666	\$0.25	\$5,416	Cash	N/A	Nil
08/08/18	Common	Warrant exercise	2,000	\$0.25	\$500	Cash	N/A	Nil
08/10/18	Common	Warrant exercise	28,000	\$0.30	\$8,400	Cash	N/A	Nil
08/20/18	Common	Warrant exercise	38,000	\$0.30	\$11,400	Cash	N/A	Nil
08/24/18	Common	Option exercise	120,000	\$0.15	\$18,000	Cash	N/A	Nil

(b) summary of options granted during the period,

Date	Number	Name of Optionee if Related Person and relationship	Generic description of other Optionees	Exercise Price	Expiry Date	Market Price on date of Grant
06/28/18	150,000	Laura Burke	Chief Financial Officer	\$0.50	06/28/23	\$0.50
06/28/18	200,000	Lewisa Anciano	Chief People & Culture Officer	\$0.50	06/28/23	\$0.50
06/28/18	200,000	Jonathan Hoyles	Chief Commercial Officer and General Counsel	\$0.50	06/28/23	\$0.50
06/28/18	150,000	Paola Ashton	VP Business & Client Development	\$0.50	06/28/23	\$0.50
06/28/18	535,000	N/A	Employees	\$0.50	06/28/23	\$0.50
07/31/18	125,000	Laura Burke	Chief Financial Officer	\$0.34	07/31/23	\$0.34
07/31/18	200,000	Lewisa Anciano	Chief People & Culture Officer	\$0.34	07/31/23	\$0.34

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07/31/18	200,000	Jonathan Hoyles	Chief Commercial Officer and General Counsel	\$0.34	07/31/23	\$0.34
07/31/18	387,500	Kirk Herrington	Director	\$0.34	07/31/23	\$0.34
07/31/18	200,000	James Topham	Director	\$0.34	07/31/23	\$0.34
07/31/18	200,000	Larry Timlick	Director	\$0.34	07/31/23	\$0.34
07/31/18	200,000	Steve Cadigan	Director	\$0.34	07/31/23	\$0.34
07/31/18	832,000	Employees	N/A	\$0.34	07/31/23	\$0.34
08/09/18	250,000	Alexander (Sascha) Williams	Chief Operating Officer	\$0.45	08/09/23	\$0.45
08/09/18	160,000	Employees	N/A	\$0.45	08/09/23	\$0.45

3. **Summary of securities as at the end of the reporting period.**

***A summary of securities has been provided in the financial statements for the interim period ended August 31, 2018. Of the 136,737,783 Common shares of the Issuer that were issued and outstanding as at August 31, 2018, 31,126,779 were subject to escrow agreements, copies of which have been filed on SEDAR.***

Provide the following information in tabular format as at the end of the reporting period:

- (a) description of authorized share capital including number of shares for each class, dividend rates on preferred shares and whether or not cumulative, redemption and conversion provisions,
- (b) number and recorded value for shares issued and outstanding,
- (c) description of options, warrants and convertible securities outstanding, including number or amount, exercise or conversion price and expiry date, and any recorded value, and
- (d) number of shares in each class of shares subject to escrow or pooling agreements or any other restriction on transfer.

4. List the names of the directors and officers, with an indication of the position(s) held, as at the date this report is signed and filed.

Name of Director	Position(s) Held
Desmond Griffin	Chief Executive Officer & Director
Alexander (Sascha) Williams	Chief Operations Officer
Kirk Herrington	Chairman & Director
James Topham	Director
Larry Timlick	Director
Steve Cadigan	Director
Laura Burke	Chief Financial Officer
Angela Griffin	Chief Technical Officer
Paola Ashton	VP of Business and Client Development
Jonathan Hoyles	Chief Commercial Officer and General Counsel
Lewisa Anciano	Chief People and Culture Officer

#### **SCHEDULE C: MANAGEMENT DISCUSSION AND ANALYSIS**

Provide Interim MD&A if required by applicable securities legislation.

***See Management's Discussion & Analysis for the period ended August 31, 2018 attached hereto as Schedule "C".***

## Certificate Of Compliance

The undersigned hereby certifies that:

1. The undersigned is a director and/or senior officer of the Issuer and has been duly authorized by a resolution of the board of directors of the Issuer to sign this Quarterly Listing Statement.
2. As of the date hereof there is no material information concerning the Issuer which has not been publicly disclosed.
3. The undersigned hereby certifies to the Exchange that the Issuer is in compliance with the requirements of applicable securities legislation (as such term is defined in National Instrument 14-101) and all Exchange Requirements (as defined in CNSX Policy 1).
4. All of the information in this Form 5 Quarterly Listing Statement is true.

Dated: October 16, 2018

Desmond Griffin  
Name of Director or Senior Officer

"Desmond Griffin"  
Signature

Chief Executive Officer & Director  
Official Capacity

<b>Issuer Details</b> Name of Issuer <b>Glance Technologies Inc.</b>		For Quarter Ended <b>18/08/31</b>	Date of Report YY/MM/DD <b>18/10/16</b>
Issuer Address <b>Suite 400, 200 Granville Street</b>			
City/Province/Postal Code <b>Vancouver, BC V6C 1S4</b>	Issuer Fax No. ( ) <b>N/A</b>	Issuer Telephone No. <b>(604)694-6502</b>	
Contact Name <b>Desmond Griffin</b>	Contact Position <b>CEO/Director</b>	Contact Telephone No. (604) 694-6502	
Contact Email Address <b>info@glance.tech</b>	Web Site Address <b>www.glance.tech</b>		

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**Schedule “A”**

**Financial Statements**

*[inserted as following pages]*

**GLANCE TECHNOLOGIES INC.**  
**CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**  
**Nine Months Ended August 31, 2018**  
**Stated in Canadian dollars**



**NOTICE OF AUDITOR REVIEW OF CONDENSED CONSOLIDATED  
INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim financial statements for the three and nine months ended August 31, 2018, have been prepared by management in accordance with International Financial Reporting Standards and approved by the Board of Directors of Glance Technologies Inc. (the “**Company**”). These condensed consolidated interim financial statements have been reviewed by the Company’s independent auditors.

# Glance Technologies Inc.

## Condensed Consolidated Statements of Financial Position

(stated in Canadian dollars)

		August 31, 2018 \$	November 30, 2017 \$
ASSETS	Note		
		(unaudited)	
<b>Current assets</b>			
Cash		7,241,398	10,294,213
Accounts and other receivables	4	641,086	179,372
Prepaid expenses and deposits	5	1,707,619	683,284
<b>Total current assets</b>		<b>9,590,103</b>	<b>11,156,869</b>
<b>Non-current assets</b>			
Investments	6	2,487,774	1,303,904
Property and equipment	7	344,083	170,089
Intangible assets	8	1,630,675	342,745
<b>Total non-current assets</b>		<b>4,462,532</b>	<b>1,816,738</b>
<b>Total assets</b>		<b>14,052,635</b>	<b>12,973,607</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	9	359,343	408,554
Deferred revenue	10	916,890	393,750
<b>Total current liabilities</b>		<b>1,276,233</b>	<b>802,304</b>
<b>Non-current liabilities</b>			
Deferred revenue	10	400,000	551,250
<b>Total non-current liabilities</b>		<b>400,000</b>	<b>551,250</b>
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	11	32,899,790	20,273,414
Shares to be issued	11	15,866	74,249
Reserves	12	4,394,704	3,717,135
Deficit		(24,933,958)	(12,444,745)
<b>Total shareholders' equity</b>		<b>12,376,402</b>	<b>11,620,053</b>
<b>Total liabilities and shareholders' equity</b>		<b>14,052,635</b>	<b>12,973,607</b>

Nature of Operations (Note 1)

Commitments (Note 18)

\_\_\_\_\_, Director  
 "Desmond Griffin"  
 \_\_\_\_\_, Director  
 "Kirk Herrington"

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

# Glance Technologies Inc.

## Condensed Consolidated Statements of Operations and Comprehensive Loss

Unaudited

(stated in Canadian dollars)

		For the three months ended August 31, 2018 \$	For the three months ended August 31, 2017 \$	For the nine months ended August 31, 2018 \$	For the nine months ended August 31, 2017 \$
	Note				
<b>Revenue</b>	13	<b>216,195</b>	240,130	<b>1,618,974</b>	383,221
<b>Expenses</b>					
Corporate communications and investor media	15	(239,106)	(916,755)	(2,894,602)	(1,195,918)
Depreciation	7,8	(118,834)	(67,359)	(301,647)	(185,504)
Finance expense		(34,291)	(20,168)	(109,579)	(341,990)
General and administrative costs	13,15	(603,860)	(108,205)	(1,728,876)	(428,575)
Management fees	13,15	(82,185)	(8,347)	(102,377)	(28,062)
Professional fees	15	(47,628)	(14,206)	(525,315)	(51,151)
Sales and marketing expense	13,15	(686,930)	(517,806)	(3,215,379)	(1,285,684)
Software development and information technology	13,15	(910,094)	(125,443)	(2,014,293)	(388,314)
Stock option-based compensation	12	(351,235)	(25,920)	(1,257,042)	(143,723)
<b>Total Expenses</b>		<b>(3,074,163)</b>	(1,804,209)	<b>(12,149,110)</b>	(4,048,921)
<b>Loss from Operations</b>		<b>(2,857,968)</b>	(1,564,079)	<b>(10,530,136)</b>	(3,665,700)
<b>Other income (expense)</b>					
Proportionate loss from associate	6	-	(160,467)	(616,130)	(222,703)
Proxy contest expenses	15	(231,340)	-	(1,451,712)	-
Foreign exchange loss		3,584	-	2,163	-
Interest income		31,667	-	103,859	-
Other income		-	-	2,743	-
Loss on settlement of debt		-	-	-	(4,240)
<b>Total other income (expense)</b>		<b>(196,089)</b>	(160,467)	<b>(1,959,077)</b>	(226,943)
<b>Net loss and comprehensive loss for the period</b>		<b>(3,054,057)</b>	(1,724,546)	<b>(12,489,213)</b>	(3,892,643)
<b>Net loss per share</b>					
Basic and diluted		<b>(0.02)</b>	(0.02)	<b>(0.09)</b>	(0.06)
<b>Weighted average number of common shares outstanding</b>		<b>136,457,071</b>	75,623,413	<b>134,337,647</b>	68,154,932

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

# Glance Technologies Inc.

## Condensed Consolidated Statements of Changes in Equity

Unaudited

(stated in Canadian dollars)

	Share capital (Number of shares)	Share capital \$	Shares to be issued \$	Reserves - options \$	Deficit \$	Total \$
Balance, November 30, 2016	58,262,435	2,988,667	93,743	565,577	(2,688,922)	959,065
Shares issued for private placement	10,719,936	1,961,587	-	-	-	1,961,587
Share issuance costs	-	(296,907)	-	216,453	-	(80,454)
Shares issued for rights offering	8,225,520	1,645,104	-	-	-	1,645,104
Shares issued for services	982,400	222,694	(71,875)	-	-	150,819
Shares issued in settlement of debt	5,000	1,000	-	-	-	1,000
Shares issued from warrant exercise	3,700,899	713,471	-	-	-	713,471
Share subscription	-	-	253,000	-	-	253,000
Stock-options based compensation	-	-	-	143,723	-	143,723
Net loss for the period	-	-	-	-	(3,892,643)	(3,892,643)
<b>Balance, August 31, 2017</b>	<b>81,896,190</b>	<b>7,235,616</b>	<b>274,868</b>	<b>925,753</b>	<b>(6,581,565)</b>	<b>1,854,672</b>

	Share capital (Number of shares)	Share capital \$	Shares to be issued \$	Reserves - options \$	Deficit \$	Total \$
Balance, November 30, 2017	127,358,895	20,273,414	74,249	3,717,135	(12,444,745)	11,620,053
Shares issued under prospectus offering	3,684,000	11,052,000	-	-	-	11,052,000
Share issuance costs	-	(1,553,577)	-	-	-	(1,553,577)
Commission	257,880	773,640	-	-	-	773,640
Shares issued from warrant exercise	3,653,436	1,157,855	(49,483)	(1,557)	-	1,106,815
Shares issued from option exercise	1,893,572	1,099,960	(8,900)	(625,016)	-	466,044
Warrants issued in overallotment	-	-	-	47,100	-	47,100
Held in trust	250,000	500,000	-	-	-	500,000
Stock-option based compensation	-	-	-	1,257,042	-	1,257,042
Shares to be issued	-	-	-	-	-	-
Shares cancelled	(360,000)	(403,502)	-	-	-	(403,502)
Net loss for the period	-	-	-	-	(12,489,213)	(12,489,213)
<b>Balance, August 31, 2018</b>	<b>136,737,783</b>	<b>32,899,790</b>	<b>15,866</b>	<b>4,394,704</b>	<b>(24,933,958)</b>	<b>12,376,402</b>

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

# Glance Technologies Inc.

## Condensed Consolidated Statements of Cash Flows

Unaudited

(stated in Canadian dollars)

	For the nine months ended August 31, 2018 \$	For the nine months ended August 31, 2017 \$
<b>Cash flows provided by (used in)</b>		
<b>Operating activities</b>		
Net loss	(12,489,213)	(3,892,643)
Items not affecting cash:		
Depreciation	301,647	185,504
Loss on settlement of debt	-	4,240
Proportionate loss from investment in associate	616,130	222,703
Stock-option based compensation	1,257,042	143,723
Shares (received)/paid for services	(1,000,000)	147,579
Changes in non-cash working capital:		
Accounts and other receivables	(461,714)	(66,165)
Prepaid expenses and deposits	(524,335)	(605,840)
Accounts payable and accrued liabilities	(49,211)	244,591
Deferred revenue	(428,110)	67,500
	(12,777,764)	(3,548,808)
<b>Investing activities</b>		
Purchase of computer equipment and furniture	(152,593)	(27,417)
Tenancy improvements	(176,822)	-
Investment in associate	-	(400,000)
Purchase of domain	(6,595)	-
Purchase of intellectual property	(1,427,560)	(7,452)
	(1,763,570)	(434,869)
<b>Financing activities</b>		
Proceeds from share issuances	-	4,320,162
Proceeds from prospectus offering	11,052,000	-
Proceeds from shares to be issued	-	253,000
Proceeds from warrants exercised	1,108,609	-
Proceeds from warrants purchased in over-allotment	47,100	-
Proceeds from options exercised	464,248	-
Proceeds from short-term loan	(403,501)	-
Financing cost paid	(779,937)	(80,454)
	11,488,519	4,492,708
<b>Net change in cash</b>	(3,052,815)	509,031
Cash - beginning of period	10,294,213	360,917
<b>Cash - end of period</b>	<b>7,241,398</b>	<b>869,948</b>

### Supplemental Cash Flow Information (Note 16)

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

# Glance Technologies Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

**August 31, 2018**

*Unaudited – (stated in Canadian dollars)*

### **1. Nature of Operations and Going Concern**

Glance Technologies Inc. (“Glance Technologies” or the “Company”) was incorporated under the laws of the province of British Columbia, Canada, on October 24, 2014. The Company’s registered office is located at Suite 400, 200 Granville Street, Vancouver, B.C. V6C 1S4.

The Company’s common stock is quoted on the Canadian Securities Exchange under the symbol 'GET' and began trading on September 7, 2016.

On August 28, 2015, the Company completed a share exchange agreement (the “Transaction”) with Glance Pay Inc. (formerly, Clover Acquisitions Inc. and Glance Mobile Inc.) (“Glance Pay”). Glance Pay was incorporated on November 12, 2014 under the laws of the province of British Columbia, Canada. Glance Pay is a Canadian financial technology company involved in the business of developing and operating mobile payment processing software and smart-phone applications.

Under the terms of the Transaction, the shareholders of Glance Pay each received one common share of Glance Technologies (“Glance Technologies Shares”) in exchange for one common share of Glance Pay (“Glance Pay Shares”). As a result, the shareholders of Glance Pay obtained 75.4% of Glance Technologies. Glance Technologies' board of directors and senior management were reconstituted and consist of directors and senior management of Glance Pay. The Transaction was accounted as a reverse acquisition.

The Company aims to enhance the payment process for both consumers and merchants online, and brick-and-mortar environments, using proprietary technology that combines mobile technologies and traditional payment processing. The Company launched its applications during August 2016.

On December 27, 2017, Glance Coin Inc. (formerly “Glance Blockchain Token Inc.”) was incorporated as a wholly owned subsidiary of Glance Technologies Inc. Glance Coin Inc. will be responsible for developing and managing the Glance token, which will be a cryptocurrency with a series of smart contracts to allow merchants to grant the Glance token as a reward for consumer loyalty and engagement. The Company has written and published its white paper for its cryptocurrency.

These condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that the Company will be able to realize its assets and satisfy its liabilities in the normal course of business for the foreseeable future. Management is aware, in making its going concern assessment, of material uncertainties related to events and conditions that may cast significant doubt upon the Company’s ability to continue as a going concern. As at August 31, 2018, the Company has an accumulated deficit of \$24,933,958. The Company is enhancing its payment application and has not yet generated significant revenue from operations. Whether and when the Company can generate sufficient operating cash flows to pay for its expenditures and settle its obligations as they fall due subsequent to August 31, 2018 is uncertain. These condensed interim 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 were the going concern assumption inappropriate. These adjustments could be material.

# Glance Technologies Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

August 31, 2018

*Unaudited – (stated in Canadian dollars)*

### 2. Basis of Presentation

#### a) Statement of Compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, and based on the principles of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended November 30, 2017, which include the Company’s significant accounting policies, and have been prepared in accordance with the same methods of application.

The Board of Directors approved the condensed interim consolidated financial statements for issuance on October 16, 2018.

#### b) Basis of Measurement

These condensed interim consolidated financial statements have been prepared under the historical cost convention and are presented in Canadian dollars, which is the functional currency of the Company. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for the cash flow information.

#### c) Basis of Consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company - Glance Pay Inc., Glance Pay USA Inc. and Glance Coin Inc. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany transactions and balances are eliminated upon consolidation.

#### d) Reclassifications

Certain of the prior period figures have been reclassified to conform to the current year’s presentation.

#### e) Significant Accounting Estimates and Judgements

The preparation of these condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the collectability of accounts and other receivables, the useful lives and carrying values of property and equipment and intangible assets, the carrying value of investments, the measurement of stock option-based payments, unrecognized deferred income tax assets and the split between current and non-current deferred revenue.

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended November 30, 2017.

# Glance Technologies Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

August 31, 2018

Unaudited – (stated in Canadian dollars)

### 3. Significant Accounting Policies

#### New Accounting Standards and Interpretations

Certain pronouncements have been issued by the IASB, or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after December 1, 2017 or later years.

#### *New standard IFRS 15, “Revenue from Contracts with Customers”*

Under IFRS 15, there is a requirement to apply a five-step model to determine when and what amount of revenue to recognize. Revenue will either be recognized over time or at a point in time, when control transfers to the customer. IFRS 15 is not mandatory for the August 31, 2018, reporting period and has not been early adopted by the Company. The new standard is not expected to have a significant impact on the Company’s condensed interim consolidated financial statements. The Company plans to implement this revised standard as at December 1, 2018. All other significant accounting policies have been applied on a basis consistent with those applied in the most recent audited annual consolidated financial statements. The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as at the date the Board of Directors approved and authorized to issue these condensed interim consolidated financial statements.

#### *New standard IFRS 16, “Leases”*

IFRS 16 replaces IAS 17, “Leases” and the related interpretative guidance. IFRS 16 applies a control model to the identification of leases, distinguishing between a lease and a service contract on the basis of whether the customer controls the asset being leased. For those assets determined to meet the definition of a lease, IFRS 16 introduces significant changes to the accounting by lessees, introducing a single, on-balance sheet accounting model that is similar to current finance lease accounting, with limited exceptions for short-term leases or leases of low value assets. Lessor accounting is not substantially changed.

The standard is effective for periods beginning on or after January 1, 2019, with early adoption permitted for entities that have adopted IFRS 15, “Revenue From Contracts”. The Company is currently assessing the impact of the implementation of IFRS 16 on its consolidated financial statements, and plans to apply IFRS 16 on a simplified transition approach and will not restate comparative amounts for the year prior to first adoption.

### 4. Accounts and Other Receivables

Accounts and other receivables balance consists of the following:

	August 31, 2018 \$	November 30 2017 \$
	<i>(unaudited)</i>	
Accounts receivable – Customers	49,733	42,783
Accounts receivable – Merchant	20,223	17,262
GST/PST receivable	473,337	116,027
Other receivables	97,793	3,300
	<b>641,086</b>	<b>179,372</b>



# Glance Technologies Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

August 31, 2018

Unaudited – (stated in Canadian dollars)

### 5. Prepaid expenses and deposits

The prepaid expenses and deposits balance consists of the following:

	August 31, 2018 \$	November 30 2017 \$
	(unaudited)	
Fobisuite agreement	1,500,000	-
Security deposit	107,491	4,560
Other prepayments	100,128	638,786
	<b>1,707,619</b>	<b>683,284</b>

### 6. Investments

The below is a summary of the investments held by the Company:

	August 31, 2018 \$	August 31, 2018 % owned	November 30, 2017 \$	November 30, 2017 % owned
	(unaudited)			
<b>Investment in Associates</b>				
Yield Growth Corp.	-	25.0	608,904	32.0
<b>Investments - other</b>				
Active Pay Distribution Inc.	900,000	18.4	100,000	5.2
Euro Asia Pay Holdings Inc.	595,000	14.3	595,000	27.8
Loop Cannabis Insights Inc.	992,774	9.9	-	-
	<b>2,487,774</b>		<b>1,303,904</b>	

#### Yield Growth Corp.

On May 29, 2017 (and as amended and restated on May 31, 2017), the Company's subsidiary Glance Pay Inc. ("Glance Pay") entered into a licensing agreement with Yield Growth Corp. (formerly Cannapay Financial Inc.) ("Yield"). Pursuant to the licensing agreement, Glance Pay granted Yield a worldwide, non-exclusive license to use its intellectual property in the marijuana financial technology industry in order to make, market, and sell a mobile payment app designed for legal marijuana purchase and delivery, using the Glance Pay payment platform as its base technology.

The licence has an initial term of one year and will automatically renew for up to 50 additional one year terms upon Yield's payment of the annual renewal fee of \$10,000. The license agreement can be terminated by Yield providing written notice at least one month prior to renewal. As consideration for the license, Yield agreed to pay Glance Pay a fee of \$912,500 for the initial term of one year, which was paid as follows:

- \$100,000 on May 31, 2017;
- \$200,000 on June 20, 2017; and
- \$612,500 from the issuance of 2,450,000 common shares of Yield on November 28, 2017.

## **Glance Technologies Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

**August 31, 2018**

*Unaudited – (stated in Canadian dollars)*

#### **6. Investments (continued)**

##### **Yield Growth Corp (ctd)**

Pursuant to the terms of the licensing agreement, in conjunction with each cash payment on May 31, 2017 and June 30, 2017, Yield issued to Glance Pay 4,000,000 common shares for an aggregate of 8,000,000 common shares for \$0.05 per share.

On June 4, 2018, Yield split their common shares on the basis of two for one, increasing the Company's holdings in Yield to 20,900,000 common shares.

Yield Growth Corp is a private company incorporated under the laws of the province of British Columbia, Canada, on November 28, 2014. Yield combines traditional financial services with innovative technology to provide enhanced digital financial services to legally operating businesses in the marijuana industry.

Yield is an entity that is partially owned, but not controlled by the Company. As at August 31, 2018, Glance Pay owns 25% of the issued and outstanding common shares of Yield. Pursuant to the licensing agreement, Glance Pay has the right to appoint one director to the board of Yield but it has not yet exercised that right. The Company has incorporated its proportion of Yield's net loss for the nine month period ended August 31, 2018 of \$608,904 into its consolidated statement of operations. The value of the Company's net investment in Yield at August 31, 2018, has been written down to \$nil.

In the nine months ended August 31, 2018, the licensing agreement with Yield was amended to extend the license granted by Glance Pay to two of Yield's wholly-owned subsidiaries (Super Dope Solutions Inc. and Juve Wellness Inc.). The amendment includes provisions that will terminate the license granted to each Yield subsidiary if that subsidiary ceases to be wholly owned by Yield. A Yield subsidiary that ceases to be wholly owned is granted the option to pay a \$200,000 fee to Glance Pay to maintain the license for a 50 year term with no further royalties due.

During the nine months ended August 31, 2018, the Company recognised revenue of \$2,548 (2017: \$232,500) with Yield in connection with licensing services and revenue of \$nil (2017: \$100,000) in connection with design services.

##### **Active Pay Distribution Inc.**

On August 23, 2017, Glance Pay signed a licensing agreement with Active Pay Distribution Inc. ("Active Pay"). Pursuant to the licensing agreement, Glance Pay granted Active Pay a worldwide, non-exclusive license to use Glance Pay's intellectual property to make, market, and sell a mobile payment application.

The licence has an initial term of one year and will automatically renew for up to ninety nine additional one-year terms upon Active Pay's payment of the annual renewal fee of \$10,000. The license agreement can be terminated by Active Pay providing 90 days' written notice. Under the terms of the agreement, Active Pay agreed to pay Glance Pay \$1,000,000 as follows:

- \$800,000 for licensing payable by way of 3,200,000 shares of Active Pay at a fair market value of \$0.25 per common share;
- \$100,000 for design of the app with a unique user experience, payable within 2 months of the licensing agreement through the issuance of 1,000,000 shares of Active Pay at a fair market value of \$0.10 per common share; and
- \$100,000 within 6 months of the licensing agreement for 12 months of marketing and advertising of the new app, payable through the issuance of 400,000 shares of Active Pay at a fair market value of \$0.25 per common share.

## **Glance Technologies Inc.**

### **Notes to the Condensed Interim Consolidated Financial Statements**

**August 31, 2018**

*Unaudited – (stated in Canadian dollars)*

#### **6. Investments (continued)**

##### **Active Pay Distribution Inc. (ctd)**

In November 2017, Glance received 1,000,000 common shares in Active Pay at a fair market value of \$0.10 per share, pursuant to Active Pay's obligation to pay Glance for design of the app with a unique user experience. In February 2018, Glance received 3,200,000 common shares of Active Pay at a fair market value of \$0.25 per common share, pursuant to its obligation to pay for licensing fees. All amounts received to date have been accounted for as deferred revenue. Active Pay is a private company incorporated under the laws of the province of British Columbia, Canada, on August 23, 2017. Active Pay combines traditional financial service with innovative technology to provide enhanced digital financial services to operate business in the health and wellness industry. As of August 31, 2018, Glance Pay owns 18.4% of the issued and outstanding common shares of Active Pay.

##### **Euro Asia Pay Holdings Inc.**

On October 14, 2017, the Company's subsidiary, Glance Pay signed a licensing agreement with Euro Asia Pay. Pursuant to the licensing agreement, Glance Pay granted Euro Asia Pay a worldwide, non-exclusive license to use Glance Pay's intellectual property in North America to make, market, and sell a mobile payment application.

The licence has an initial term of one year and will automatically renew for up to 50 additional one-year terms upon Euro Asia Pay's payment of the annual renewal fee of \$10,000. The license agreement can be terminated by Euro Asia Pay providing 90 days' written notice. Under the terms of the agreement, Euro Asia Pay agreed to pay Glance Pay \$1,000,000 as follows:

- \$405,000 for licensing with \$250,000 payable on signing and \$155,000 payable within 90 days of the date of the licensing agreement; plus 3,000,000 common shares of Euro Asia Pay at a fair market value of \$0.07 per common share;
- \$175,000 for design of the application with a unique user experience, payable within 60 days of the licensing agreement through the issuance of 2,500,000 common shares of Euro Asia Pay at a fair market value of \$0.07 per common share; and
- \$210,000 within 60 days of marketing and advertising of the new application, payable through the issuance of 3,000,000 shares of Euro Asia Pay at a fair market value of \$0.07 per common share.

In October 2017, Glance Pay received \$250,000, as due upon signing. In November 2017, Euro Asia Pay issued 8,500,000 common shares at fair market value of \$595,000, pursuant to its obligation to pay for an element of licensing, the design of the application and marketing. As at November 30, 2017, the Company held 8,500,000 shares of Euro Asia Pay with a fair value of \$595,000. Euro Asia Pay is a private company incorporated under the laws of the province of British Columbia, Canada, on October 16, 2017. Euro Asia Pay combines traditional financial service with innovative technology to provide enhanced digital financial services to operate business in the tourism and education industry. During the nine months ended August 31, 2018, the Company recognised revenue of \$590,562 (2017: \$nil) in Euro Asia Pay Holdings Inc., in connection with licensing, design, marketing and branding services. As of August 31, 2018, Glance Pay owns 14.3% of the issued and outstanding common shares of Euro Asia Pay.

# Glance Technologies Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

August 31, 2018

Unaudited – (stated in Canadian dollars)

### 6. Investments (continued)

#### Loop Cannabis Insights Inc. (formerly “Big Cannabis Data”)

On January 4, 2018, Yield, a private company that is partially owned but not controlled by the Company, signed a definitive agreement for licensing and product pre-sales. Under the terms of the agreement, Yield sublicensed the Glance Pay mobile payment platform technology to Loop Cannabis Insights Inc. (formerly “Big Cannabis Data”) (“Loop”) for \$2,000,000 for a one year license, payable in stock at a fair value of \$0.25 per share for 8,000,000 shares, of which 4,000,000 shares was paid to Glance Technologies as a sublicense royalty, and the sublicense renewable for \$10,000 per year. On February 6, 2018, the 4,000,000 shares were transferred by Yield to Glance Pay. Loop is a private company incorporated under the laws of the province of British Columbia, Canada on January 2, 2018. Loop combines traditional financial service with innovative technology to provide enhanced digital financial services to legally operating businesses in the marijuana industry.

During the nine months ended August 31, 2018, the Company recognised revenue of \$1,000,000 (2017: \$nil) to a related party, Loop Cannabis Insights Inc., in connection with a royalty fee for sublicensing the mobile payment platform from Yield. As of August 31, 2018, Glance Pay owns 9.9% of the issued and outstanding common shares of Loop Cannabis Insights Inc.

The Company recorded \$7,226 for its proportion of the net loss of Loop Cannabis Insights Inc. into its consolidated statement. The value of the Company’s net investment in Loop at August 31, 2018, is \$992,774.

### 7. Computer Equipment

A continuity of the Company’s computer equipment is as follows:

	<b>Tenancy Improvements</b>	<b>Computer Equipment</b>	<b>Office Furniture</b>	<b>Total</b>
	\$	\$	\$	\$
Balance, November 30, 2017	-	152,516	17,573	170,089
Additions	176,823	184,029	7,412	368,264
Amortization	(41,066)	(109,057)	(5,300)	(155,423)
Disposal	-	(38,847)	-	(38,847)
<b>Balance, August 31, 2018</b>	<b>135,757</b>	<b>188,641</b>	<b>19,685</b>	<b>344,083</b>

### 8. Intangible Assets

A continuity of the Company’s intangible assets is as follows:

	<b>Computer Software</b>	<b>Payment Processing Applications</b>	<b>Intellectual Property</b>	<b>Domain Name</b>	<b>Patent</b>	<b>Total</b>
	\$	\$	\$	\$	\$	\$
Balance, November 30, 2017	308,278	16,667	-	-	17,800	342,745
Additions	-	-	1,419,844	6,595	7,716	1,434,155
Amortization	(138,725)	(7,500)	-	-	-	(146,225)
<b>Balance, August 31, 2018</b>	<b>169,553</b>	<b>9,167</b>	<b>1,419,844</b>	<b>6,595</b>	<b>25,516</b>	<b>1,630,675</b>

On March 31, 2016, the Company filed a provisional application in the United States to patent its wireless electronic transaction system.

# Glance Technologies Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

August 31, 2018

Unaudited – (stated in Canadian dollars)

### 8. Intangible Assets (continued)

In August 2016, the Company launched its payment processing application and began amortizing its acquired computer software and payment processing application. The Company amortizes its intangible assets on a straight-line basis over the estimated useful life of three years.

In December 2017, the Company completed an agreement to acquire Blockchain and cryptocurrency with rewards tokenization platform, Blockimpact, (“Blockimpact”) from Ztudium Limited. Blockimpact is being integrated with the Glance Pay mobile payment platform, to further enhance it and make it a full end-to-end cryptocurrency blockchain solution. It has been measured at cost of acquisition and it is still being developed. Upon completion, the Company intends to amortize it over the estimated useful life of three years.

### 9. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consists of the following:

	August 31, 2018	November 30, 2017
	\$	\$
	(unaudited)	
Accounts payable	132,009	245,081
Accrued liabilities	72,811	28,681
Amounts due to related parties (Note 13)	59,891	58,371
Payroll liabilities	94,632	76,421
	<b>359,343</b>	<b>408,554</b>

### 10. Deferred revenue

The breakdown of deferred revenue for the nine months ended August 31, 2018 is as follows:

	August 31, 2018	November 30, 2017
	\$	\$
	(unaudited)	
<b>Current</b>		
Euro Asia Pay Holdings Inc.	409,438	368,750
Active Pay Distribution Inc.	500,000	25,000
Yield Growth Corp.	7,452	-
	<b>916,890</b>	<b>393,750</b>
	August 31, 2018	November 30, 2017
	\$	\$
	(unaudited)	
<b>Non-Current</b>		
Euro Asia Pay Holdings Inc.	-	476,250
Active Pay Distribution Inc.	400,000	75,000
	<b>400,000</b>	<b>551,250</b>

# Glance Technologies Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

August 31, 2018

Unaudited – (stated in Canadian dollars)

### 11. Share Capital

#### Common Shares:

Authorized: unlimited number of common shares (“Common Shares”), without par value

- a) On December 27, 2017, the Company completed a bought deal public offering (the “Offering”) of 3,684,000 units (the “Units”) at a price of \$3.00 per Unit (the “Offering Price”) for gross proceeds of approximately \$11,052,000. Each Unit consisted of one Common Share of the Company (each, a “Unit Share”) and one unit purchase warrant (each, a “Unit Warrant”). Each Unit Warrant is exercisable into one unit (each, a “Subsequent Unit”) at an exercise price of \$3.84 per Subsequent Unit for a period of 12 months following the closing of the Offering. Each Subsequent Unit consists of one Common Share of the Company (each, a “Subsequent Unit Share”) and one Common Share purchase warrant (each, a “Share Warrant”) exercisable at an exercise price of \$5.00 per Common Share (“Common Share”) for a period of 24 months following the closing of the Offering. Both the Unit Warrants and the Share Warrants are transferable by the holders thereof.

Pursuant to the Underwriting Agreement among the Company, Echelon Wealth Partners Inc. and PI Financial Corp. (together, the “Underwriters”) were granted an over-allotment option of 552,600 units at the offering price or the Common Share and/or Common Share purchase warrant portion of the over-allotment, at a price to be determined by the parties. The option was exercisable for a period of 30 days from the closing of the Offering. On October 27, 2017, the Underwriters exercised the over-allotment for 471,000 warrants at price of \$0.10 per warrant. The warrants are exercisable at \$3.84 per share exercisable until December 27, 2018.

In consideration for the services provided by the Underwriters and pursuant to the Underwriting Agreement, the Underwriters received a cash commission of \$773,640 equal to 7% of the gross proceeds raised and 257,880 Units equal to 7% of the total number of Units sold under the Offering, at a fair market value of \$773,640.

- b) On February 5, 2018, the Company commenced a normal course issuer bid (“Bid”) through the facilities of the Canadian Securities Exchange. Under the Bid, the Company can purchase up to 6,500,000 common shares of the Company. The Bid will not extend beyond one year. Any purchases will be made at the prevailing market prices of the shares at the time of purchase. All shares purchased will be cancelled. As at August 31, 2018, the Company had purchased 360,000 common shares at a cost of \$403,502. The 360,000 common shares have been returned to treasury.
- c) As at August 31, 2018, there were 31,126,778 (November 30, 2017 – 36,366,000) common shares held in escrow. Subsequent to the period, there were 6,844,338 common shares released from escrow. At the date of this report, there were 24,282,440 remaining shares in escrow.

#### Share Purchase Warrants:

	Number of warrants	Weighted average exercise price \$
Balance, November 30, 2017	14,860,086	0.61
Issued - from equity financings	4,431,792	3.83
Exercised	(3,653,436)	0.32
New warrants issued from the exercise of outstanding Unit Warrants	790,682	0.47
Outstanding, August 31, 2018	16,429,124	1.53

**Glance Technologies Inc.****Notes to the Condensed Interim Consolidated Financial Statements****August 31, 2018***Unaudited – (stated in Canadian dollars)***11. Share Capital (continued)***Share Purchase Warrants (continued):*

Additional information regarding share purchase warrants outstanding as at August 31, 2018, is as follows:

Number of warrants outstanding	Exercise price \$	Expiry date
340,935	\$0.25	April 27, 2019
5,000	\$0.25	April 28, 2019
10,000	\$0.30	August 30, 2019
125,000	\$0.30	September 6, 2019
1,500	\$0.30	September 7, 2019
27,000	\$0.30	September 13, 2019
100,000	\$0.30	September 14, 2019
171,388	\$0.30	September 22, 2019
380,527	\$0.30	September 25, 2019
67,527	\$0.30	September 28, 2019
139,166	\$0.30	September 29, 2019
45,500	\$0.30	September 28, 2019
7,856	\$0.33	December 30, 2018
77,773	\$0.33	January 25, 2019
7,497	\$0.33	December 30, 2019
8,978	\$0.40	October 19, 2018
64,625	\$0.40	February 20, 2019
2,000,000	\$0.75	September 27, 2018
7,418,459	\$0.75	October 19, 2018
4,722	\$0.75	January 24, 2019
48,375	\$0.75	February 20, 2019
11,475	\$0.75	February 21, 2019
12,500	\$0.75	February 22, 2019
180,750	\$0.75	February 23, 2019
1,100	\$0.75	February 27, 2019
3,000	\$0.75	March 1, 2019
5,625	\$0.75	March 12, 2019
3,160	\$0.75	April 19, 2019
4,812	\$0.75	May 1, 2019
6,940	\$0.75	June 19, 2019
15,054	\$0.75	June 20, 2019
500,000	\$0.75	October 19, 2019
220,000	\$1.10	November 1, 2018
4,412,880	\$3.84	December 27, 2018
<u>16,429,124</u>		

Subsequent to the period, 2,000,000 share purchase warrants exercisable at \$0.75 per common share, expired unexercised on September 27, 2018.

# Glance Technologies Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

**August 31, 2018**

*Unaudited – (stated in Canadian dollars)*

### 12. Stock Options

Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company. The terms of the granted stock options are in accordance with the Company's stock option plan and the policies of the CSE. The vesting terms are determined at the sole discretion of the directors.

During the nine month period ended August 31, 2018, the Company granted 7,620,500 stock options to employees and consultants of the Company, with exercise prices ranging from \$0.34 to \$2.68 per Common Share. These options have a term of 5 years and vested over one to two year periods. In accordance with the Company's Stock Option Plan, vested options will terminate 90 days after an optionee ceases to work for the Company. During the nine month period ended August 31, 2018, a total of 2,755,750 stock options were cancelled. Subsequent to August 31, 2018, a further 470,000 stock options were granted and 595,000 stock options were cancelled.

A continuity schedule of the incentive stock options is as follows:

	<b>Number of options</b>	<b>Weighted average exercise price \$</b>
Outstanding, November 30, 2017	5,975,322	0.64
Granted	7,620,500	0.83
Exercised	(1,893,572)	0.25
Cancelled	(2,755,750)	1.30
<b>Outstanding, August 31, 2018</b>	<b>8,946,500</b>	<b>0.87</b>

Additional information regarding stock options outstanding as at August 31, 2018 is as follows:

Range of exercise prices \$	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.15	607,500	257,500	2.94	0.15
0.18	25,000	-	3.68	0.18
0.20	100,000	100,000	3.63	0.20
0.28	180,000	100,000	3.10	0.28
0.295	626,250	392,500	4.04	0.295
0.34	2,344,500	1,012,000	4.92	0.34
0.45	410,000	125,000	4.94	0.425
0.465	50,000	-	4.09	0.465
0.50	1,235,000	10,000	4.83	0.50
0.52	220,000	55,000	4.68	0.52
0.54	426,000	106,500	4.60	0.54
0.72	109,750	91,000	4.13	0.72
1.14	250,000	250,000	4.18	1.14
1.36	112,500	50,000	4.44	1.36
1.37	75,000	75,000	4.21	1.37
1.46	650,000	325,000	4.40	1.46
2.06	225,000	225,000	4.35	2.06
2.60	300,000	300,000	4.23	2.60
2.68	1,000,000	500,000	4.27	2.68
	<b>8,946,500</b>	<b>3,974,500</b>	<b>4.44</b>	<b>0.87</b>



# Glance Technologies Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

August 31, 2018

Unaudited – (stated in Canadian dollars)

### 12. Stock Options (continued)

The fair value of options granted during the period was estimated on the date of grant using the Black-Scholes option pricing model assuming no expected dividends and the following assumptions:

	2018	2017
Expected stock price volatility	50%	96%
Risk-free interest rate	0.76%	1.28%
Expected life of options (years)	2.00	2.51
Expected forfeiture rate	15%	0%

The weighted average fair value of options granted was \$0.43 (2017 - \$0.11) per option. During the nine months ended August 31, 2018, the Company recognized stock options-based payment of \$nil (2017 - \$204,662) for options granted to agents in connection with private placements.

In the same period, the Company recognized stock options-based payment of \$1,257,042 (2017 - \$143,723) for options previously granted to directors, officers, employees and consultants, which are unvested.

### 13. Related Party Transactions

During the nine month periods ended August 31, 2018 and 2017, compensation of key management personnel and related parties were as follows:

	August 31, 2018 \$ (unaudited)	August 31, 2017 \$ (unaudited)
Remuneration and fees	402,453	465,800
Share-based compensation	350,576	76,281
	<b>753,029</b>	<b>542,081</b>

The remuneration and fees were allocated to sales and marketing, general and administrative, and research and development expenses.

- During the nine months ended August 31, 2018, the Company incurred software, research, and development costs of \$45,000 (2017 - \$72,388), sales and marketing expense of \$12,808 (2017 - \$9,660) and management fees of \$32,192 (2017 - \$28,062) to the Chief Executive Officer (CEO) of the Company. As at August 31, 2018, the Company owed the CEO of the Company \$2,962 (November 30, 2017 - \$16,748), which is included in accounts payable and accrued liabilities. The amounts due were unsecured, non-interest bearing, due on demand, and to be settled in cash.
- During the nine months ended August 31, 2018, the Company incurred software development and information technology expenses of \$90,000 (2017 - \$93,971) to the Chief Technical Officer (CTO) of the Company. As at August 31, 2018, the Company owed \$9,271 (November 30, 2017 - \$44,674) to the CTO and \$612 (November 30, 2017: \$612) to a company controlled by the CTO of the Company, which has been included in accounts payable and accrued liabilities. The amounts due were unsecured, non-interest bearing, due on demand, and to be settled in cash.
- During the nine months ended August 31, 2018, the Company incurred general and administrative expenses of \$31,000 (2017 - \$nil) to a company controlled by the Chief People & Culture Officer (CPCO) of the Company. As at August 31, 2018, the Company owed \$25,000 (November 30, 2017 - \$nil) to the CPCO of the Company, which has been included in accounts payable and accrued liabilities.

# Glance Technologies Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

August 31, 2018

Unaudited – (stated in Canadian dollars)

### 13. Related Party Transactions (continued)

- d) During the nine months ended August 31, 2018, the Company incurred general and administrative expenses of \$10,000 (2017 - \$nil) to the Chief Operating Officer (COO) of the Company.
- e) During the nine months ended August 31, 2018, the Company incurred general and administrative expenses of \$31,308 (2017 - \$nil) to the Chief Commercial Officer (CCO) of the Company. As at August 31, 2018, the Company owed \$15,812 (November 30, 2017 - \$nil) to the CCO, which has been included in accounts payable and accrued liabilities. The amounts due were unsecured, non-interest bearing, due on demand, and to be settled in cash.
- f) During the nine months ended August 31, 2018, the Company incurred general and administrative costs of \$86,795 (2017 - \$69,219) to the Chief Financial Officer (CFO) of the Company. As at August 31, 2018, the Company owed \$6,846 (November 30, 2017 - \$12,177) to the CFO of the Company, which has been included in accounts payable and accrued liabilities. The amounts due were unsecured, non-interest bearing, due on demand, and to be settled in cash.
- g) During the nine months ended August 31, 2018, the Company incurred sales and marketing expenses of \$23,350 (2017 - \$80,000) to the former Chief Operating Officer (COO) of the Company. As at August 31, 2018, the Company owed \$10,000 (November 30, 2017 - \$10,874) to the former COO, which is included in shares to be issued.
- h) On June 28, 2018, the Company agreed to pay director fees to each of the independent directors. Under this agreement, the Company incurred fees of \$70,000 (2017 - \$nil) at August 31, 2018.
- i) During the nine months ended August 31, 2017, the Company incurred stock option-based compensation of \$350,576 (2017 - \$76,281) to officers and directors of the Company.

### 14. Revenue

The breakdown of revenue for the three and nine months ended August 31, 2018 and 2017 is as follows:

	Three months ended August 31, 2018 \$ (unaudited)	Three months ended August 31, 2017 \$ (unaudited)	Nine months ended August 31, 2018 \$ (unaudited)	Nine months ended August 31, 2017 \$ (unaudited)
Royalty fee	-	-	1,000,000	-
Licence fee	157,535	230,000	208,110	232,500
Application, development & service fees	28,660	8,630	311,864	130,161
Advertising & promotion	30,000	1,500	99,000	20,560
	<b>216,195</b>	<b>240,130</b>	<b>1,618,974</b>	<b>383,221</b>

The royalty fee was received from the sublicense of the Glance Pay software, which was granted from a previous licensing agreement to Loop Cannabis Insights Inc. As consideration, the Company received 4,000,000 shares, at a fair market price of \$0.25 per unit (refer to Note 5).

# Glance Technologies Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

**August 31, 2018**

*Unaudited – (stated in Canadian dollars)*

### 14. Revenue (continued)

During the nine month period ended August 31, 2018, the Company's revenue recognition pertains to fees charged to merchants for payment processing through the Company's Glance Pay application. There was also revenue recognised for marketing services for Euro Asia Pay Holdings Inc., which included branding, executive search and consulting.

### 15. Operating Expenses

General and administrative costs consist of the following:

	<b>Three months ended August 31, 2018 \$</b>	<b>Three months ended August 31, 2017 \$</b>	<b>Nine months ended August 31, 2018 \$</b>	<b>Nine months ended August 31, 2017 \$</b>
Office expenses	117,724	38,163	392,455	176,697
Consulting	117,000	-	342,000	-
Rent	167,993	16,687	373,492	65,958
Salaries	193,403	53,013	579,722	157,994
Travel	7,776	342	41,207	27,926
	<b>603,896</b>	<b>108,205</b>	<b>1,728,876</b>	<b>428,575</b>

Software development and information technology expenses consist of the following:

	<b>Three months ended August 31, 2018 \$</b>	<b>Three months ended August 31, 2017 \$</b>	<b>Nine months ended August 31, 2018 \$</b>	<b>Nine months ended August 31, 2017 \$</b>
Computer expenses	81,353	23,993	207,853	63,646
Salaries and management fee	610,641	101,450	1,406,145	324,668
Software and development consultancy	218,100	-	400,295	-
	<b>910,094</b>	<b>125,443</b>	<b>2,014,293</b>	<b>388,314</b>

Sales and marketing expenses consist of the following:

	<b>Three months ended August 31, 2018 \$</b>	<b>Three months ended August 31, 2017 \$</b>	<b>Nine months ended August 31, 2018 \$</b>	<b>Nine months ended August 31, 2017 \$</b>
Salaries and management fee	220,649	101,892	683,049	333,358
Sales and marketing	214,530	284,270	914,231	746,188
Travel	19,890	1,274	102,057	6,995
Consulting	205,529	130,370	1,053,800	199,143
Conference and events	26,332	-	462,242	-
	<b>686,930</b>	<b>517,806</b>	<b>3,215,379</b>	<b>1,285,684</b>

**Glance Technologies Inc.****Notes to the Condensed Interim Consolidated Financial Statements****August 31, 2018***Unaudited – (stated in Canadian dollars)***15. Operating Expenses (continued)**

Financing expenses consist of the following:

	<b>Three months ended August 31, 2018 \$</b>	<b>Three months ended August 31, 2017 \$</b>	<b>Nine months ended August 31, 2018 \$</b>	<b>Nine months ended August 31, 2017 \$</b>
Interest and bank charges	15,163	9,904	46,191	39,671
Transfer agent fees	19,128	10,264	61,383	25,850
Financing costs	-	-	2,005	276,469
	<b>34,291</b>	<b>20,168</b>	<b>109,579</b>	<b>341,990</b>

Corporate communications and investor media expenses consist of the following:

	<b>Three months ended August 31, 2018 \$</b>	<b>Three months ended August 31, 2017 \$</b>	<b>Nine months ended August 31, 2018 \$</b>	<b>Nine months ended August 31, 2017 \$</b>
Investor Awareness Programs	123,555	345,717	2,235,621	504,857
Conferences & events (IR)	-	5,000	-	27,358
Publicists	62,655	19,000	145,736	39,000
Salaries	18,822	-	18,822	-
Media	34,074	547,038	494,423	624,703
	<b>239,106</b>	<b>916,755</b>	<b>2,894,602</b>	<b>1,195,918</b>

Professional fees expenses consist of the following:

	<b>Three months ended August 31, 2018 \$</b>	<b>Three months ended August 31, 2017 \$</b>	<b>Nine months ended August 31, 2018 \$</b>	<b>Nine months ended August 31, 2017 \$</b>
Legal fees	27,011	1,132	424,849	15,967
Accounting and audit fees	13,029	9,810	73,428	21,411
Listing expenses	4,838	639	18,788	5,898
Insurance	2,750	2,625	8,250	7,875
	<b>47,628</b>	<b>14,206</b>	<b>525,315</b>	<b>51,151</b>

**Glance Technologies Inc.****Notes to the Condensed Interim Consolidated Financial Statements****August 31, 2018***Unaudited – (stated in Canadian dollars)***15. Operating Expenses (continued)**

Proxy contest expenses consist of the following:

	<b>Three months ended August 31, 2018 \$</b>	<b>Three months ended August 31, 2017 \$</b>	<b>Nine months ended August 31, 2018 \$</b>	<b>Nine months ended August 31, 2017 \$</b>
Shareholder communications	81,846	-	1,002,296	-
Legal fees	27,360	-	303,688	-
Printing and mailing	122,134	-	145,728	-
	<b>231,340</b>	<b>-</b>	<b>1,451,712</b>	<b>-</b>

**16. Supplemental Cash Flow Information**

	<b>For the nine months ended August 31, 2018 \$</b>	<b>For the nine months ended August 31, 2017 \$</b>
<b>Non-cash investing and financing activities</b>		
Common Shares issued for commissions	773,640	-
Investments received as payment for deferred revenue	800,000	-
Share purchase warrants issued for finder's fee	-	11,790
Share options granted for finder's fee	-	204,663
<b>Supplemental disclosures:</b>		
Interest paid	-	-
Income taxes paid	-	-

**17. Segmented Information**

The Company's business consists of one operating segment and the Company's assets are located geographically in Canada and the USA. The USA operating segment does not exceed 10% of reported revenue or 10% of the combined assets of the Company. Thus, the geographic segments are aggregated into a single operating segment based on this, as well as having similar economic characteristics (IFRS 8.12).

# Glance Technologies Inc.

## Notes to the Condensed Interim Consolidated Financial Statements

**August 31, 2018**

*Unaudited – (stated in Canadian dollars)*

### 18. Commitments

On November 28, 2017, the Company entered into an agreement with Vision Critical Communications Inc. to sublease the premises located on the 4<sup>th</sup> Floor at 200 Granville Street, Vancouver, BC, V6C 1S4. The term of the lease commenced on March 1, 2018 and expires on September 29, 2019. The sub-landlord is to be compensated with a monthly fee of \$51,465 (plus applicable taxes).

<b>Fiscal Year</b>	<b>\$</b>
2018	205,860
2019	463,185
	<b>669,045</b>

**Schedule “B”**

**Supplementary Information**

*[inserted in Schedule “A”]*

**Schedule “C”**

**Management’s Discussion & Analysis**

*[inserted as following pages]*



## **Glance Technologies Inc.**



### **Interim Management's Discussion and Analysis Quarterly Highlights for Venture Issuers**

Period Ended August 31, 2018  
Prepared as of October 16, 2018

400 - 200 Granville Street  
Vancouver, B.C. V6C 1S4  
Telephone: 833-338-0299

#### **General**

The following interim Management Discussion and Analysis ("MD&A") presents an analysis of the financial conditions of Glance Technologies Inc. and its subsidiaries (collectively referred to as "Glance" or the "Company") as at and for the nine-month period ended August 31, 2018, compared with the corresponding period in the prior year. It has been prepared to provide an update since the Company's last interim MD&A for the period ended May 31, 2018. Since this information is designed to focus on the current year's activities, resulting changes and currently known facts, it should be read in conjunction with the Company's interim consolidated financial statements for the period ended August 31, 2018, which provide information about the activities of the Company as a whole, and present a longer-term view of the Company's finances. The financial information presented in this MD&A is derived from our interim consolidated financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). There are no non-IFRS financial measures included in this MD&A.

This MD&A is the responsibility of management. Prior to its release, the Company's Board of Directors (the "Board") approved this MD&A on the Audit Committee's recommendation. The Company presents its interim consolidated financial statements in Canadian dollars. Amounts in this MD&A are stated in Canadian Dollars unless otherwise indicated.

Unless otherwise noted or the context indicates otherwise, "we", "us", "our", the "Company" or "Glance" refer to Glance Technologies Inc. and its direct and indirect subsidiaries. The Company's common shares ("Common Shares") commenced trading on the Canadian Securities Exchange under the ticker symbol "GET" on September 7, 2016.

Additional information with respect to the Company, including interim filings, audited consolidated financial statements and annual information form can be found on SEDAR at [www.sedar.com](http://www.sedar.com).

#### **Caution Regarding Forward Looking Statements**

Certain information included in this MD&A may constitute forward-looking statements. Statements in this MD&A that are not historical facts are forward-looking statements involving known and unknown risks and uncertainties, which could cause actual results to vary considerably from these statements. A statement

we make is forward-looking when it uses what we know and expect today to make a statement about the future. Forward-looking statements are typically identified by the words assumption, goal, guidance, objective, outlook, project, strategy, target and other similar expressions or future or conditional verbs such as aim, anticipate, believe, could, expect, intend, may, plan, seek, should, strive, and will. In this MD&A, forward-looking statements include such statements as:

- the Company's plans to utilize Glance Coin;
- the Company's expectation that Glance Coin will simplify and enable the adoption of cryptocurrency into everyday life;
- the Company's plans to expand operations in the United States and other parts of North America;
- the Company's belief that it will acquire new customers, pursue new licensing deals, acquire new technologies, expand its development resources and continue to add significant innovations to its technology such as a rewards-based cryptocurrency;
- the Company's belief that it's poised to build on traction within the foodservice industry by incorporating new business development strategies, targeted digital marketing campaigns, and traditional marketing efforts to expand the Glance Pay community into new and varied industry verticals;
- the Company's belief that its anti-fraud technology represents a significant accomplishment and market edge;
- the Company's intention to leverage fraud prevention in various markets;
- the Company's expectation to receive payments for monthly and annual Software as a Service ("SaaS") model fees from merchants, transaction fees, licensing fees, promotion and advertising fees, and consumer fees for premium service;
- the Company's new planned merchant app, which the Company believes should help enable viral adoption of its technology;
- the Company's belief that the upcoming Glance PayMe App (new downloadable merchant app) is well suited to digital marketing and the Company's intention to focus significant efforts towards this when the merchant app is live;
- the Company's belief that the upcoming Glance PayMe App will greatly reduce the cost of deployment, as well as customer acquisition costs;
- the Company's belief that the Glance PayMe App will open up a much larger audience for its products;
- the Company's expectation that custom hardware will not be required to process cryptocurrency payments, suggesting the Glance PayMe App could be a desirable solution in that marketplace;
- the Company's plans to expand its technology into online purchases and e-commerce by leveraging its anti-fraud technology for online merchants suffering high fraud rates;
- the Company's intention to utilize reward tokens to allow merchants to reward and provide deals and incentives to customers;
- the Company's plans to provide a loyalty mechanism, leading to flexible reward and loyalty structures to meet merchant needs;
- the Company's expectation of the value of Glance Coin being an especially compelling reward for consumers by businesses;
- the Company's plans to reduce spending on corporate communication and investor media significantly in future quarters compared to this past quarter and belief that it will focus on spending efficiently and effectively in this category;
- the Company's belief that the capital it has raised in the past twelve months gives Glance a runway to acquire new customers, expand into other geographic markets such as the US, pursue new license

- deals, acquire new technologies, expand its development resources and continue adding significant innovations to its technology such as a rewards-based cryptocurrency; and
- the Company's ability to raise additional capital needed to fund operations.

Readers are cautioned not to put undue reliance on forward-looking statements. Unless otherwise indicated by us, forward-looking statements in this MD&A describe our expectations as at October 16, 2018 and, accordingly, are subject to change after that date. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statement, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements, unless required by law.

Forward-looking statements, by their very nature, are subject to inherent risks and uncertainties and are based on several assumptions, both general and specific, which give rise to the possibility that actual results or events could differ materially from our expectations expressed in, or implied by, such forward-looking statements and that our business outlook, objectives, plans and strategic priorities may not be achieved. As a result, we cannot guarantee that any forward-looking statement will materialize, and we caution you against relying on any of these forward-looking statements. Forward-looking statements are presented in this MD&A, for the purpose of assisting investors and others in understanding our objectives, strategic priorities and business outlook as well as our anticipated operating environment. Readers are cautioned, however, that such information may not be appropriate for other purposes. The forward-looking statements in this MD&A are based on, among other things, the following assumptions:

- the Company will be able to achieve its business objectives;
- the Company will be able to develop proprietary software to implement its plans;
- the Company will be successful in obtaining and retaining clients and licensees for its software;
- the blockchain platform will continue to develop and grow in utilization and adoption around the world; and
- the Company will be able to expand its operations successfully in new geographic markets and new industries.

The forward-looking statements in this MD&A are subject to, among other things, the following risks:

- the Company's operations are dependent on key technical personnel, and the loss of such personnel could have a significant impact on the Company's ability to conduct its activities;
- competition;
- potential worsening of relationships with the Company's licensees, which could decrease revenue and harm the Company's business;
- litigation that could adversely affect the Company by distracting management, increasing our expenses or subjecting the Company to material money damages and other remedies;
- the ability of the Company to enforce its license agreements;
- currency fluctuations and exchange rates;
- the Company's ability to continue as a going concern;
- the Company may not be able to obtain all necessary funding for its operations, on terms satisfactory to the Company or at all;
- credit risk;

- the Company's dependence on information technology systems;
- risks associated with cyber security and privacy violations, in particular given the Company's operations are highly dependent on online technologies and the Company obtains a significant amount of personal information in the course of operations;
- risks associated with having a customer in the cannabis industry, as cannabis remains illegal in certain jurisdictions;
- risks associated with investments and activities in the cryptocurrency industry, which may be subject to ongoing regulation in due course;
- risks associated with the adoption and development of the global blockchain platform; and
- the Company may not be able to continue to successfully expand its operations beyond the Canadian marketplace or into industries other than the restaurant industry

We have made certain economic, market and operational assumptions in preparing the forward-looking statements contained in this MD&A. If our assumptions turn out to be inaccurate, our actual results could be materially different from what we expect.

Important risk factors including, without limitation, competitive, regulatory, economic, financial, operational, technological and other risks that could cause actual results or events to differ materially from those expressed in, or implied by, the previously-mentioned forward-looking statements.

We caution readers that the risks described in this MD&A are not the only ones that could affect us. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also have a material adverse effect on our financial position, financial performance, cash flows, business or reputation. Except as otherwise indicated by us, forward-looking statements do not reflect the potential impact of any special items or of any dispositions, monetizations, mergers, acquisitions, other business combinations or other transactions that may be announced or that may occur after October 16, 2018. The financial impact of these transactions and special items can be complex and depends on facts particular to each of them. We therefore cannot describe the expected impact in a meaningful way, or in the same way we present known risks affecting our business.

### **Q3 2018 Operating Highlights:**

#### **Glance PayMe™**

Glance began accepting select merchants for the trial of our upcoming beta release of Glance PayMe™, the new downloadable app for accepting payments in Glance's payment ecosystem.

The beta launch of Glance PayMe™ is an important step as Glance refines its strategy towards targeting new market verticals outside of the restaurant sector in the freelance or "gig" economy, which has significant market opportunity to enhance its current merchant base. According to the report "Freelancing in America: 2017" from Upwork, the most comprehensive measure of the U.S. independent workforce, it is estimated that 57.3 million of Americans are freelancing (36 percent of the U.S. workforce) and contribute approximately \$1.4 trillion annually to the economy, an increase of almost 30% since the previous year.<sup>1</sup>

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<sup>1</sup> <https://www.upwork.com/press/2017/10/17/freelancing-in-america-2017/>

### Strategic Alliance

On July 17, 2018, Glance and BIG Blockchain Intelligence Group Inc. (“BIG”), entered into a Strategic Alliance Agreement (the “Agreement”).

BIG brings security and accountability to the new era of cryptocurrency. BIG has developed from the ground up a Blockchain-agnostic search and analytics engine, QLUETM, enabling Law Enforcement, RegTech, Regulators and Government Agencies to visually trace, track and monitor cryptocurrency transactions at a forensic level. BIG’s commercial product, BitRank VerifiedTM, offers a “risk score” for Bitcoin wallets, enabling RegTech, banks, ATMs, exchanges, and retailers to meet traditional regulatory/compliance requirements. Big’s Forensic Services Division brings its team of investigative experts into action for investigations that require in-depth expertise and experience, either in conjunction with or supplemental to its user-friendly search, risk-scoring and data analytics tools.

Under the terms of the Agreement, BIG and Glance will work together to:

- (a) establish a mutual referral and strategic marketing relationship;
- (b) further explore ways to work together; and
- (c) collaboratively market and promote the businesses of both BIG and Glance.

### New Licensing

Glance has entered into a cross-licensing and co-branding agreement with Brewhound Inc. to integrate their mobile app and the Glance Pay mobile payments solution. Brewhound is a mobile app that locates happy hour deals in pubs and restaurants across Metro Vancouver.

This new partnership will allow for two-way integration between the Glance Pay and Brewhound apps, empowering users to seamlessly switch between, and enjoy the advantages of each interface for a faster, easier, more integrated way to enjoy cuisine and entertainment.

### **Q3 2018 Corporate Highlights include:**

- Glance Coin White Paper (the “White Paper”) was published, describing Glance’s plans to build a decentralized loyalty marketplace offering crypto payments with a loyalty reward token.
- Alexander (Sascha) Williams was appointed as Chief Operating Officer of Glance.
- Jonathan Hoyles was appointed as Chief Commercial Officer and General Counsel of Glance.
- Lewisa Anciano was appointed as Chief People and Culture Officer of Glance.
- Glance has retained Hybrid Financial Ltd. (“Hybrid”) for investor relations services. The services will commence on September 1, 2018 and will include marketing, distribution, and branding services for Glance with a specific focus on elevating Glance's profile among brokers in the United States and Canada.
- Glance was named the winner of six Stevie® Awards in The 15th Annual International Business Awards®, including a Gold Stevie® Award for *Company of the Year* in its category.

### **Subsequent to Q3 2018:**

Subsequent to the Quarter ended August 31, 2018, the Company announced some new features built into its upcoming downloadable Glance PayMe™ application. The new features will allow merchants to accept payments from Glance Pay users via:

- Quick Response (“QR”) Code
- Bluetooth (automatically detecting nearby payments)
- Digital Invoice

QR Code and Bluetooth payments will provide merchants with extraordinarily fast, convenient and secure payment options from in-person customers, while digital invoicing will enable merchants to keep digital records and accept payments from both in-person and remote customers.

These payment options will be offered in addition to Glance’s revolutionary payment by photo capability, which give merchants an unparalleled suite of payment options, as well as Glance’s full suite of features, including powerful anti-fraud technology and a robust loyalty rewards program.

Glance announced an upcoming new feature that will empower Glance Pay users to pay with Bitcoin. This new feature, *Pay With Bitcoin*, will enable Glance Pay users to pair their cryptocurrency wallet with their Glance Pay account, and then purchase Glance Dollars with Bitcoin. Glance Dollars represent a credit that can be spent instantly at participating merchants within the Glance Pay ecosystem.

Glance also announced awards in the following areas:

- The Company ranked in 1<sup>st</sup> place in the Diversified Services category in the *People’s Choice Stevie Awards for Favorite Companies*, a feature of The International Business Awards.
- The Company’s subsidiary, Glance Pay, ranked in 1<sup>st</sup> place for Best Local Startup in the 2018 Best of Vancouver Readers’ Choice Awards, hosted by *The Georgia Straight*.

### **Company Overview**

Glance Technologies Inc., a Vancouver-based technology company, owns and operates Glance Pay, a streamlined payment system that revolutionizes how smartphone users choose where to shop, make payments, access digital receipts, redeem digital deals, earn great rewards and interact with merchants. Since launching at the end of 2016, Glance is building a valuable network of businesses and consumers and offers targeted in-app marketing, geo-targeted digital coupons, customer feedback, and custom rewards programs. The Glance Pay mobile payment system consists of proprietary technology, which includes user apps available for free downloads in iOS (Apple) and Android formats, merchant manager apps and a large-scale technology hosting system. Glance PayMe is another mobile app, which allows businesses across industry verticals (beauty and wellness, automotive, retail and e-commerce) to accept mobile payments instantly and build superior analytics. Both apps are expected to utilize the upcoming Glance Coin, a reward token, which is intended to simplify and enable the adoption of cryptocurrency into everyday life. Glance published a whitepaper on Glance Coin subsequent to the quarter end, making Glance one of the first public companies worldwide to do so. The Glance Coin Whitepaper (the “Whitepaper”) outlines its plans for a

blockchain-based rewards platform utilizing smart contracts intended to enable merchants to reward, incentivize and provide deals to their customers using a cryptocurrency token. These reward tokens are intended to allow users to accumulate rewards to spend when the user chooses within a larger decentralized platform. Any issuance of Glance Coin would be undertaken in accordance with applicable securities laws. The payment-processing platform is now being licensed to other companies, enabling them to build their own network of users who will use the mobile application in their businesses.

Since launching at the end of 2016, the rollout of the *Glance Pay App* has expanded from the restaurant industry to many other merchants and service providers across industry verticals, including beauty and wellness, automotive retail, and e-commerce. Merchants are demonstrating that they buy into the enhanced technology, app features, and development roadmap of the *Glance Pay App*, while the characteristics of the varied markets they represent are highly viable and promising for the growth of Glance Pay.

### **Merchant App and Glance PayMe App**

During our first year of operations, we focused on developing and enriching the user experience through the *Glance Pay App*. We're now devoting significant resources to enhancing the *Glance Merchant App*. These latest innovations are aimed at repeatedly bringing customers back to our merchants' establishments and making it faster for us to expand Glance's base of merchants. We plan to expand this technology into online purchases and e-commerce by leveraging our anti-fraud technology for online merchants suffering high fraud rates.

To date, merchant sign-up has been primarily direct sales, partly due to our Merchant App requiring set hardware on which to operate. However, we are building the *Glance PayMe App* - a downloadable merchant app, to allow any business or freelancer to download the app to their own mobile devices and sign up via the app (which previously wasn't possible), with the plan to get them up and running very quickly accepting payments and rewards with no custom hardware required. This will greatly reduce the cost of deployment, as well as customer acquisition costs. Glance's track record of success with its anti-fraud technology means it doesn't need to use custom hardware for swiping cards or using chip and PIN machines. We believe this will change our sales dynamics to allow us to take advantage of online marketing and help enable viral adoption of the merchant app.

### **Expansion**

Glance Pay's position as an industry leader for mobile payments in the restaurant industry has been advanced by the Company's recent promotional success at key trade shows and events. The Company is poised to build on this strong traction within the foodservice industry by incorporating business development strategy, targeted digital marketing campaigns, and traditional marketing efforts to expand the Glance Pay community into new and varied industry verticals.

A cornerstone of the Company's many restaurant partnerships are several signed restaurant chains, which boast lucrative businesses and an expanding footprint of franchised locations, including MR MIKES Steakhouse Casual, Ricky's Group of Restaurants, Freshslice Pizza and the Steamworks Group of Companies.

### **Monetization Strategy**

In addition to establishing a significant base of merchants and users and expanding our market, we've also explored and tested different monetization strategies for our products. Current and future monetization

opportunities for the Glance Pay platform include monthly and annual SaaS model fees to the merchant, transaction fees, licensing fees, promotion and advertising fees, and consumer fees for premium services. The philosophy behind monetization options is to give the partner business a return on investment that translates into increased customer retention, a larger number of customers, and higher-value transactions overall. These outcomes can be directly attributed to the main features of the Glance Pay App, such as payment efficiencies, promotions, events and Glance's own loyalty rewards program. We plan to continue adding a number of services and features to our platform that could be used to earn additional revenue. Having a connection to the Glance Pay user base also allows merchants to achieve and raise the bar for their operational and revenue goals. We believe we have an opportunity to provide services which can compete with large payment companies without requiring special hardware to combat fraud.

### **Licensing**

Additionally, we have been exploring other opportunities to license our technology for fees and royalties, some of which were recognized in the first quarter of fiscal 2018 and contributed significantly to our revenue. These types of license fees may not continue in an evenly distributed and consistent manner in the future as recognition of such fees depend on the type of deal and timing of signing and delivery. On December 6, 2017, we announced the acquisition of the BlockImpact cryptocurrency and blockchain platform to accelerate our blockchain development. We are also exploring licensing opportunities of this technology beyond our rewards token initiative.

### **More Efficient Spending**

In the past few months, Glance management has also prioritized reviewing its expenditures to improve efficiency. Significant changes have already been made to better utilize its cash resources going forward.

### **Cryptocurrency & Rewards**

We believe blockchain and cryptocurrencies are fundamentally transformative technologies. We announced that we are working on a rewards-based cryptocurrency using blockchain technology. This development will utilize a rewards token that allows Glance Merchants to reward and provide deals and incentives to customers. Our plan is to provide a loyalty mechanism that allows Glance Users to spend accumulated rewards within a larger marketplace. We also anticipate that by rewarding Glance Users with our token, we will enable everyday individuals to get involved in the cryptocurrency and hopefully encourage widespread adoption. We are working diligently on our crypto technology and assembling what we believe to be a strong team on this front. This blockchain-based rewards platform will allow flexible reward and loyalty structures to meet merchant needs based on smart contracts. In May 2018, the Company hosted The Future of Blockchain in Vancouver. In the current period, the Whitepaper was released. Glance intends to increase its focus and efforts on its blockchain initiatives.

### **Anti-Fraud**

Fraud is a serious issue for many merchants, and unfortunately most payment methods pass the fraud risk onto the merchant with higher fees. That is why we designed important innovations in fraud prevention that were implemented over a year ago. We previously announced that we experienced zero payment fraud on our platform in a 16 month period across all of our live locations. Fraud prevention may be one of the most important features of our intellectual property to date, and we intend to leverage this advantage in various markets including cryptocurrency and blockchain, online e-commerce, mobile payments and in-store purchases. We believe our anti-fraud technology represents a significant accomplishment and market edge. Based on recent announcements by credit card firms, fraud is also emerging as a major issue in the crypto space, and our technology could offer an important weapon against it.



**Summary**

By establishing the usability of our technology, expanding our target market to a broader array of merchants, allowing merchants to download an app and be up and running quickly, improving capacity for monetization with more products, raising significant capital, preventing fraud and strengthening our product offering, we feel Glance has embarked on an exciting path. We firmly believe that mobile devices are the future of payments and consumer engagement, and we believe blockchain is a fundamentally transformative technology. According to iResearch<sup>2</sup>, mobile payments are the dominant form of payment in China, where annual payments already amount to trillions of USD annually. We believe that this trend will filter into the markets Glance operates in and we are well positioned to take advantage of these technological trends as we continue to build our technology and expand our network of merchants and consumers. Every year, smart phone technology advances significantly, accelerating the transition to mobile payments and giving us even more tools for innovation.

## Financial Position and Liquidity - Review of Financial Results

The Company became a reporting issuer after the final receipt from the British Columbia Securities Commission of the Company's prospectus on August 4, 2016. The following table presents selected audited and unaudited financial information for each of the last eight quarters:

	2018 Q3	2018 Q2	2018 Q1	2017 Q4
Revenue	216,195	229,060	1,173,719	687,238
Corporate communications & investor media	(239,106)	(347,359)	(2,308,136)	(1,854,090)
Depreciation	(118,834)	(105,552)	(77,261)	(68,119)
Finance expense	(34,291)	(27,650)	(47,638)	(168,881)
General & administrative costs	(603,860)	(673,728)	(451,255)	(184,922)
Management fees	(82,185)	(12,530)	(7,662)	(7,269)
Professional fees	(47,628)	(171,358)	(306,329)	(51,908)
Sales & marketing expenses	(686,930)	(1,082,312)	(1,446,137)	(829,741)
Software development costs	(910,094)	(744,719)	(359,480)	(205,450)
Stock option-based payments	(351,235)	(685,519)	(220,288)	(3,283,757)
<b>Total Expenses</b>	<b>(3,074,163)</b>	<b>(3,850,727)</b>	<b>(5,224,186)</b>	<b>(6,377,668)</b>
Loss before other items	(2,857,968)	(3,621,667)	(4,273,111)	(5,690,430)
<b>Other income (expense)</b>				
Proportionate loss from associate	-	-	(616,130)	(180,893)
Proxy contest expenses	(231,340)	(997,728)	(222,644)	-
FX gain/(loss)	3,584	8,611	(10,032)	8,143
Interest income	31,667	41,520	30,672	-
Other income		2,709	-	-
Loss on settlement of debt	-	-	-	-
<b>Net Loss</b>	<b>(3,054,057)</b>	<b>(4,566,555)</b>	<b>(4,868,601)</b>	<b>(5,863,179)</b>
Loss per share	(0.02)	(0.03)	(0.04)	(0.08)
Weighted average number of ordinary shares	136,457,071	135,373,594	131,112,157	75,623,413
Loss per share - diluted	(0.02)	(0.03)	(0.03)	(0.04)
Number of diluted shares	160,113,407	160,573,390	160,388,293	148,194,303

	2017 Q3	2017 Q2	2017 Q1	2016 Q4
Revenue	240,130	126,527	16,564	7,576
Corporate communications & investor media	(916,755)	(150,463)	(129,428)	(116,850)
Depreciation	(67,359)	(59,984)	(58,161)	(53,130)
Finance expense	(20,168)	(25,715)	(19,638)	(23,789)
General & administrative costs	(108,205)	(139,714)	(186,377)	(192,334)
Management fees	(8,347)	(8,465)	(11,250)	(11,250)
Professional fees	(14,206)	(13,152)	(23,793)	(44,880)
Sales & marketing expenses	(517,806)	(420,558)	(340,871)	(314,030)
Software development costs	(125,443)	(129,502)	(133,369)	(137,855)
Stock option-based payments	(25,920)	(39,868)	(77,935)	(145,844)
<b>Total Expenses</b>	<b>(1,804,209)</b>	<b>(1,263,890)</b>	<b>(980,822)</b>	<b>(1,039,962)</b>
Loss before other items	(1,564,079)	(1,137,363)	(964,258)	(1,032,386)
<b>Other income (expense)</b>				
Proportionate loss from associate	(160,467)	(62,236)	-	-
FX gain/(loss)	-	-	-	-
Interest income	-	-	-	-
Loss on settlement of debt	-	(4,240)	-	-
<b>Net Loss</b>	<b>(1,724,546)</b>	<b>(1,141,603)</b>	<b>(964,258)</b>	<b>(1,032,386)</b>
Loss per share	(0.02)	(0.02)	(0.02)	(0.02)
Weighted average number of ordinary shares	75,623,413	68,290,604	52,455,469	56,219,492
Loss per share diluted	(0.02)	(0.01)	(0.01)	(0.01)
Number of diluted shares	83,721,036	101,306,071	80,440,216	71,118,478

Revenue decreased by \$23,935 (10%) in the three- month period ended August 31, 2018 in comparison to the same period in 2017, due to a decrease in revenue from licensing agreements. In the current period, there were application and service fees of \$28,660 (2017: \$8,630) and marketing revenue of \$30,000 (2017: \$1,500). In addition, the current period includes licensing revenue of \$157,535 (2017: \$230,000). As anticipated, licensing revenues have fluctuated in recent quarters due to certain agreements specifying larger initial payments.

Glance has made a strategic decision to focus on demonstrating the capabilities of its technology and expanding its base of merchants over maximizing revenue from merchants, which is a strategy common amongst platform technology companies. Thus, merchant revenue was not substantial this quarter and in prior quarters. As Glance introduces the *Glance PayMe App*, we anticipate that revenue from merchants will begin to grow. The forthcoming *Glance PayMe App* will allow merchants to very quickly download directly to their own mobile devices, with built-in fraud-protection and loyalty rewards. Once the *Glance PayMe App* is available, we intend to progress to predominantly digital online sales, targeting markets in a number of geographies with minimal overhead. Glance also expects to increase the sales rate to large chains by expanding its enterprise sales team and the new set of application features that target this market segment. By the end of fiscal 2018, we expect that the *Glance PayMe App*, combined with new features such as advanced data analytics, will deliver monthly recurring revenue from merchants through a tiered

SaaS subscription model. This will be in addition to Glance's ability to generate new revenue from advertising, promotions, and consumer fees for premium features. Glance is also pursuing opportunities to monetize the blockchain platform it purchased this quarter as well as for the Glance Coin rewards-based cryptocurrency solution it is working on, further leveraging our current technology.

The net loss for the three months ended August 31, 2018 of \$2,857,968 compares to \$1,564,079 for the same period in 2017 (83% increase), which was due to an increase in expenses in the current quarter. Several factors led to the year-over-year increase in expenses:

- Corporate communication and investor media expenses were \$239,106, a decrease of 74% in Q3 2018 compared to Q3 2017 (\$916,755). The majority of this expense included publicists and media (\$96,729), as well as investor awareness programs (\$123,555). As noted in our previous interim MD&As, the Company is continuing to achieve its planned cost reductions in this category, while working to spread awareness efficiently and effectively.
- Depreciation of equipment in use accounted for \$118,834 in Q3 2018, which was an increase of 76% from the same period in the prior year (\$67,359). This was due to an increase in the purchase of office equipment and furnishings to support an increase in staff and new office location.
- Finance expenditure was \$34,291 in Q3 2018 compared to \$20,168 in the same period last year (70% increase). In Q3 2018, finance expenditures primarily included transfer agent fees (\$19,128) and bank and merchant charges (\$15,163).
- General and administrative expenditures increased 458% (\$603,860) in Q3 2018 compared to the same period in 2017 (\$108,205). The increase was due to the Company's expansion. The most significant increase was in administrative staff wages and consulting fees (\$310,403 in Q3 2018 vs \$53,013 in Q3 2017). In addition, office expenditure (\$117,724) increased 208% from Q3 2017 (\$38,163) and rent (\$167,993) increased 907% compared to Q3 2017 (\$16,687) due to a premises relocation which took place in Q1 2018, to facilitate the growing team, as well as overall additional resource demands.
- Professional fees in Q3 2018 (\$47,628) increased by 235% compared to Q3 2017 (\$14,206). The professional fees mainly consisted of legal fees (\$27,011 vs Q3 2017 \$1,132) and accounting fees (\$13,029 vs Q3 2017 \$9,810). The Company's legal fees increased due to the compliance framework for the rewards-based token and their trademark application, as well as anti-money laundering compliance for the new Merchant App.
- Sales and marketing expenditure in Q3 2018 (\$686,930) increased 33% compared to Q3 2017 marketing expenditure (\$517,806). Salaries for marketing increased to \$220,649 (117%) in Q3 2018, due to the increase in our marketing team, compared to \$101,892 in Q3 2017. Other consulting costs of \$205,529 (Q3 2017: \$130,370) were predominantly related to digital and blockchain advisory services. There was \$114,657 incurred on social media and marketing materials, to promote the Glance Pay application and Glance Coin. There was \$35,594 (2017: \$31,772) incurred on new customer acquisitions; this expenditure was increased as Glance launched in many more areas. As expected, the rate of new sign up is slowed down as the Company experiences more repeat usage. Glance Technologies also attended and presented on blockchain at a conference in London in June.
- Software development costs increased 626% (\$910,094) in Q3 2018 in contrast to Q3 2017 (\$125,443). Of this, \$610,641 relates to salaries paid to a growing the development team (Q3 2017: \$101,450), to enhance the mobile application for iOS and Android; and to develop channels to access blockchain capabilities. There were also consultancy fees of \$218,100 incurred (Q3 2017: \$nil), to further develop the capabilities of BlockImpact purchased from Ztudium Ltd (\$133,100), as well as \$85,000 for designing and developing virtual prepaid cards.

- Non-cash stock option-based payments relate to the cost of issuing stock options to new and existing employees of the Company. The expense of \$351,235 (1,255%) in Q3 2018 compared to Q3 2017 (\$25,920) relates to approximately 4 million shares granted during the quarter. There were also approximately 2 million shares forfeited in the current quarter.

### Proxy Contest Related Costs

On February 20, 2018, the former President and Chief Operating Officer was terminated from the Company following which a shareholder meeting was requisitioned by the terminated officer forcing the Company to act.

At the Annual General Meeting on June 12, 2018, the shareholders showed their support of the current board and voted to re-elect Desmond Griffin, Kirk Herrington, James Topham and Larry Timlick as directors of the Company. Steve Cadigan was also elected as a director. To August 31, 2018, the costs of addressing the proxy contest initiated by the terminated officer was \$1.45 million (2017: \$nil).

	Three months ended August 31, 2018 \$	Three months ended August 31, 2017 \$	Nine months ended August 31, 2018 \$	Six months ended August 31, 2017 \$
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
Legal	27,360	-	303,688	-
Investor relations	81,846	-	1,002,296	-
Printing and mailing	122,134	-	145,728	-
	<b>231,340</b>	<b>-</b>	<b>1,451,712</b>	<b>-</b>

The Company does not expect this to be a recurring expense and it is not within the normal course of business.

### Operating Activities

Cash used by operating activities during the nine months ended August 31, 2018, was \$12,777,764 (August 31, 2017 - \$3,548,808). The increase over the period relates to increased expenditure on marketing and office expenses, as well as wages and salaries. There was an overall increase in business activity, which required more resources. At the period end, there were 48 employees, compared to August 31, 2017 of 14 employees.

There was expenditure on investor awareness programs (\$2,894,602), which impacted cash flow. This level of expenditure has been reduced in the last two quarters. There was also expenditure in connection with the proxy contest (\$1,451,712), which impacted cash flow and is not expected to be a recurring expenditure item.

The Company's GST/PST input tax credits also increased by \$357,309 in the nine month period ended August 31, 2018, which also had an impact on cash available. The Company is awaiting a refund on these amounts.

\$750,000 in cash was paid by Glance in connection with an agreement dated January 19, 2018, between the Company, Fobisuite Technologies Inc., and Fobi Pay Technologies Inc. The long form agreement in respect of this transaction is still under negotiation.

### Investing Activities

Cash used for investing activities during the nine months ended August 31, 2018, was \$1,763,570 (August 31, 2017 - \$434,869). \$1,427,560 (\$1.1 million USD) of this amount related to the purchase of intellectual property from Ztudium Ltd. The remaining expenditures were for tenancy improvements (\$176,822), and the purchase of iPads for merchants and equipment for employees (\$191,440).

### Financing Activities

Net cash received from financing activities during the nine months ended August 31, 2018, was \$11,488,524 (August 31, 2017 - \$4,492,708). Please see Note 10 of the Company's Interim Financial Statements for more details on the transactions, which included a bought deal.

### Third Quarter

During the three months ended August 31, 2018, the overall expenses and investment activities have declined substantially. Costs incurred on operating activities were approximately \$2.6 million in Q3 2018, compared to \$3 million in Q2 2018 and \$4.9 million in Q1 2018. This trend demonstrates that the Company continues to follow its policy of optimizing expenditures to maximize overall efficiency and effectiveness. At August 31, 2018, the Company's net working capital was \$8.3 million.

### The Consolidated Statement of Financial Position

The following consolidated statement reports information about Glance as a whole and about its activities in a way that helps describe how Glance performed in the current period. This consolidated statement includes all assets and liabilities using the accrual basis of accounting.

	August 31, 2018	November 30, 2017	Variance
ASSETS	\$	\$	%
<b>Current assets</b>			
Cash	7,241,398	10,294,213	-30%
Accounts and other receivables	641,086	179,372	257%
Prepaid expenses and deposits	1,707,619	683,284	150%
<b>Total current assets</b>	<b>9,590,103</b>	<b>11,156,869</b>	<b>-14%</b>
<b>Non-current assets</b>			
Investments	2,487,774	1,303,904	91%
Property and equipment	344,083	170,089	102%
Intangible assets	1,630,675	342,745	375 %
<b>Total non-current assets</b>	<b>4,462,532</b>	<b>1,816,738</b>	<b>146%</b>
<b>Total assets</b>	<b>14,052,635</b>	<b>12,973,607</b>	<b>8%</b>

**LIABILITIES****Current liabilities**

Accounts payable and accrued liabilities	359,343	408,554	-12%
Deferred revenue	916,890	393,750	133%
<b>Total liabilities</b>	<b>1,276,233</b>	<b>802,304</b>	<b>59%</b>

**Non-current liabilities**

Deferred revenue	400,000	551,250	-27%
<b>Total liabilities</b>	<b>400,000</b>	<b>551,250</b>	<b>-27%</b>

**SHAREHOLDERS' EQUITY**

Share capital	32,899,790	20,273,414	62%
Shares to be issued	15,866	74,249	-79%
Reserves	4,394,704	3,717,135	18%
Deficit	(24,933,958)	(12,444,745)	100%
<b>Total shareholders' equity</b>	<b>12,376,402</b>	<b>11,620,053</b>	<b>7%</b>
<b>Total liabilities and shareholders' equity</b>	<b>14,052,635</b>	<b>12,973,607</b>	<b>8%</b>

**Assets**

Total assets increased by 8% (\$14 million compared to \$12.9 million) during the nine months ended August 31, 2018. Total assets are 52% comprised of cash holdings received from equity financings conducted during the 2018 fiscal year, including the bought deal financing in December 2017 raising over \$10.2 million, after financing costs, and on the exercise of warrants and options.

During the period ending August 31, 2018, the Company invested an additional \$1.5 million in a range of non-current assets, including Blockchain 'BlockImpact' intellectual property (\$1,419,844 /\$1.1 million USD) and computer equipment for new employees.

Yield Growth Corp. ("Yield") (formerly, Cannapay Financial Inc.) has recorded continuous losses and the investment has been written down to \$nil. The Company had a 25% ownership of shares in Yield in Q3 2018 and incorporated a proportionate loss of \$608,904 in the nine months ended August 31, 2018. The net value of the investment in associate is \$nil.

The Company received shares (4,000,000 at fair value \$0.25) in Loop Cannabis Insights Inc. ("Loop") in exchange for a sublicense granted to Loop during the period. Loop recorded a loss of \$152k during Glance's fiscal Q1 2018. The Company had a 21.4% ownership of shares in Loop for 20 days in Q1 2018 and incorporated a proportionate loss of \$7,226 into its consolidated income statement during this period. The Company had a 19.8% ownership of shares in Loop in Q2 and Q3 2018 and was no longer deemed to be an associate of Glance. Other investments increased \$800k, on receipt of common shares in Active Pay Distribution Inc. (3,200,000 at fair value of \$0.25).

The accounts receivable relates to amounts receivable for GST input tax credits of \$402,087 (an increase of 246% during the nine months ending August 31, 2018) and a PST refund of \$71,249 (2017: \$nil).

Other customer amounts receivable consists of GST from licensing, as well as services and marketing revenue. Other general receivables include a cash deposit of \$94,493 for an advance towards the normal course issuer bid.

The prepaid expenses increased 150% to \$1,707,619 (2017: \$683,284). Included in prepaid expenses is a license fee of \$1.5 million paid by Glance relating to an agreement between the Company, Fobisuite Technologies Inc. and Fobi Pay Technologies Inc. Of this amount, \$250,000 and 250,000 common shares (at a fair value of \$2.00 per share) of Glance Technologies Inc. is held in escrow pending the completion of the above noted long form agreement. Also included in prepaid expenses is \$107,491, which represents a deposit on office premises rental.

### Liabilities

The accounts payable and accrued liabilities decreased 12% to \$359,343 (2017: \$408,554), due to a decrease in expenses. There were accrued payroll liabilities of \$94,632 (2017: \$76,421), payments due and accrued liabilities to vendors for work performed of \$204,820 (2017: \$273,742) and payments due to officers, directors and other related parties of \$59,891 (2017: \$58,371) for various consulting, marketing and management costs, as well as expense reimbursements.

At the end of Q3 2018, the Company had a current deferred revenue balance of \$916,890 (2017: \$393,750 - 133% increase) and a non-current balance of \$400,000 (2017: \$551,250 - 27% decrease). This revenue relates to Active Pay, Euro Asia Pay and Yield Growth Corp licensing agreements. As noted above, Active Pay issued 3,200,000 shares to the Company in February 2018, pursuant to its licensing agreement. With the launch of Glance PayMe, the Company expects to recognize the up-front payments for these licensing agreements as revenue in fiscal 2019.

### Options

Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of options to directors, officers, employees and consultants of the Company. The terms of the granted stock options are in accordance with the Company's stock option plan and the policies of the CSE. The vesting terms are determined at the sole discretion of the directors.

During the nine months ended August 31, 2018, the Company granted 7,620,500 stock options to employees and consultants of the Company, with exercise prices ranging from \$0.34 to \$2.68 per Common Share. These options have a term of 5 years and vested over one to two year periods. In accordance with the Company's Stock Option Plan, vested options will terminate 90 days after an optionee ceases to work for the Company. During the nine month period ended August 31, 2018, a total of 2,755,750 stock options were cancelled. Subsequent to August 31, 2018, a further 470,000 stock options were granted and 595,000 stock options were cancelled.

The schedule of incentive stock options is detailed below:

	Number of options	Weighted average exercise price \$
Outstanding, November 30, 2017	5,975,322	0.64
Granted	7,620,500	0.83
Exercised	(1,893,572)	0.25
Cancelled	(2,755,750)	1.30
<b>Outstanding, August 31, 2018</b>	<b>8,946,500</b>	<b>0.87</b>



The weighted average fair value of options granted was \$0.83 (2017 - \$0.20) per option. During the nine months ended August 31, 2018, the Company recognized stock options-based payment of \$1,257,042 (2017 - \$117,803) for options previously granted to directors, officers, employees and consultants, which are unvested, as well as \$nil (2017 - \$204,662) for options granted to agents in connection with private placements.

### Related Party Transactions

During the nine month periods ended August 31, 2018 and 2017, compensation to key management personnel and related parties were as follows:

	<b>August 31, 2018</b>	<b>August 31, 2017</b>
	<b>\$</b>	<b>\$</b>
	<i>(unaudited)</i>	<i>(unaudited)</i>
Remuneration and fees	402,453	465,800
Share-based compensation	350,576	76,281
	<b>753,029</b>	<b>542,081</b>

The remuneration and fees were allocated to sales and marketing, general and administrative, and research and development expenses.

### Use of Financing Proceeds

On December 27, 2017, the Corporation completed a public offering of Common Shares which raised net proceeds of \$10,078,360 (the “December 2017 Offering”). The following table sets forth a comparison of the disclosure regarding the Corporation’s intended use of proceeds set out in the Corporation’s short form prospectus dated December 13, 2017 (the “December 2017 Prospectus”) in connection with the December 2017 Offering and the estimated use of proceeds as of August 31, 2018:

<b>Principal Purpose</b>	<b>Approximate Use of Net Proceeds Per Prospectus Disclosure</b>	<b>Actual Use of Proceeds as at August 31, 2018</b>
Strategic Acquisition Opportunities	\$1,408,000	\$1,455,000
Expansion of Technical Team	\$1,800,000	\$1,853,000
Marketing for Mobile Platform and Company	\$3,100,000	\$3,278,000
International and Regional Expansion	\$1,400,000	\$1,065,000
Potential Investments and Acquisitions	\$2,200,000	\$1,965,000
Miscellaneous Corporate Purposes	\$170,360	\$462,360
<b>TOTAL</b>	<b>\$10,078,360</b>	<b>\$10,078,360</b>

The difference between the approximate use of proceeds and the actual use occurred in the normal course of business.

### Off-Balance Sheet Arrangements

The Company does not have any off-balance sheet arrangements that have, or are reasonably likely to have, an effect on the results of operations or financial condition of the Company.

### Subsequent Events

- On September 7, 2018, there were 6,844,338 common shares released from escrow. At the date of this report, there were 24,282,440 remaining shares in escrow.
- Subsequent to the period, 2,000,000 share purchase warrants exercisable at \$0.75 per common share, expired unexercised on September 27, 2018.

### Outstanding Share Data

The Company's authorized capital is an unlimited number of common shares without par value. The following table summarizes the outstanding share capital as of October 16, 2018:

Issued and outstanding common shares at October 16, 2018: **136,737,783**

Total Warrants outstanding at October 16, 2018, detailed below:

<b>Number of Warrants</b>	<b>Exercise Price</b>	<b>Expiry Date</b>
340,935	\$0.25	April 27, 2019
5,000	\$0.25	April 28, 2019
10,000	\$0.30	August 30, 2019
125,000	\$0.30	September 6, 2019
1,500	\$0.30	September 7, 2019
27,000	\$0.30	September 13, 2019
100,000	\$0.30	September 14, 2019
171,388	\$0.30	September 22, 2019
380,527	\$0.30	September 25, 2019
113,027	\$0.30	September 28, 2019
139,166	\$0.30	September 29, 2019
7,856	\$0.33	December 30, 2018
78,773	\$0.33	January 25, 2019
7,497	\$0.33	December 30, 2019
8,978	\$0.40	October 19, 2018
64,625	\$0.40	February 20, 2019
7,418,459	\$0.75	October 19, 2018
4,722	\$0.75	January 24, 2019
48,375	\$0.75	February 20, 2019
11,475	\$0.75	February 21, 2019
12,500	\$0.75	February 22, 2019
180,750	\$0.75	February 23, 2019
1,100	\$0.75	February 27, 2019
3,000	\$0.75	March 1, 2019
5,625	\$0.75	March 12, 2019
3,160	\$0.75	April 19, 2019

## Outstanding Share Data, cont'd

Number of Warrants	Exercise Price	Expiry Date
4,812	\$0.75	May 1, 2019
6,940	\$0.75	June 19, 2019
15,054	\$0.75	June 20, 2019
500,000	\$0.75	October 19, 2019
220,000	\$1.10	November 1, 2018
<u>4,412,880</u>	\$3.84	December 27, 2018
<b>14,429,124</b>		

Total Options outstanding at October 16, 2018:

	Number of options	Weighted average exercise price \$
Outstanding, August 31, 2018	8,946,500	0.87
Granted	470,000	0.37
Exercised	-	-
Cancelled	(595,000)	0.65
<b>Outstanding, October 16, 2018</b>	<b>8,821,500</b>	<b>0.86</b>

Range of exercise prices \$	Number of options outstanding	Number of options vested	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.15	357,500	357,500	2.76	0.15
0.18	25,000	-	3.55	0.18
0.20	100,000	100,000	3.51	0.20
0.28	100,000	100,000	2.97	0.28
0.295	626,250	576,250	3.92	0.295
0.34	2,457,000	1,004,500	4.79	0.34
0.39	300,000	-	4.81	0.39
0.45	410,000	125,000	4.82	0.45
0.465	50,000	25,000	3.96	0.465
0.50	1,165,000	10,000	4.70	0.50
0.52	220,000	55,000	4.56	0.52
0.54	426,000	211,750	4.47	0.54
0.72	109,750	77,250	4.01	0.72
1.14	250,000	250,000	4.05	1.14
1.36	100,000	50,000	4.32	1.36
1.37	75,000	75,000	4.08	1.37
1.46	650,000	325,000	4.27	1.46
2.06	100,000	100,000	4.22	2.06
2.60	300,000	300,000	4.10	2.60
2.68	1,000,000	750,000	4.14	2.68
	<b>8,821,500</b>	<b>4,492,250</b>	<b>4.39</b>	<b>0.86</b>

**Outstanding Share Data, cont'd**

Fully diluted at October 16, 2018

**155,659,157**

**Management's Responsibility for Financial Information**

The Company's financial statements are the responsibility of the Company's management and have been approved by the board of directors. The financial statements were prepared by the Company's management in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The financial statements include certain amounts based on the use of estimates and assumptions. Management has established these amounts in a reasonable manner, in order to ensure that the financial statements are presented fairly in all material respects.

**Approval**

On October 16, 2018, the Board of Directors of Glance Technologies Inc. approved the disclosures contained in this MD&A.