Management's Discussion and Analysis

For the year ended December 31, 2017

(Expressed in Canadian dollars, unless otherwise indicated)

This Management's Discussion and Analysis ("MD&A") of StartMonday Technology Corp. (formerly Centennial Acquisitions Corp.) and its subsidiaries (collectively henceforth, the "Company" or "StartMonday" or the "Group") is dated April 27, 2018; provides an analysis of the Company's performance and financial condition for the year ended December 31, 2017, as well as an analysis of future prospects. This MD&A should be read in conjunction with the Company's audited consolidated financial statements and related notes for the year ended December 31, 2017 (the "December 31, 2017 Financial Statements"), which are prepared in accordance with International Financial Reporting Standards ("IFRS").

All amounts referred to in this MD&A are prepared in accordance with IFRS and presented in Canadian dollars, unless otherwise indicated.

Overview

The Company is listed on the Canadian Securities Exchange ("CSE") and the Frankfurt Stock Exchange. Trading on the Canadian Securities Exchange began on October 24, 2016, and trading on the Frankfurt Stock Exchange began on November 7, 2016. Quoting on OTC ("Pink") in the United States under the symbol STDMF commenced February 16, 2017 and as of February 5, 2018, the Company began trading on the OTC.

The Company is principally engaged in candidate selection solutions for employers in the retail and hospitality sectors, who spend a significant amount of time and resources identifying potential candidates from a large pool of applicants. StartMonday's video-led mobile and web applications deliver a better impression of personality and customer skills, ultimately helping employers decide which candidates they should talk to first, making the process much more efficient.

The Company is still in the development phase. Activities to date have been focused primarily on developing the Company's recruiting platform for employers which includes a full Applicant Tracking System, careers-page plugins and mobile web applications that makes use of the 15-second videos filmed by candidates on their own phones and desktop computers. The Company is dedicated to building powerful tools for the Mobile Generation and is further developing its technology with an open blockchain solution for verifiable career histories called CareerChain. StartMonday is targeting employers in the retail and hospitality sectors worldwide. The Company is looking to establish additional customer relationships and is searching for potential additional sources of financing. This will allow the Company to further enhance its technology and position itself for future growth. Subsequent to December 31, 2017 the Company was successful in raising additional funds from a private share issue (see subsequent events section below). On January 11, 2018 the Company closed a non-brokered private placement of 12,000,000 common shares for proceeds of $3,000,000. After the payment to eligible finders of a cash commission in the aggregate amount of $158,883, net proceeds to the company were $2,841,117, of which $137,500 had been recorded as subscriptions received in advance as of December 31, 2017. Proceeds for this private placement will provide the Company with sufficient liquidity to continue with its business plan.

StartMonday Technology Corp., ("SM Technology") was incorporated on April 12, 2016 under the BCBCA as "Centennial Acquisitions Corp." Centennial Acquisitions Corp. changed its name to "StartMonday Technology Corp." on August 12, 2016. SM Technology was incorporated as a wholly-owned subsidiary of Liberty One Lithium Corp., (formerly Peace River Capital Corp. and Petro Basin Energy Corp. ("Liberty One")). SM Technology entered into an Arrangement Agreement with Liberty One, under the terms of which, Liberty One spun out the Company to Liberty One shareholders on April 25, 2016.

SM Technology, Liberty One and StartMonday Holding BV ("SM Holding"), a private Netherlands company, and the shareholders of SM Holding, entered into a Share Exchange Agreement dated effective July 8, 2016, pursuant to which, the SM Holding shareholders transferred all of their common shares of SM Holding to SM Technology in exchange for 30,000,000 common shares of SM Technology (the "Transaction"). The Transaction was completed on September 23, 2016, and resulted in the former shareholders of SM Holding owning 58.9% of the issued and outstanding common shares of the resulting issuer, the Company, and therefore constituted a reverse acquisition. SM Holding has been identified for accounting purposes as the acquirer, and accordingly the Company is considered to be a continuation of SM Holding, and the net assets of SM Technology at the date of the reverse acquisition are deemed to have been acquired by SM Holding. The audited consolidated financial statements include the results of operations of SM Technology from September 23, 2016. The comparative figures are those of SM Holding prior to the reverse acquisition, with the exception of adjusting retroactively the capital of SM Holding to reflect the capital of SM Technology.

Overall Performance

The Company has funded ongoing operations primarily from proceeds on the issuance of convertible notes which were converted to common shares during the year ended December 31, 2016, the issuance of common shares, and short-term loans payable. The Company's continuing operations and its financial success are dependent upon the extent to which it can successfully raise the capital to implement its future plans and ultimately on generating sufficient revenue to attain profitable operations. These factors indicate the existence of an uncertainty that may cast doubt about the Company's ability to continue as a going concern. As mentioned above and in the subsequent events section below, the Company issued 12,000,000 common shares on January 11, 2018 through a private placement, for net proceeds of $2,841,117. Proceeds from this private placement will provide the Company with sufficient liquidity to continue with its business plan.

On June 9, 2017, one of the Company's subsidiaries, StartMonday B.V., filed for bankruptcy with the Dutch court. The parent company of StartMonday B.V., StartMonday Holding B.V., as well as the Company's other subsidiaries have not filed for bankruptcy protection nor are there any plans to do so. StartMonday B.V. does not control any of the Company's IP or codebase, enabling the Company to continue operations and execute its business plan from its other subsidiaries with the same seamless brand and product offering. StartMonday B.V. did hold certain partner and client contracts in Europe; however the Company negotiated to take all client contracts from StartMonday B.V. and is providing uninterrupted service to customers from Lean Innovations B.V., a newly incorporated subsidiary of the Company, on July 1, 2017. Although StartMonday B.V. also employed some of the Company's product and technical team in Amsterdam, product development and support will continue in other subsidiaries of the Company. Administrative and support staff employed by StartMonday B.V. will be replaced in other subsidiaries as required, however not all such staff will be immediately replaced. The Company will rehire staff as required and as additional financing is received. The Company has been able to continue operations on an uninterrupted basis and is confident that it can continue to service its customers at the same high level as before the bankruptcy of StartMonday B.V.

As a result of the filing for bankruptcy protection and the appointment of a receiver, the Company determined that it lost control and significant influence of StartMonday B.V., effective June 9, 2017, and accordingly derecognized the assets and liabilities of StartMonday B.V. The results of operations of StartMonday B.V. have been included in the consolidated financial statements up to June 9, 2017.

The Company has been actively working to raise funds through a number of sources, including the issuance of additional shares, the exercise of outstanding warrants, and the issuance of short-term loans payable. The Company is also actively marketing its product in an effort to generate new sales and revenues. As a result of the filing for bankruptcy by StartMonday B.V., a number of employees including sales staff and product development staff resigned or were terminated, and the Company also reduced its overhead and operating expenses. For example, total overhead costs including salaries and wages for the last six months of December 31, 2017 were $695,031. By comparison total operating expenses were $1,510,052 for the first six months of 2017. While development of intellectual property continues, the level of expenditures on product development was reduced. Further, the Company is engaging commission-only sales staff and cost-effective telemarketing agencies and intends to rehire sales and product development staff and increase its overhead and operating expenses in the future as additional financing is received and new customers are obtained. The Company feels that previous negotiations with potential customers will lead to new contracts and increased revenues and is also negotiating alliances with organizations in North America for customer referrals.

Results of Operations (Year Ended December 31, 2017, and the Fourth Quarter then ended)

The focus for the Company to date has been on continued development of its intellectual property and obtaining financing to fund this activity and its ongoing operations. While enhancements and further development of the intellectual property continue, attention is also directed towards obtaining new customers and increasing revenue. A number of new customers have been signed (Intercontinental Hotel Group, Atlas Hotels, Baxi Heating UK, a repeat order from RTL Netherlands, Academy Music Group, Cycas Hospitality, Leapp, and Eccos Online GmbH) and negotiations continue with a number of other potential customers. The Company has potential customers in the sales prospecting pipeline. In particular, the Company is capitalising on its Europe-wide agreement with Intercontinental Hotel Group to continue on-boarding European franchisees with the goal of adding US franchises.

The Company reported a net loss for the year end ended December 31, 2017 of $1,686,534, compared to $6,802,714 for the previous year ($1,648,492 loss excluding listing expenses of $5,154,222 in 2016 in connection with the Transaction). For the three months ended December 31, 2017, the Company reported a net loss of $348,659 compared to a net loss of $1,184,801 for the three months ended December 31, 2016. The following highlights the major variances year over year.

The Company is still in the development phase of its product, and is working on enhancing its customer base. The Company has obtained new customers in 2017 and revenues at $91,842 and $212,479 for the three and twelve months ended December 31, 2017 respectively, were well above those of $7,661 and $32,561 for the three and twelve months ended December 31, 2016, respectively. While the Company has entered into larger contracts with several customers such as Intercontinental Hotel Group and Atlas Hotels, much of the revenues generated this year are small fees paid by new customers as a time-limited trial leading to a larger contract after 3-6 months.

Operating expenses were $2,205,083 for the year ended December 31, 2017, versus $1,646,327 for the year ended December 31, 2016. The major increase in operating expenses for the year ended December 31, 2017 has been for salaries and consulting fees ($1,270,310 for the year ended December 31, 2017 versus $411,695 for the comparable period of 2016). The sales team to market and sell the product had been hired, as had additional technical staff to develop and maintain a much larger product offering and provide service to customers. Associated administrative support staff was also hired. Staff levels were much lower in 2016, particularly through the first half of 2016. Depreciation and amortization expense for the year ended December 31, 2017 was $280,050 versus $65,368 for the year ended December 31, 2016. Additional costs were capitalized to intellectual property from new phases of product development, and once these new phases became available for use, depreciation charges of these costs commenced, which resulted in the increased depreciation and amortization expense. Depreciation and amortization expense also increased due to the acquisition of fixed assets (furniture) in 2017. Share-based payments expense for the fair value of stock options granted and vested during the fourth quarter of 2016, and in 2017, was $69,202 for the year ended December 31, 2017, compared to $599,082 for the year ended December 31, 2016. The bulk of the Company's stock options were granted in the fourth quarter of 2016, resulting in the higher expense for that year.

For the most recent year, software services at $98,991, advertising and marketing at $92,345, rent at $56,594 and general and administrative at $60,463, were higher than those for the previous year at $26,215, $59,600, $33,502 and $47,554, respectively. The higher employment levels and increased sales in 2017 resulted in higher administrative, support and rent costs in the current year.

Legal and professional fees of $147,125 were lower for the year ended December 31, 2017 than those of the previous year at $227,136. Additional costs were incurred in 2016 to find and obtain financing and in connection with the Transaction, which could not be capitalized or classified as listing expense. Finance costs (comprising interest expense) at $2,040 for the year ended December 31, 2017 were lower than those of the same period last year of $50,799, due to higher amounts of convertible notes and loans payable outstanding in the previous year (repaid or converted to shares during 2016) which led to higher interest expense. Transfer agent and filing fees for the year ended December 31, 2017 were $35,972 for ongoing public reporting costs, compared to $49,020 in the previous year. The Company incurred additional costs in the fourth quarter of 2016 associated with the public listings in Canada and Germany.

The Company reported a gain of $208,080 on the deconsolidation of StartMonday B.V. for the year ended December 31, 2017 (no such similar gain or loss in the previous year), as a result of the filing for bankruptcy of StartMonday B.V. The Company also reported a loss of $35,468 for the year ended December 31, 2017 (no such similar loss in the previous year) on the settlement of trade and other payables. The Company issued 283,746 common shares with a fair value of $70,936 to four consultants for the settlement of $35,468 of consulting services included in trade and other payables, resulting in a loss of $35,468.

Operating costs were $451,671 for the three months ended December 31, 2017, versus $1,157,736 in the corresponding period of the previous year. The Company had increased its infrastructure subsequent to the Transaction in late September 2016, including hiring additional sales, technical and support staff. This continued into the first several months of 2017. In conjunction with the bankruptcy of StartMonday B.V. mentioned above, the Company reduced its overhead and operating expenses. A number of staff have resigned or been terminated, reducing salaries and consulting fees, which at $223,309 for the three months ended December 31, 2017, were lower than those for the three months ended December 31, 2016 at $236,628. Legal and professional fees of $23,204 and travel and entertainment of $7,361 for the three months ended December 31, 2017 were lower than those for the three months ended December 31, 2016 of $110,347 and $32,381 respectively, due to costs incurred in the prior year to find and obtain financing and listings on public exchanges, which could not be capitalized or classified as listing expense.

For the three months ended December 31, 2017, advertising and marketing, software services, rent, general and administrative, and telephone in total at $82,731, were slightly lower but comparable to those for the three months ending December 31, 2016 at $96,977 in total. Finance costs (comprising interest expense) at $5,474 for the three months ended December 31, 2017 were lower than those of the same period last year of $17,119, due to higher amounts of convertible notes and loans payable outstanding in the previous year (convertible notes were repaid or converted to shares during 2016) which led to higher interest expense. Share-based payment expense for stock options granted in the fourth quarter of 2016 and in 2017 was $27,672 for the three months ended December 31, 2017. By comparison the share-based payment expense for stock options granted for the three months ended December 31, 2016 was $599,082. The bulk of the Company's stock options were issued in the fourth quarter of 2016 resulting in the higher expenses for the previous year. Depreciation and amortization expense for the three months ended December 31, 2017 was $71,188 versus $16,161 for the three months ended December 31, 2016. Additional amounts were capitalized as intellectual property as new phases of the product were available for use, resulting in higher amortization charges. Transfer agent and filing fees for the three months ended December 31, 2017 were $21,680 for ongoing public reporting costs, compared to $49,020 for the same period of the previous year. The Company incurred additional costs in the fourth quarter of 2016 associated with the public listings in Canada and Germany.

The Company expects that its performance in future periods will fluctuate with revenues and expenses. Revenues are anticipated to increase as the Company obtains new customers. Expenses are also anticipated to increase to generate and accommodate these increased revenues.

Selected Annual Information

Years Ended	Revenue $	Net Loss $	Loss Per Share $	Total Assets $	Total Non-Current Financial Liabilities $	Dividends Per Share $
Dec. 31, 2017	212,479	(1,686,534)	(0.03)	906,866	-	(0.00)
Dec. 31, 2016	32,561	(6,802,714)	(0.20)	967,764	-	(0.00)
Dec. 31, 2015	34,354	(349,498)	(0.01)	501,250	-	(0.00)
Dec. 31, 2014[1]	-	(317,665)	(0.01)	106,094	141,462	(0.00)

[1] For the period April 9, 2014 (date of incorporation) to December 31, 2014

The net loss in 2016 includes listing expense of $5,154,222 as a result of the Transaction. Excluding this expense, the net loss in 2016 would have been $1,648,492.

The Company was in a start-up mode from 2014 to 2016, consequently revenues were low. The Company continued to be in a development phase in 2017, however was successful in attracting new customers which led to an increase in revenues in 2017 to $212,479. There was no revenue in 2014 as the Company dedicated its resources to developing its intellectual property.

Phase one of the technology development was completed in 2016 and the Company was actively looking to generate new customers and revenues. Sales staff were hired, to actively promote the product to potential customers. This led to higher salary and consulting fees, software services, travel, advertising and marketing and general and administrative costs in 2017 and 2016 over 2015 and 2014. Legal and professional fees were higher in 2016 than those in 2015 and 2014, due in part to adding infrastructure required for growth, but also due to costs incurred to find and obtain financing and public listings, which could not be capitalized or classified as listing expenses. Legal and professional fees declined in 2017 as costs these costs incurred to find and obtain financing and public listings lessened. Financing costs were also higher in 2016 than the previous years due to additional financing obtained to fund the Company's development activities. The Company incurred higher interest expense in 2016 on convertible notes and loans payable, most of which were converted to shares or were repaid in 2016. Consequently financing costs declined in 2017. Amortization of capitalized intellectual property began in 2015. This resulted in amortization costs being higher in 2016 than previous years. Additional amounts were capitalized as intellectual property in 2017 as new phases of the product were available for use, resulting in increased amortization charges in 2017.

The net losses in 2017 and 2016 include share based-payments expense ($69,202 in 2017 and $599,082 in 2016) as a result of stock options issued in 2016 and 2017 after the Company became publicly listed, and filing fees ($35,972 in 2017 and $49,020 in 2016) in connection with public listings. There were no such similar expenses in the prior years.

Total assets increased from 2014 to 2016 as the Company capitalized intellectual property. In 2017 the Company continued to capitalize intellectual property but at a lower rate. Increased amortization in 2017 and a drawdown in amounts receivable led to a reduction in total assets in 2017.

Summary of Quarterly Results

Three Months Ended	Revenue $	Net Loss $	Loss Per Share [1] $	Total Assets $	Working Capital (Deficiency) $
Dec. 31, 2017	91,842	(348,659)	(0.01)	906,866	(1,220,011)
Sept. 30, 2017	39,619	(233,667)	(0.00)	809,726	(1,065,079)
Jun. 30, 2017	45,962	(195,055)	(0.00)	836,347	(891,255)
Mar. 31, 2017	35,056	(909,153)	(0.02)	903,571	(623,025)
Dec. 31, 2016	7,661	(1,184,801)	(0.01)	967,764	(228,148)
Sept. 30, 2016	5,715	(5,448,199)	(0.19)	1,983,539	639,540
Jun. 30, 2016	13,226	(75,918)	(0.00)	557,745	(600,495)
Mar. 31, 2016	5,959	(93,796)	(0.00)	442,801	(743,542)

[1] Basic and diluted net loss per common share after listing expense and foreign exchange gain or loss.

During the quarters presented, the Company primarily developed its technology and intellectual property.

Net loss varied across the quarters primarily due to variations in expenses, ancillary to the development of its intellectual property, which were not capitalized. Significant fluctuations in expenses were as follows:

- Listing expense of $5,154,222 in the quarter ending December 31, 2016 in connection with the transaction.
- Share-based payment expenses (recoveries) of $599,082, $77,485, $(30,395), $(5,560) and $27,672 for the quarters ending December 31, 2016, March 31, 2017, June 30, 2017, September 30, 2017 and December 31, 2017, respectively, for stock options issued in the fourth quarter of 2016 and during 2017. There were no stock options prior to September 30, 2016.
- The quarter ended June 30, 2017 included a gain on the deconsolidation of subsidiary of $245,545. During the quarter ended December 31, 2017, an adjustment of $37,465 was recorded against the gain on deconsolidation to give effect to accumulated foreign currency translation adjustments that were previously recorded within other comprehensive income (loss). As a result, gain on deconsolidation of subsidiary of the year ended December 31, 2017, amounted to $208,080.
- Foreign exchange gain (loss) due to the foreign exchange rate fluctuations were $(34,726), $2,073, $77,208, $(29,926) and $48,635 for the quarters ending December 31, 2016, March 31, 2017, June 30, 2017, September 30, 2017 and December 31, 2017, respectively. There were no foreign exchange gain or loss in previous quarters as the Company operated only in Europe and, and had a functional and presentation currency of the Euro during such time, with no foreign operations.
- In the quarter ended June 30, 2017, the Company recorded a loss of $35,468 on the settlement of accounts payable which were settled by the issuance of common shares.
- Depreciation and amortization expense increased throughout the quarters as additional amounts were capitalized as intellectual property and consequently depreciated.

Excluding the above, net losses increased for the quarters ending March 31, 2016 through March 31, 2017 as the Company increased its staff headcount and associated operating costs. The sales team to market and sell the product had been enhanced, as had the technical team to develop and maintain a much larger product offering and provide service to customers. Associated administrative support staff also increased. As mentioned above, in conjunction with the filing for bankruptcy by StartMonday B.V. during the quarter ended June 30, 2017, a number of employees including sales staff and product development staff resigned or were terminated and the Company reduced its overhead and operating expenses to correlate more closely with current and anticipated sales levels. As a result net operating losses, exclusive of the above declined in the quarter ending June 30, 2017 and declined further in the quarter ending September 30, 2017. Net operating losses increased again in the quarter ending December 31, 2017 as the Company rehired critical staff lost after the bankruptcy. However, net operating losses for the most recent quarter remain below those of the first two quarters of 2017 (excluding the gain on deconsolidation of subsidiary in the second quarter).

Total assets increased in the first three quarters presented above, as the Company incurred and capitalized costs on the development of intellectual property, funded through convertible notes and loans payable. Total assets also increased in the quarter ending September 30, 2016 due to cash of $1,145,842 acquired from SM Technology as part of the Transaction. Although costs continued to be incurred and capitalized, total assets declined in the quarters ending December 31, 2016 and March 31, 2017 as the bulk of the cash acquired on the Transaction was utilized to fund operating expenses, continued development of intellectual property, and the repayment of convertible notes and loans payable. Total assets decreased again in the quarter ended June 30, 2017. Although the Company incurred and capitalized costs on the development of intellectual property (funded through loans payable from a third party), the net assets of StartMonday B.V. were deconsolidated in the quarter ended June 30, 2017. Total assets continued to decline in the quarter ended September 30, 2017. Capitalization of intellectual property costs reduced as a result of the lower employment levels of the Company's product development team, and accordingly, depreciation and amortization of intellectual property costs exceeded additions of intellectual property costs. Net assets increased again in the most recent quarter due to cash received from additional loans payable.

Working capital was negative in the quarters ending December 31, 2017, September 30, 2017 June 30, 2017, March 31, 2017, December 31, 2016, June 30, 2016, and March 31, 2016, as the Company funded its development activities through current liabilities, including trade payables, loans payable and convertible notes. While these activities continued in the quarter ending September 30, 2016, working capital improved due to the cash of $1,145,842 acquired from SM Technology as part of the Transaction.

As mentioned above and in the subsequent events section below, the Company issued 12,000,000 common shares on January 11, 2018 through a private placement, for net proceeds of $2,841,117, of which $137,500 had been recorded as subscriptions received in advance as of December 31, 2017. Coupled with the exercise of warrants in January 2018 of $75,000, the Company had positive working capital in January 2018, which will allow it continue with its business plan.

Comparison to October 19, 2019 Prospectus

The following table compares the use of funds available at September 30, 2016, as outlined in the October 19, 2016 non-offering prospectus (the "Prospectus") to actual funds used (provided by) for the period October 1, 2016 to September 30, 2017.

	Per Prospectus	Actual October 1, 2016 to September 30, 2017
	$	$
Remaining transaction and prospectus related costs	10,000	129,622
Research, Product Development and Commercialization	235,545	457,290
General and administrative	502,485	1,989,398
Repayment of long-term notes and loans	126,180	259,635
Revenue	-	(128,298)
Warrants exercised	-	(486,151)
Advances received	-	(495,000)
Unallocated (use of) working capital	103,089	(729,197)
	997,299	997,299

The Company had intended that additional funds would be raised subsequent to the listing on the CSE as outlined in the Prospectus, by way additional share offerings, the exercise of warrants or debt financing. It was projected that these additional funds would be raised in calendar 2017, and in particular that additional shares would be issued by way of a non-brokered private placement at some point in 2017. While some warrants were exercised and advances were received in 2017, the private placement of shares was delayed until January 2018, at which time 12,000,000 shares were issued for net proceeds of $2,841,117 after paying eligible finders a cash commission.

The use of proceeds outlined in the Prospectus was prepared on the basis that no additional funds would be received by StartMonday in the coming year, either by way of revenues or additional capital contributions. Operations and expenses would be funded solely by cash on hand at the time the prospectus was prepared. As a result staff levels in the prospectus were kept at a minimum – existing sales staff were terminated and no new sales staff were hired (on the basis there would be no new sales in the coming year); technical development and support staff were significantly reduced (on the basis no additional product development and minimal product support would be required as there would be no new sales) and general and administrative staff were kept at a minimum.

In anticipation of the above mentioned additional funds being received, and as new customers were beginning to be signed on by StartMonday, existing customers continued to use the Company's product and outstanding warrants were exercised and converted to common shares, the Company began to implement its business plan. It was originally anticipated that another share offering would occur in the summer of 2017, however this was delayed to January 2018, at which time a private placement for net proceeds of $2,841,117 was completed. Additional sales staff was hired, the technical team was strengthened to continue to develop the product and to provide customer support to existing and potential new customers. In addition the general and administrative team was strengthened to support the anticipated growth in business. Investment consultants were also engaged to facilitate the exercise of warrants, short term debt financing and additional share offerings. Consequently the actual use of funds for the period from October 1, 2016 to September 30, 2017 differed from those in the Prospectus.

The major increase in the use of funds was for operating expenses. Salary and consulting fees were higher as the Company increased the sales team to market and sell the product, hired additional technical staff to develop and maintain a much larger product offering and provide service to customers. Associated administrative support staff was also hired. Other areas that increased were: legal and professional fees to find and obtain financing; advertising and marketing to promote the Company's product; travel and entertainment to support the additional sales and marketing efforts; transfer agent and filing fees for listings on additional exchanges; and additional support costs for the above including rent and software services.

Other uses of funds which were higher than in the Prospectus were: repayment of loans payable and certain convertible notes; higher costs on the development of the Company's technology to provide enhanced capabilities to customers; and higher costs to complete the Transaction and Prospectus.

To finance the above increase in the uses of funds, the Company obtained funds from the following sources: revenues from the sale of its products; the exercise of warrants; and proceeds from loans payable.

The Company is continuing on its plan to develop and obtain new customers and generate revenue.

Liquidity and Capital Resources

Cash Flows

Cash flows used in operating activities during the year ended December 31, 2017 were $1,101,334 versus $883,342 during the previous year. The loss for the year excluding non-cash items (gain on deconsolidation of subsidiary, loss on settlement of payables, depreciation and amortization, share-based payments expense and listing expense) was higher in 2017 than 2016. This was partially offset by a higher change in non-cash working capital items (primarily trade and other payables) in 2017 versus 2016.

Cash flows provided by investing activities in 2017 were $(277,950) versus $700,911 in 2015. Expenditures on and capitalization of intellectual property development costs were lower in 2017 than in 2016, but the Company received cash of $1,145,842 acquired from SM Technology as part of the Transaction in the third quarter of 2016.

Cash flows from financing activities during the year ended December 31, 2017 at $1,468,651 were higher than those of the same period of the previous fiscal year at $320,926. Cash was raised in 2017 to fund the Company's operations through the exercise of warrants, proceeds from loans and proceeds from 2018 share subscriptions received in advance. Cash raised in 2016 from proceeds from bridge financing from SM Technology prior to Transaction and proceeds from the issue of convertible notes was less than the cash raised in 2017. In addition the Company repaid certain convertible notes in 2016.

Capital Resources

At December 31, 2017, StartMonday had working capital (deficiency) of ($1,220,011) compared to ($228,148) at December 31, 2016. During the year the Company funded its operating expenses and expenditures on the development of intellectual property through an increase in trade and other payables and loans payable.

Share Capital

The Company has authorized an unlimited number of common and preferred shares. As at April 27, 2018, the Company's share capital consisted of 68,874,756 outstanding common shares, without nominal or par value.

During the year ended December 31, 2017, 5,360,402 warrants were exercised for total proceeds of $486,151 and 283,746 common shares with a fair value of $70,936 were issued for the provision of consulting services previously included in trade and other payables. Subsequent to December 31, 2017, the Company closed a non-brokered private placement which resulted in the issue of 12,000,000 common shares at a price of $0.25 per common share for proceeds of $2,841,117 after paying eligible finders a cash commission in the aggregate amount of $158,883. Of this amount, $137,500 had been received as subscriptions received in advance as of December 31, 2017. In addition subsequent to December 31, 2017 250,000 warrants were exercised for total proceeds of $75,000.

Warrants

As at December 31, 2017, 2,755,200 warrants were outstanding which are exercisable at $0.30 per warrant (previously exercisable at $0.40 per warrant, but reduced to $0.30 per warrant on August 9, 2017) and expire July 25, 2018. The fair value of warrants was valued using the Black-Scholes option pricing model.

During the period from January 1, 2017 to the date of this MD&A, 250,000 warrants were exercised for proceeds of $75,000. In addition, 6,632,030 warrants in connection with a private placement were issued with an exercise price of $0.50 per warrant, expiring January 11, 2019.

Stock Options

During the year the Company issued 195,000 stock options. 43,000 options were issued on March 2, 2017, are exercisable at $0.40, expire within a period of 5 years and are exercisable after 2 years. 2,000 options were issued on March 6, 2017, are exercisable at $0.40, expire within a period of 5 years and are exercisable after 2 years. 50,000 options were issued on September 1, 2017, are exercisable at $0.35, expire within a period of 5 years and are exercisable after 2 years. 100,000 options were issued on November 28, 2017, are exercisable at $0.37, expire within a period of 5 years and are exercisable after 2 years. The fair value of each tranche of stock options was valued using the Black-Scholes option pricing model. During the year 1,681,000 stock options were forfeited, of which 1,650,000 options were outstanding on December 31, 2016 and 31,000 options were issued in 2017. A share-based payment expense of $69,202 on account of these stock options was charged to profit or loss for the year ended December 31, 2017 ($599,082 for the year ended December 31, 2016).

Subsequent to December 31, 2017 the Company issued 410,000 stock options to various employees and consultants. The stock options are exercisable at $0.37 per common share, expire within a period of five years and are exercisable after two years.

Loans Payable

As of December 31, 2017, The Company had outstanding short-term loans payable $863,062. Subsequent to December 31, 2017 advances of $200,000 were repaid.

Outlook, Risks and Uncertainties

The Company has funded ongoing operations primarily from proceeds on the issuance of convertible notes and loans payable, and the issuance of common shares. The Company’s continuing operations and its financial success is dependent upon the extent to which it can successfully raise the capital to implement its future plans and ultimately on generating sufficient revenue to attain profitable operations. These factors indicate the existence of an uncertainty that may cast doubt about the Company's ability to continue as a going concern.

Related Party Transactions

Through the normal course of business, the following related party transactions occurred during the year ended December 31, 2017:

- The Company owns 100% of the common shares of its subsidiaries SM Holding, StartMonday Innovations Limited and Lean Innovations B.V. All material intercompany transactions between the Company and its subsidiaries have been eliminated on consolidation.
- The Company paid or accrued salaries and consulting fees of $252,328 to Andrew Evans, Chief Product Officer of the Company and to Ray Gibson, CEO of the Company (2016 - $217,574). As at December 31, 2017, the Company owed Andrew Evans and Ray Gibson $21,196 in trade and other payables and $15,052 in loans payable;
- The Company paid or accrued professional fees to a consulting firm for the services of Mike Thome, CFO of the Company of $76,950 (2016 - $48,156). As at December 31, 2017, the Company owed the consulting firm $32,534 in trade and other payables.

Financial Instruments

The Company’s financial assets include cash, and amounts receivable. The carrying value of cash and amounts receivable approximates their fair value due to their short term to maturity.

The Company’s financial liabilities include trade and other payables, convertible notes, and loans payable. The Company’s current liabilities also include deferred revenue which is not a financial liability to the Company and will not involve a cash outlay in the future. The carrying value of these items approximates their fair value due to their immediate or short term to maturity.

Financial Risk Factors

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. The Company’s cash is held primarily at large financial institutions in Canada and the Netherlands. The Company has no investment in asset-backed commercial paper. Management believes that the Company is not subject to significant credit risk with respect to cash.

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

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in raising funds to meet commitments associated with financial instruments. The Company manages liquidity by maintaining adequate cash balances to meet liabilities as they become due. As at December 31, 2017, the Company had cash of $118,618 and current liabilities of $1,404,089. As such, the Company has insufficient cash to fund corporate overhead costs and the repayment of the Company's cash obligations for the next fiscal year and is significantly exposed to liquidity risk. The Company intends to continue raising funds through equity financings, exercise of warrants and entering into sales contracts with new customers that will provide increased sources of funds and liquidity in the future. Subsequent to December 31, 2017, the Company completed an equity financing.

Market risk

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

Interest rate risk

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

Foreign currency risk

The Company is exposed to foreign currency risk to the extent that monetary assets and liabilities held by the Company are not denominated in Canadian dollars. As at December 31, 2017, the assets and liabilities of the subsidiaries are denominated primarily in Euros. As at December 31, 2017, a 10% variation in the exchange rate between Canadian dollars and Euros would have an approximate $180,000 impact on loss and comprehensive loss.

Price risk

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

Off-Balance Sheet Arrangements

The Company has not entered into any off-balance sheet arrangements.

Proposed Transactions

The Company has not entered into any proposed transactions.

Critical Accounting Estimates

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

The areas involving accounting estimates, judgments, and assumptions within the Company's consolidated financial statements include: amortization and impairment of intangible assets, fair value calculation of share-based payments, deconsolidation of StartMonday B.V., going concern, income taxes, functional currency, and revenue recognition. Refer to Note 2 of the Company's audited consolidated financial statements for the year ended December 31, 2017, for more information.

New standards and interpretations not yet adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for future accounting periods. The Company has not yet adopted these new standards. These new standards are disclosed in the Company's audited consolidated financial statements for the year ended December 31, 2017, within Note 4.

Subsequent events

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

Subsequent to December 31, 2017, 250,000 of the $0.30 warrants were exercised for proceeds of $75,000.

Subsequent to December 31, 2017, the Company repaid $200,000 of the outstanding loans payable.

On March 9, 2018, the Company granted stock options to certain officers, consultants and employees to purchase up to 410,000 common shares in the capital of the Company pursuant to the Company's Share Option Plan. The Options are subject to vesting clauses and exercisable at an exercise price of $0.37 per share and will expire on March 9, 2023.

Forward-looking Statements

This MD&A contains "forward-looking information" which may include, but is not limited to, statements with respect to the future financial or operating performances of StartMonday; revenues; the timing and amount of estimated future operating, capital and development expenditures; requirements for additional capital; government regulation; limitations of insurance coverage and the timing and possible outcome of litigation and regulatory matters; the ability to attract and retain personnel; labour relations; the ability to engage and retain outside contractors, experts and other advisors and their efforts and abilities; and currency exchange rates in particular the Canadian dollar relative to the Euro and British Pound. Often, but not always, forward-looking information can be identified by the use of words such as "plans", "expects", "is expected", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", or "believes", or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might", or "will" be taken, occur or be achieved. Forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of StartMonday to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Such factors include, among others, those factors discussed in the section entitled "Outlook, Risks and Uncertainties" in this MD&A. Although StartMonday has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors that cause actions, events or results to differ from those anticipated, estimated or intended. Forward-looking statements contained herein are made as of the date of this MD&A based on the opinions and estimates of management, and StartMonday disclaims any obligation to update any forward-looking statements, whether as a result of new information, estimates or opinions, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, potential investors should not place undue reliance on forward-looking statements.