DATA DEPOSIT BOX INC.

Form 2A
LISTING STATEMENT

Dated March 18, 2015

FORM 2A

LISTING STATEMENT

DATA DEPOSIT BOX

1. Table of Contents

1.1 Include a table of contents with the following headings:

Cautionary Statement Regarding Forward-Looking Information

This Listing Statement and the documents incorporated into this Listing Statement contain "forward-looking statements" and "forward-looking information" within the meaning of applicable securities laws (forward-looking information and forward-looking statements being collectively hereinafter referred to as "forward-looking statements"). Such forward-looking statements are based on expectations, estimates and projections as at the date of this Listing Statement or the dates of the documents incorporated herein, as applicable. Any statements that involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often but not always using phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "budget", "scheduled", "forecasts", "estimates", "believes" or "intends", or variations of such words and phrases, or stating that certain actions, events or results "may" or "could", "would", "should", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be forward-looking statements and are intended to identify forward-looking statements. These forward-looking statements include, but are not limited to, statements and information concerning: the intentions, plans and future actions of the Issuer; statements relating to the business and future activities of the Issuer after the date of this Listing Statement; market position, ability to compete and future financial or operating performance of the Issuer after the date of this Listing Statement; statements based on the audited and unaudited financial statements of Acpana, Coltrane and the Issuer included as Schedules to this Listing Statement; anticipated developments in operations; the future demand for the Issuer's products; the results of development of products and the timing thereof; the timing and amount of estimated capital expenditure in respect of the business of the Issuer; operating expenditures; success of marketing activities; estimated budgets; currency fluctuations; requirements for additional capital; government regulation; limitations on insurance coverage; the timing and possible outcome of litigation in future periods; the timing and possible outcome of regulatory and permitting matters; goals; strategies; future growth; planned business activities and planned future acquisitions; the adequacy of financial resources; and other events or conditions that may occur in the future.

Forward-looking statements are based on the beliefs of the Issuer's management, as well as on assumptions, which such management believes to be reasonable based on information currently available at the time such statements were made. However, by their nature, forward-looking statements are based on assumptions and involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Forward-looking statements are subject to a variety of risks, uncertainties and other factors which could cause actual events or results to differ from those expressed or implied by the forward-looking statements, including, without limitation those risks outlined in Sections 6 and 17 of this Listing Statement.

The list of risk factors set out in this Listing Statement is not exhaustive of the factors that may affect any forward-looking statements of the Issuer. Forward-looking statements are statements about the future and are inherently uncertain. Actual results could differ materially from those projected in the forward-looking statements as a result of the matters set out or incorporated by reference in this Listing Statement generally and certain economic and business factors, some of which may be beyond the control of the Issuer. In addition, recent unprecedented events in the world economy and global financial and credit markets have resulted in high market and commodity volatility and a contraction in debt and equity markets, which could have a particularly significant, detrimental and unpredictable effect on forward-looking statements. The Issuer does not intend, and does not assume any obligation, to update any forward-looking statements, other than as required by applicable law. For all of these reasons, the Issuer's securityholders should not place undue reliance on forward-looking statements.

2. Corporate Structure

2.1 Corporate Name and Office

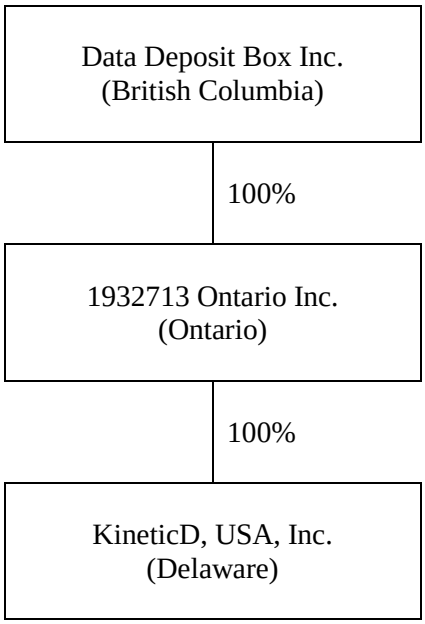
Data Deposit Box Inc. (the "**Issuer**") has its registered office located at 1820 – 925 West Georgia Street, Vancouver, B.C. V6C 3L2, and its head office located at Suite 703, 1 Eglinton Avenue East, Toronto, Ontario, M4P 3A1.

2.2 Jurisdiction of Incorporation

The Issuer was incorporated as "Coltrane Technologies Inc." on September 16, 2014 under the laws of the Province of British Columbia. A statutory arrangement was completed on November 13, 2014, pursuant to which the Issuer became a reporting issuer in Alberta. On March 3, 2015 the Issuer filed a Notice of Alteration of its articles to change its name to Data Deposit Box Inc.

2.3 Intercorporate Relationships

Set out below is the corporate structure of the Issuer and its material subsidiaries, including the corporate jurisdiction and the percentage of shares of the subsidiary owned, controlled or directed by its parent.



1932713 Ontario Inc. ("**Amalco**") was formed on March 18, 2015 pursuant to the Amalgamation (as defined in subsection 3.1(b) – *The Issuer*). KineticD, USA, Inc. ("**KineticD**") was incorporated on March 13, 2013 under the laws of the State of Delaware, United States, and was a wholly-owned subsidiary of Acpana prior to the Amalgamation.

2.4 Fundamental Change

The Issuer is not proposing an acquisition, amalgamation, merger, reorganization or arrangement in the foreseeable future.

2.5 Non-Corporate Issuers and Issuers Incorporated Outside of Canada

The Issuer neither a non-corporate issuer nor an issuer incorporated outside of Canada.

3. General Development of the Business

3.1 General Development of the Issuer

(a) Executive Summary of the Issuer

The Issuer's business is the business of Acpana Business Systems Inc. ("**Acpana**") prior to the Amalgamation (see subsection 3.1(b) – *The Issuer*), and any discussion or financial information in respect of the Issuer's business includes the assets and liabilities of both Acpana (and "Amalco, following completion of the Amalgamation. See subsection 3.1(b) – *The Issuer*) and KineticD (together "**Acpana**"). The Issuer's business is to provide small and medium-sized businesses with cloud-based data backup and recovery solutions. Founded in 2002 as Acpana Business Systems Inc., Acpana offers the small and medium sized business market with distinct products that enables it to identify, engage with, and grow significantly in the small and medium sized business markets globally. Acpana's products are designed to scale rapidly with a low fixed cost.

(b) Three Year History of the Business

<u>Acpana</u>

In 2011, Acpana (operating as KineticD) acquired Robo DRS LLC ("**Robobak**") by way of an asset purchase agreement dated February 28, 2011 among Acpana, Visonworks Solutions Incorporated, and the founders of Visionworks Solutions Incorporated. The acquisition of Robobak merged Acpana's decade's worth of cloud backup experience with Robobak's impressive past and formed a dynamic match to drive the technology to power cloud backup and recovery solutions for small to medium sized businesses and partners alike. The purchase allowed Acpana to provide a complete suite of client, mobile and server based products to directly service the small-to-medium sized business market. Acpana finished with year with $5.6 million in revenue with a positive EBITDA of $0.7 million.

By the end of 2012, Acpana's business was stable and trending upwards with the successful original equipment manufacturer ("**OEM**") client signing with one of the world's largest manufacturers of personal computers, laptops and tablets ("**Compco**"), by way of a Software Development, License, and Services Agreement dated January 1, 2013 between Acpana and SoftThinks USA, Inc. In partnership with Softthinks USA, Inc., Acpana's consumer product was chosen by Compco as a branded offering. Most of 2012 was spent maintaining the business and managing the Compco contract negotiations. Acpana finished the year with $5.6 million in revenue with an EBITDA of $0.12 million.

Entering into 2013 Acpana was moving in a positive direction. Unfortunately the business management team made a series of strategic and financial mistakes that began a downward slide for the company and its financial status. Acpana over-extended its expenses by investing prematurely into new senior management, additional IT staff and a new United States-based datacenter with approximately $1,800,000 in infrastructure assets to prepare for the Compco program. Numerous delays in the program introduced a significant cash burn and financial strain on the business, and by October of 2013 Acpana was reduced by approximately 50% to decrease operating expenses. By November of 2013 a new management team was put in place and Acpana was restructured for future

success. Upon further senior lender and AP negotiations, Acpana had stabilized by January of 2014 and the new management team set a plan in place to return Acpana to a growth position. Unfortunately, the financial strain impacted revenue and EBITDA and Acpana produced revenue of approximately $5.3 million with an EBITDA of approximately -$1.7 million.

Acpana entered into 2014 with a stable product offering, a new management team and with a focused core team of dedicated employees. With the Compco program entering into execution, Acpana began to realize positive results, and by July Compco accounts were being created. For the 2014 year, the Compco program brought over 110,000 trial accounts with approximately 10,000 of those trial accounts converting to paying customers. The program continues to evolve with approximately15,000 trial accounts monthly. Acpana also furthered its stabilization efforts, reducing operating expenses by investing in a new data storage technology (called an Object Store) that improved reliability and reduced the datacenter expenses by approximately $30,000 per month. The consolidation program began in December, 2014 and Acpana expects to see the first round of savings in early 2015. By September of 2014 Acpana began to rejuvenate its sales and marketing efforts (which were reduced significantly in 2013/2014) that focused on the small to medium sized business market and the managed services provider market, and by October the efforts had produced two very large partnership opportunities, both of which are in the final stages of contract negotiation and will entail Data Deposit Box being the new provider of cloud backup and recovery services for both parties. Acpana finished 2014 with revenue of approximately $5.2 million with an EBITDA of approximately $1.3 million.

On March 2, 2015, Acpana subdivided its common shares on a six (6) post-consolidated common shares for one (1) pre-consolidation common share (the "**Subdivision**"). The Subdivision resulted in Acpana having 16,524,408 common shares and 898,818 warrants outstanding immediately prior to the Amalgamation (see subsection 3.1(b) – *The Issuer*).

The Issuer

The Issuer was incorporated as "Coltrane Technologies Inc." on September 16, 2014 under the laws of the Province of British Columbia. On October 23, 2014, the Issuer entered into an arrangement agreement and plan of arrangement with Airesurf Networks Holdings Inc. The arrangement was approved by unanimous consent resolutions of the shareholders of the Issuer and a final order approving the arrangement was granted by the Supreme Court of British Columbia on November 7, 2014 in accordance with Part 9 of the *Business Corporations Act* (British Columbia). The statutory arrangement was completed on November 13, 2014. Pursuant to the arrangement, the Issuer issued to Airesurf Networks Holdings Inc. 1,000,000 Common Shares, and Airesurf Networks Holdings Inc. licensed the Issuer an interest in technology related to its wireless local area network (WLAN) amplifier. As a result of completing the arrangement, the Issuer became a reporting issuer in Alberta.

The Issuer (under its former name, Coltrane Technologies Inc.), Acpana, and 2441043 Ontario Inc. ("**Subco**"), a subsidiary of the Issuer, entered into an amalgamation agreement (the "**Amalgamation Agreement**") dated as of November 17, 2014, pursuant to which the parties agreed to complete a business combination by way of a three-cornered amalgamation (the "**Amalgamation**") under the *Business Corporations Act* (Ontario). Pursuant to the terms of the Amalgamation Agreement, Acpana amalgamated with Subco to form "**Amalco**" to carry on the business of Acpana as a wholly-owned operating subsidiary of the Issuer.

Pursuant to the terms of the Amalgamation Agreement, upon the Amalgamation each shareholder of Acpana and Subco received one (1) common share (a "**Common Share**") of the Issuer for every one (1) common share of Acpana or one (1) common share of Subco, as applicable, held by such

shareholder. In addition, each holder of a warrant of Acpana and each holder of a warrant or a broker warrant of Subco received an equal number replacement warrants and broker warrants of the Issuer, as applicable.

Prior to the Amalgamation, Subco completed a series of private placements (collectively, the "**Private Placements**") resulting in the issuance of 11,002,898 units of Subco (the "**Units**") for gross proceeds of $2,880,869. Each Unit was comprised of one common share (a "**Subco Share**") and one Subco Share purchase warrant (a "**Subco Warrant**"), and each Subco Warrant entitled the holder thereof to acquire a Subco Share at a price of $0.30 or $0.50, as applicable, per share for a period of eighteen (18) months from the date of the Amalgamation. In addition, Subco issued 495,480 broker warrants ("**Subco Broker Warrants**") in connection with the Private Placements. Each Subco Broker Warrant entitled the holder to acquire one Unit for a period of eighteen (18) months following the Amalgamation.

The Amalgamation and the Subdivision were approved by at least two-thirds of the votes cast by shareholders present and voting at the special meeting of Acpana shareholders held on November 28, 2014. The board of directors of each of the companies approved the Amalgamation.

On March 3, 2015 the Issuer filed a Notice of Alteration of its articles to change its name to Data Deposit Box Inc.

The Amalgamation was effected on March 18, 2015, following which the Issuer has an aggregate of 28,546,306 Common Shares issued and outstanding with former shareholders of Acpana holding 16,524,408 Common Shares (representing approximately 57.9% of the outstanding Common Shares), former shareholders of Subco holding 11,002,898 Common Shares (representing approximately 38.5% of the outstanding Common Shares), and the original shareholders of the Issuer holding 1,019,000 Common Shares (representing approximately 3.6% of the outstanding Common Shares).

3.2 Significant Acquisitions and Disposition

Not applicable.

3.3 Trends, Commitments, Events or Uncertainties

There are several fundamental technology trends that are dramatically changing both individual behavior and enterprise IT infrastructure. Information workers increasingly expect to be able to access and work with their business content from any internet-enabled device, and they demand solutions that are as simple to use. However, legacy on-premise IT architectures were not built for ease of use or mobility. As a result, IT departments are increasingly pressured to find easier to use solutions that address employees' changing work styles, while also protecting confidential content, including documents, presentations, spreadsheets and multimedia.

Several technology trends have driven down the cost of storage, enabled faster, more powerful applications and increased the number of connected devices, paving the way for cloud and mobile to transform the way that people live and work. There has been an ongoing shift from on-site to cloud-based applications and advances in technology architectures have supported the rise of cloud computing, which enables the delivery of software-as-a-service (SaaS). Presently applications can be delivered reliably, securely and cost-effectively to customers over the internet without the need to purchase supporting hardware, software or ongoing maintenance. The lower total cost of ownership, better functionality and flexibility of cloud applications represent a compelling alternative to traditional on-site solutions. As a result it is expected that total cloud spending will increase from

$130 billion worldwide in 2013 to $243 billion in 2017 (Gartner, Inc., Forecast: Public Cloud Services, Worldwide, 2012-2018, 4Q14 Update, December 2014).

The rapidly increasing functionality of smartphones, tablets and other mobile devices has resulted in the significant adoption of such devices within organizations. According to International Data Corporation (IDC), there were 1.3 billion mobile internet users worldwide in 2013 and there will be 2.2 billion in 2017. Forrester Research, Inc. (Forrester) estimates that 29% of the global workforce in 2012 used three or more devices, worked from multiple locations and accessed several applications. The volume of data continues to grow significantly as users and organizations increase their usage of data-rich applications and access content from multiple connected devices. According to IDC, from 2005 to 2020, the volume of digital information will grow by a factor of 300, increasing demand for cost-efficient and scalable storage and content management solutions.

These technology advancements have enabled the rapid development of a number of highly intuitive and engaging consumer-oriented internet and mobile applications that have changed the expectations of today's workforce. The rich functionality and usability of popular social media applications have led today's generation to expect their work applications to be similarly accessible, intuitive, social and collaborative, and their content to be available in the cloud and on any of their mobile devices. In response to the growing desire among workers to access and interact with their business information through their preferred personal devices, many organizations have established "bring your own device" policies. At the same time, workers are increasingly utilizing their favorite applications in the workplace in order to be more productive without seeking approval from their IT departments.

IT departments are mandated to ensure security for enterprise content in the face of an increasing number of cyber-attacks and data leaks, to comply with ever-changing regulatory requirements and to maintain control and visibility over internal and external users while also taking advantage of the benefits of cloud and mobility. While it is clear that embracing cloud and mobility is a competitive imperative, meeting the permissions, security, scalability and administrative requirements typical of IT departments has become increasingly difficult as the proliferation of devices and applications on various architectures has created a more heterogeneous IT environment. Regulatory and compliance requirements for content, collaboration and storage have grown increasingly complex across geographies and industries. At the same time, reliance on technology for critical content and data has made organizations more vulnerable to both sophisticated external cyber-attacks and data leaks.

The technology trends described above are changing where and how work gets done because people can now access information and do their work from anywhere at any time. Employees, clients, vendors and contractors can now be seamlessly connected, creating new opportunities for sharing, collaboration and productivity. Ultimately, these modern approaches to productivity are empowering organizations to increase information velocity and speed up decision making, thereby increasing their competitiveness in the marketplace.

The current trends relating to these factors could change at any time and negatively affect the Issuer's operations and business. See "Risk Factors" for risk factors affecting the Issuer.

4 Narrative Description of the Business

4.1 Description of the Business

The Issuer is engaged in the development and operation of off-site computer data storage facilities and other business computer applications for commercial business customers. The Issuer currently employs twenty full-time equivalent employees, currently has approximately $5.2 million in

recurring, profitable and predictive revenue based on credit card subscriptions and approximately $5 million revenue per year over the last 5 years. Revenue is generated from three principal products designed for the following clients: (i) personal computer clients (PC/MAC); (ii) server client (Windows/Linux SQL, Exchange, VMARE, Hyper-V, SharePoint, QuickBooks, and NAS devices; and (iii) mobile device clients (iOS and Android).

The Issuer has approximately 50,000 business users of its products globally, is one of the only cloud backup providers with datacenters within both Canada and the United States, meeting the "in-country" regulations and needs of its clients, and currently has approximately 2 petabytes of data under management.

As of January 2014, the Issuer became the strategic and exclusive global provider of consumer cloud services for Compco. All consumer cloud services offered by the Compco product (installed on approximately 16,000,000 units annually) is provided (via a complete branded solution) by Data Deposit Box. The Issuer's products are being installed in the production run of new personal computers, laptops and tablets and will begin shipping in the first quarter of 2015. The first phase of the program offered the new Compco product to an existing client base, which commenced in July 2014.

The Issuer offers the market a distinct consumer "client" product, mobile client and a small to medium sized business server product that empowers the Issuer to identify, engage with, and grow significantly in small to medium sized business markets globally. The Issuer's products are designed to scale rapidly with a low fixed cost.

(a) **Business Objectives**

The primary business objective of the Issuer is to improve its existing products and introduce enhancements (see 4.1(a) – *Principal Products*, below).

The Issuer expects to accomplish the following objectives in 2015:

	Objective(1)	**Time Frame(1)**
1	Release a new MAC client product	Spring 2015
2	Release a new Continuous Data Protection (PC) service	Spring 2015
3	Release a new Synchronization and 'Drag and Drop' feature	Summer 2015
4	Improve the existing client User Interface	Summer 2015
5	Release a new Central Administration Console	Fall 2015
6	Further integrate into AZURE, AWS, Caringo and other backend storage providers	Winter 2015

Note:
(1) See "*Cautionary Note Regarding Forward-Looking Information*"

The Issuer expects that the new product for Mac users will provide faster performance and backup times, reduce system resource requirements leaving more system memory and cpu power for other applications, will be compatible with OSX 10.9 Mavericks and beyond, improve stability and permit file sharing with others. The new 'Drag/Drop/Share' feature will include a 'Synchronization' folder with improved collaboration programs embedded within the Continuous Data Protection client, and will utilize the Continuous Data Protection technology with the version control, restoration and 448 "on device" data encryption currently not available on the market. The new Continuous Data Protection (PC) product will include mapped drive support and profile-based installation.

The Issuer has a concentrated longer term growth strategy that provides immediate scale and increased revenue. There is an aggressive plan in place to grow the business over the next three to five years. The Issuer currently has plans to:

- Grow relations with Compco and maintain the core business channels, which will secure current Compco revenue;
- aggressively pursue growing the Compco channel into the small to medium sized business global market, with clients having ten times the storage requirements over consumer offering, which will open new small to medium sized business channels with a global partner;
- establish a new OEM channel with a major OEM, in respect of which the Issuer is currently negotiating branded OEM opportunities as a business to business ("**B2B**") cloud provider;
- aggressively pursue the B2B and small to medium sized business channel;
- re-establish sales/marketing campaign and strategy to produce growth in the Issuer's direct channel; and
- advance the backend infrastructure to support growth and product currency, which will generate a $25,000 to -$30,000 monthly operating savings.

The Issuer's growth strategy will improve the business revenue and grow the Issuer's market capitalization.

See "*Cautionary Note Regarding Forward-Looking Information*".

(b) **Milestones**

To achieve the business objectives set out in subsection 4.1(a) above, the following milestones must be successful:

Milestone	Target Date
Finalize Partnership with IT Provider: The Issuer is currently negotiating a partnership with a premier small to medium sized business IT provider within the United Kingdom.	March 31, 2015
Product Bundling with Compco: There are currently two products offered to every Compco consumer client. To maximum growth with respect to Compco, one bundled offering (with cloud storage as the lead offering) would be beneficial. Current testing results on this program have been very positive.	March 31, 2015
Complete Partnership with Object Store Partner: The Issuer is currently negotiating a partnership with a company that offers backend infrastructure "object stores" to managed services providers and private enterprises, the intention being that such company would brand the Issuer's products as theirs and integrate them into its existing infrastructure.	April 30, 2015
Demo Compco Small to Medium Sized Business Offering: In order to move forward with the Compco small to medium sized business model, the Issuer intends to have the model defined and demonstrated to Compco.	October 31, 2015

(c) **Funds Available**

The funds expected to be available to the Issuer are as follows:

Sources	Funds Available
Net Proceeds for Private Placement(1)	$2,148,721
Existing working capital (deficiency)(2)	$(360,000)
Total Funds Available	**$1,788,721**

Notes:

(1) Net proceeds raised from the Private Placement of Subco (see 10.7 – Prior Sales), after deducting after deducting (i) advances that were made by Subco to satisfy certain accounts payable of Acpana, Subco and the Issuer prior to completion of the Amalgamation, (ii) $148,644 in commissions payable to eligible finders, (iii) $176,654 payable as professional service and consulting fees, and (iv) $20,000 in regulatory fees.

(2) Unaudited estimate as at September 30, 2014, excluding approximately $1,340,000 owing under the Loan Agreement, which is payable on demand subject to the Forbearance Agreement (see Section 22 – *Material Contracts*).

(d) Use of Funds

The use of the funds available to the Issuer is consistent with the Issuer's stated business objectives for the upcoming twelve month period (see "*Business Objectives*" above), and the total funds available of **$1,788,721**, as calculated above, will be allocated as follows during the coming twelve-month period (see "*Cautionary Statement Regarding Forward-Looking Information*"):

Expenditure	Funds Required
General & administrative budget	$600,000
Marketing	$200,000
Product development(1)	$500,000
Debt reduction(2)	$400,000
Unallocated Working Capital	$88,721
Total Expenditures	**$1,788,721**

Notes:

(1) See subsection 4.1(a) – *Business Objectives.*

(2) Funds will be used to lower the current debt outstanding under the Loan Agreement (see Section 22 – *Material Contracts*).

While the Issuer intends to spend the funds available to it as stated herein, there may be circumstances where, for sound business reasons, a reallocation of funds may be necessary.

(e) Principal Products

The Issuer's principal data backup products are cloud-based systems delivered through the "Software as a Service" ("**SaaS**") model, and consist of date backup services for each of the following: (i) personal computer clients (PC and MAC); (ii) mobile device clients (iOS and Android); and (iii) server clients (Windows/Linux SQL, Exchange, VMARE, Hyper-V, SharePoint, QuickBooks, and NAS devices). The Issuer's products have open file backup capability using proprietary open file driver systems, offer support for multi-tiered distribution channels, and provide 100% white-label solution for managed services providers, internet service providers and internet hosters.

<u>Personal Computers (PCs) and Personal Computing Devices (Mobile)</u>

The Issuer has developed a patented continuous data protection service that pauses and resumes data backups while the computers are in use or travelling. The service also backs up files while they are open using a proprietary open file driver. After the initial backup of data, only changes are backed up which saves time and bandwidth. The service allows access to edit, restore and share your files anywhere with a powerful web portal system. The service ensures that backed up data is secure as it is encrypted with a 448 bit bank grade encryption ("Blowfish Encryption") from the moment the files leave the computer. The service also allows the user to choose which folders or external drives are to be backed up and which file extensions are to be excluded from back up. The service also allows for

access to up to 64 versions of the backup data and provides the user with notifications about the status of backups so the user is not required to keep track of backups or versions thereof.

For mobile devices, users can benefit from the Issuer's patented continuous data protection service that pauses and resumes data backups while the computers are in use or travelling. Users can back up and restore mobile device's contacts and media and allows access to data and remote into other machines. The mobile device service also enables users to access and edit, restore and share your files anywhere with a powerful web portal system. The service ensures that backed up data is secure as it is encrypted with a 448 bit Blowfish Encryption from the moment the files leave the computer. The service also allows the user to choose which folders or external drives are to be backed up and which file extensions are to be excluded from back up. The service provides the user with notifications about the status of backups so the user is not required to keep track of backups or versions thereof.

The product is marketed via Google, Facebook and other social media outlets as well as through resellers and OEMs selling the Issuer's product base. A direct client purchase (from the Issuer's website) will allow the client to download the software for installation. The reseller and OEM channel will provide end user support with respect to distribution and installation. To date, this product offers approximately 50% of the revenue for the Issuer.

Servers

For server clients, the Issuer has developed a product that offers robust enterprise cloud backup capabilities at a fraction of the price of other solutions. The user can set up a schedule that will back up incrementally forever based on generations, and users can customize retention policies that adhere to a company's internal policies. Users can also utilize a hybrid backup, backing up only what is needed on the cloud and backing up the rest of the data locally. The service also backs up files while they are open using a proprietary open file driver. After the initial backup of data, only changes are backed up which saves time and bandwidth. The service allows access to edit, restore and share your files anywhere with a powerful web portal system. The service ensures that backed up data is secure as it is encrypted with a 448 bit Blowfish Encryption from the moment the files leave the computer. The service also allows the user to choose which folders or external drives are to be backed up and which file extensions are to be excluded from back up. The service allows for access to an unlimited number of versions of the backup data and provides the user with notifications about the status of backups so the user is not required to keep track of backups or versions thereof. Other technical features of the server product is that users can back up VMware and HyperV machines on file level or take a hot snapshot, protecting live databases is easy, users can backup their entire Sharepoint 2010 or 2013 Farm with ease using native Sharepoint backup capabilities, and users can backup MS Exchange 2003, 2007 and 2010 databases while running, avoiding any business downtime.

The product is marketed via small to medium sized business focused events, syndicates and channels such as Google, Facebook and other social media outlets, as well as through resellers and OEMs selling the Issuer's product base. A direct client purchase (from the Issuer's website) will allow the client to download the software for installation. The reseller and OEM channels will provide end user support with respect to distribution and installation. To date, this product offers approximately 50% of the revenue for the Issuer.

(f) **Production and Sales**

All of the Issuer's products are developed, managed, administered and supported by the Issuer itself. The entire organization includes 23 full time equivalent employees and the operating subsidiary of the Issuer is structured as follows:

Toronto, Ontario Office

The senior management of the Issuer are located in the Toronto office, which is responsible for: PC and Mobile client product; E-commerce and database (backend) development; system administration; technical support; and financial services.

Windsor, Ontario Office

The Windsor office is responsible for: Level 3 and senior technical support; and sales and marketing.

Dnepropetrovsk, Ukraine Office

The Dnepropetrovsk office is responsible for: server client development; Open File Driver development; and DEV, SIT, user acceptance testing ("**UAT**") and quality control.

There is a specialized skill required for the development, maintenance, sales and marketing of all of the Issuer's products. The Issuer's current staff possess the necessary skill and knowledge required for the Issuer's business, however additional employees may be located as needed by the Issuer.

All developer, quality assurance, fixes and enhancements are tracked in the Issuer's custom Information Technology Infrastructure Library ("**ITIL**")-based task tracking system that is web based with a Microsoft SQL server backend (proprietary software). This system provides the Issuer with a clear overview of requests, improvements and tasks that require its team's prioritization efforts. This also allow the Issuer to track against its roadmaps providing detailed reports and progress information for management. Product release notes give the Issuer an overall picture of the development process and have defined the Issuer's own standard for quality assurance program based on industry operating standards.

The Issuer currently has recurring, profitable and predictive revenue based on credit card subscriptions with approximately 50,000 users globally. Revenue generated from three products: (i) Patented Continuous Data Protection client (PC/MAC); (ii) small to medium sized business server client (Windows/Linux SQL, Exchange, VMARE, Hyper-V, SharePoint, QuickBooks, and NAS devices); and (iii) mobile clients (iOS and Android). With the exception of Compco, all of the Issuer's current revenue is generated from monthly, reoccurring accounts. Billing occurs 30 days in arrears with average account life spans of over three years.

(g) **Competitive Conditions**

The Issuer will focus on expansive growth into the small to medium sized business market with Compco and other potential OEM partners with the Issuer's robust, cloud backup capabilities that will be more affordable than other enterprise solutions. The Issuer offers a remote, online, or managed backup service, marketed as cloud backup, which provides users with a system for the backup, storage, and recovery of computer files. Online backup providers are companies that provide this type of service to end users (or clients).

Key Market Highlights (information derived from: http://mspmentor.net/blog/state-data-backup-and-disaster-recovery-market):

- The size and opportunity of the backup and disaster recovery (BDR) market is growing annually;

- Less than 10% of small businesses prefer a cloud only solution;
- The current U.S. market for BDR, based on businesses with 5 to 200 full-time employees, is estimated to be approximately $1.5 billion;
- The total market opportunity for BDR is estimated to be approximately $5.8 billion, should businesses update from older technologies; and
- The BDR market is anticipated to grow 15-20% per annum over the next five years.

A small to medium business is categorized as a business with 1 to 250 employees. Within Canada there are over 2,400,000 small businesses (according to Industry Canada as of July, 2012) and within the United States the number is approximately 28,000,000 (according to http://www.businessinsider.com/infographic-the-state-of-us-small-businesses-2013-9). This sector is largely unserved and depends upon dated technology to provide backup and recovery for businesses. Many large enterprise organizations cannot adequately service the small business nor can a small or medium sized business utilize an enterprise product based on price. Every small to medium sized business will have to address its disaster recovery needs.
Top Uses for the Cloud by Company Size:

Company Size (Number of Employees)	Web Hosting	Email Hosting	Productivity Solutions	Backup Recovery	Content Filtering	Application Hosting	Other (Helpdesk, Monitoring Security)
Fewer than 20	82%	79%	65%	60%			55%
20-99	82%	58%	46%	42%	47%		
100-249	81%	53%	49%		46%	49%	
250-499	75%	46%	46%		49%	45%	

(Information derived from: http://www.rackspace.com/blog/infographic-the-state-of-smb-cloud-adoption-in-2014/)

The demand for cloud-based solutions by small to medium sized business is expected to increase, and estimates show approximately 20% growth in spending by small to medium sized businesses on the cloud in the next five years. Approximately 30% of midsize firms are expected to adopt public cloud solutions in the next five years (Information derived from: http://www.rackspace.com/blog/infographic-the-state-of-smb-cloud-adoption-in-2014/).

The Issuer has engineered and designed its products and services to the small to medium sized business space providing enterprise backup and recovery features (to the cloud) at a small business price. There are several cloud backup and restore products on the market but to the Issuer's knowledge there are none match the features, price and "white label" capabilities of the Issuer's products.

Below delineates the Issuer's identified competition and their features as compared to the Issuer's products:

Bucket Details	Data Deposit Box	Dropbox for Business	Mozy Pro	Mozy Pro w/ Server	CrashPlan Pro	CrashPlan Pro + Share/sync	SOS Business	SOS Business for Server	Carbonite Pro	Carbonite Server Pro	iBackup	SkyKnox (SherWeb)
# of PC Clients	unlimited	5 clients (sync only)	unlimited	unlimited	unlimited		unlimited	unlimited	unlimited	Unlimited	unlimited	1 for 60GB unlimited for 200GB
# of Server Clients	unlimited	5 clients (sync only)	-	unlimited	no server client	no server client	-	1, 3 or 5 servers	-	Unlimited	unlimited	unlimited w/ 400GB
Agentless backup	Yes	No	No	No	No	No	No	No	No	No	No	yes
MS SQL	Yes	No	Yes	Yes	No	No	No	Yes	No	Yes	Yes	yes
MS Exchange	Yes	No	Yes	Yes	No	-	No	Yes	No	Yes	Yes	yes
MS Sharepoint	Yes	No	No	No	No	No	No	Yes	No	Yes	Yes	yes
Vmware	Yes	No	No	No	No	No	No	Yes	No	Yes	Yes	yes
HyperV	Yes	No	No	No	No	No	No	Yes	No	Yes	Yes	yes
Hybrid/local Backups	Yes	No	Yes	Yes	No	No	No	Yes	No	Yes	Yes	yes
Continuous Backups (Patent)	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes	Yes	yes
Scheduled Backups	Yes	No	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	yes
Client Portal	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	No	Yes
Mobile Backup	Yes	Yes	Yes	Yes	No	No	Yes	Yes	Yes	Yes	Yes	yes
* Synchronization/Collaboration	Q1 2015	Yes	No	No	No	Yes	No	No	No	No	No	No

(Information from: Dropbox for Business – www.dropbox.com; Mozy Pro/Server – www.EMC.com; CrashPlan Pro - www.code42.com/crashplan/; SOS Business/Server - www.sosonlinebackup.com/; Cardonite Pro/Server - http://www.carbonite.com/; iBackup - https://www.ibackup.com/; Sherweb - http://www.sherweb.com/en-ca)

(h) **Intellectual Property**

The table below sets out the intellectual property of the Issuer:

Title	Country	Patent/App No.	Issue/Filling Date	Status	B&P Ref
Data Backup and System Method	United States	U.S. Patent No. **7,401,194** (Apply No. **11/003,763**	Issued: July 15, 2008 Filed: Dec 6, 2004	Issued - Renewal due: Jan 15, 2016	13776-P13125US01 (-003)
Data Backup and System Method	Canada	Canadian Patent No. **2,452,251** (Appln No. 2,452,251)	Issued: Feb 9, 2010 Filed: Dec 4, 2003	Issued - Maintenance Fee due: Dec 4, 2015	13776-P13125CA00 (-004)
SYSTEM AND METHOD OF PERFORMING CONTINUOUS BACKUP OF A DATA FILE ON A COMPUTING DEVICE	United States	Provisional Patent Application No. **61/843,005**	July 4, 2013	Regular U.S. application filed	**13776-P43131US00 (-032)**

SYSTEM AND METHOD OF PERFORMING CONTINUOUS BACKUP OF A DATA FILE ON A COMPUTING DEVICE	United States	U.S. Application No. **14/324,112**	July 4, 2014	**Waiting for first Office Action**	**13776-P43131US01 (-034)**
SYSTEM AND METHOD OF PERFORMING CONTINUOUS BACKUP OF A DATA FILE ON A COMPUTING DEVICE	Canada	Canadian Application No. **2,855,772**	July 4, 2014	**Maintenance Fee due: July 4, 2016 Request for Examination due: July 4, 2019**	**13776-P43131CA00 (-033)**
SYSTEM AND METHOD FOR CREATING A TRANSPARENT DATA TUNNEL	United States	U.S. Application No. **12/605,042**	Oct 23, 2009	**Allowed - Issue Fee due: Sept 6, 2014**	**13776-P35690US00 (-010)**
SYSTEM AND METHOD FOR CREATING A TRANSPARENT DATA TUNNEL	Canada	Canadian Application No. **2,718,274**	Oct 21, 2010	**Maintenance Fee due: Oct 21, 2014 Request for Examination due: Oct 21, 2015**	**13776-P35690CA00 (-021)**

4.2 Companies with Asset Backed Securities Outstanding

Not Applicable.

4.3 Mineral Projects

Not applicable.

4.4 Issuers with Oil and Gas Operations

Not Applicable.

5. Selected Consolidated Financial Information

KineticD was incorporated under the laws of Deleware on March 15, 2013. The financial information in this Listing Statement include the assets and liabilities of both Acpana and KineticD (together "**Acpana**").

5.1 Financial Information – Annual Information

The following information is in respect of Acpana for the nine month period ended September 30, 2014 and the years ended December 31, 2013, 2012 and 2011.

Statement of Operations Data	Nine months ended September 30, 2014 ($) (unaudited)	Year ended December 31, 2013 ($) (audited)	Year ended December 31, 2012 ($) (unaudited)	Year ended December 31, 2011 ($) (unaudited)
Revenue	3,629,442	5,279,454	5,747,186	5,636,039
Cost of sales	1,884,365	2,927,442	2,282,967	2,229,032
Gross margin	1,878,387	2,352,012	3,464,219	3,407,007
Interest Income	(67,086)	(40,781)	25,176	(18,611)
Total Expenses	2,996,658	5,188,432	4,118,559	3,464,068
Net Income / (Loss)	(1,201,897)	(2,908,858)	(634,706)	(74,887)
Net Income / (Loss) per Share – Basic	(0.44)	(1.06)	(0.23)	(0.03)
Balance Sheet Data				
Total Assets	4,601,019	5,624,370	6,330,443	6,196,373
Total Liabilities	2,634,679	3,327,133	1,577,848	870,281
Shareholders' Equity	1,996,340	2,297,237	4,752,595	5,326,092

5.2 Quarterly Information

The following information is in respect of Acpana for the eight quarters preceding and including the period ended December 31, 2013.

Quarter Ended	Total Revenues	Net Income/(Loss)	Basic and diluted loss per share
December 31-13	1,323,975	(956,836)	(0.35)
September 30-13	1,331,841	(718,096)	(0.26)
June 30 -13	1,293,207	(851,866)	(0.31)
March 31-13	1,330,431	(382,059)	(0.14)
December 31-12	1,445,918	(463,777)	(0.17)
September 30-12	1,413,273	(137,911)	(0.05)
June 30-12	1,440,848	11,735	0.00
March 31-12	1,447,146	(44,753)	(0.02)

5.3 Dividends

No dividends on the Common Shares have been paid to date. The Issuer anticipates that for the foreseeable future it will retain future earnings and other cash resources for the operation and development of its business. Payment of any future dividends will be at the discretion of the Board after taking into account many factors, including the Issuer's operating results, financial condition, and current and anticipated cash needs.

5.4 Foreign GAAP

The Issuer does not present its consolidated financial information on the basis of foreign GAAP.

6. Management's Discussion and Analysis for the Year Ended December 31, 2013 and for the Nine-Month Period Ended September 30, 2014

The following management's discussion and analysis of the consolidated results of operations and financial condition of Acpana is made as of March 18, 2015 and should be read in conjunction with the combined unaudited financial statements as at and for the nine month periods ended September 30, 2014 and 2013, and for the financial year ended December 31, 2013 (audited) and accompanying notes. The financial statements of Acpana set out in Schedule "A" have been prepared in accordance with International Financial Reporting Standards ("**IFRS**").

The preparation of financial statements and related disclosures in conformity with IFRS requires management to make estimates that affect the reported amounts of assets, liabilities, revenues, expenses and contingencies. Management bases its estimates on historical experience and on other assumptions that are believed, at the time, to be reasonable under the circumstances. Under different assumptions or conditions, the actual results may differ, potentially materially, from those previously estimated. Many of the conditions impacting these assumptions and estimates are outside of the Issuer's control. The Issuer evaluates such estimates and assumptions on a periodic basis.

Unless otherwise noted herein, all amounts are in Canadian dollars.

Overall Performance and Results of Operations

Revenue

Nine Months ended September 30, 2014

Revenues for the nine months ended September 30, 2014, decreased by 4.9% to $3,762,752 from $3,955,479 for the nine months ended September 30, 2013. The decrease was mainly the result of the lack of investment in sales and marketing efforts, resulting in a unaddressed churn.

Fiscal Year ended December 31, 2013

Revenues for the fiscal year ended December 31, 2013, decreased by 8.1% to $5,279,454 from $5,747,186 for the fiscal year ended December 31, 2012. The decrease was the result of changes to pricing plan as a response to market pricing pressure. As well as the focus on larger opportunities by the management team.

Gross Margin

Nine Months ended September 30, 2014

Gross margin for the nine months ended September 30, 2014, increased by 4.8% to $1,878,387 from $1,792,809 for the nine months ended September 30, 2013. The decrease in revenue during the period was offset by the cost of sales decreasing by 12.9% to $1,884,365 from $2,162,270 for the nine months ended September 30, 2013. Lower cost of sales were due to decreases in all areas, including: data centre costs decreasing to $889,809 from the period from $891,949 during the same period in 2013; amortization charges decreasing to $344,273 during the period, compared to $392,928 during the same period in 2013; wages and benefits decreasing to $104,709 during the period, compared to $219,006 during the same period in 2013; commissions decreased to $393,687 from $493,939 during the same period in 2013; and merchant fees decreased to $151,887 from $164,848 during the same period in 2013.

Fiscal Year ended December 31, 2013

Gross margin decreased by 32.1% to $2,352,012 from $3,464,219. The decrease resulted from cost of sales increasing by 28.2% to $2,927,442 from $2,282,967 during the fiscal year ended December 31, 2013.

The decrease in revenue during the period was offset by cost of sales decreasing by 27.9% to $1,558,337 from $2,162,270 for the nine months ended September 30, 2013. Lower cost of sales were due to decreases in all areas, including: data centre costs decreasing to $756,499 from the period from $891,949 during the same period in 2013; amortization charges decreasing to $344,273 during the period, compared to $392,928 during the same period in 2013; wages and benefits decreasing to $104,709 during the period, compared to $219,006 during the same period in 2013; commissions decreased to $200,969 from $493,939 during the same period in 2013; and merchant fees decreased to $151,887 from $164,848 during the same period in 2013.

Operating Expenses

Nine Months ended September 30, 2014

Sales and marketing expenses during the period decreased sharply to $84,429 from $547,271 for the nine months ended September 30, 2013, due to cut backs on marketing expenditures. During the period management salaries increased to $311,226 from $244,921 for the nine months ended September 30, 2013. The increased resulted primarily from an increase in advisory fees in connection with various business consulting for the nine months ended September 30, 2014. General and administrative expenses decreased to $208,991 from $459,471, during the nine months ended September 30, 2013. This decrease was a result of controlled spending by management. During this period wages and benefits decreased to $852,901 from $1,556,006 for the nine months ended September 30, 2013. During the nine months ended September 30, 2014, depreciation expenses were relatively unchanged increasing to $501,861 from $452,122 for the nine months ended September 30, 2013. During the period share-based payments increased to $871,000 from $318,000 for the nine month period ended September 30, 2013. The increase was primarily a result of the Black-Scholes calculation resulting from the issuance of 149,803 broker warrants on July 18, 2014.

Fiscal Year ended December 31, 2013

Operating expenses for the fiscal year ended December 31, 2013 decreased by 19.3% to $5,188,432 from $4,188,559 for the fiscal year ended December 31, 2012. Sales and Marketing expenses during the period decreased to $607,536 from $826,539 for the fiscal year ended December 31, 2012, due to decrease in spending as the cash reserve decreased. During the period Management Salaries increased to $589,643 from Nil for the fiscal year ended December 31, 2012. The increase resulted primarily from account reclassifications during the period. General and administrative expenses increased to $551,119 from $539,722, during the fiscal year ended December 31, 2012. This increase was a result of expansion of the company in the early quarters of 2013. During this period wages and benefits decreased to $1,836,007 from $1,837,106 for the fiscal years ended December 31, 2012, as a result of cut backs in the last quarter of 2013.

During the fiscal year ended December 31, 2013, depreciation expenses increased to $628,888 from $315,440 for the fiscal year ended December 31, 2012. During the period share-based payments increased to $453,500 from $61,159 for the fiscal year ended December 31, 2012. The increase was

primarily a result of the Black-Scholes calculation resulting from the issuance of 149,803 warrants on July 18, 2014.

Liquidity and Capital Resources

The Issuer has been successful in accessing the equity market in the past and while there is no guarantee that this will be continue to be available, management has no reason to expect that this capability will diminish in the near term.

The Issuer's continuance as a going concern is dependent upon its ability to maintain profitable levels of operation. It is not possible to predict if the Issuer will maintain profitable levels of operations as the Issuer has posted net losses for several annual financial periods. Management of the Issuer expects that the Issuer's revenue from operations, together with its existing cash and other current assets, will be adequate to meet its short-term working capital requirements during the next twelve months.

As at September 30, 2014 there was cash of $512,323 compared to cash of $523,783 as at December 31, 2013. Acpana's September 30, 2014 and short-term obligations consist of accounts payable of $476,140 (December 31, 2013 - $696,535).

Acpana's working capital at September 30, 2014 was a deficit of $1,739,978 compared to a deficiency of $2,049,859 at December 31, 2013.

Cash provided from operating activities was $566,986 during the nine month period ended September 30, 2014 compared to cash used of $834,387 during the comparable nine month period ended September 30, 2013. Changes to cash flows from operating activities primarily relate to higher operating costs and restructuring costs during 2013.

Cash used in investing activities was $33,811 during the nine month period ended September 30, 2014 compared to cash used of $104,195 during the comparable nine month period ended September 30, 2013. Investing activities mainly relate to equipment and intangible asset acquisitions and disposals. Acquisitions were higher during 2013 due to increased purchases of intangible assets.

Cash used in financing activities was $544,365 during the nine month period ended September 30, 2014 compared to cash used in financing activities of $208,915 during the comparable nine month period ended September 30, 2013. Financing activities mainly relate to the repayment of the capital lease obligations. The increase is due to a higher capital asset base that was financed through leases in late 2013 with payments commencing in 2014.

As at December 31, 2013 there was cash of $523,783 compared to cash of $1,692,893 as at December 31, 2012. Acpana's December 31, 2013 short-term obligations consist of accounts payable of $696,535 (December 31, 2012 - $968,947).

Acpana's working capital at December 31, 2013 was a deficit of $2,049,859 compared to a working capital of $1,413,931 at December 31, 2012.

Cash used in operating activities was $830,097 during the year ended December 31, 2013 compared to cash provided of $259,760 during the comparable year ended December 31, 2012. Changes to

cash flows from operating activities primarily relate to higher operating costs and restructuring costs during 2013.

Cash used in investing activities was $44,145 during the year ended December 31, 2013 compared to cash used of $434,994 during the comparable year ended December 31, 2012. Investing activities mainly relate to equipment and intangible asset acquisitions and disposals. Acquisitions were higher during 2012 due to increased purchases of intangible assets.

Cash used in financing activities was $294,868 during the year ended December 31, 2013 compared to cash used in financing activities of $195,332 during the comparable year ended December 31, 2012. Financing activities mainly relate to the repayment of the capital lease obligations. The increase is due to a higher capital asset base over the years between 2011 and 2013.

Off-Balance Sheet Arrangements

Neither Acpana nor the Issuer has any off-balance sheet arrangements.

Related Party Transactions

Key management includes Acpana's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management includes the following:

	Nine months ended September 30, 2014	**Nine months ended September 30, 2013**	**Year ended December 31, 2013**	**Year ended December 31, 2012**	**Year ended December 31, 2011**
Balances:					
Short-term employee benefits	**$ 323,000**	$ 541,000	$ 663,000	$ 574,000	$ 483,000
Share-based payments - options	**-**	337,557	337,557	-	-
Total compensation to key management	**$ 323,000**	$ 878,557	$ 1,000,557	$ 574,000	$ 483,000

Acpana provided a loan through a promissory note to Tim Jewell through his company World Wide Pants Inc. As at September 30, 2014, $241,927 (December 31, 2013 $233,183) is receivable under the promissory note. Included in short-term employee benefits for the year

ended December 31, 2013 is an expense in the amount of $258,156 related to the forgiveness of a promissory note receivable owed from a member of key management.

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of Acpana directly or indirectly, including any directors (executive and non-executive) of Acpana.

The remuneration of directors and key executives is determined by the compensation committee.

Financial Instruments and Other Instruments

Acpana's financial instruments consist of cash, amounts receivables, loan receivable, accounts payable and accrued liabilities, shareholder loans and loan payable. It is management's opinion that Acpana is not exposed to significant interest, currency or credit risks arising from these financial instruments and that the fair values of these financial instruments approximate their carrying values.

Assessment of Recoverability of Deferred Income Tax Assets

In preparing the consolidated financial statements, Acpana is required to estimate its income tax obligations. This process involves estimating the actual tax exposure together with assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. Acpana assesses, based on all available evidence, the likelihood that the deferred income tax assets will be recovered from future taxable income and, to the extent that recovery cannot be considered "more likely than not," a valuation allowance is established. If the valuation allowance is changed in a period, an expense or benefit must be included within the tax provision on the consolidated income statement.

Estimate of Stock Based Compensation and Associated Assumptions

Acpana recorded stock-based compensation based on an estimate of the fair value on the grant date of stock options issued. This valuation required estimates of interest rate, life of options, stock price volatility and the application of the Black-Scholes option pricing model. See note 15 of the unaudited financial statements for the nine month periods ended September 30, 2014 and 2013 for full disclosure.

Assessment of Recoverability of Receivables

The carrying amount of amounts receivable, are considered representative of their respective values. Acpana assesses the likelihood that these receivables will be recovered and, to the extent that recovery is considered doubtful a provision for doubtful accounts is recorded.

Carrying Value of Balance Sheet Items

Property and equipment of $2,815,436 as at September 30, 2014 (December 31, 2013 - $3,283,586) represent servers and equipment technology development costs that have been deferred and are being amortized over 10 years (life of the technology rights) and three years (life of the equipment), respectively.

Intangible assets of $784,495 as at September 30, 2014 (December 31, 2013 - $1,128,768) represent trademarks and patents and acquired software. Amortization is provided for at rates intended to expense the assets over their estimated useful lives, as follows: software, 20-30% declining balance; trademarks and patents, straight-line over estimated useful lives; acquired software, straight-line over three to five years; and Website, 30% declining balance.

Total accounts payable, accrued liabilities, and shareholder loans amounted to $476,140 as at September 30, 2014 (December 31, 2013 - $696,535).

Acpana leases certain computer hardware under finance leases. The future minimum lease payments under finance leases as at September 30, 2014 and December 31, 2013, 2012 and 2011 are as follows:

	September 30, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Total minimum lease payments	**$ 2,262,608**	$ 2,877,603	$ 552,533	$ 325,125
Less: amount representing interest	**(180,881)**	(251,241)	(19,033)	(47,347)
Capital lease obligation	**2,081,727**	2,626,362	533,500	277,778
Less: current portion	**(607,662)**	(706,885)	(242,844)	(136,130)
Less: long term portion due on demand	**(1,338,425)**	(1,621,035)	-	-
	$ 135,640	$ 298,442	$ 290,656	$ 141,648

As at September 30, 2014, future minimum lease payments by year, and in the aggregate, are as follows:

2014	183,848
2015	655,598
2016	537,576
2017	442,793
2018	442,793
Totals	$ 2,262,608

The finance leases are for computer hardware and are issued at a rate of interest of between 2.25% and 4.75% and mature between 2014 and 2018. During the nine month period ended September 30, 2014 $114,341 (Year ended December 31, 2013 - $16,936, year ended December 31, 2012 - $nil) of interest from finance leases was charged to operations.

Of the total finance lease obligation outstanding $1,983,625 is held under a credit facility with the Bank of Nova Scotia. On October 30, 2013 Acpana was notified by the bank that it was in default of its debt service ratio covenant. Effective December 13, 2013 Acpana and the bank entered into a forbearance agreement whereby it was agreed all amounts due under the credit

facility are repayable on demand. As a result, the long-term portion of the finance lease obligation has been presented in current liabilities.

Accounting Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with IFRS requires Acpana's management to make judgments, estimates and assumptions about future events that affect the amounts reported in the consolidated financial statements and related notes to the financial statements. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results may differ from those estimates. The areas which require management to make significant judgments, estimates and assumptions in determining carrying values include, but are not limited to:

- Assets' carrying values and impairment charges - In the determination of carrying values and impairment charges, management looks at the higher of the recoverable amount or fair value less costs to sell in the case of assets and at objective evidence, significant or prolonged decline of fair value on financial assets indicating impairment. These determinations and their individual assumptions require that management make a decision based on the best available information at each reporting period.

- Impairment of technology rights, deferred development and intellectual property assets - While assessing whether any indications of impairment exist for technology rights, deferred development costs and intellectual property asset, consideration is given to both external and internal sources of information. Information Acpana considers include changes in the market, the economic and legal environment in which Acpana operates that are not within its control and which may affect the recoverability of such assets. Internal sources of information include the manner in which technology rights and deferred development assets are being used or are expected to be used and indications of expected economic performance of the assets. Estimates include but are not limited to estimates of the discounted future after-tax cash flows expected to be derived from Acpana's technology rights, deferred development and intellectual property assets, costs to sell the assets and the appropriate discount rate.

- Share-Based Payments – Acpana determines costs for share-based payments using market-based valuation techniques. The fair value of the market-based and performance-based non-vested share awards are determined at the date of grant using generally accepted valuation techniques. Assumptions are made and judgment used in applying valuation techniques. These assumptions and judgments include estimating the future volatility of the stock price, expected dividend yield, future employee turnover rates and future employee stock option exercise behaviors and corporate performance. Such judgments and assumptions are inherently uncertain. Changes in these assumptions affect the fair value estimates.

- Income taxes - Acpana must make significant estimates in respect of the provision for income taxes and the composition of its deferred income tax assets and deferred income tax liabilities. Acpana's operations are, in part, subject to foreign tax laws where interpretations, regulations and legislation are complex and continually changing. As a result, there are usually some tax matters in question which may, on resolution in the

future, result in adjustments to the amount of deferred income tax assets and deferred income tax liabilities, and those adjustments may be material to Acpana's financial position and results of operations.

- Functional currency determination - The functional currency for Acpana and its subsidiaries is the currency of the primary economic environment in which the entity operates. Determination of functional currency is conducted through an analysis of the consideration factors identified in IAS 21 - *The Effects of Changes in Foreign Exchange Rates* and may involve certain judgments to determine the primary economic environment. Acpana reconsiders the functional currency of its entities if there is a change in events and conditions which determine the primary economic environment. Significant changes to those underlying factors could cause a change to the functional currency.

Risks and Uncertainties

Acpana's Board of Directors has overall responsibility for the oversight of Acpana's risk management policies. In carrying on its business, Acpana is exposed to a variety of risks, including the risks described elsewhere in this Listing Statement. Acpana can neither predict nor identify all such risks nor can it accurately predict the impact, if any, of such risks on its business, operations or the extent to which one or more risks or events may materially change future results of financial position from those reported or projected in any forward looking statements. Accordingly, Acpana cautions the reader not to rely on reported financial information and forward-looking statements to predict actual future results. This MD&A and the accompanying financial information should be read in conjunction with this statement concerning risks and uncertainties. Some of the risks, uncertainties and events that may affect Acpana, its business, operations, and results, are given in this section. However, the factors and uncertainties are not limited to those stated. Acpana has policies and practices mandated by the Board of Directors to manage Acpana's risks which include the risks described in Section 17 of this Listing Statement and below.

Acpana's ability to continue to generate revenue and achieve positive cash flow in the future is dependent upon various factors, including the level of market acceptance of its products, the degree of competition encountered by Acpana, technology risks, general economic conditions, and the stability of foreign governments and regulatory requirements. Moreover, it is also possible that new competitors will enter the marketplace. Acpana's future performance depends in part upon attracting and retaining key technical, sales and management personnel. There can be no assurance that Acpana can retain these personnel. As such, these new competitors and the loss of the services of Acpana's key employees could potentially have a material adverse effect on Acpana's business, operating results and financial condition.

Market Risk for Securities

Acpana has been a private company whose common shares have not previously been listed for trading on a stock exchange. There can be no assurance that an active trading market for the Issuer's Common Shares will be established and sustained. Upon listing, the market price for the Issuer's Common Shares could be subject to wide fluctuations. Factors such as commodity prices, government regulation, interest rates, share price movements of peer companies and competitors, as well as overall market movements, may have a significant impact on the market

price of the Issuer's securities. The stock market has from time to time experienced extreme price and volume fluctuations, particularly in the technology sector, which have often been unrelated to the operating performance of particular companies.

Technology Risk

The proposed business will be dependent upon advanced technologies which are susceptible to rapid technological change. There can be no assurance that Acpana's services will not be seriously affected by, or become obsolete as a result of, such technological changes.

There is a risk that technologies similar to Acpana's could reach the market first, that similar products may be developed that are more appealing to clients, or that they use advanced technology not incorporated in Acpana's business. There is also a risk that clients will not accept or adopt Acpana's services. The occurrence of any of these events could decrease the amount of interest generated in Acpana's business and prevent Acpana from generating revenues or reduce its revenue generating potential.

Competitive and Pricing Risk

Acpana's potential competitors may have significantly greater financial, technical, marketing and other resources, may be able to devote greater resources to the development, promotion, sale and support of their products and services, may have more extensive customer bases and broader customer relationships and may have longer operating histories and more brand recognition. In some cases, these companies may choose to offer their technology at lower prices or rates in response to new competitors entering the market. If Acpana is unable to compete with such companies, Acpana may be unable to establish demand for its technology, which could adversely affect the establishment of Acpana's operations and its ability to begin generating revenues.

Intellectual Property Risk

The success of Acpana's business depends in part on its ability to protect the intellectual property rights associated with its service.

Advertising and Promotional Risk

Acpana's future growth and profitability will depend on the effectiveness and efficiency of advertising and promotional costs, including its ability to (i) create brand recognition; (ii) determine appropriate advertising strategies, messages and media; and (iii) maintain acceptable operating margins on such costs. There can be no assurance that advertising and promotional costs will result in revenues for Acpana's business in the future, or will generate awareness of Acpana's technologies or services. In addition, no assurance can be given that Acpana will be able to manage its advertising and promotional costs on a cost-effective basis.

Uninsured or Uninsurable Risk

Acpana may become subject to liability for risks against which it cannot insure or against which it may elect not to insure due to the high cost of insurance premiums or other factors. The payment of any such liabilities would reduce the funds available for Acpana's usual business

activities. Payment of liabilities for which Acpana does not carry insurance may have a material adverse effect on Acpana's financial position and operations.

Conflicts of Interest Risk

Certain of the Issuer's directors and officers are, and may continue to be, involved in other business ventures in the technology industry through their direct and indirect participation in corporations, partnerships, joint ventures, etc. that may become potential competitors of the products the Issuer intends to provide. Situations may arise in connection with potential acquisitions or opportunities where the other interests of these directors and officers conflict with or diverge from the Issuer's interests. In accordance with the BCBCA, directors who have a material interest in any person who is a party to a material contract or a proposed material contract are required, subject to certain exceptions, to disclose that interest and generally abstain from voting on any resolution to approve the contract. In addition, the directors and the officers are required to act honestly and in good faith with a view to the Issuer's best interests. However, in conflict of interest situations, the Issuer's directors and officers may owe the same duty to another company and will need to balance their competing interests with their duties to us. Circumstances (including with respect to future corporate opportunities) may arise that may be resolved in a manner that is unfavourable to the Issuer.

Key Personnel Risk

Acpana's success will depend on its directors and officers to develop its business and manage its operations, and on Acpana's ability to attract and retain key technical, sales and marketing staff or consultants once operations begin. The loss of any key person or the inability to find and retain new key persons could have a material adverse effect on Acpana's business. Competition for qualified technical, sales and marketing staff, as well as officers and directors can be intense and no assurance can be provided that Acpana will be able to attract or retain key personnel in the future, which may adversely impact Acpana's operations.

Global Economy Risk

The ongoing economic slowdown and downturn of global capital markets has generally made the raising of capital by equity or debt financing more difficult. Acpana will be dependent upon the capital markets to raise additional financing in the future, while Acpana establishes a customer base for the business. Access to financing has been negatively impacted by the ongoing global economic downturn. As such, Acpana is subject to liquidity risks in meeting its development and future operating cost requirements in instances where cash positions are unable to be maintained or appropriate financing is unavailable. These factors may impact Acpana's ability to raise equity or obtain loans and other credit facilities in the future and on terms favourable to it and its management. If uncertain market conditions persist, Acpana's ability to raise capital could be jeopardized, which could have an adverse impact on its operations and on the trading price of its Common Shares, if any market on its Common Shares develops.

Share Price Volatility Risk

It is anticipated that a market in the Issuer's Common Shares will develop. As such, external factors outside of the Issuer's control such as announcements of quarterly variations in operating

results, revenues and costs, and sentiments toward technology sector stocks may have a significant impact on the market price of the Common Shares. Global stock markets, including the Exchange, have from time to time experienced extreme price and volume fluctuations that have often been unrelated to the operations of particular companies. The same applies to companies in the technology sector. There can be no assurance that an active or liquid market will develop or be sustained for the Common Shares.

Increased Costs of Being a Publicly Traded Company

As the Issuer will have publicly-traded securities, it will incur significant legal, accounting and filing fees not presently incurred. Securities legislation require listed companies to, among other things, adopt corporate governance and related practices, and to continuously prepare and disclose material information, all of which will significantly increase the Issuer's legal and financial compliance costs.

Commitments and Contingencies

As at September 30, 2014 Acpana has future minimum lease payments for office premises of $7,622 (December 31, 2013 - $12,033, 2012 - $91,107, 2011- $91,107). The current office lease agreement expires in 2014.

Financial Instruments and Other Instruments

Acpana has designated its cash and cash equivalents as FVTPL which are measured at fair value. Fair value of cash and cash equivalents is determined based on transaction value and is categorized as a Level One measurement.

- Level One includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two includes inputs that are observable other than quoted prices included in Level One.
- Level Three includes inputs that are not based on observable market data.

As at September 30, 2014, and December 31, 2013, 2012 and 2011, both the carrying and fair value amounts of Acpana's cash and cash equivalents, receivables, and trade and other payables are approximately equivalent. The fair value of Acpana's promissory note approximates its carrying value as the interest rate of prime plus 2% is commensurate with estimated borrowing rates for loans with similar terms and conditions.

A summary of Acpana's risk exposures as it relates to financial instruments are reflected below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. Acpana's credit risk is primarily attributable to cash and cash equivalents, accounts receivable and promissory note receivable. Cash and cash equivalents consist of cash on hand deposited with reputable financial institutions which is closely monitored by management. Management believes credit risk with respect to financial instruments included in cash and cash

equivalents and accounts receivable is minimal. Acpana's maximum exposure to credit risk as at September 30, 2014 and December 31, 2013 is the carrying value of receivables and the promissory note receivables.

Liquidity risk

Acpana's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2014, Acpana had current assets of $759,061 (December 31, 2013 - $978,833, December 31, 2012 - $2,701,123; December 31, 2011 - $2,499,039) to settle current liabilities of $2,461,399 (December 31, 2013 - $3,028,691, December 31, 2012 - $1,287,192; December 31, 2011 - $728,633) resulting in a working capital deficiency of $1,739,978 (December 31, 2013 - $2,049,858, December 31, 2012 – $1,413,931 working capital, December 31, 2011 - $1,970,750 working capital). Acpana manages liquidity risk through regular monitoring of forecasted and actual cash flows.

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and the prices of commodities and equities.

Interest rate risk

Acpana has cash and cash equivalents balances and no interest-bearing debt. Acpana's current policy is to invest excess cash in short-term guaranteed investment certificates issued by banks. Acpana periodically monitors the investments it makes and is satisfied with the credit ratings of its investments. As at September 30, 2014, Acpana had cash and cash equivalents of $512,323 (December 31, 2013 - $523,783, December 31, 2012 - $1,692,893, December 31, 2011 - $2,063,459) which includes guaranteed investment certificates of $nil (December 31, 2013 - $nil, December 31, 2012 - $1,536,075, December 31, 2011 - $1,793,948). Interest rate risk on the promissory notes is not considered significant as at September 30, 2014.

Foreign currency risk

Acpana's activities are conducted in Canada and the United States. Major purchases are transacted in Canadian and US dollars. Administrative expenditures and cash and cash equivalents balances are primarily transacted in Canadian dollars. Acpana has exposure to foreign currency risk. Acpana mitigates the risk of foreign currency fluctuations by converting Canadian currency to US dollars when required to fund expenditures.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, Acpana believes the following movements are "reasonably possible" over the next 12-month period:

(i) Interest rate risk is limited to cash and cash equivalents balances, primarily held in Canadian and US dollars in Canada.

(ii) Acpana holds financial assets and liabilities in US dollars that give rise to foreign exchange risk. If the US dollar rose or fell in relation to the Canadian dollar by 5%

with all other variables held constant, net loss for the nine month period ended September 30, 2013 would have been less than $10,000 higher/lower.

Changes in Accounting Policies Including Initial Adoption

Acpana has adopted the following new standards, along with any consequential amendments, effective January 1, 2014. These changes were made in accordance with the applicable transitional provisions.

IAS 32, *Financial Instruments, Presentation* – In December 2011, effective for annual periods beginning on or after January 1, 2014, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date. The adoption of this standard did not result in any changes to Acpana's financial statements.

IAS 36 – *Impairments of Assets* ("IAS 36") was amended by the IASB in May 2013 to clarify the requirements to disclose the recoverable amounts of impaired assets and require additional disclosures about the measurement of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The amendments to IAS 36 are effective for annual periods beginning on or after January 1, 2014. The adoption of this standard did not result in any changes to Acpana's financial statements.

IAS 39 – *Financial Instruments: Recognition and Measurement* ("IAS 39") was amended by the IASB in June 2013 to clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments to IAS 39 are effective for annual periods beginning on or after January 1, 2014. Earlier adoption is permitted. The adoption of this standard did not result in any changes to Acpana's financial statements.

IFRIC 21 – *Levies* ("IFRIC 21") was issued in May 2013. IFRIC 21 provides guidance on the accounting for levies within the scope of IAS 37 – Provisions, Contingent Liabilities and Contingent Assets ("IAS 37"). IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligating event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014. Earlier adoption is permitted. The adoption of this standard did not result in any changes to Acpana's financial statements.

<u>Accounting Standards issued but not yet applied</u>

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the IASB or IFRIC that are mandatory for accounting periods beginning after January 1, 2014 or later periods. The standards impacted that are applicable to Acpana are as follows:

IFRS 9 – *Financial Instruments* ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018.

IFRS 15 – *Revenue from Contracts with Customers* ("IFRS 15"). In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 must be applied in an entity's first annual IFRS financial statements for periods beginning on or after January 1, 2017. Application of the standard is mandatory and early adoption is permitted. Acpana has not yet determined the impact of the amendments on Acpana's financial statements.

Management's Report on Internal Control over Financial Reporting

Acpana's financial statements are the responsibility of Acpana's management, and have been approved by the Board of Directors. The financial statements were prepared by Acpana's management in accordance with IFRS. 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.

Acpana has designed appropriate internal controls over financial reporting ("ICFR") for the nature and size of Acpana's business, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS.

Acpana's ICFR are intended to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with applicable IFRS. ICFR should include those policies and procedures that establish the following inter-related, non-discrete results:

- maintenance of records in reasonable detail, that accurately and fairly reflect the transactions and dispositions of Acpana's assets;
- reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with IFRS;

- receipts and expenditures are only being made in accordance with authorizations of management and the Board of Directors; and
- reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of Acpana's assets that could have a material effect on the financial statements.

There have been no changes in ICFR during the nine month period ended September 30, 2014 that have materially affected, or are reasonably likely to materially affect, Acpana's ICFR.

The Issuer's Chief Executive Officer ("CEO") and Chief Financial Officer ("CFO") are responsible for the design and effectiveness of disclosure controls and procedures ("DC&P") and the design of ICFR to provide reasonable assurance that material information related to the Issuer is made known to the Issuer's certifying officers. The Issuer's controls are based on the Committee of Sponsoring Organizations 1992 framework. The Issuer's CEO and the CFO have evaluated the design and effectiveness of the Issuer's DC&P as of September 30, 2014 and have concluded that these controls and procedures are effective in providing reasonable assurance that material information relating to the Issuer is made known to them by others within the corporation. The CEO and CFO have also evaluated the design and effectiveness of the Issuer's ICFR as of September 30, 2014 and concluded that these controls and procedures are effective in providing reasonable assurance that financial information is recorded, processed, summarized and reported in a timely manner.

During the current period there have been no changes in Acpana's DC&P or ICFR that materially affected, or are reasonably likely to materially affect, Acpana's internal control over financial reporting.

Management's Responsibility

Management is responsible for all information contained in this MD&A and Listing Statement. The unaudited interim financial statements have been prepared in accordance with IFRS and include amounts based on management's informed judgments and estimates. The financial and operating information included in this MD&A and Listing Statement is consistent with that contained in the unaudited interim financial statements in all material aspects.

Management maintains internal controls to provide reasonable assurance that financial information is reliable and accurate and assets are safeguarded.

The Audit Committee has reviewed the unaudited interim financial statements with management. The Board of Directors has approved the unaudited interim financial statements on the recommendation of the Audit Committee.

7. Market for Securities

The Common Shares of the Issuer are not currently listed on any stock exchange or recognized market place. The Issuer's Common Shares have been conditionally accepted for trading on the Canadian Securities Exchange (the "**Exchange**") under the trading symbol "**DDB**".

8. Consolidated Capitalization

8.1 The following table summarizes the Issuer's consolidated capitalization as at the dates indicated:

Authorized Capital	Outstanding as at the Date Hereof (unaudited)	Outstanding Immediately Prior to the Amalgamation	Outstanding as at September 30, 2014 (unaudited)	Outstanding as at December 31, 2013 (audited)
Acpana				
Common Shares		16,524,408(2)	2,754,068	2,745,735
Warrants(1)		898,818(2)	149,803	Nil
Stock Options		Nil(3)	325,000	325,000
Subco				
Subco Shares(4)		11,002,898	Nil	Nil
Subco Warrants(4)		11,002,898	Nil	Nil
Subco Broker Warrants(4)		495,480	Nil	Nil
The Issuer				
Common Shares	**28,546,306**	1,019,000	10,010	Nil
Warrants	**11,901,716**	Nil	Nil	Nil
Broker Warrants	**495,480**	Nil	Nil	Nil
Stock Options	**Nil**	Nil		

Notes:

(1) Each such warrant entitles the holder to acquire one common share of Acpana at a price of $1.67 per common share until December 2, 2016.

(2) Effective March 2, 2015, Acpana subdivided its common shares on the basis of six (6) post-consolidated common shares for one (1) pre-consolidated common share.

(3) Prior to the Amalgamation, all of the holders of Acpana stock options agreed that all outstanding Acpana stock options would be cancelled.

(4) Prior to the Amalgamation Subco completed the Private Placements issuing an aggregate of 11,002,898 Units, each comprised of one Subco Share and one Subco Warrant, each Warrant entitling the holder to acquire one Subco Share at a price of $0.30 or $0.50 for a period of 18 months from the date of the Amalgamation. In connection with the Private Placements, 495,480 Subco Broker Warrants were issued, each such warrant entitling holder to acquire one Unit for $0.30 per Unit for a period of 18 months from the date of the Amalgamation.

9. Options to Purchase Securities

The Issuer currently has no stock options outstanding.

The Issuer has adopted a Stock Option Plan whereby a maximum of 20% of the issued and outstanding Common Shares, from time to time, may be reserved for issuance pursuant to the exercise of options.

Options may be granted under the Stock Option Plan only to (i) employees, officers, directors or consultants of the Issuer; (ii) employees, officers, directors or consultants of a related entity of the Issuer; or (iii) a permitted assign of any of the foregoing of the Issuer and its subsidiaries and other designated persons as designated from time to time by the Board.

Any Common Shares subject to an option which for any reason is cancelled or terminated prior to exercise will be available for a subsequent grant under the Stock Option Plan. The option price of any Common Shares cannot be less than the greater of the closing market prices of the Common Shares on: (a) the last trading day immediately preceding the date of grant of the option; and (b) the date of grant of the option; provided however; that if the Common Shares are not listed on any stock exchange, the exercise price shall not be less than the fair market value of the Common Shares as may be determined by the directors on the day immediately preceding the date of the grant of such option.

The options are non-assignable and non-transferable. Options granted under the Stock Option Plan can only be exercised by the optionee as long as the optionee remains an eligible optionee pursuant to the Stock Option Plan or within 90 days (or as otherwise determined by the Board) after ceasing to be an eligible optionee, or, if the optionee dies, within one year from the date of the optionee's death.

Subject to shareholder approval in certain circumstances, the Board may from time to time amend or revise the terms of the Stock Option Plan or may terminate the Stock Option Plan at any time. The Stock Option Plan does not contain any provision for financial assistance by the Issuer in respect of options granted under the Stock Option Plan.

10. Description of the Securities

10.1 Description of the Issuer's securities

Common Shares

The holders of the Common Shares are entitled to receive notice of and attend all meetings of the shareholders of the Issuer and are entitled to one vote in respect of each Common Share held at such meetings. In the event of liquidation, dissolution or winding-up of the Issuer, the holders of Common Shares are entitled to share rateably the remaining property or assets of the Issuer.

Warrants

The Issuer currently has the following warrants outstanding, each such warrant exercisable for one (1) Common Share on the terms set out below:

Number of Warrants	Exercise Price	Expiry Date
1,500,000	$0.30	18 months from date of Amalgamation
9,502,898	$0.50	18 months from date of Amalgamation
898,818	$0.278	December 2, 2016

Broker Warrants

The Issuer currently has the following broker warrants outstanding, each such broker warrant exercisable for one (1) Common Share and one Common Share purchase warrant (each such warrant exercisable for one (1) Common Share for $0.50 for 18 months from the date of the Amalgamation) on the terms set out below:

Number of Broker Warrants	Exercise Price	Expiry Date
495,480	$0.50	18 months from date of Amalgamation

10.2 Debt securities

Not applicable.

10.4 Other securities

Not applicable.

10.5 Modification of terms

Not applicable

10.6 Other attributes

Not applicable

10.7 Prior Sales

The following sets out details of the common shares issued by each of Acpana, Coltrane and Subco over the preceding twelve months from the date hereof.

Acpana

No common shares of Acpana were issued during the twelve month period preceding the date of this Listing Statement.

Coltrane

Date	Number of Shares Issued	Issue Price per Share
September 16, 2014	10	$0.001
October 22, 2014	18,990	$0.05
November 13, 2014	1,000,000	$0.05

Subco

Date	Number of Shares Issued	Issue Price per Share
November 6, 2014	1	$1.00
December 24, 2014	1,500,000	$0.02
December, 2014 – March, 2015	9,502,898	$0.30

10.8 Stock Exchange Price

The Common Shares have never been listed for trading on a recognized stock exchange or other marketplace. The Issuer's Common Shares have been conditionally accepted for trading on the Exchange under the trading symbol "**DDB**".

11. Escrowed Securities

Securities held by "Principals" of the Issuer are held in escrow by Capital Transfer Agency Inc. as escrow agent and depositary pursuant an escrow agreement dated March 18, 2015. "Principals" are (i) directors and senior officers of the Issuer or any material operating subsidiary, (ii) promoters of the Issuer during the two years preceding the Amalgamation, (iii) holders of more than 10% of the outstanding Common Shares who also have a right to elect or appoint a director or senior officer of the Issuer or a material operating subsidiary, (iv) holders of more than 20% of the outstanding Common Shares, (v) companies, trusts, partnerships or other entities held more than 50% by one or more of the foregoing, and (vi) spouses or other relatives that live at the same address as any of the foregoing. 10% of such securities held in escrow will be released from escrow on the date the Common Shares are listed on the Exchange, and 15% every six months thereafter, subject to

acceleration provisions provided for in National Policy 46-201 – *Escrow for Initial Public Offerings*. The following table sets forth details of the securities of the Issuer held in escrow:

Number of Common Shares	% of Outstanding Common Shares	Release Schedule
2,866,668	10.04%	10% released upon Listing on the Exchange; 15% released 6 months from Listing; 15% released 12 months from Listing; 15% released 18 months from Listing; 15% released 24 months from Listing; 15% released 30 months from Listing; 15% released 36 months from Listing.

In addition, holders of Acpana common shares immediately prior to the Amalgamation that were not subject to the escrow agreement described above, are subject to resale restrictions imposed by imprinted resale restriction legends on the applicable certificates representing the Common Shares. The following table sets forth the details of the Common Shares of the Issuer subject to such legended certificates:

Number of Common Shares	% of Outstanding Common Shares	Release Schedule
13,657,740	47.84%	10% released upon Listing on the Exchange; 30% released 6 months from Listing; 30% released 12 months from Listing; 30% released 18 months from Listing.

12. Principal Shareholders

To the knowledge of the directors and officers of the Issuer, no persons or corporations beneficially own, directly or indirectly, or exercise control or direction over securities carrying in excess of 10% of the voting rights attached to any class of outstanding voting securities of the Issuer, other than as set out below.

Name	Number of Common Shares Held	Percentage of Outstanding Common Shares
World Wide Pants Inc.(1)	2,866,668	10.04%

Notes:

(1) World Wide Pants Inc. is a company controlled by Tim Jewell, CEO of Acpana.

13 Directors and Officers

13.1 Directors and Executive Officers

The Issuer's articles provide that the Board consist of a minimum of one (1) and a maximum of ten (10) directors. The Board currently consists of five (5) directors to be elected annually. The following table states the names of the persons elected as directors, any offices with the Issuer currently held by them, their principal occupations or employment, the period or periods of service as directors of the Issuer and the approximate number of voting securities of the Issuer beneficially owned, directly or indirectly, or over which control or direction is exercised as of the date hereof. The term of office of each director will be from the date of the meeting at which he or she is elected until the next annual meeting, or until his or her successor is elected or appointed.

Name and Municipality of Residence	Principal Occupation	Director Since	Position with the Issuer	Number of Common Shares Beneficially Owned[1]
Timothy Jewell[2] Toronto, Ontario	IT Engineer	March 18, 2015	Director and Chief Executive Officer	2,866,668[4]
Marco Guidi Toronto, Ontario	Chartered Accountant	N/A	Chief Financial Officer	500
Troy Cheeseman[2] Acton, Ontario	IT/Business Operations	March 18, 2015	Director, President and Chief Operating Officer	Nil
Chris Irwin Toronto, Ontario	Corporate/Securities Lawyer	September 16, 2014	Director and Secretary	Nil
Scott Allen[2][3] Toronto, Ontario	Theoretical Physicist	March 18, 2015	Director	Nil
Robert Smuk[2][3] Toronto, Ontario	Industrial Engineer	March 18, 2015	Director	Nil

Notes:

(1) The information as to voting securities beneficially owned, controlled or directed, not being within the knowledge of the Issuer, has been furnished by the respective nominees individually.
(2) Member of the Audit Committee.
(3) Member of the Compensation Committee.
(4) Held through World Wide Pants Inc.

13.2 Period of Service of Directors

Information on the period of service of directors is contained in the table in Section 13.1 – *Directors and Executive Officers*.

13.3 Directors and Executive Officers Common Share Ownership

The current directors and senior officers of the Issuer as a group, directly or indirectly, will beneficially own or exercise control or director over 2,867,168 Common Shares, representing approximately 10.04% of the issued and outstanding Common Shares.

13.4 Committees

The Issuer has established two committees as follows:

Audit Committee:

The Audit Committee is comprised of Troy Cheeseman (Chair), Tim Jewell, Robert Smuk and Scott Allen, each of whom is a director and financially literate in accordance with section 1.6 of MI 52-110. Messrs. Allen and Smuk are independent within the meaning of section 1.4 of MI 52-110, and Messrs. Cheeseman and Jewell are not independent as they are officers of the Issuer. All decisions are made by full board of director meetings or consent resolutions.

Compensation Committee:

The Compensation Committee is comprised of Scott Allen (Chair), and Robert Smuk.

13.5 Principal Occupation of Directors and Officers

Information on directors and executive officers' principal occupation is contained in the table in Section 13.1- *Directors and Executive Officers*.

13.6 Orders, Events and Bankruptcies

Other than as set out below, to the knowledge of the Issuer, no director or officer of the Issuer is, or within 10 years before the date hereof has been, a director or officer of a corporation that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity: (a) was the subject of a cease trade or similar order, or an order that deined the corporation access to any exemptions under securities law, for a period of more than 30 consecutive days; (b) was subject to any event that resulted, after the director or officer ceased to be a director or officer, in the corporation being the subject of a cease trade order or similar order or an order that denied the corporation access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (c) became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

Mr. Irwin was formerly a director and Corporate Secretary of Straight Forward Marketing Corporation, which was subject to: (i) a management cease trade order resulting from a failure to file financial statements (the cease trade was ordered on October 2004 and remained in effect until February 2005); (ii) a management cease trade order resulting from a failure to file financial statements (the cease trade was ordered on November 2, 2005 and has not been rescinded as of the date hereof). In addition, Mr. Irwin is a director, President and Corporate Secretary of Brighter Minds Media Inc., which is subject to a cease trade order resulting from a failure to file financial statements (the cease trade was ordered on May 8, 2009 and has not been rescinded as of the date hereof).

13.7 Penalties or Sanctions

To the knowledge of the Issuer, no director or officer of the Issuer has been subject to any: (a) penalties or sanctions imposed by a court relating to Canadian securities legislation or by a Canadian securities regulatory authority or has entered into a settlement agreement with a Canadian securities regulatory authority; or (b) other penalties or sanctions imposed by a court or regulatory body that would be likely to be considered important to a reasonable securityholder in deciding whether to vote for the proposed director.

13.9 Personal Bankruptcies

To the knowledge of the Issuer, none of the Issuer's directors or officers has individually, within the 10 years prior to the date of this Listing Statement, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the director, officer or shareholder.

13.10 Conflicts of Interest

There are no known existing or potential conflicts of interest among the Issuer and the directors and officers of the Issuer as a result of their outside business interests except that certain of the directors and officers may serve as directors, officers, promoters and members of management of other companies and therefore it is possible that a conflict may arise between their duties as a director and

officer of the Issuer and their duties as a director, officer, promoter or member of management of such other companies.

The directors and officers of the Issuer have been advised of the existence of laws governing accountability of directors and officers regarding corporate opportunity and requiring disclosures by directors of conflicts of interest, and the Issuer will rely upon such laws in respect of any directors' and officers' conflicts of interest or in respect of any breaches of duty by any of the directors or officers. All such conflicts are required to be disclosed by such directors or officers in accordance with the BCBCA or the OBCA, as applicable, and they are required to govern themselves in respect thereof to the best of their ability in accordance with the obligations imposed upon them by law.

13.11 Management Biographies

The following are brief biographies of the current executive officers and directors of the Issuer and a brief biography of the proposed directors and management following the Listing:

Tim Jewell, *CEO and Director, Age 50*. Mr. Jewell is the inventor of Data Deposit Box products. Prior to developing the Issuer's products, Mr. Jewell was a Marketing Representative and Systems Engineer at IBM, where he put his expertise and insight to use in all ends of the product development spectrum. As an IT consultant, Mr. Jewell developed internet-based solutions for a variety of clients, from technology vendors to major Canadian finance organizations. Mr. Jewell eventually became CTO for one of his clients: BayStreetDirect.com, which was recently bought by NIAD Systems.

Mr. Jewell holds a B.A.Sc. in Electrical Engineering and Computer Science from the University of Waterloo. Mr. Jewell will be a full time employee of the Issuer. Mr. Jewell also sits on the Issuer's Audit Committee.

Mr. Jewell has not entered into a non-disclosure or a non-competition agreement with the Issuer.

Marco Guidi, *CFO, Age 31*. Mr. Guidi is a Chartered Accountant and holds an Honours Bachelor degree in Business Administration from Wilfrid Laurier University. Mr. Guidi began his career with an accounting firm where he was as an audit supervisor specializing in serving the audit and tax needs of clients in a variety of industries. He has worked with publicly listed junior mining companies, technology companies, and privately-owned and entrepreneurial companies. In 2010, Mr. Guidi transitioned out of public accounting and is currently serving as Chief Financial Officer, Controller and Accountant for a number of public companies.

Mr. Guidi will dedicate approximately 20% of his time to the Issuer. Mr. Guidi has not entered into a non-disclosure or a non-competition agreement with the Issuer.

Troy Cheeseman, *President, COO and Director, Age 41*. Mr. Cheeseman has over fifteen years of IT and business operations experience in the public and private sectors. For over twelve years Mr. Cheeseman worked directly for Citi Technology and Infrastructure with CITI, one of the largest financial services institutions globally. During this time Mr. Cheeseman was the Canada country head for the ICG CTI team, the NAM CTI head for the GTS business and was the Securities and Fund Services global head of CTI Service Delivery Management, a business aligned role leading all technology infrastructure management efforts.

Mr. Cheeseman graduated from Humber College's three-year Computer Information Services program in 1998. Mr. Cheeseman will be a full time employee of the Issuer. Mr. Cheeseman also sits on the Issuer's Audit Committee.

Mr. Cheeseman has not entered into a non-disclosure or a non-competition agreement with the Issuer.

Chris Irwin, ***Director and Secretary, Age 46***. Mr. Irwin is a lawyer practicing securities and corporate/commercial law and has been the managing partner of Irwin Lowy LLP since January 2010. Prior thereto he was the President of Irwin Professional Corporation from August 2006 to December 2009 and previously he was an associate at Wildeboer Dellelce LLP from January 2004 to July 2006. Mr. Irwin advises a number of public companies, board of directors and independent committees on a variety of issues. Mr. Irwin is a director and/or officer of a number of public companies, including: the Secretary of Canada Lithium Corp., a TSX-listed issuer currently developing and commissioning an open-pit lithium carbonate mine and processing plant near Val d'Or, Quebec. Mr. Irwin is a former Director of Trelawney Mining and Exploration Inc., former Director of Southern Star Resources Inc., which was formerly listed on TSX prior to becoming Gold Eagle Mines Ltd. and being taken over by Goldcorp Inc. in a $1.5 billion transaction.

Mr. Irwin holds a Masters of Laws (Osgoode), a Bachelor of Laws (University of New Brunswick) and a Bachelor of Arts (Bishop's University). Mr. Irwin will devote approximately 10% of his time towards the Issuer.

Mr. Irwin has not entered into a non-disclosure or a non-competition agreement with the Issuer.

Robert Smuk, *Director, Age 48*. Mr. Smuk has served as President and Chief Executive Officer of FundSERV Inc., a leading provider of electronic business services for the Canadian investment fund industry, since October 3, 2012. Prior to joining FundSERV Inc., Mr. Smuk enjoyed an extensive and varied career in the financial industry from 1997 to 2012. He was formerly NA Operations Head for Securities Fund Services (SFS) at Citi and joined the organization as part of the Unisen (where he was President) acquisition as GTS Head for Canada. Before being named President of Unisen, Mr. Smuk was Senior Vice President and Chief Information Officer for AGF. Prior to AGF, Mr. Smuk spent four years at Manulife Financial in a variety of roles and seven years with IBM and ISM, IBM's Canadian outsourcing arm.

Mr. Smuk holds a degree in Industrial Engineering from the University of Toronto. Mr. Smuk will devote approximately 10% of his time towards the Issuer. Mr. Smuk also sits on the Issuer's Audit Committee and Compensation Committee.

Mr. Smuk has not entered into a non-disclosure or a non-competition agreement with the Issuer.

Scott Allen, *Director, Age 52*. Mr. Allen is theoretical physicist by training with over 16 years of experience in quantitative financial risk modelling and management. He has worked in start-up ventures in the areas of quantitative financial modelling software design as well as pedagogical approaches to learning challenging word based problems in mathematics and physics through use of structuring rule based approaches and through visualization and simulation. In recent years Mr. Allen has worked as Director of Counterparty Risk models at Credit Suisse in London, specializing in the QuIC-based platform language application grid computing for state-of-the-art Monte Carlo revaluation techniques and reconciliation to front office pricing models. He was also deeply involved with Regulatory mandates pertaining to counterparty credit exposure, clearing audit points as well as Model Validation on both pricing/valuation and risk methodology sides. His product knowledge is extensive in both the market space (exotics like PRDC, Bermudan Swaptions, Double Barriers in

Forex and Equities) as well as the credit risk space (agency MBS, ABS, CDOs and CDS to name a few).

Mr. Allen holds a MSc. And a Phd. in Theoretical Physics from the University of Waterloo. Mr. Allen will devote approximately 10% of his time towards the Issuer. Mr. Allen will also sit on the Issuer's Audit Committee and Compensation Committee.

Mr. Allen has not entered into a non-disclosure or a non-competition agreement with the Issuer.

14. Capitalization

14.1 The following table sets out certain information in respect of the distribution of the Common Shares:

Issued Capital

	Number of Securities (non-diluted) (pre-Consolidation / post-Consolidation)	**Number of Securities (fully-diluted)**	**% of Issued (non-diluted)**	**% of Issued (fully diluted)**
Public Float				
Total outstanding (A)	28,546,306	41,438,982	100%	100%
Held by Related Persons or employees of the Issuer or Related Person of the Issuer, or by persons or companies who beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer (or who would beneficially own or control, directly or indirectly, more than a 5% voting position in the Issuer upon exercise or conversion of other securities held) (B)	11,870,900	11,870,900	41.6%	28.6%
Total Public Float (A-B)	16,675,406	29,568,082	58.4%	71.4%
Freely-Tradeable Float				
Number of outstanding securities subject to resale restrictions, including restrictions imposed by pooling or other arrangements or in a shareholder agreement and securities held by control block holders (C)	14,871,968(1)	14,871,968(1)	52.1%	35.9%
Total Tradeable Float (A-C)	13,674,338	26,567,014	47.9%	64.1%

Notes:

(1) See Section 11 – Escrowed Securities. Upon the effective date of the Common Shares being listed on the Exchange, 1,652,440 (10%) of the Common Shares held in escrow or subject to resale restrictions will be released immediately and the remaining 14,871,968 Common Shares will be subject to escrow or resale restrictions.

Public Securityholders (Registered)

Instruction: For the purposes of this report, "public securityholders" are persons other than persons enumerated in section (B) of the previous chart. List registered holders only.

Class of Security – Common Shares

Size of Holding	Number of holders	Total number of securities
1 – 99 securities	1	10
100 – 499 securities	Nil	Nil
500 – 999 securities	18	9,000
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	149	28,537,296
	168	28,546,306

Public Securityholders (Beneficial)

Instruction: Include (i) beneficial holders holding securities in their own name as registered shareholders; and (ii) beneficial holders holding securities through an intermediary where the Issuer has been given written confirmation of shareholdings. For the purposes of this section, it is sufficient if the intermediary provides a breakdown by number of beneficial holders for each line item below; names and holdings of specific beneficial holders do not have to be disclosed. If an intermediary or intermediaries will not provide details of beneficial holders, give the aggregate position of all such intermediaries in the last line.

Class of Security

Size of Holding	Number of holders	Total number of securities[1]
1 – 99 securities	Nil	Nil
100 – 499 securities	Nil	Nil
500 – 999 securities	Nil	Nil
1,000 – 1,999 securities	Nil	Nil

2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	Nil	Nil
Unable to confirm		

Non-Public Securityholders (Registered)

Instruction: For the purposes of this report, "non-public securityholders" are persons enumerated in section (B) of the issued capital chart.

Class of Security

Size of Holding	**Number of holders**	**Total number of securities**
1 – 99 securities	Nil	Nil
100 – 499 securities	Nil	Nil
500 – 999 securities	1	500
1,000 – 1,999 securities	Nil	Nil
2,000 – 2,999 securities	Nil	Nil
3,000 – 3,999 securities	Nil	Nil
4,000 – 4,999 securities	Nil	Nil
5,000 or more securities	5	11,870,400
	6	11,870,900

14.2 The following table sets out information with respect to securities outstanding that are convertible or exchangeable into Common Shares:

Description of Security (include conversion / exercise terms, including conversion / exercise price)	**Number of convertible / exchangeable securities outstanding**	**Number of listed securities issuable upon conversion / exercise**
Warrants	11,901,716	11,901,716
Broker Warrants	495,480	495,480

14.3 Other than the 5,709,261 Common Shares available for issuance under the Issuer's Stock Option Plan, there are no listed securities reserved for issuance that are not included in section 14.2.

15. Executive Compensation

No compensation has been paid to any director or officer of Coltrane or Subco since incorporation. The following disclosure relates to compensation paid by Acpana, prior to the Amalgamation.

In this section, a Named Executive Officer ("**NEO**") of the Issuer means each of the following individuals: (a) a chief executive officer ("**CEO**") of the Issuer; (b) a chief financial officer ("**CFO**") of the Issuer; (c) each of the Issuer's three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than $150,000, as determined in accordance with subsection 1.3(6) of Form 51-102F6, for that financial year; and (d) each individual who would be a NEO under paragraph (c) above but for the fact that the individual was neither an executive officer of the Issuer, nor acting in a similar capacity, at the end of that financial year. During the year ended December 31, 2013, the Issuer had four NEOs, namely Tim Jewell, the CEO, Peggy Bennett, the former CFO, Troy Cheeseman, the President and Chief Operating Officer ("**COO**"), and Jamie Brenzel, the former CEO.

Following completion of the Amalgamation, the Issuer intends to put in place compensation arrangements for certain officers of the Issuer resulting in the following annual salaries: Tim Jewell, CEO ($250,000), and Troy Cheeseman, President and COO ($220,000).

All dollar amounts referenced herein are in Canadian dollars unless otherwise specified.

Compensation Discussion and Analysis

When determining the compensation of the NEOs, the Board considers the limited resources of the Issuer and the objectives of: (i) recruiting and retaining the executives critical to the success of the Issuer and the enhancement of shareholder value; (ii) providing fair and competitive compensation; (iii) balancing the interests of management and shareholders of the Issuer; and (iv) rewarding performance, both on an individual basis and with respect to the business in general. In order to achieve these objectives, the compensation paid to the NEOs consists of the following two components:

(a) base fee or salary; and
(b) long-term incentive in the form of stock options.

Base Fee or Salary

The base fee or salary of each particular NEO is determined by an assessment by the Board of such executive's performance, a consideration of competitive compensation levels in companies similar to the Issuer and a review of the performance of the Issuer as a whole and the role such executive officer played in such corporate performance.

Long-Term Incentive

The Issuer provides a long-term incentive by granting options to executive officers under the Stock Option Plan. The objective of granting options is to encourage executives to acquire an ownership interest in the Issuer over a period of time, which acts as a financial incentive for such executive to consider the long-term interests of the Issuer and its shareholders.

Option Based Awards

The Issuer's Board reviews the performance of the Issuer's management and advisors from time to time, and recommends option-based awards and other compensation awards or adjustments. These decisions take into consideration corporate and individual performance and industry standards. Previous grants of option-based awards are also taken into consideration in making this determination. The experience of the Board members who are also involved as management of, or Board members or advisors to, other companies also informs decisions concerning compensation.

Option based awards are issued under the Stock Option Plan, the terms of which are set out under "Stock Option Plan".

Summary Compensation Table

NEO Name and Principal Position	Year	Salary ($)	Share-based awards ($)	Option-based awards ($)	Non-Equity incentive plan compensation ($)		Pension Value ($)	All other compensa-tion ($)	Total compensation ($)
					Annual incentive plans	Long-term incentive plans[1]			
Tim Jewell[2]	2013	250,000	-	-	Nil	-	-	-	**250,000**
CEO	2012	250,000	-	-	27,500	-	-	-	**277,500**
	2011	250,000	-	-	37,125	-	-	-	**287,125**
Peggy	2013	2,100	-	-	-	-	-	-	**2,100**
Bennett[3]	2012	5,375	-	-	-	-	-	-	**5,375**
Former CFO	2011	7,700	-	-	-	-	-	-	**7,700**
Troy	2013	170,000	-	-	-	-	-	-	**170,000**
Cheeseman[4]	2012	Nil	-	-	-	-	-	-	**Nil**
President,	2011	Nil	-	-	-	-	-	-	**Nil**
COO									
Jamie	2013	225,000	-	-	Nil	-	-	-	**225,000**
Brenzel[5]	2012	225,000	-	-	35,100	-	-	-	**260,100**
Former CEO	2011	225,000	-	-	58,800	-	-	-	**283,800**

Notes:

(1) "LTIP" or "long term incentive plan" means any plan that provides compensation intended to motivate performance to occur over a period greater than one fiscal year, but does not include option or share-based awards.
(2) Mr. Jewell was Chief Technical Officer of Acpana until Jan 1, 2014. On January 1, 2014 he was appointed as CEO of Acpana.
(3) Ms. Bennett ceased to be the CFO of Acpana in February of 2013. Acpana did not have a CFO for the remainder of 2013.
(4) Mr. Cheeseman was appointed as President (in addition to COO) of Acpana on January 1 2014.
(5) Mr. Brenzel ceased to be CEO of Acpana on January 1, 2014.

Long Term Incentive Plan (LTIP) Awards

The Issuer does not have any Long-term Incentive Plans, other than stock options granted from time to time by the Board under the provisions of the Stock Option Plan.

An LTIP means "any plan providing compensation intended to serve as an incentive for performance to occur over a period longer than one fiscal year whether performance is measured by reference to financial performance of the Issuer or an affiliate or the price of the Issuer's shares but does not include option or stock option appreciation rights plans or plans for compensation through restricted shares or units".

Incentive Plan Awards

The Issuer does not have any share-based awards.

The Issuer currently has in place a 20% stock option plan (the "**Stock Option Plan**") for the purpose of attracting and motivating directors, officers, employees and consultants of the Issuer and advancing the interests of the Issuer by affording such persons with the opportunity to acquire an equity interest in the Issuer through rights granted under the Stock Option Plan.

Any grant of options under the Stock Option Plan is within the discretion of the board of directors, subject to the condition that the maximum number of shares which may be issuable under the Stock Option Plan shall not exceed 20% of the Issuer's issued and outstanding shares.

Outstanding Option-Based and Share-based Awards

There were 325,000 incentive stock options (option-based awards) and Nil share-based awards outstanding for NEOs as at December 31, 2013.

Value Vested or Earned During the Year

No incentive plan awards vested for any NEO during the year ended December 31, 2013.

Pension and Retirement Plans

The Issuer does not have any pension or retirement plans.

Termination and Change of Control Benefits

As at the date hereof, there are no agreements, compensation plans, contracts or arrangements whereby a NEO is entitled to receive payments from the Issuer in the event of the resignation, retirement or other termination of the NEO's employment with the Issuer, change of control of the Issuer or a change in the NEO's responsibilities following a change of control.

Compensation of Directors

The Issuer grants incentive stock options from time to time in accordance with the terms of the Issuer's stock option plan. The purpose of granting such options is to assist the Issuer in compensating, attracting, retaining and motivating the directors of the Issuer and to closely align the personal interests of such persons to that of the shareholders. The directors are also entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors.

There was no compensation paid, payable or otherwise provided to the individuals who were non-executive directors of the Issuer during the year ended December 31, 2013.

16. Indebtedness of Directors and Executive Officers

Acpana provided a loan through a promissory note to Tim Jewell through his Company World Wide Pants Inc. As at September 30, 2014, $241,927 was receivable under the promissory note. The promissory bears interest at a rate of the greater of (a) prime rate plus 2% and (b) 5% per annum. The promissory note is secured by common shares of Acpana owned Mr. Jewell and by personal guarantees given by World Wide Pants Inc.

17. Risk Factors

The business to be conducted by the Issuer is subject to a number of risks outlined below. While this Listing Statement has described the risks and uncertainties that management of the Issuer believes to be material to the Issuer's business, other risks and uncertainties affecting the Issuer's business could potentially arise or become material in the future.

17.1 Risk Factors Relating to the Issuer's Business and Industry

The Issuer's operations in 2013 resulted in negative net income and EBITDA, which may take considerable time to remediate.

As described herein, the Issuer was financially set back in 2013. While operations and expenses have been optimized, the revenues of the Issuer were negatively impacted during this transition. The Issuer expects to immediately invest into sales and marketing, however to reclaim past growth and revenue targets may take several months. The Issuer has encountered, and will continue to encounter, risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described herein. If the Issuer's assumptions regarding these risks and uncertainties (which the Issuer uses to plan its business) are incorrect or change due to changes in the Issuer's markets, or if the Issuer does not address these risks and uncertainties successfully, its operating and financial results could differ materially from its expectations, and its business could suffer.

The market in which the Issuer participates is intensely competitive, and if the Issuer does not compete effectively, its operating results could be harmed.

The market for cloud-based services is fragmented, rapidly evolving and highly competitive, with relatively low barriers to entry for certain applications and services. Many of the Issuer's competitors and potential competitors are larger and have greater name recognition, longer operating histories, larger marketing budgets and significantly greater resources than the Issuer does. The Issuer's competitors include Carbonite, Asigra, Mozy, Dropbox, and Microsoft. With the introduction of new technologies and market entrants, the Issuer expects competition to continue to intensify in the future. If the Issuer fails to compete effectively, its business will be harmed. Some of the Issuer's principal competitors may offer their products or services at a lower price, which would result in pricing pressures on the Issuer's business. If the Issuer is unable to achieve its target pricing levels, its operating results would be negatively impacted. In addition, pricing pressures and increased competition generally could result in reduced sales, lower margins, losses or the failure of the Issuer's services to achieve or maintain widespread market acceptance, any of which could harm the Issuer's business.

Many of the Issuer's competitors are able to devote greater resources to the development, promotion and sale of their products or services. In addition, many of the Issuer's competitors have established marketing relationships and major distribution agreements with channel partners, consultants, system integrators and resellers. Moreover, many software vendors could bundle products or offer them at lower prices as part of a broader product sale or enterprise license arrangement. Some competitors may offer products or services that address one or a number of business execution functions at lower prices or with greater depth than the Issuer's services. As a result, the Issuer's competitors may be able to respond more quickly and effectively to new or changing opportunities, technologies, standards or customer requirements. Furthermore, some potential customers, particularly large enterprises, may elect to develop their own internal solutions. For all of these reasons, the Issuer may not be able to compete successfully against its current and future competitors.

If the cloud-based data storage market develops more slowly than the Issuer expects or declines, its business could be adversely affected.

The cloud-based data storage market is not as mature as the market for on-site data storage, and the Issuer is uncertain whether a cloud-based service like the Issuer's will achieve and sustain high levels of customer demand and market acceptance. Because the Issuer derives, and expects to continue to derive, substantially all of its revenue and cash flows from sales of its cloud-based data storage solution, the Issuer's success will depend to a substantial extent on the widespread adoption of cloud computing in general and of cloud-based content collaboration services in particular. Many organizations have invested substantial personnel and financial resources to integrate traditional enterprise software into their organizations and, therefore, may be reluctant or unwilling to migrate to a cloud-based model for storing, accessing, sharing and managing their content. It is difficult to predict customer adoption rates and demand for the Issuer's services, the future growth rate and size of the cloud computing market or the entry of competitive services. The expansion of a cloud-based data storage market depends on a number of factors, including the cost, performance and perceived value associated with cloud computing, as well as the ability of companies that provide cloud-based services to address security and privacy concerns. If the Issuer or other providers of cloud-based services experiences security incidents, loss of customer data, disruptions in delivery or other problems, the market for cloud-based services as a whole, including the Issuer's services, may be negatively affected. If cloud-based services do not achieve widespread adoption, or there is a reduction in demand for cloud-based services caused by a lack of customer acceptance, technological challenges, weakening economic conditions, security or privacy concerns, competing technologies and products, decreases in corporate spending or otherwise, it could result in decreased revenue, harm the Issuer's growth rates, and adversely affect the Issuer's business and operating results.

The Issuer has experienced rapid growth in recent periods. If the Issuer fails to manage its growth effectively, the Issuer may be unable to execute its business plan, maintain high levels of service or adequately address competitive challenges.

The Issuer has recently experienced a period of rapid growth in its operations and employee headcount. You should not consider the Issuer's recent growth as indicative of its future performance. However, the Issuer anticipates that it will significantly expand its operations and employee headcount in the future. Growth will place, a significant strain on the Issuer's management, administrative, operational and financial infrastructure. The Issuer's success will depend in part on its ability to manage this growth effectively. To manage the expected growth of its operations and personnel, the Issuer will need to continue to improve its operational, financial and management controls, and its reporting systems and procedures. Failure to effectively manage growth could result in difficulty or delays in deploying customers, declines in quality or customer satisfaction, increases

in costs, difficulties in introducing new features or other operational difficulties. Any of these difficulties could adversely impact the Issuer's business performance and operating results.

The Issuer's business depends substantially on customers renewing their subscriptions and expanding their use of the Issuer's services. Any decline in the Issuer's customer renewals or failure to convince its customers to broaden their use of its services would harm the Issuer's future operating results.

In order for the Issuer to maintain or improve its operating results, it is important that the Issuer's customers renew their subscriptions with the Issuer when the existing subscription term expires. The Issuer's customers have no obligation to renew their subscriptions upon expiration, and the Issuer cannot assure you that customers will renew subscriptions at the same or higher level of service, if at all. Although the Issuer's retention rate has historically been high, it is always a possibility that some of its customers will elect not to renew their subscriptions with the Issuer.

The Issuer's retention rate may decline or fluctuate as a result of a number of factors, including the Issuer's customers' satisfaction or dissatisfaction with the Issuer's services, the effectiveness of the Issuer's customer support services, the Issuer's pricing, the prices of competing products or services, mergers and acquisitions affecting the Issuer's customer base, the effects of global economic conditions or reductions in the Issuer's customers' spending levels. If the Issuer's customers do not renew their subscriptions, or renew on less favorable terms, the Issuer's revenue may decline, and the Issuer may not realize improved operating results from its customer base.

In addition, the growth of the Issuer's business depends in part on its customers expanding their use of the Issuer's services. As the Issuer has introduced new services throughout its operating history, its existing customers have constituted a significant portion of the users of such services. If the Issuer is unable to encourage its customers to broaden their use of its services, the Issuer's operating results may be adversely affected.

If the Issuer is not able to provide successful enhancements, new features and modifications to its services, the Issuer's business could be adversely affected.

The Issuer's industry is marked by rapid technological developments and new and enhanced applications and services. If the Issuer is unable to provide enhancements and new features for its existing services or new services that achieve market acceptance or that keep pace with rapid technological developments, the Issuer's business could be adversely affected. The success of enhancements, new features and services depends on several factors, including the timely completion, introduction and market acceptance of such enhancements, features or services. Failure in this regard may significantly impair the Issuer's revenue growth. In addition, because the Issuer's services are designed to operate on a variety of systems, the Issuer will need to continuously modify and enhance its services to keep pace with changes in internet-related hardware, mobile operating systems such as iOS and Android, and other software, communication, browser and database technologies. The Issuer may not be successful in either developing these modifications and enhancements or in bringing them to market in a timely fashion. Furthermore, modifications to existing platforms or technologies will increase the Issuer's research and development expenses. Any failure of the Issuer's services to operate effectively with future network platforms and technologies could reduce the demand for its services, result in customer dissatisfaction and adversely affect its business.

Actual or perceived security vulnerabilities in the Issuer's services or any breaches of its security controls and unauthorized access to a customer's data could harm the Issuer's business and operating results.

The services the Issuer offers involve the storage of large amounts of its customers' sensitive and proprietary information. Cyber-attacks and other malicious internet-based activity continue to increase in frequency and in magnitude generally, and cloud-based data storage services have been targeted in the past. As the Issuer increases its customer base and its brand becomes more widely known and recognized, the Issuer may become more of a target for these malicious third parties. If the Issuer's security measures are breached as a result of third-party action, employee negligence and/or error, malfeasance, product defects or otherwise, and this results in the disruption of the confidentiality, integrity or availability of its customers' data, the Issuer could incur significant liability to its customers and to individuals or organizations whose information was being stored by the Issuer's customers, and the Issuer's business may suffer and its reputation may be damaged. Techniques used to obtain unauthorized access to, or to sabotage, systems or networks, change frequently and generally are not recognized until launched against a target. Therefore, the Issuer may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventive measures. In addition, the Issuer's customer contracts often include (i) specific obligations that the Issuer maintains the availability of the customer's data through its service and that the Issuer secure customer content against unauthorized access or loss, and (ii) indemnity provisions whereby the Issuer indemnifies its customers for third-party claims asserted against them that result from the Issuer's failure to maintain the availability of their content or securing the same from unauthorized access or loss. While the Issuer's customer contracts contain limitations on its liability in connection with these obligations and indemnities, if an actual or perceived security breach occurs, the market perception of the effectiveness of the Issuer's security measures could be harmed, the Issuer could be subject to indemnity or damage claims in certain customer contracts, and the Issuer could lose future sales and customers, any of which could harm its business and operating results. Furthermore, while insurance policies include liability coverage for certain matters, if the Issuer experienced a widespread security breach that impacted a significant number of its customers for whom the Issuer has these indemnity obligations, the Issuer could be subject to indemnity claims that exceed such coverage.

As the Issuer's sales efforts may become increasingly targeted at enterprise customers, its sales cycle may become lengthier and more expensive, the Issuer may encounter greater pricing pressure and implementation and customization challenges, and the Issuer may have to delay revenue recognition for more complicated transactions, all of which could harm its business and operating results.

While the Issuer's currently targets small to medium sized business, the Issuer's sales efforts may increasingly target enterprise customers in the future, which would result in greater costs, longer sales cycles and less predictability in the completion of some of the Issuer's sales. In this market segment, the customer's decision to use the Issuer's services may be an enterprise-wide decision, in which case these types of sales require the Issuer to provide greater levels of customer education regarding the uses and benefits of its services, as well as education regarding security, privacy, and data protection laws and regulations, especially for those customers in more heavily regulated industries or those with significant international operations. In addition, larger enterprises may demand more customization, integration and support services, and features. As a result of these factors, these sales opportunities may require the Issuer to devote greater sales support and professional services resources to individual customers, which could increase the Issuer's costs and sales cycle and divert its own sales and professional services resources to a smaller number of larger customers. Meanwhile, this would potentially require the Issuer to delay revenue recognition on some of these transactions until the technical or implementation requirements have been met. Professional services may also be

performed by a third party or a combination of the Issuer's own staff and a third party. If a customer is not satisfied with the quality or interoperability of the Issuer's services with their own IT environment, the Issuer could incur additional costs to address the situation, which could adversely affect its margins. Moreover, any customer dissatisfaction with the Issuer's services could damage its ability to encourage broader adoption of its services by that customer. In addition, any negative publicity resulting from such situations, regardless of its accuracy, may further damage the Issuer's business by affecting its ability to compete for new business with current and prospective customers.

Privacy concerns and laws or other domestic or foreign regulations may reduce the effectiveness of the Issuer's services and harm its business.

Users can use the Issuer's services to store personal or identifying information. However, federal, state and foreign government bodies and agencies have adopted or are considering adopting laws and regulations regarding the collection, use and disclosure of personal information obtained from consumers and other individuals. The costs of compliance with, and other burdens imposed by, such laws and regulations that are applicable to the Issuer's business or the businesses of its customers may limit the use and adoption of its services and reduce overall demand for them.

In addition, foreign data protection, privacy and other laws and regulations may be more restrictive than those in Canada or the United States. Similarly, there have been a number of recent legislative proposals in the United States, at both the federal and state level, that would impose new obligations in areas such as privacy and liability for copyright infringement by third parties. These existing and proposed laws and regulations can be costly to comply with and can delay or impede the development of new products, result in negative publicity, increase the Issuer's operating costs, require significant management time and attention, and subject the Issuer to claims or other remedies, including fines or demands that the Issuer modify or cease existing business practices.

These laws and regulations, which can be enforced by private parties or governmental entities, are constantly evolving and can be subject to significant change. A number of proposals are pending before federal, state and foreign legislative and regulatory bodies that could affect the Issuer's business. Some countries are considering legislation requiring local storage and processing of data that could increase the cost and complexity of delivering the Issuer's services.

Furthermore, government agencies may seek to access sensitive information that the Issuer's users store, or restrict users' access to the Issuer's services. Laws and regulations relating to government access and restrictions are evolving, and compliance with such laws and regulations could limit adoption of the Issuer's services by users and create burdens on the Issuer's business. Moreover, regulatory investigations into the Issuer's compliance with privacy-related laws and regulations could increase the Issuer's costs and divert management attention.

If the Issuer is not able to satisfy data protection, security, privacy, and other government and industry specific requirements, its growth could be harmed.

There are a number of data protection, security, privacy and other government and industry specific requirements, including those that require companies to notify individuals of data security incidents involving certain types of personal data. Security compromises experienced by the Issuer's competitors, by the Issuer's customers or by the Issuer may lead to public disclosures, which could harm the Issuer's reputation, erode customer confidence in the effectiveness of the Issuer's security measures, negatively impact the Issuer's ability to attract new customers, or cause existing customers to elect not to renew their agreements with the Issuer. In addition, some of the industries the Issuer serves have industry-specific requirements relating to compliance with certain security and regulatory

standards. As the Issuer expands into new verticals and regions, the Issuer will need to comply with these and other new requirements. If the Issuer cannot comply or if the Issuer incurs a violation in one or more of these requirements, its growth could be adversely impacted, and the Issuer could incur significant liability.

Because the Issuer recognizes revenue from subscriptions for its services over the term of the subscription, downturns or upturns in new business may not be immediately reflected in its operating results.

The Issuer generally recognizes revenue from customers rateably over the terms of their subscription agreements, which are typically monthly and annually. A decline in new or renewed subscriptions in any one month or quarter may not be reflected in the Issuer's revenue results for that quarter. However, any such decline will negatively affect the Issuer's revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of the Issuer's services, and potential changes in the Issuer's retention rate may not be fully reflected in the Issuer's operating results until future periods. The Issuer's subscription model also makes it difficult for the Issuer to rapidly increase its revenue through additional sales in any period, as revenue from new customers must be recognized over the applicable subscription term.

The Issuer's platform must integrate with a variety of operating systems and software applications that are developed by others, and if the Issuer is unable to ensure that its solutions interoperate with such systems and applications, the Issuer's service may become less competitive, and its operating results may be harmed.

The Issuer offers its services across a variety of operating systems and through the internet. The Issuer is dependent on the interoperability of its platform with third-party mobile devices, desktop and mobile operating systems, as well as web browsers that the Issuer does not control. Any changes in such systems, devices or web browsers that degrade the functionality of the Issuer's services or give preferential treatment to competitive services could adversely affect usage of the Issuer's services. In order to deliver high quality services, it is important that they work well with a range of operating systems, networks, devices, web browsers and standards that the Issuer does not control. In addition, because a substantial number of the Issuer's users access the Issuer's services through mobile devices, the Issuer is particularly dependent on the interoperability of its services with mobile devices and operating systems. The Issuer may not be successful in developing relationships with key participants in the mobile industry or in developing services that operate effectively with these operating systems, networks, devices, web browsers and standards. In the event that it is difficult for the Issuer's users to access and use the Issuer's services, the Issuer's user growth may be harmed, and its business and operating results could be adversely affected.

The Issuer cannot accurately predict new subscription or expansion rates and the impact these rates may have on its future revenue and operating results.

In order for the Issuer to improve its operating results and continue to grow its business, it is important that the Issuer continues to attract new customers and expand deployment of its solution with existing customers. To the extent the Issuer is successful in increasing its customer base, the Issuer could incur increased losses because costs associated with new customers are generally incurred up front, while revenue is recognized ratably over the term of its subscription services. Alternatively, to the extent the Issuer is unsuccessful in increasing its customer base, the Issuer could also incur increased losses as costs associated with marketing programs and new products intended to attract new customers would not be offset by incremental revenue and cash flow. Furthermore, if the Issuer's customers do not expand their deployment of its services, the Issuer's revenue may grow more slowly than the

Issuer expect. All of these factors can negatively impact the Issuer's future revenue and operating results.

The Issuer's quarterly results may fluctuate significantly and may not fully reflect the underlying performance of its business.

The Issuer's quarterly operating results, including the levels of its revenue, gross margin, profitability, cash flow and deferred revenue, may vary significantly in the future, and period-to-period comparisons of its operating results may not be meaningful. Accordingly, the results of any one quarter should not be relied upon as an indication of future performance. The Issuer's quarterly financial results may fluctuate as a result of a variety of factors, many of which are outside of the Issuer's control and, as a result, may not fully reflect the underlying performance of the Issuer's business. Fluctuations in quarterly results may negatively impact the value of the Issuer's securities. Factors that may cause fluctuations in the Issuer's quarterly financial results include, but are not limited to:

- the Issuer's ability to attract new customers;
- the Issuer's ability to convert users of its limited free versions to paying customers;
- the addition or loss of large customers, including through acquisitions or consolidations;
- the Issuer's retention rate;
- the timing of recognition of revenue;
- the amount and timing of operating expenses related to the maintenance and expansion of the Issuer's business, operations and infrastructure;
- network outages or security breaches;
- general economic, industry and market conditions;
- increases or decreases in the number of features in the Issuer's services or pricing changes upon any renewals of customer agreements;
- changes in the Issuer's pricing policies or those of the Issuer's competitors;
- seasonal variations in sales of the Issuer's services;
- the timing and success of new services and service introductions by the Issuer's and its competitors or any other change in the competitive dynamics of the Issuer's industry, including consolidation among competitors, customers or strategic partners; and
- the timing of expenses related to the development or acquisition of technologies or businesses and potential future charges for impairment of goodwill from acquired companies.

If the Issuer fails to effectively manage its technical operations infrastructure, its customers may experience service outages and delays in the further deployment of its services, which may adversely affect its business.

The Issuer has experienced significant growth in the number of users and the amount of data that its operations infrastructure supports. The Issuer seeks to maintain sufficient excess capacity in its operations infrastructure to meet the needs of all of its customers. The Issuer also seeks to maintain excess capacity to facilitate the rapid provisioning of new customer deployments and the expansion of existing customer deployments. In addition, the Issuer needs to properly manage its technological operations infrastructure in order to support version control, changes in hardware and software parameters and the evolution of its services. However, the provision of new hosting infrastructure requires significant lead-time. The Issuer may in the future experience website disruptions, outages and other performance problems. These problems may be caused by a variety of factors, including infrastructure changes, human or software errors, viruses, security attacks, fraud, spikes in customer usage and denial of service issues. In some instances, the Issuer may not be able to identify the cause

or causes of these performance problems within an acceptable period of time, which may harm the Issuer's reputation and operating results. Furthermore, if the Issuer does not accurately predict its infrastructure requirements, its existing customers may experience service outages that may subject the issuer to financial penalties, financial liabilities and customer losses. If the Issuer's operations infrastructure fails to keep pace with increased sales, customers may experience delays as the Issuer seeks to obtain additional capacity, which could adversely affect the Issuer's reputation and its revenue.

Interruptions or delays in service from the Issuer's datacenter hosting facilities could impair the delivery of the Issuer's services and harm its business.

The Issuer currently stores its customers' information within two datacenter co-location facilities located in Toronto, Ontario, Canada and Plano, Texas, United States. These facilities maybe vulnerable to damage or interruption from floods, fires, power loss, telecommunications failures and similar events. They may also be subject to break-ins, sabotage, intentional acts of vandalism and similar misconduct. Any damage to, or failure of, the Issuer's systems generally could result in interruptions in its service. Interruptions in its service may reduce its revenue, cause the Issuer to issue credits or pay penalties, cause customers to terminate their subscriptions and adversely affect the Issuer's renewal rate and its ability to attract new customers. The Issuer's business will also be harmed if its customers and potential customers believe the Issuer's service is unreliable. Despite precautions taken at these facilities, the occurrence of a natural disaster, an act of terrorism, a decision to close the facilities without adequate notice or other unanticipated problems at these facilities could result in lengthy interruptions in the Issuer's service. Even with the disaster recovery arrangements, the Issuer's service could be interrupted. As the Issuer continues to add datacenters and add capacity in the Issuer's existing datacenters, the Issuer may move or transfer its data and its customers' data. Despite precautions taken during this process, any unsuccessful data transfers may impair the delivery of the Issuer's service. Further, as the Issuer continues to grow and scale its business to meet the needs of its customers, additional burdens may be placed on its hosting facilities. In particular, a rapid expansion of the Issuer's business could cause its network or systems to fail.

If the Issuer overestimates or underestimates its data center capacity requirements, its operating results could be adversely affected.

Only a small percentage of the Issuer's customers that are organizations currently use the Issuer's service as a way to organize and store all of their internal files. However, over time, the Issuer may experience an increase in customers that look to the Issuer as their complete content storage solution. The costs associated with leasing and maintaining the Issuer's data centers already constitute a significant portion of its capital and operating expenses. The Issuer continuously evaluates its short and long term data center capacity requirements to ensure adequate capacity for new and existing customers while minimizing unnecessary excess capacity costs. If the Issuer overestimates the demand for its cloud-based storage service and therefore secures excess data center capacity, its operating margins could be reduced. If the Issuer underestimates its data center capacity requirements, the Issuer may not be able to service the expanding needs of new and existing customers and may be required to limit new customer acquisition, which would impair its revenue growth. Furthermore, regardless of its ability to appropriately manage its data center capacity requirements, an increase in the number of organizations, in particular large businesses and enterprises, that use the Issuer's service as a larger component of their content storage requirements could result in lower gross and operating margins or otherwise have an adverse impact on the Issuer's financial condition and operating results.

The Issuer depends on highly skilled personnel to grow and operate its business, and if the Issuer is unable to hire, retain and motivate its personnel, the Issuer may not be able to grow effectively.

The Issuer's future success will depend upon its continued ability to identify, hire, develop, motivate and retain highly skilled personnel, including senior management, engineers, designers, product managers, sales representatives, and customer support representatives. The Issuer's ability to execute efficiently is dependent upon contributions from its employees, including its senior management team. In addition, occasionally, there may be changes in the Issuer's senior management team that may be disruptive to its business. If the Issuer's senior management team, including any new hires that the Issuer may make, fails to work together effectively and to execute on its plans and strategies on a timely basis, its business could be harmed.

The Issuer's growth strategy also depends on its ability to expand its organization with highly skilled personnel. Identifying, recruiting, training and integrating qualified individuals will require significant time, expense and attention. In addition to hiring new employees, the Issuer must continue to focus on retaining its best employees. Many of its employees may be able to receive significant proceeds from sales of its equity in the public markets after this listing, which may reduce their motivation to continue to work for the Issuer. Competition for highly skilled personnel is intense. The Issuer may need to invest significant amounts of cash and equity to attract and retain new employees, and the Issuer may never realize returns on these investments. If the Issuer is not able to effectively add and retain employees, its ability to achieve its strategic objectives will be adversely impacted, and its business will be harmed.

The Issuer may be sued by third parties for alleged infringement of their proprietary rights.

There is considerable patent and other intellectual property development activity in the Issuer's industry. The Issuer's success depends on it not infringing upon the intellectual property rights of others. The Issuer's competitors, as well as a number of other entities, including non-practicing entities, and individuals, may own or claim to own intellectual property relating to the Issuer's industry.

From time to time, certain third parties may claim that the Issuer is infringing upon their intellectual property rights, and the Issuer may be found to be infringing upon such rights. In addition, the Issuer cannot make any assurances that actions by third parties alleging infringement by the Issuer of third-party patents will not be asserted or prosecuted against it. The Issuer may be unaware of the intellectual property rights that others may claim cover some or all of the Issuer's technology or services. Any claims or litigation could cause the Issuer to incur significant expenses and, if successfully asserted against the Issuer, could require that the Issuer pay substantial damages or ongoing royalty payments, prevent the Issuer from offering its services, or require that the Issuer comply with other unfavorable terms. The Issuer may also be obligated to indemnify its customers or business partners or pay substantial settlement costs, including royalty payments, in connection with any such claim or litigation and to obtain licenses, modify services, or refund fees, which could be costly. Even if the Issuer were to prevail in such a dispute, any litigation regarding its intellectual property could be costly and time consuming and divert the attention of the Issuer's management and key personnel from its business operations.

Any failure to protect the Issuer's intellectual property rights could impair its ability to protect its proprietary technology and its brand.

The Issuer's success and ability to compete depend in part on its intellectual property. The Issuer primarily relies on copyright, trade secret and trademark laws, trade secret protection and

confidentiality or license agreements with its employees, customers, partners and others to protect its intellectual property rights. However, the steps the Issuer takes to protect its intellectual property rights may be inadequate. The Issuer may not be able to obtain any further patents, and its pending applications may not result in the issuance of patents. The Issuer may have to expend significant resources to obtain additional patents as the Issuer expands its operations.

In order to protect its intellectual property rights, the Issuer may be required to spend significant resources to monitor and protect these rights. Litigation brought to protect and enforce its intellectual property rights could be costly, time-consuming and distracting to management and could result in the impairment or loss of portions of the Issuer's intellectual property. Furthermore, the Issuer's efforts to enforce its intellectual property rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of its intellectual property rights. Accordingly, the Issuer may not be able to prevent third parties from infringing upon or misappropriating its intellectual property. The Issuer's failure to secure, protect and enforce its intellectual property rights could materially adversely affect its brand and adversely impact its business.

The Issuer relies on third parties for certain financial and operational services essential to its ability to manage its business. A failure or disruption in these services could materially and adversely affect its ability to manage its business effectively.

The Issuer relies on third parties for certain essential financial and operational services. Traditionally, the vast majority of these services have been provided by large enterprise software vendors who license their software to customers. However, the Issuer receives many of these services on a subscription basis from various software-as-a-service companies that are smaller and have shorter operating histories than traditional software vendors. Moreover, these vendors provide their services to the Issuer via a cloud-based model instead of software that is installed on its premises. As a result, the Issuer depends upon these vendors providing it with services that are always available and are free of errors or defects that could cause disruptions in the Issuer's business processes, which would adversely affect its ability to operate and manage its operations.

The Issuer focuses on product innovation and user engagement rather than short-term operating results.

The Issuer focuses heavily on developing and launching new and innovative products and features, as well as on improving the user experience for its services. The Issuer also focuses on growing the number of users and paying organizations through direct field sales, direct inside sales, indirect channel sales and through word-of-mouth by individual users, some of whom use the Issuer's services at no cost. The Issuer prioritizes innovation and the experience for users on its platform, as well as the growth of its user base, over short-term operating results. The Issuer may make product and service decisions that could reduce its short-term operating results if the Issuer believes that the decisions are consistent with its goals to improve the user experience and to develop innovative features that the Issuer believes its users desire. These decisions may not be consistent with the short-term expectations of investors and may not produce the long-term benefits that the Issuer expects.

If the Issuer's services fail to perform properly or if the Issuer is unable to scale its services to meet the needs of its customers, its reputation could be adversely affected, its market share could decline and the Issuer could be subject to liability claims.

The Issuer's services are inherently complex and may contain material defects or errors. Any defects either in functionality or that cause interruptions in the availability of the Issuer's services, as well as user error, could result in:

- loss or delayed market acceptance and sales;
- breach of warranty claims;
- sales credits or refunds for prepaid amounts related to unused subscription services;
- loss of customers;
- diversion of development and customer service resources; and
- harm to the Issuer's reputation.

The costs incurred in correcting any material defects or errors might be substantial and could adversely affect the Issuer's operating results.

Because of the large amount of data that the Issuer collects and manages, it is possible that hardware failures, errors in the Issuer's systems or user errors could result in data loss or corruption that the Issuer's customers regard as significant. Furthermore, the availability or performance of the Issuer's services could be adversely affected by a number of factors, including customers' inability to access the internet, the failure of the Issuer's network or software systems, security breaches or variability in customer traffic for the Issuer's services. The Issuer may be required to issue credits or refunds for prepaid amounts related to unused services or otherwise be liable to its customers for damages they may incur resulting from some of these events. In addition to potential liability, if the Issuer experiences interruptions in the availability of its services, its reputation could be adversely affected, which could result in the loss of customers. For example, the Issuer's customers access its services through their internet service providers. If a service provider fails to provide sufficient capacity to support the Issuer's services or otherwise experiences service outages, such failure could interrupt the Issuer's customers' access to the Issuer's services, adversely affect their perception of the reliability of the Issuer's services and consequently reduce the Issuer's revenue.

The Issuer's insurance may be inadequate or may not be available in the future on acceptable terms, or at all. In addition, the Issuer's policy may not cover all claims made against it, and defending a lawsuit, regardless of its merit, could be costly and divert management's attention.

Furthermore, the Issuer will need to ensure that its services can scale to meet the needs of its customers, particularly if the Issuer focuses on larger enterprise customers. If the Issuer is not able to provide its services at the scale required by its customers, potential customers may not adopt the Issuer's solution and existing customers may not renew their agreements with the Issuer.

If the prices the Issuer charges for its services are unacceptable to its customers, its operating results will be harmed.

As the market for the Issuer's services matures, or as new or existing competitors introduce new products or services that compete with the Issuer's, the Issuer may experience pricing pressure and be unable to renew its agreements with existing customers or attract new customers at prices that are consistent with its pricing model and operating budget. If this were to occur, it is possible that the Issuer would have to change its pricing model or reduce its prices, which could harm its revenue, gross margin and operating results.

Sales to customers with international operations expose the Issuer to risks inherent in international sales.

A key element of the Issuer's growth strategy is to expand its international operations and develop a worldwide customer base. Operating in international markets requires significant resources and management attention and will subject the Issuer to regulatory, economic, geographic and political

risks that are different from those in Canada or the United States. Because of the Issuer's limited experience with international operations and significant differences between international and domestic markets, the Issuer's international expansion efforts may not be successful in creating demand for the Issuer's services in foreign jurisdictions or in effectively selling subscriptions to the Issuer's services international markets. In addition, the Issuer will face specific risks in doing business internationally that could adversely affect its business, including:

- the need to localize and adapt the Issuer's services for specific countries, including translation into foreign languages and associated expenses;
- data privacy laws that, among other things, could require that customer data be stored and processed in a designated territory;
- difficulties in staffing and managing foreign operations;
- different pricing environments, longer sales cycles and longer accounts receivable payment cycles and collections issues;
- new and different sources of competition;
- potentially weaker protection for intellectual property and other legal rights and practical difficulties in enforcing intellectual property and other rights;
- laws and business practices favoring local competitors;
- compliance challenges related to the complexity of multiple, conflicting and changing governmental laws and regulations, including employment, tax, privacy and data protection laws and regulations;
- increased financial accounting and reporting burdens and complexities;
- restrictions on the transfer of funds;
- adverse tax consequences; and
- unstable regional, economic and political conditions.

Fluctuations in the value of domestic and foreign currencies may impact the Issuer's operating results. The Issuer currently manages its exchange rate risk by matching foreign currency cash balances with payables but does not have any other hedging programs in place to limit the risk of exchange rate fluctuations.

Failure to adequately expand the Issuer's direct sales force will impede its growth.

The Issuer will need to continue to expand and optimize its sales infrastructure in order to grow its customer base and its business. The Issuer plans to continue to expand its direct sales force, both domestically and internationally. Identifying and recruiting qualified personnel and training them requires significant time, expense and attention. The Issuer's business may be adversely affected if its efforts to expand and train its direct sales force do not generate a corresponding increase in revenue. If the Issuer is unable to hire, develop and retain talented sales personnel or if new direct sales personnel are unable to achieve desired productivity levels in a reasonable period of time, the Issuer may not be able to realize the intended benefits of this investment or increase its revenue.

If the Issuer is unable to maintain and promote its brand, its business and operating results may be harmed.

The Issuer believes that maintaining and promoting its brand is critical to expanding its customer base. Maintaining and promoting its brand will depend largely on its ability to continue to provide useful, reliable and innovative services, which the Issuer may not do successfully. The Issuer may introduce new features, products, services or terms of service that its customers do not like, which may negatively affect its brand and reputation. Maintaining and enhancing the Issuer's brand may require it to make substantial investments, and these investments may not achieve the desired goals.

If the Issuer fail to successfully promote and maintain its brand or if the Issuer incurs excessive expenses in this effort, its business and operating results could be adversely affected.

The Issuer's growth depends in part on the success of its strategic relationships with third parties.

In order to grow its business, the Issuer anticipates that it will continue to depend on its relationships with third parties, such as alliance partners, distributors, system integrators and developers. Identifying partners and resellers, and negotiating and documenting relationships with them, requires significant time and resources. Also, the Issuer depends on its ecosystem of system integrators and developers to create applications that will integrate with its platform. The Issuer's competitors may be effective in providing incentives to third parties to favor their products or services, or to prevent or reduce subscriptions to its services. In addition, acquisitions of its partners by its competitors could result in a decrease in the number of current and potential customers, as its partners may no longer facilitate the adoption of the Issuer's services by potential customers.

If the Issuer is unsuccessful in establishing or maintaining its relationships with third parties, its ability to compete in the marketplace or to grow its revenue could be impaired and its operating results may suffer. Even if the Issuer is successful, the Issuer cannot assure you that these relationships will result in increased customer usage of the Issuer's services or increased revenue.

Furthermore, if the Issuer's partners and resellers fail to perform as expected, the Issuer's reputation may be harmed and its business and operating results could be adversely affected.

The Issuer's services may contain open source software, and the Issuer may license some of its software through open source projects, which may pose particular risks to its proprietary software, products, and services in a manner that could have a negative impact on its business.

The Issuer may use open source software in its services and may contribute software source code to open source projects under open source licenses or release internal software projects under open source licenses. The terms of open source licenses to which the Issuer may be subject have not been interpreted by domestic or foreign courts, and there is a risk that open source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on the Issuer's ability to provide or distribute its services. Additionally, the Issuer may from time to time face claims from third parties claiming ownership of, or demanding release of, the open source software or derivative works that the Issuer developed using such software, which could include its proprietary source code, or otherwise seeking to enforce the terms of the applicable open source license. These claims could result in litigation and could require the Issuer to make its software source code freely available, purchase a costly license or cease offering the implicated services unless and until the Issuer can re-engineer them to avoid infringement. This re-engineering process could require significant additional research and development resources, and the Issuer may not be able to complete it successfully. In addition to risks related to license requirements, use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software. Additionally, because any software source code the Issuer contributes to open source projects is publicly available, the Issuer's ability to protect its intellectual property rights with respect to such software source code may be limited or lost entirely, and the Issuer may be unable to prevent its competitors or others from using such contributed software source code. Any of these risks could be difficult to eliminate or manage, and, if not addressed, could have a negative effect on the Issuer's business, financial condition and operating results.

The Issuer may require additional capital to support its operations or the growth of its business, and the Issuer cannot be certain that this capital will be available on reasonable terms when required, or at all.

On occasion, the Issuer may need additional financing to operate or grow its business. The Issuer's ability to obtain additional financing, if and when required, will depend on investor and lender demand, the Issuer's operating performance, the condition of the capital markets and other factors. The Issuer cannot guarantee that additional financing will be available on favorable terms when required, or at all. If the Issuer raises additional funds through the issuance of equity, equity-linked or debt securities, those securities may have rights, preferences or privileges senior to the rights of its existing securityholders, which may also experience dilution. If the Issuer is unable to obtain adequate financing or financing on terms satisfactory to it when the Issuer requires it, its ability to continue to support the operation or growth of its business could be significantly impaired and its operating results may be harmed.

Adverse economic conditions may negatively impact the Issuer's business.

The Issuer's business depends on the overall demand for cloud-based data storage and on the economic health of its current and prospective customers. The financial recession resulted in a significant weakening of the economy in North America, Europe and worldwide, more limited availability of credit, a reduction in business confidence and activity, and other difficulties that may affect one or more of the industries to which the Issuer sells its services. Furthermore, the economies of certain European countries have been experiencing difficulties associated with high sovereign debt levels, weakness in the banking sector and uncertainty over the future of the eurozone. If economic conditions in North America and Europe and other key markets for the Issuer's services continue to remain uncertain or deteriorate further, many customers may delay or reduce their information technology spending. This could result in reductions in sales of the Issuer's services, longer sales cycles, reductions in subscription duration and value, slower adoption of new technologies and increased price competition. Any of these events would likely have an adverse effect on the Issuer's business, operating results and financial position. In addition, there can be no assurance that cloud-based data storage spending levels will increase following any recovery.

Changes in laws and regulations related to the internet or changes in the internet infrastructure itself may diminish the demand for the Issuer's services, and could have a negative impact on the Issuer's business.

The future success of the Issuer's business depends upon the continued use of the internet as a primary medium for commerce, communication and business services. Domestic or foreign government bodies or agencies have in the past adopted, and may in the future adopt, laws or regulations affecting the use of the internet as a commercial medium. Changes in these laws or regulations could require the Issuer to modify its services in order to comply with these changes. In addition, government agencies or private organizations may begin to impose taxes, fees or other charges for accessing the internet or commerce conducted via the internet. These laws or charges could limit the growth of internet-related commerce or communications generally, or result in reductions in the demand for internet-based services such as the Issuer's.

In addition, the use of the internet and, in particular, the cloud as a business tool could be adversely affected due to delays in the development or adoption of new standards and protocols to handle increased demands of internet activity, security, reliability, cost, ease of use, accessibility, and quality of service. The performance of the internet and its acceptance as a business tool have been adversely affected by "viruses," "worms" and similar malicious programs, and the internet has experienced a

variety of outages and other delays as a result of damage to portions of its infrastructure. If the use of the internet is adversely affected by these issues, demand for the Issuer's services could suffer.

The Issuer employs third-party licensed software for use in or with its services, and the inability to maintain these licenses or errors in the software the Issuer licenses could result in increased costs, or reduced service levels, which would adversely affect the Issuer's business.

The Issuer's services incorporate certain third-party software obtained under licenses from other companies. The Issuer anticipates that it will continue to rely on such third-party software and development tools in the future. Although the Issuer believes that there are commercially reasonable alternatives to the third-party software the Issuer currently licenses, this may not always be the case, or it may be difficult or costly to replace. In addition, integration of the software used in the Issuer's services with new third-party software may require significant work and require substantial investment of the Issuer's time and resources. Also, to the extent that the Issuer's services depend upon the successful operation of third-party software in conjunction with its own software, any undetected errors or defects in this third-party software could prevent the deployment or impair the functionality of the Issuer's services, delay new services introductions, result in a failure of the Issuer's services, and injure the Issuer's reputation. The Issuer's use of additional or alternative third-party software would require the Issuer's to enter into additional license agreements with third parties.

Risks Related to Ownership of the Issuer's Common Shares

An active trading market for the Issuer's Common Shares may never develop or be sustained.

The Issuer's Common Shares have been conditionally approved for listing on the Canadian Securities Exchange under the symbol "**DDB**." However, the Issuer cannot assure you that an active trading market for its Common Shares will develop on that exchange or elsewhere or, if developed, that any market will be sustained. Accordingly, the Issuer cannot assure you of the liquidity of any trading market, your ability to sell your Common Shares when desired or the prices that you may obtain for your Common Shares.

The market price of the Issuer's Common Shares may be volatile, and you could lose all or part of your investment.

The market price of the Issuer's Common Shares following listing may be highly volatile, and could be subject to wide fluctuations in response to various factors, some of which are beyond the Issuer's control and may not be related to its operating performance.

Fluctuations in the price of the Issuer's Common Shares could cause you to lose all or part of your investment because you may not be able to sell your Common Shares at or above the price you paid. Factors that could cause fluctuations in the market price of the Issuer's Common Shares include the following:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the market prices and trading volumes of technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally or those in the Issuer's industry in particular;
- sales of Common Shares by the Issuer's shareholders;
- any changes in the financial projections that the Issuer may provide to the public, or the Issuer's failure to meet those projections;
- announcements by the Issuer or its competitors of new products or services;

- the public's reaction to the Issuer's press releases, other public announcements and filings with the securities commissions;
- rumors and market speculation involving the Issuer or other companies in its industry;
- actual or anticipated changes in the Issuer's operating results or fluctuations in its operating results;
- actual or anticipated developments in the Issuer's business, its competitors' businesses or the competitive landscape generally;
- litigation involving the Issuer, its industry or both, or investigations by regulators into the Issuer's operations or those of its competitors;
- developments or disputes concerning the Issuer's intellectual property or other proprietary rights;
- announced or completed acquisitions of businesses or technologies by the Issuer or its competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to the Issuer's business;
- changes in accounting standards, policies, guidelines, interpretations or principles;
- any significant change in the Issuer's management; and
- general economic conditions and slow or negative growth of the Issuer's markets;

In addition, in the past, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against the Issuer, could result in substantial costs and a diversion of management's attention and resources.

The Issuer does not expect to declare any dividends in the foreseeable future.

The Issuer does not anticipate declaring any cash dividends to holders of Common Shares in the foreseeable future. Consequently, investors may need to rely on sales of Common Shares after price appreciation, which may never occur, as the only way to realize any future gains on their investment.

17.2 Risk of Additional Securityholder Contribution

There is no risk that holders of Common Shares may become liable to make additional contribution beyond the price of the Common Shares.

17.3 Relevant Additional Risk Factors

The risk factors material to the Issuer that a reasonable investor would consider relevant to an investment in the Common Shares of the Issuer are described above and elsewhere in this Listing Statement.

18. Promoters

Other than Messrs. Jewell and Cheeseman, there are no promoters of the Issuer.

19. Legal Proceedings

19.1 Legal Proceedings

The Issuer has not been subject to any material legal proceedings since incorporation, nor is the Issuer or any of its properties a party to or the subject of any such proceedings, and no such proceedings are

known to be contemplated. The Issuer may be involved in routine, non-material litigation arising in the ordinary course of business, from time to time.

19.2 Regulatory actions

There have not been any penalties or sanctions imposed against the Issuer by a court relating to provincial and territorial securities legislation or by a securities regulatory authority since its incorporation, nor have there been any other penalties or sanctions imposed by a court or regulatory body against the Issuer, and the Issuer has not entered into any settlement agreements before a court relating to provincial and territorial securities legislation or with a securities regulatory authority.

20. Interest of Management and Others in Material Transactions

To the knowledge of management of the Issuer, no informed person or nominee for election as a director of the Issuer, or any associate or affiliate of an informed person or proposed director, has or had any material interest, direct or indirect, in any transaction since the commencement of the Issuer's most recently completed financial year or in any proposed transaction which has materially affected or will materially affect the Issuer or any of its subsidiaries other than as set out herein.

The term "informed person" as defined in National Instrument 51-102 *Continuous Disclosure Obligations* means a director or executive officer of the Issuer, or any person or company who beneficially owns, directly or indirectly, voting securities of the Issuer or who exercises control or direction over voting securities of the Issuer carrying more than 10% of the voting rights attached to all outstanding voting securities of the Issuer, other than voting securities held by the person or company as underwriter in the course of a distribution.

Except as otherwise disclosed herein, no informed person of the Issuer, proposed director of the Issuer or any associate or affiliate of an informed person or proposed director has any material interest, direct or indirect, in any transaction since the beginning of the most recently completed financial year of the Issuer or in any proposed transaction which has materially affected or will materially affect the Issuer or any of its subsidiaries.

21. Auditors, Transfer Agents and Registrars

21.1 Auditors

The auditor of the Issuer is MNP LLP, Chartered Professional Accountants, having an address of 50 Burnhamthorpe Road West, Suite 900, Mississauga, ON L5B 3C2.

21.2 Registrar and Transfer Agent

The registrar and transfer agent of the Issuer is Capital Transfer Agency Inc., having an address of 401 – 121 Richmond Street West, Toronto, Ontario, Canada, M5H 2K1.

22. Material Contracts

Set out below are summaries of the Issuer's material contracts that were entered into within two years of the date of this Listing Statement.

The Loan Agreement

Acpana leases certain computer hardware under finance leases with the Bank of Nova Scotia (the "**Bank**") pursuant to a credit facility agreement dated January 11, 2013 (the "**Loan Agreement**"). Pursuant to the Loan Agreement, which was accepted by Acpana on January 25, 2013, the Bank established the following credit facilities in favour of Acpana (collectively, the "**Credit Facilities**"):

(i) an operating facility in the authorized amount of $100,000 (the "Operating Facility");
(ii) a credit card limited in the authorized amount of $100,000 (the "Visa");
(iii) certain foreign exchange contracts (collectively, the "Foreign Exchange Contracts"); and
(iv) a non-revolving equipment financing facility in the authorized amount of $3,500,000 (the "Non-Revolving Facility").

As security for its indebtedness, fees, expenses and other liabilities due from time to time by Acpana to the Bank (collectively, the "Obligations"), Acpana granted to the Bank a security interest in all of its assets, property and undertaking pursuant to a general security agreement dated December 9, 2011 (collectively, the "Security").

Pursuant to a letter from the Bank to Acpana dated October 30, 2013 (the "Default Letter"), the Bank notified Acpana that it was in breach of certain provisions of the Loan Agreement and effective December 13, 2013 Acpana and the Bank entered into a forbearance agreement whereby the Bank agreed to forbear from enforcing its rights and remedies under the Loan Agreement until January 31, 2014. Subsequent forbearance agreements were signed dated March 5, 2014, June 18, 2014, September 19, 2014 and November 28, 2014, each extending the date of enforcement of payment. Pursuant to the terms of the forbearance agreement dated November 28, 2014 (the "**Forbearance Agreement**"), the Bank has agreed to forbear from enforcing the Security until the earlier of March 27, 2015 and an event of default under the forbearance agreement. As at November 30, 2014, an aggregate of approximately $1,340,000 was owing under the Loan Agreement.

23 Interest of Experts

The auditor of the Issuer, MNP LLP, have informed the Issuer that it is independent with respect to the Issuer within the meaning of the Rules of Professional Conduct of Chartered Professional Accountants of Ontario.

24. Other Material Facts

There are no other material facts about the Issuer or the Common Shares that are not otherwise disclosed herein.

25. Financial Statements

25.1 Financial Statements

Attached as schedules to this Listing Statement are each of the following financial statements:

Schedule "A" - unaudited combined financial statements of Acpana for the nine-month period ended September 30, 2014, and for the financial years ended December 31, 2013 (audited), 2012, and 2011;

Schedule "B" - audited financial statements of Coltrane for the period from incorporation to December 31, 2014.

Schedule "C" - audited financial statements of Subco for the period from incorporation to December 31, 2014.

Schedule "D" - unaudited pro forma interim financial statements of the Issuer for period ended September 30, 2014.

25.2 Re-Qualifying Issuer

This section is not applicable in this Listing Statement.

The first certificate below must be signed by the CEO, CFO, any person or company who is a promoter of the Issuer and two directors of the Issuer. In the case of an Issuer re-qualifying following a fundamental change, the second certificate must also be signed by the CEO, CFO, any person or company who is a promoter of the target and two directors of the target.

CERTIFICATE OF THE ISSUER

Pursuant to a resolution duly passed by its Board of Directors, Data Deposit Box Inc., hereby applies for the listing of the above mentioned securities on the Exchange. The foregoing contains full, true and plain disclosure of all material information relating to Data Deposit Box Inc. It contains no untrue statement of a material fact and does not omit to state a material fact that is required to be stated or that is necessary to prevent a statement that is made from being false or misleading in light of the circumstances in which it was made.

Dated at Toronto

this 18th day of March, 2015.

"Tim Jewell" (signed)	*"Marco Guidi" (signed)*
Chief Executive Officer	Chief Financial Officer
"Chris Irwin" (signed)	*"Troy Cheeseman" (signed)*
Director	Director

SCHEDULE "A"
AUDITED COMBINED FINANCIAL STATEMENTS OF ACPANA FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014, AND FOR THE FINANCIAL YEARS ENDED DECEMBER 31, 2013 (AUDITED), 2012, AND 2011

Acpana Business Systems Inc.

Combined Financial Statements

For the nine month periods ended September 30, 2014 and 2013 (unaudited), and the Years Ended December 31, 2013, 2012 and 2011

(expressed in Canadian Dollars)

MNP LLP

Independent Auditor's Report

To the Shareholders of Acpana Business Systems Inc.

We have audited the accompanying combined financial statements of Acpana Business Systems Inc., which comprise the combined statement of financial position as at December 31, 2013, and the combined statements of loss and comprehensive loss, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the combined financial statements present fairly, in all material respects, the financial position of Acpana Business Systems Inc. as at December 31, 2013, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

ACCOUNTING › CONSULTING › TAX
701 EVANS AVENUE, 8TH FLOOR, TORONTO ON, M9C 1A3
P: 416.626.6000 F: 416.626.8650 MNP.ca

Emphasis of Matter

Without modifying our opinion, we draw attention to Note 1 to the combined financial statements which highlight the existence of material uncertainties relating to conditions that cast significant doubt on Acpana Business Systems Inc.'s ability to continue as a going concern.

Other Matters

The combined financial statements as at December 31, 2012 and December 31, 2011 and for the years then ended are unaudited.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
January 16, 2015

MNP LLP

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying combined financial statements of Acpana Business Systems Inc. (the "Company") are the responsibility of the management and Board of Directors of the Company.

The combined financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with International Financial Reporting Standards ("IFRS"). When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. Financial statements are not precise since they include certain amounts based on estimates and judgements. Management has determined such amounts on a reasonable basis in order to ensure that the combined financial statements are presented fairly, in all material respects.

The Company maintains systems of internal control that are designed by management to provide reasonable assurance that assets are safeguarded from loss or unauthorized use and to produce reliable accounting records for financial reporting purposes.

The Board of Directors is responsible for reviewing and approving the combined financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the combined financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the combined financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

("signed")
Troy Cheeseman
President

("signed")
Marco Guidi
Chief Financial Officer

Acpana Business Systems Inc.
Combined Statements of Financial Position
(Expressed in Canadian dollars)

As at,	**September 30, 2014** $	December 31, 2013 $	December 31, 2012 $	December 31, 2011 $
ASSETS	(unaudited)		(unaudited)	(unaudited)
Current				
Cash and cash equivalents (note 6)	**512,323**	523,783	1,692,893	2,063,459
Accounts receivable (note 8)	**109,669**	84,521	329,408	173,428
Taxes receivable (note 9)	**380**	17,944	41,492	79,024
Investment tax credits receivable (note 19)	**90,000**	236,384	499,404	281,886
Prepaid expenses	**46,689**	116,201	137,926	101,586
	759,061	978,833	2,701,123	2,699,383
Promissory notes receivable (note 7)	**241,927**	233,183	481,242	459,473
Property and equipment (note 10)	**2,815,536**	3,283,586	1,488,437	1,255,638
Intangible assets (note 11)	**784,495**	1,128,768	1,659,641	1,781,879
	4,601,019	5,624,370	6,330,443	6,196,373
LIABILITIES AND EQUITY				
Current				
Trade and other payables (notes 12 and 13)	**476,140**	696,535	968,947	534,223
Unearned revenue	**76,812**	4,236	75,401	58,280
Current portion of finance lease obligations (note 20)	**607,662**	706,885	242,844	136,130
Long-term portion of finance lease obligations due on demand (note 20)	**1,338,425**	1,621,035	-	-
	2,499,039	3,028,691	1,287,192	728,633
Finance lease obligations (note 20)	**135,640**	298,442	290,656	141,648
	2,634,679	3,327,133	1,577,848	870,281
Equity				
Share capital (note 14)	**3,565,115**	3,565,115	3,565,115	3,559,118
Reserve for share-based payments (note 16)	**924,025**	674,025	220,525	165,313
Reserve for warrants (note 17)	**621,000**	-	-	-
Retained earnings (deficit)	**(3,143,800)**	(1,941,903)	966,955	1,601,661
	1,966,340	2,297,237	4,752,595	5,326,092
	4,601,019	5,624,370	6,330,443	6,196,373

Nature of operations and going concern *(note 1)*
Commitments and contingencies *(note 18)*
Events after the reporting date *(note 22)*

On behalf of the Board of Directors on March 19, 2015:

("signed")
Troy Cheeseman
Director

("signed")
Tim Jewell
Director

The accompanying notes are an integral part of these combined financial statements.

Acpana Business Systems Inc.
Combined Statements of Loss and Comprehensive Loss
(Expressed in Canadian dollars)

	Nine months ended September 30, 2014	Nine months ended September 30, 2013	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011
	$	$	$	$	$
	(unaudited)	(unaudited)		(unaudited)	(unaudited)
Revenue	**3,762,752**	3,955,479	5,279,454	5,747,186	5,636,039
Cost of sales					
Data center	**889,809**	891,949	1,231,287	819,642	716,371
Amortization (note 11)	**344,273**	392,928	538,711	460,096	459,120
Wages and benefits	**104,709**	219,006	288,900	129,518	215,014
Commissions	**393,687**	493,939	652,395	640,810	606,982
Merchant fees	**151,887**	164,848	216,149	232,901	231,545
Total cost of sales	**1,884,365**	2,162,670	2,927,442	2,282,967	2,229,032
Gross margin	**1,878,387**	1,792,809	2,352,012	3,464,219	3,407,007
Operating expenses					
Sales and marketing	**84,429**	547,271	607,536	826,539	1,120,250
Management salaries (note 13)	**311,226**	244,921	589,643	-	-
General and administrative	**208,991**	459,471	551,119	539,722	442,229
Professional fees	**136,250**	441,630	521,739	538,593	326,000
Wages and benefits (note 13)	**852,901**	1,556,006	1,836,007	1,837,106	1,288,507
Depreciation (note 10)	**501,861**	452,122	628,888	315,440	248,806
Share-based payments (note 15 and 17)	**871,000**	318,000	453,500	61,159	38,276
Total expenses	**2,966,658**	4,019,421	5,188,432	4,118,559	3,464,068
Loss before interest (expense) income, (loss) gain on foreign exchange, and income taxes	**(1,088,271)**	(2,226,612)	(2,836,420)	(654,340)	(57,061)
Other income (expense)					
Interest (expense) income	**(105,065)**	(24,169)	(40,781)	25,176	(18,611)
(Loss) gain on foreign exchange	**(8,561)**	(19,217)	(31,657)	(5,542)	785
Loss before income taxes	**(1,201,897)**	(2,269,998)	(2,908,858)	(634,706)	(74,887)
Income tax (expense) recovery (note 21)	-	-	-	-	-
Net loss and comprehensive loss	**(1,201,897)**	(2,269,998)	(2,908,858)	(634,706)	(74,887)
Loss per share - basic and diluted	**(0.44)**	(0.83)	(1.06)	(0.23)	(0.03)
Weighted average number of common shares outstanding - basic and diluted	**2,754,068**	2,745,735	2,745,735	2,745,735	2,745,735

The accompanying notes are an integral part of these combined financial statements.

Acpana Business Systems Inc.
Combined Statements of Changes in Equity
(Expressed in Canadian dollars)

	Share Capital					
	Number of shares	Amount	Reserve for share-based payments	Reserve for warrants	Retained earnings (deficit)	Total
Balance at December 31, 2010 (unaudited)	**2,451,191**	**$ 2,214,118**	**$ 127,037**	**$ -**	**$ 1,676,548**	**$ 4,017,703**
Shares issued	244,545	1,345,000	-	-	-	1,345,000
Share-based payments	-	-	38,276	-	-	38,276
Net loss and comprehensive loss for the year	-	-	-	-	(74,887)	(74,887)
Balance at December 31, 2011 (unaudited)	**2,695,736**	**$ 3,559,118**	**$ 165,313**	**$ -**	**$ 1,601,661**	**$ 5,326,092**
Exercise of options	49,999	5,997	(5,947)	-	-	50
Share-based payments	-	-	61,159	-	-	61,159
Net loss and comprehensive loss for the year	-	-	-	-	(634,706)	(634,706)
Balance at December 31, 2012 (unaudited)	**2,745,735**	**$ 3,565,115**	**$ 220,525**	**$ -**	**$ 966,955**	**$ 4,752,595**
Share-based payments	-	-	453,500	-	-	453,500
Net loss and comprehensive loss for the year	-	-	-	-	(2,908,858)	(2,908,858)
Balance at December 31, 2013	**2,745,735**	**$ 3,565,115**	**$ 674,025**	**$ -**	**$ (1,941,903)**	**$ 2,297,237**
Share-based payments	-	-	250,000	-	-	250,000
Compensation warrants issued	-	-	-	621,000	-	621,000
Shares issued for services	8,333	-	-	-	-	-
Net loss and comprehensive loss for the period	-	-	-	-	(1,201,897)	(1,201,897)
Balance at September 30, 2014 (unaudited)	**2,754,068**	**$ 3,565,115**	**$ 924,025**	**$ 621,000**	**$ (3,143,800)**	**$ 1,966,340**

The accompanying notes are an integral part of these combined financial statements.

Acpana Business Systems Inc.
Combined Statements of Cash Flows
(Expressed in Canadian dollars)

	Nine months ended September 30, 2014	Nine months ended September 30, 2013	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011
	$	$	$	$	$
	(unaudited)	(unaudited)		(unaudited)	(unaudited)
Operating activities					
Net loss for the period/year	**(1,201,897)**	(2,269,998)	(2,908,858)	(634,706)	(74,887)
Adjustments to reconcile net loss to net cash used in operating activities:					
Amortization of intangible assets	**344,273**	392,928	538,711	453,936	399,581
Depreciation of property and equipment	**501,861**	452,122	628,888	321,601	308,392
Share-based payments	**871,000**	318,000	453,500	61,159	38,276
Changes in non-cash working capital					
Accounts receivable	**(25,148)**	242,560	244,887	(155,980)	19,211
Promissory notes receivable	**(8,744)**	1,007	248,059	(21,769)	(23,284)
Prepaid expenses	**69,512**	(40,655)	21,725	(36,340)	63,075
Investment tax credits receivable	**146,384**	62,856	263,020	(217,518)	(228,217)
Taxes receivable	**17,564**	22,212	23,548	37,532	19,595
Unearned revenue	**72,576**	(67,422)	(71,165)	17,121	58,280
Trade and other payables	**(220,395)**	52,003	(272,412)	434,724	87,540
Cash provided from (used in) operating activities	**566,986**	(834,387)	(830,097)	259,760	667,562
Financing activities					
(Repayment to) Advance from finance lease obligations	**(544,635)**	(208,915)	(294,868)	(195,382)	16,441
Exercise of options	**-**	-	-	50	-
Cash provided from (used in) financing activities	**(544,635)**	(208,915)	(294,868)	(195,332)	16,441
Investing activities					
Purchase of property and equipment	**(33,811)**	(50,818)	(49,929)	(100,490)	(341,747)
Net sale (purchase) of intangible assets	**-**	(53,377)	5,784	(334,504)	(201,908)
Cash used in investing activities	**(33,811)**	(104,195)	(44,145)	(434,994)	(543,655)
Increase (decrease) in cash and cash equivalents	**(11,460)**	(1,147,497)	(1,169,110)	(370,566)	140,348
Cash and cash equivalents, beginning of period/year	**523,783**	1,692,893	1,692,893	2,063,459	1,923,111
Cash and cash equivalents, end of period/year	**512,323**	545,396	523,783	1,692,893	2,063,459
Supplementary Information					
Interest paid	**114,341**	36,881	40,781	-	18,611

The accompanying notes are an integral part of these combined financial statements.

1. NATURE OF OPERATIONS AND GOING CONCERN

Acpana Business Systems Inc. ("Acpana" or "the Company") was incorporated under the laws of Ontario on December 4, 2002. The Company's head office is located at 1 Eglinton Avenue East, Suite 407, Toronto, ON, M4P 3A1. Kinectid USA Inc. ("Kinectid") was incorporated under the laws of Delaware on March 15, 2013. Acpana and Kinectid are owned by the same shareholders, and thus these combined financial statements include the assets and liabilities of both Acpana and Kinectid (together "the Company") that are being acquired pursuant to an amalgamation agreement dated November 17, 2014 with Coltrane Technologies Inc.

The Company is engaged in the development and operation of off-site computer data storage facilities and other business computer applications for commercial business customers.

These combined financial statements have been prepared on a going concern basis which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

The Company has a net loss for the nine month period ended September 30, 2014 of $1,201,897 (years ended December 31, 2013 - $2,908,858; 2012 - $634,706, 2011 - $74,887) and positive cash flows from operating activities of $566,986 (negative cash flow: year ended December 31, 2013 - $830,097, positive cash flow: years ended December 31, 2012 - $259,760; 2011 - $667,562). In addition, the Company has an accumulated deficit of $3,143,800 (accumulated deficit: December 31, 2013 - $1,941,903, retained earnings: December 31, 2012 - $966,955; 2011 - $1,601,661) and a working capital deficiency of $1,739,978 (working capital deficiency: December 31, 2013 - $2,049,859, working capital: December 31, 2012 - $1,413,931; 2011 - $1,970,750). In addition the Company is in default of certain covenants under a credit facility and as a result the obligation owing is due on demand. These conditions indicate the existence of material uncertainties which may cast significant doubt about the Company's ability to continue as a going concern.

The Company's ability to continue as a going concern is dependent upon its ability to attain profitable operations and generate funds therefrom, and to continue to obtain equity investment and borrowings sufficient to meet current and future obligations and/or restructure the existing debt and payables. These combined financial statements do not reflect the adjustments or reclassification of assets and liabilities which would be necessary if the Company were unable to continue its operations.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The combined financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

The combined financial statements as at and for the years ended December 31, 2013, 2012 and 2011 were approved and authorized by the Board of Directors of the Company on January 16, 2015 and the financial statements as at September 30, 2014 and for the nine month periods ended September 30, 2014 and 2013 were approved and authorized by the Board of Directors of the Company on March 19, 2015.

2. BASIS OF PREPARATION (continued)

2.2 Basis of presentation

The combined financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair value, as explained in the accounting policies set out in Note 3.

2.3 Use of management estimates, judgments and measurement uncertainty

The preparation of these combined financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the combined financial statements and reported amounts of revenues and expenses during the reporting period. Such estimates primarily relate to unsettled transactions and events as at the date of the combined financial statements. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenues, and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions. The most significant estimates and judgments relate to the calculation of share-based payments, valuation of deferred income tax amounts, determination of functional currency, and the recoverability of taxes receivable including accrual of scientific research and experimental development (SR&ED) tax credits. Significant estimates and judgments made by management in the preparation of these combined financial statements are outlined below:

Calculation of share-based payments and warrants

The Black-Scholes option pricing model is used to determine the fair value for the share-based payments and warrants and utilizes subjective assumptions such as expected price volatility and expected life of the option or warrant. Discrepancies in these input assumptions can significantly affect the fair value estimate.

Income taxes

Tax interpretations, regulations, and legislation in the various jurisdictions in which the Company and its subsidiaries operate are subject to change and interpretation. As such, income taxes are subject to measurement uncertainty. The Company follows the asset and liability method for calculating deferred taxes. Assessing the recoverability of deferred tax assets requires the Company to make significant estimates related to the expectations of future cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Company to realize the deferred tax assets and liabilities recorded at the combined statement of financial position date could be impacted. Additionally, changes in tax laws could limit the ability of the Company to obtain tax deductions in the future.

2. BASIS OF PREPARATION (continued)

Functional currency

The determination of the Company's functional currency requires analyzing facts that are considered primary factors, and if the result is not conclusive, the secondary factors. The analysis requires the Company to apply significant judgment since primary and secondary factors may be mixed. In determining its functional currency the Company analyzed both the primary and secondary factors, including the currency of the Company's operating costs in Canada and the United States, and sources of equity financing. The Company's functional currency is Canadian dollars.

Taxes receivable

Taxes receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

2. BASIS OF PREPARATION (continued)

2.4 Adoption of new and revised standards and interpretations

New standards and interpretations adopted

During 2013, the Company has applied, for the first time, certain new standards and amendments. These include IFRS 10 Consolidated Financial Statements, IFRS 11 Joint Arrangements, IFRS 13 Fair Value Measurement, IAS 32 Financial instruments, Presentation, IFRIC 21 Levies, and amendments to IAS 1 Presentation of Financial Statements. The nature and effect of these changes are disclosed below. In addition, the application of IFRS 12 Disclosure of Interests in Other Entities could result in additional disclosures in the combined financial statements.

Several other new standards and amendments apply for the first time in 2013 and 2014. However, they do not impact the combined financial statements of the Company.

The nature and impact of each new standard/amendment is described below:

- IAS 1 *Presentation of Items of Other Comprehensive Income – Amendments to IAS.* The amendments to IAS 1 introduce a grouping of items present in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit and loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (eg. actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Company's financial position or performance.

- IAS 1 *Clarification of the requirement for comparative information (Amendment).* The amendment to IAS 1 clarifies the difference between voluntary additional comparative information and the minimum required comparative information. An entity must include the comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative information. The additional voluntarily comparative information does not need to be presented in a complete set of combined financial statements.

- IFRS 10 *Consolidated Financial Statements and* IAS 27 *Separate Financial Statements* IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replace the parts of previously existing IAS 27 Consolidated and Separate Financial Statements that dealt with consolidated financial statements and SIC-12 Consolidation – Special Purpose Entities. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including: (a) an investor has power over the investee; (b) the investor has exposure, or rights, to variable returns from its involvement with the investee; and (c) the investor has the ability to use its power over the investee to affect the amount of the investors returns. The adoption of this new standard did not result in any changes to the consolidated financial statements.

2. BASIS OF PREPARATION (continued)

2.4 Adoption of new and revised standards and interpretations (continued)

***New standards and interpretations adopted* (continued)**

- IFRS 11 *Joint Arrangements and IAS 28 Investments in Associates and Joint Ventures.* IFRS 11 replaces IAS 31 Interests in Joint Ventures and SIC-13 Jointly Controlled Entities-Non-monetary Contributions by Venturers. IFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture under IFRS 11 must be accounted for using the equity method. The adoption of this new standard did not result in any changes to the combined financial statements.

- IFRS 12 *Disclosure of Interests in Other Entities*. IFRS 12 sets out the requirement for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The adoption of this new standard did not result in any changes to the combined financial statements.

- IFRS 13 *Fair Value Measurement.* IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not impacted the fair value measurements carried out by the Company.

- IAS 32 *Financial instruments, Presentation* – In December 2011, effective for annual periods beginning on or after January 1, 2014, IAS 32 was amended to clarify the requirements for offsetting financial assets and liabilities. The amendments clarify that the right of offset must be available on the current date and cannot be contingent on a future date. The adoption of this new standard did not result in any changes to the combined financial statements.

- IFRIC 21 Levies - In May 2013, the IASB issued IFRIC 21 – Levies ("IFRIC 21"), an interpretation of IAS 37 – Provision, Contingent Liabilities and Contingent Assets ("IAS 37"), on the accounting for levies imposed by governments. IAS 37 sets out criteria for the recognition of a liability, one of which is the requirement for the entity to have a present obligation as a result of a past event ("obligation event"). IFRIC 21 clarifies that the obligating event that gives rise to a liability to pay a levy is the activity described in the relevant legislation that triggers the payment of the levy. IFRIC 21 is effective for annual periods commencing on or after January 1, 2014. The adoption of this new standard did not result in any changes to the combined financial statements.

2. BASIS OF PREPARATION (continued)

2.4 Adoption of new and revised standards and interpretations (continued)

New standards and interpretations to be adopted in future periods

At the date of authorization of these Combined Financial Statements, the IASB and IFRIC have issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted. However, the Company is currently assessing what impact the application of these standards or amendments will have on the combined financial statements of the Company.

- IFRS 9 *Financial Instruments: Classification and Measurement* – as issued in 2010, reflects the first phase of the IASB's work on the replacement of International Accounting Standard 39, Financial Instruments: Recognition and Measurement ("IAS 39") and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB is addressing impairment of financial assets. In November 2013, IFRS 9 was amended to include new requirements for hedge accounting and the effective date and transition provisions were amended to remove the mandatory effective date of IFRS 9. Subsequently, the IASB determined that IFRS 9 should be applied in an entity's first annual IFRS financial statements for periods beginning on or after January 1, 2018. Entities may still choose to apply IFRS 9 immediately, but are not required to do so. The Company intends to apply the standard on its effective date and has not yet determined the impact on its combined financial statements.
- IFRS 15 *Revenue from Contracts with Customers*. In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 specifies how and when to recognize revenue as well as requiring entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 must be applied in an entity's first annual IFRS financial statements for periods beginning on or after January 1, 2017. Application of the standard is mandatory and early adoption is permitted. The Company intends to apply the standard on its effective date and has not yet determined the impact on its combined financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of combination

The combined financial statements are prepared by combining the financial statements of Acpana's sister company; Kinectid is a company based in the United States.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.2 Revenue recognition

The Company derives its revenues from two sources: (a) service fees, which comprise subscription fees from customers accessing its on-demand application service and maintenance; and (b) related professional services.

The Company recognizes revenue when all of the following conditions are met:

- there is persuasive evidence of an arrangement;
- the service has been provided to the customer;
- the collection of fees is reasonably assured; and
- the amount of fees to be paid by the customer is fixed or determinable.

The Company's arrangements do not contain general rights of return.

Product and service elements that have been prepaid but do not yet qualify for recognition as revenue under the Company's revenue recognition policy are reflected as unearned revenue on the Company's combined statement of financial position.

3.3 Property and equipment

Property and equipment ("P&E") are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of an item of P&E consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is provided at rates calculated to expense the cost of P&E, less their estimated residual value, using the declining balance method over the following expected useful lives:

• Computer servers	20%
• Computer hardware	30%
• Computer leases	30%
• Office furniture and equipment	30%
• Leasehold improvements	20%

An item of P&E is derecognized upon disposal, when held-for-sale or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in the combined statement of loss and comprehensive loss.

The Company conducts an annual assessment of the residual balances, useful lives, and depreciation methods being used for P&E and any changes arising from the assessment are applied by the Company prospectively.

Where an item of P&E comprises major components with different useful lives, the components are accounted for as separate items of P&E. Expenditures incurred to replace a component of P&E that is accounted for separately, including major inspection and overhaul expenditures, are capitalized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.4 Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options that are used to purchase common shares at the average market price during the year. During the nine month periods ended September 30, 2014 and 2013 and years ended December 31, 2013, 2012, and 2011, all the outstanding stock options were anti-dilutive.

3.5 Share-based payments

The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted. In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are also measured at the fair value of the share-based payment.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative expense recognized for equity-settled transactions at the end of each reporting period until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share-based payments reserve.

No expense is recognized for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition, which are treated as vesting irrespective of whether or not the market condition is satisfied provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options is reflected as additional dilution in the computation of earnings or loss per share.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.6 Intangible assets

Intangible assets are carried at cost, less accumulated amortization.

Amortization is provided for at rates intended to expense the assets over their estimated useful lives, as follows:

Software	20-30% declining balance
Trademarks and patents	straight-line over estimated useful lives
Acquired software	straight-line over three to five years
Website	30% declining balance

3.7 Taxation

Income tax (expense) recovery represents the sum of tax currently payable or recoverable and deferred tax.

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period.

Deferred tax

Deferred tax is provided using the asset and liability method on temporary differences at the date of the combined statement of financial position between the tax base of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences and carry forward of unused tax credits and tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and tax losses can be utilized except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.7 Taxation (continued)

Deferred tax (continued)

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

Deferred tax relating to items recognized directly in equity is recognized in equity and not in the combined statement of loss and comprehensive loss.

Deferred tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

3.8 Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables, or fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through net income or loss. The Company's cash and cash equivalents are classified as FVTPL.

Financial assets classified as loans and receivables and held to maturity are measured at amortized cost. The Company's accounts receivable and promissory notes receivable are classified as loans and receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income or loss except for losses in value that are considered other than temporary.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date.

Transaction costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.9 Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial instrument or, where appropriate, a shorter period. The Company's trade and other payables are classified as other financial liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through the statement of loss and comprehensive loss. At September 30, 2014 and December 31, 2013, the Company has not classified any financial liabilities as FVTPL.

3.10 Impairment of financial assets

The Company assesses at the end of each reporting period whether a financial asset is impaired.

Assets carried at amortized cost

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

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

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in net income or loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Available-for-sale

If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in net income or loss, is transferred from equity to net loss, or charged directly to net loss. Impairment reversals in respect of equity instruments classified as available-for-sale are not recognized in net loss until realized.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.11 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the combined statement of loss and comprehensive loss, unless the relevant asset is carried at a re-valued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

3.12 Cash and cash equivalents

Cash and cash equivalents in the combined statements of financial position comprise cash deposits held in financial institutions (and on hand) and short-term deposits with a remaining maturity at the date of acquisition of three months or less which are readily convertible into a known amount of cash.

3.13 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.14 Related party transactions

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

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3.15 Foreign currency transactions

Functional and presentation currency

Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The functional currency of the Company is the Canadian dollar. The combined financial statements are presented in Canadian dollars which is also the group's presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transaction or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

4. CAPITAL MANAGEMENT

The Company manages its capital with the following objectives:

- To ensure sufficient financial flexibility to achieve the ongoing business objectives including funding of future growth opportunities, and pursuit of accretive acquisitions; and
- To maximize shareholder return through enhancing the share value.

The Company monitors its capital structure and makes adjustments according to market conditions in an effort to meet its objectives given the current outlook of the business and the industry in general. The Company may manage its capital structure by issuing new shares, repurchasing outstanding shares, adjusting capital spending, or disposing of assets. The capital structure is reviewed by management and the Board of Directors on an ongoing basis.

The Company considers its capital to be equity, comprising share capital, reserve accounts, and retained earnings (deficit) which at September 30, 2014 totaled $1,966,340 (December 31, 2013 - $2,297,237; December 31, 2012 - $4,752,595; December 31, 2011 - $5,326,092).

Acpana manages capital through its financial and operational forecasting processes. The Company reviews its working capital and forecasts its future cash flows based on operating and capital expenditures, and other investing and financing activities. The forecast is updated based on activities related to its operations. Selected information is provided to the Board of Directors of the Company. The Company's capital management objectives, policies and processes have remained unchanged during the nine month period ended September 30, 2014. The Company is subject to various covenants on its finance lease obligation (including earnings before interest, taxes, depreciation and amortization to interest expense plus current portion of the finance lease obligation and debt service ratio). The Company was in breach of the debt service ratio as at December 31, 2012 to which the bank provided forbearance and agreed to forbear from enforcing the security until January 31, 2014. The Company remained offside on its covenants as at December 31, 2013 and September 30, 2014. A further forbearance agreement has been signed which expires on March 27, 2015. See note 20 for further details.

5. FAIR VALUE AND FINANCIAL RISK FACTORS

Fair value of financial instruments

The Company has designated its cash and cash equivalents as FVTPL which are measured at fair value. Fair value of cash and cash equivalents is determined based on transaction value and is categorized as a Level one measurement.

- Level One includes quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level Two includes inputs that are observable other than quoted prices included in Level One.
- Level Three includes inputs that are not based on observable market data.

As at September 30, 2014, and December 31, 2013, 2012 and 2011, the carrying and fair value amounts of the Company's receivables, and trade and other payables are approximately equivalent. The fair value of the Company's promissory note receivable approximates its carrying value as the interest rate of prime plus 2% is commensurate with estimated borrowing rates for loans with similar terms and conditions.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents, accounts receivable and promissory note receivable. Cash and cash equivalents consist of cash on hand deposited with reputable financial institutions which is closely monitored by management. Management believes credit risk with respect to financial instruments included in cash and cash equivalents and accounts receivable is minimal. The Company's maximum exposure to credit risk as at September 30, 2014 and December 31, 2013 is the carrying value of receivables and the promissory note receivables.

Liquidity risk

The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at September 30, 2014, the Company had current assets of $759,061 (December 31, 2013 - $978,833; December 31, 2012 - $2,701,123; December 31, 2011 - $2,699,383) to settle current liabilities of $2,499,039 (December 31, 2013 - $3,028,691, December 31, 2012 - $1,287,192; December 31, 2011 - $728,633) resulting in a working capital deficiency of $1,739,978 (December 31, 2013 - $2,049,858; December 31, 2012 – $1,413,931 working capital, December 31, 2011 - $1,970,750 working capital). The Company manages liquidity risk through regular monitoring of forecasted and actual cash flows (see note 1).

5. FAIR VALUE AND FINANCIAL RISK FACTORS (continued)

Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and the prices of commodities and equities.

Interest rate risk

The Company has cash and cash equivalents balances and no interest-bearing debt. The Company's current policy is to invest excess cash in short-term guaranteed investment certificates issued by banks. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its investments. As at September 30, 2014, the Company had cash and cash equivalents of $512,323 (December 31, 2013 - $523,783; December 31, 2012 - $1,692,893; December 31, 2011 - $2,063,459) which includes guaranteed investment certificates of $nil (December 31, 2013 - $nil; December 31, 2012 - $1,536,075; December 31, 2011 - $1,793,948). Interest rate risk on the promissory notes is not considered significant as at September 30, 2014.

Foreign currency risk

The Company's activities are conducted in Canada and the USA. Major purchases are transacted in Canadian and US dollars. Administrative expenditures and cash and cash equivalents balances are primarily transacted in Canadian dollars. The Company has exposure to foreign currency risk. The Company mitigates the risk of foreign currency fluctuations by converting Canadian currency to US dollars when required to fund expenditures.

Sensitivity analysis

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" over the next 12-month period:

(i) Interest rate risk is limited to cash and cash equivalents balances, primarily held in Canadian and US dollars in Canada.

(ii) The Company holds financial assets and liabilities in US dollars that give rise to foreign exchange risk. If the US dollar rose or fell in relation to the Canadian dollar by 5% with all other variables held constant, net loss for the nine month period ended September 30, 2013 would have been less than $10,000 higher/lower.

6. CASH AND CASH EQUIVALENTS

The balance at September 30, 2014 consists of cash on deposit with major Canadian and US banks in general interest bearing accounts totaling $512,323 (December 31, 2013 - $523,783; December 31, 2012 - $156,818; December 31, 2011 - $269,511) and cashable guaranteed investment certificates with major Canadian banks of $nil (December 31, 2013 - $nil; December 31, 2012 - $1,536,075; December 31, 2011 - $1,793,948) for total cash and cash equivalents of $512,323 (December 31, 2013 - $523,783; December 31, 2012 - $1,692,893; December 31, 2011 - $2,063,459).

7. PROMISSORY NOTES RECEIVABLE

The promissory notes receivable balance relates to loans given to shareholders of the Company.

	As at,			
	September 30, 2014	December 31, 2013	December 31, 2012	December 31, 2011
	$	$	$	$
Brent Holdings Inc.	**-**	-	259,163	247,063
World Wide Pants Inc.	**241,927**	233,183	222,079	212,410
	241,927	233,183	481,242	459,473

The promissory notes receivable bear interest at a rate of the greater of (a) prime rate plus 2% and (b) 5% per annum. The promissory notes are secured by shares of Acpana owned by each respective note holder and by personal guarantees given by each of the above two entities.

The promissory notes are repayable at the dates and to the extent provided for in the share pledge agreement entered into between each entity and the Company.

The promissory note receivable from Brent Holdings Inc. was forgiven during the year ended December 31, 2013 and the related expense is included in management salaries (note 13).

Interest income recognized in connection with the promissory notes receivable for the nine month period ended September 30, 2014 was $8,744 (year ended December 31, 2013 - $11,104, 2012 - $21,769, 2011 - $22,278)

8. ACCOUNTS RECEIVABLE

The Company's accounts receivable arise from amounts due from customers and are outstanding as follows:

	As at,			
	September 30, 2014	December 31, 2013	December 31, 2012	December 31, 2011
	$	$	$	$
1 – 30 days	**98,875**	44,792	102,636	27,181
30 – 60 days	**2,364**	12,700	30,373	74,764
60 – 90 days	**3,299**	4,482	40,097	8,004
Over 90 days	**5,131**	22,547	156,302	63,479
Total accounts receivable	**109,669**	84,521	329,408	173,428

At September 30, 2014, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 5. The Company holds no collateral for any receivable amounts outstanding as at September 30, 2014. As at September 30, 2014, receivables past due but not impaired are $8,430 (December 31, 2013 - $27,029, 2012 - $196,399, 2011 - $71,483).

9. TAXES RECEIVABLE

The Company's taxes receivable is comprised of harmonized sales tax ("HST") due from the Canadian government.

At September 30, 2014, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The Company holds no collateral for any receivable amounts outstanding as at September 30, 2014.

10. PROPERTY AND EQUIPMENT

	Computer Servers	Computer Hardware	Computer Leases	Office Furniture & Equipment	Total
	$	$	$	$	$
Cost					
As at December 31, 2011	301,325	689,124	2,344,225	35,150	3,369,824
Additions	-	77,507	464,406	6,326	548,239
As at December 31, 2012	301,325	766,631	2,808,631	41,476	3,918,063
Additions	50,818	-	2,483,240	-	2,534,058
Disposals	-	-	(95,510)	-	(95,510)
As at December 31, 2013	**352,143**	**766,631**	**5,196,361**	**41,476**	**6,356,611**
Additions	33,811	-	-	-	33,811
As at September 30, 2014	**385,954**	**766,631**	**5,196,361**	**41,476**	**6,390,422**
Accumulated depreciation					
As at December 31, 2011	201,158	500,098	1,397,069	15,861	2,114,186
Depreciation	20,033	81,348	209,609	4,450	315,440
As at December 31, 2012	221,191	581,446	1,606,678	20,311	2,429,626
Depreciation	31,647	27,571	566,072	3,598	628,888
Disposals	-	-	14,511	-	14,511
As at December 31, 2013	**252,838**	**609,017**	**2,187,261**	**23,909**	**3,073,025**
Depreciation	18,618	29,719	451,365	2,159	501,861
As at September 30, 2014	**271,456**	**638,736**	**2,638,626**	**26,068**	**3,574,886**
Net Book Value					
As at December 31, 2011	100,167	189,026	947,156	19,289	1,255,638
As at December 31, 2012	80,134	185,185	1,201,953	21,165	1,488,437
As at December 31, 2013	99,305	157,614	3,009,100	17,567	3,283,586
As at September 30, 2014	**114,498**	**127,895**	**2,557,735**	**15,408**	**2,815,536**

11. INTANGIBLE ASSETS

	Software	Trademarks & Patents	Acquired Software	Website	Total
	$	$	$	$	$
Cost					
As at December 31, 2011	802,881	55,310	1,470,000	78,433	2,406,624
Additions	331,647	-	-	-	331,647
As at December 31, 2012	1,134,528	55,310	1,470,000	78,433	2,738,271
Additions	53,377	-	-	-	53,377
Disposals	(60,050)	-	-	-	(60,050)
As at December 31, 2013	**1,127,855**	**55,310**	**1,470,000**	**78,433**	**2,731,598**
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
As at September 30, 2014	**1,127,855**	**55,310**	**1,470,000**	**78,433**	**2,731,598**
Accumulated depreciation					
As at December 31, 2011	302,315	21,501	245,000	55,929	624,745
Amortization	156,059	6,803	290,362	6,872	460,096
Disposals	(6,211)	-	-	-	(6,211)
As at December 31, 2012	452,163	28,304	535,362	62,801	1,078,630
Amortization	222,066	6,803	304,941	4,901	538,711
Disposals	(14,511)	-	-	-	(14,511)
As at December 31, 2013	**659,718**	**35,107**	**840,303**	**67,702**	**1,602,830**
Amortization	121,614	5,102	215,142	2,415	344,273
Disposals	-	-	-	-	-
As at September 30, 2014	**781,332**	**40,209**	**1,055,445**	**70,117**	**1,947,103**
Net Book Value					
As at December 31, 2011	500,566	33,809	1,225,000	22,504	1,781,879
As at December 31, 2012	682,365	27,006	934,638	15,632	1,659,641
As at December 31, 2013	468,137	20,203	629,697	10,731	1,128,768
As at September 30, 2014	**346,523**	**15,101**	**414,555**	**8,316**	**784,495**

12. TRADE AND OTHER PAYABLES

Trade and other payables of the Company are principally comprised of amounts outstanding for trade purchases relating to property and equipment and amounts payable for operating and financing activities. The usual credit period taken for trade purchases is approximately 30 days.

The following is an aged analysis of the trade and other payables:

	As at,			
	September 30, 2014	December 31, 2013	December 31, 2012	December 31, 2011
	$	$	$	$
Less than 1 month	**357,149**	350,365	878,913	511,141
1 - 3 months	**2,260**	88,706	89,980	23,082
Over 3 months	**116,731**	257,464	54	-
Total trade and other payables	**476,140**	696,535	968,947	534,223

13. RELATED PARTIES AND KEY MANAGEMENT

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management includes the following:

	Nine months ended September 30, 2014	Nine months ended September 30, 2013	Year ended December 31, 2013	Year ended December 31, 2012	Year ended December 31, 2011
	$	$	$	$	$
Balances:					
Short-term employee benefits	**323,000**	541,000	663,000	574,000	483,000
Share-based payments – options	-	337,557	337,557	-	-
Total compensation to key management	**323,000**	878,557	1,000,557	574,000	483,000

The Company provided a loan through a promissory note to Tim Jewell through his Company World Wide Pants. As at September 30, 2014, $241,927 (December 31, 2013 - $233,183) is receivable under the promissory note. See note 7 for details. Included in short-term employee benefits for the year ended December 31, 2013 is an expense in the amount of $258,156 related to the forgiveness of a promissory note receivable owed from a member of key management.

14. SHARE CAPITAL

The following details the share capital of Acpana. The share capital of Kinectid is nominal.

a) Authorized: An unlimited number of common shares

An unlimited number of preference shares

b) Issued and outstanding:

	Number of Shares	Amount $
Balance – December 31, 2010	2,451,191	2,214,118
Issued for cash	244,545	1,345,000
Balance – December 31, 2011	2,695,736	3,559,118
Issued for cash upon exercise of options [(i)]	49,999	5,997
Share issued for services	8,333	-
Balance – December 31, 2012, December 31, 2013 and September 30, 2014	**2,754,068**	**3,565,115**

(i) The average fair value of the shares issued through the exercise of options on the date the options were exercised in the nine month period ended September 30, 2014 was $nil (years ended December 31, 2013 - $nil; 2012 - $nil; 2011 - $0.12).

15. STOCK OPTIONS

The Company has a stock option plan (the "Plan") under which the Company may grant options to directors, officers, employees and consultants. The maximum number of common shares reserved for issue under the Plan at any point in time may not exceed 20% of the number of shares issued and outstanding. The purpose of the Plan is to attract, retain and motivate directors, officers, employees, and certain third party service providers by providing them with the opportunity to acquire a proprietary interest in the Company and benefit from its growth. Options granted under the Plan are non-assignable and vest over various terms up to 3 years from the date of grant. As at September 30, 2014, the Company had 325,000 (December 31, 2013 – 224,147; December 31, 2012 – 290,814; December 31, 2011 – 397,823) options available for issuance under the Plan.

15. STOCK OPTIONS (continued)

The continuity of outstanding stock options for the nine month period ended September 30, 2014 and years ended December 31, 2013, 2012 and 2011 is as follows:

	Number of stock options	Weighted average exercise price per share $
Balance – December 31, 2010	246,000	3.09
Granted	68,000	5.50
Balance – December 31, 2011	314,000	3.62
Granted	49,000	5.50
Exercised	(50,000)	0.001
Expired/Cancelled	(54,667)	1.67
Balance – December 31, 2012	**258,333**	**3.91**
Granted	338,667	4.69
Expired/Cancelled	(272,000)	3.97
Balance – December 31, 2013 and September 30, 2014	**325,000**	**4.67**

Share-based payments:

Nine month period ended September 30, 2014

No stock options were granted during the nine month period ended September 30, 2014. Vesting of options issued during the year ended December 31, 2013 resulted in share-based payment expense of $250,000 being recognized for the nine month period ended September 30, 2014.

Year ended December 31, 2013

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the share-based payments for the stock options issued during the year ended December 31, 2013:

Grant date	Prior Year Vesting	March 7, 2013	March 7, 2013	March 13, 2013	May 8, 2013	Total
No. of options		55,000	50,000	215,667	18,000	338,667
Exercise price		$ 5.50	$ 0.001	$ 5.50	$ 5.50	
Expected life in years		5	5	5	5	
Volatility		79%	79%	79%	79%	
Risk-free interest rate		1.34%	1.34%	1.37%	1.27%	
Dividend yield		-	-	-	-	
Vesting		1/3 every year for 3 years	1/3 every year for 3 years	1/3 every year for 3 years	1/3 every year for 3 years	
Fair value of options granted		$ 193,000	$ 275,000	$ 755,000	$ 63,000	$1,286,000
Share-based payments recognized in profit or loss	$ 27,000	$ -	$ 62,500	$ 364,000	$ -	$ 426,500

15. STOCK OPTIONS (continued)

The following table summarizes the assumptions used with the Black-Scholes valuation model for the determination of the share-based payments for the stock options issued during the year ended December 31, 2012:

Grant date	January 3, 2012	Total
No. of options	49,000	49,000
Exercise price	$ 5.50	
Expected life in years	6	
Volatility	25%	
Risk-free interest rate	1.20%	
Dividend yield	-	
Vesting	1/3 every year for 3 years	
Fair value of options granted	$ 72,308	$ 72,308
Share-based payments	$ 72,308	$ 72,308

The weighted average grant date fair value of options granted during the nine month period ended September 30, 2014 was $nil (year ended December 31, 2013 - $1.97; year ended December 31, 2012 – $1.48; year ended December 31, 2011 - $1.62) per option issued.

The following table provides additional information about outstanding stock options at September 30, 2014:

	Number of Options Outstanding	Weighted Average Remaining Life (Years)	Weighted Average Exercise Price	No. of Options Currently Exercisable	Weighted Average Exercise Price – Exercisable Options
$ 0.001 - $1.50	50,000	2.69	$ 0.75	50,000	$ 0.75
$ 3.50	16,000	0.48	$ 3.50	16,000	$ 3.50
$ 5.50	259,000	4.15	$ 5.50	100,778	$ 5.50
$ 0.001 - 5.50	325,000	3.75	$ 4.67	166,778	$ 4.67

16. RESERVE FOR SHARE-BASED PAYMENTS

A summary of the changes in the Company's reserve for share-based payments for the nine month period ended September 30, 2014 and the years ended December 31, 2013, 2012 and 2011 is set out below:

	Amount $
Balance – December 31, 2010	127,037
Share-based payments	38,276
Balance – December 31, 2011	165,313
Share-based payments	61,159
Transfer to share capital	(5,947)
Balance – December 31, 2012	**220,525**
Share-based payments	**453,500**
Balance – December 31, 2013	**674,025**
Share-based payments	**250,000**
Balance – September 30, 2014	**924,025**

17. RESERVE FOR WARRANTS

The following table reflects the continuity of warrants for the nine month period ended September 30, 2014:

	Number of Warrants	Amount $
Balance – December 31, 2013	-	-
Compensation warrants issued	149,803	621,000
Balance – September 30, 2014	**149,803**	**621,000**

On July 18, 2014 the Company issued 149,803 share purchase warrants to a company for services provided. Each warrant entitles the holder to acquire a common share of Acpana at a price of $1.67. These warrants expire on December 2, 2016.

The warrants have a fair value of $621,000, which was estimated using the Black-Scholes option pricing model and the following assumptions:

Risk-free interest rate	1.04%
Dividend yield	nil
Expected volatility	79%
Expected life	28 months

17. RESERVE FOR WARRANTS (continued)

Warrants to purchase common shares carry exercise prices and terms to maturity as follows:

	Exercise Price $	Number of outstanding exercisable warrants	Expiry date
Warrants	1.67	149,803	December 2, 2016

18. COMMITMENTS AND CONTINGENCIES

As at September 30, 2014 the Company has future minimum lease payments for office premises of $7,622 (December 31, 2013 - $12,033; 2012 - $91,107; 2011- $91,107). The current office lease agreement expires in 2014.

19. PRODUCT DEVELOPMENT COSTS

Costs associated with the development of new products and processes are expensed as incurred unless capitalization is required under IAS 38. The related investment tax credits reduce the costs with which they are associated, salaries and wages, in the years these credits are recorded in the combined statement of loss and comprehensive loss. In 2013, $179,000 was recognized (2012 - $218,000, 2011 - $282,000). The Company has $170,000 (2012 - $144,000) of unused investment tax credits available for use in future years; these investment tax credits have not been recognized on the combined statement of financial position at year-end as the Company utilizes the taxes payable method.

	As at,			
	September 30, 2014	December 31, 2013	December 31, 2012	December 31, 2011
	$	$	$	$
Investment tax credits receivable	**90,000**	236,384	499,404	281,886

20. FINANCE LEASE OBLIGATIONS

The Company leases certain computer hardware under finance leases. The future minimum lease payments under finance leases as at September 30, 2014 and December 31, 2013, 2012 and 2011 are as follows:

	September 30, 2014	December 31, 2013	December 31, 2012	December 31, 2011
Total minimum lease payments	**$ 2,262,608**	$ 2,877,603	$ 552,533	$ 325,125
Less: amount representing interest	**(180,881)**	(251,241)	(19,033)	(47,347)
Capital lease obligation	**2,081,727**	2,626,362	533,500	277,778
Less: current portion	**(607,662)**	(706,885)	(242,844)	(136,130)
Less: long term portion due on demand	**(1,338,425)**	(1,621,035)	-	-
	$ 135,640	$ 298,442	$ 290,656	$ 141,648

As at September 30, 2014, future minimum lease payments by year, and in the aggregate, are as follows:

2014	183,848
2015	655,598
2016	537,576
2017	442,793
2018	442,793
Totals	$ 2,262,608

The finance leases are for computer hardware and are issued at a rate of interest of between 2.25% and 4.75% and mature between 2014 and 2018. During the nine month period ended September 30, 2014 $114,341 (year ended December 31, 2013 - $16,936; year ended December 31, 2012 - $nil) of interest from finance leases was charged to operations.

Of the total finance lease obligation outstanding, $1,983,625 is held under a credit facility with the Bank of Nova Scotia. On October 30, 2013 the Company was notified by the bank that it was in default of its debt service ratio covenant. Effective December 13, 2013 the Company and the bank entered into a forbearance agreement whereby it was agreed all amounts due under the credit facility are repayable on demand. As a result, the long-term portion of the finance lease obligation has been presented in current liabilities.

21. INCOME TAXES

The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 15.5% (2012 - 15.5% 2011 – 15.5%) to the effective tax rate is as follows:

	2013	2012	2011
Net loss before recovery of income taxes	**$ 2,908,858**	$ 634,706	$ 74,887
Expected income tax recovery	**$ (416,460)**	$ (98,380)	$ (11,610)
Tax rate changes and other adjustments	**(93,740)**	(69,820)	(7,110)
Non-deductible expenses	**38,410**	19,040	7,920
Change in tax benefits not recognized	**471,790**	149,160	10,800
Income tax (recovery) expense	**$ -**	$ -	$ -

Deferred tax

The following table summarizes the components of deferred tax:

	2013	2012	2011
Deferred tax assets			
Finance lease obligation	**$ 623,020**	$ 19,120	$ 2,660
Deferred tax liabilities			
Property and equipment	**(623,020)**	(19,120)	(2,660)
Net deferred tax assets	**$ -**	$ -	$ -

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

	2013	2012	2011
Capital lease obligation	**$ 275,360**	$ 461,350	$ 267,140
SR&ED pool	**-**	4,410	-
Non-capital losses carried forward	**1,766,450**	354,120	23,880
Net capital losses carried forward	**263,000**	-	-
Transitional tax credit	**18,040**	13,690	9,350
Ontario research and development tax credit	**50,460**	50,460	31,920
Corporate minimum tax credit	**46,720**	46,720	-
SR&ED credits	**169,880**	169,880	169,880

21. INCOME TAXES (continued)

Unrecognized deferred tax assets (continued)

The Canadian non-capital loss carry forwards expire as noted in the table below.

The net capital loss carry forward may be carried forward indefinitely, but can only be used to reduce capital gains.

The remaining deductible temporary differences may be carried forward indefinitely.

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company's Canadian non-capital income tax losses expire as follows:

2031	$ 23,880
2032	330,240
2033	1,822,370
	$ 2,176,490

22. EVENTS AFTER THE REPORTING PERIOD

The Company and the bank entered into an extension of the original forbearance agreement effective November 28, 2014. The amending agreement expires on March 27, 2015.

On November 17, 2014 Acpana entered into an amalgamation agreement with Coltrane Technologies Inc. ("Coltrane") pursuant to which the parties intend to complete a business combination by way of a three-cornered amalgamation (the "Amalgamation"). Pursuant to the terms of the Amalgamation Agreement, each shareholder of Acpana and a subsidiary of Coltrane ("Coltrane Subco") will be entitled to receive one common share (a "Coltrane Share") of Coltrane for every one common share of Acpana or common share of Coltrane Subco, as applicable, held by such shareholder. In addition, each holder of a stock option or warrant of Acpana and each holder of a warrant or a broker warrant of Coltrane Subco will receive an equal number replacement stock options ("Coltrane Options"), warrants ("Coltrane Warrants") and broker warrants ("Coltrane Broker Warrants") of Coltrane, as applicable. Prior to the Amalgamation, Coltrane Subco will complete a series of private placements (collectively, the "Private Placements") resulting in the issuance of up to 5,500,000 units of Coltrane Subco (the "Units") for gross proceeds of up to $1,230,000. Each Unit will be comprised of one common share (a "Subco Share") and one Subco Share purchase warrant (a "Subco Warrant"), each Subco Warrant will entitle the holder thereof to acquire a Subco Share at a price of $0.30 or $0.50, as applicable, per share for a period of eighteen (18) months from the date of issuance. In addition, Coltrane Subco will pay a commission to each eligible person equal to 8% of the gross proceeds of the Private Placements and issue broker warrants ("Subco Broker Warrants") equal to 8% of the Units issued pursuant to the Private Placements. Each Subco Broker Warrant will entitle the holder to acquire one Unit for a period of eighteen months following the listing of the Coltrane Shares on a recognized stock exchange.

23. RECLASSIFICATION OF PRIOR PERIOD AMOUNTS

Certain of the comparative figures have been reclassified to conform to the presentation adopted in the current period.

SCHEDULE "B"
AUDITED FINANCIAL STATEMENTS OF COLTRANE FOR THE PERIOD FROM INCORPORATION TO DECEMBER 31, 2014

COLTRANE TECHNOLOGIES INC.

Financial Statements

For the Period September 16, 2014 *(date of incorporation)* to December 31, 2014

MNP LLP

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Coltrane Technologies Inc.

We have audited the accompanying financial statements of Coltrane Technologies Inc., which comprise the statement of financial position as at December 31, 2014, and the statements of loss and comprehensive loss, changes in deficiency, and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Coltrane Technologies Inc. as at December 31, 2014, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
March 23, 2015

ACCOUNTING › CONSULTING › TAX
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COLTRANE TECHNOLOGIES INC.

Statements of Financial Position
(expressed in Canadian dollars)

		December 31, 2014
Assets		
Current		
Cash	$	450
		450
Intangible asset (Note 4)		1
	$	451
Liabilities and Shareholders' Deficiency		
Liabilities		
Current		
Accounts payable and accrued liabilities	$	2,000
		2,000
Shareholders' deficiency		
Capital stock (Note 5)		451
Deficit		(2,000)
		(1,549)
	$	451

Nature of Operations and Going Concern (Note 1)

Approved on behalf of the board.

Signed "Chris Irwin"

See accompanying notes to the financial statements

COLTRANE TECHNOLOGIES INC.

Statements of Loss and Comprehensive Loss

(expressed in Canadian dollars)

		For the period September 16, 2014 *(date of incorporation) to December* 31, 2014
Expenses		
Professional fees	$	2,000
Net loss and comprehensive loss for the period	$	(2,000)
Loss per share		
Basic and fully diluted		(0.008)
Weighted average number of common shares outstanding		
Basic and fully diluted		251,579

See accompanying notes to the financial statements

COLTRANE TECHNOLOGIES INC.

Statements of Changes in Deficiency

(expressed in Canadian dollars)

Share Capital		
Balance, September 16, 2014 *(date of incorporation)*	$	-
Founder shares issued		450
Issued pursuant to plan of arrangement (Note 4)		1
Balance, December 31, 2014	$	451
Deficit		
Balance, September 16, 2014 *(date of incorporation)*	$	-
Net loss		(2,000)
Balance December 31, 2014		(2,000)
Total shareholders' deficiency	$	(1,549)

See accompanying notes to the financial statements

COLTRANE TECHNOLOGIES INC.

Statements of Cash Flows

(expressed in Canadian dollars)

For the period September 16, 2014 *(date of incorporation)* to December 31,		**2014**
Cash flows provided by (used in) Operations:		
Net loss for the period	$	**(2,000)**
Net changes in non-cash working capital:		
Accounts payable and accrued liabilities		**2,000**
		-
Cash flows provided by Financing Activities:		
Issuance of share capital		**451**
		451
Net change in cash		**451**
Cash, beginning of period		-
Cash, end of period	$	**451**

See accompanying notes to the financial statements

1. NATURE OF OPERATIONS AND GOING CONCERN

Coltrane Technologies Inc. ("Coltrane" or the "Company") was incorporated in the province of British Columbia on September 16, 2014. The Company's head office is located at 925 W. Georgia Street, Suite 1820, Vancouver, British Columbia, V6C 3L2. The Company's principal business is the licensing of its wireless network booster products.

As at December 31, 2014, the Company had a working capital deficiency of $1,550, had not yet achieved profitable operations, had accumulated losses of $2,000 and expects to incur further losses in the development of its business, all of which casts doubt upon the Company's ability to continue as a going concern. The application of the going concern assumption is dependent upon the Company's ability to generate future profitable operations and obtain necessary financing to do so.

Management believes the Company will be able to acquire sufficient funds to cover planned operations throughout the next twelve month period by securing additional financing through the issue of new equity, among other things. See note

These financial statements have been prepared on the basis of accounting principles applicable to a "going concern", which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

Management believes the going concern assumption to be appropriate for these financial statements. If the going concern assumption was not appropriate, adjustments might be necessary to the carrying value of the assets and liabilities, reported revenues and expenses, and the statement of financial position classifications used in the financial statements.

The financial statements of the Company for period from September 16, 2014 *(date of incorporation)* to December 31, 2014 were reviewed and approved by the Board of Directors on March 23, 2015.

2. BASIS OF PRESENTATION

2.1 Statement of compliance

The Company's Financial Statements, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with the International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2014.

2.2 Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value.

The financial statements are presented in Canadian dollars, which is also the Company's functional currency, unless otherwise indicated.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2. BASIS OF PRESENTATION (continued)

2.3 Recent accounting pronouncements

New Accounting Pronouncements
Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2015 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 9 – Financial Instruments ("IFRS 9") was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity's own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 15 – Revenue from Contracts with Customers ("IFRS 15"). In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 must be applied in an entity's first annual IFRS financial statements for periods beginning on or after January 1, 2017. Application of the standard is mandatory and early adoption is permitted. The Company has not yet determined the impact of the amendments on the Company's financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

Product Development
Product development costs are expensed as incurred, unless the criteria for capitalization IFRS are complied with. To date, the Company has not deferred any product development costs, as all of the criteria required have not been met.

Stock-based compensation
Stock options and warrants awarded to non-employees are measured based on the fair value of the goods and services received, unless the fair value cannot be reliably estimated. Stock options and warrants awarded to employees are accounted for using the fair value method. The fair value of such stock options and warrants granted is recognized as an expense on a proportionate basis consistent with the vesting features of each tranche of the grant. The fair value is calculated using the Black-Scholes option pricing model with assumptions applicable at the date of grant.

3. SIGNIFICANT ACCOUNTING POLICIES, (continued)

Loss per share
Basic loss per share is based on the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by dividing net loss by the weighted average number of common shares outstanding during the year after giving effect to potentially dilutive financial instruments. This reflects the potential dilution of common share equivalents, such as outstanding share options.

Financial Instruments
Financial instruments are required to be classified as one of the following: held-to-maturity; loans and receivables, fair value through profit or loss; available-for-sale or other financial liabilities.

The Company's financial instruments include cash and accounts payable and accrued liabilities. The Company designated its cash as fair value through profit or loss and its accounts payable and accrued liabilities as other financial liabilities.

Fair value through profit or loss financial assets are measured at fair value with gains and losses recognized in operations. Loans and receivables and other financial liabilities are measured at amortized cost.

Fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, the fair value of a financial instrument that is quoted in active markets is based on the bid price for a financial asset held and the offer price for a financial liability. When an independent price is not available, fair value is determined by using a valuation which refers to observable market data. Such a valuation technique includes comparisons with a similar financial instrument where an observable market price, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants exist. If no reliable estimate can be made, the Company is permitted to measure the financial instrument at cost less impairment as a last resort.

Functional and Presentation Currency
The functional and presentation currency of the Company and its subsidiary is the Canadian dollar.

4. INTANGIBLE ASSET

On November 13, 2014, Airesurf Networks Holdings Inc. ("Airesurf") and Coltrane completed a statutory arrangement under a plan of arrangement (the "Arrangement"). As a result of completing the Arrangement, Coltrane became a reporting issuer in Alberta.

On October 23, 2014, Airesurf and Coltrane entered into an Arrangement Agreement and Plan of Arrangement (the "Arrangement Agreement"). Completion of the Arrangement as set forth in the Arrangement Agreement was approved by unanimous consent resolutions of the shareholders of Coltrane and a final order granted by the Supreme Court of British Columbia on November 7, 2014 in accordance with Part 9 of the *Business Corporations Act* (British Columbia).

Pursuant to the Arrangement, the following principal steps were completed on November 13, 2014:

(a) Coltrane issued Airesurf 1,000,000 shares in Coltrane to Airesurf (the "Purchase Shares");
(b) Airesurf was added to the central securities register of Coltrane in respect of the purchase shares; and
(c) The Airesurf licensed Coltrane an interest in technology related to its wireless local area network (WLAN) amplifier.

5. CAPITAL STOCK

(a) Authorized

Unlimited number of common shares

(b) Issued - Common shares

	Number		Amount
Balance, September 16, 2014 *(date of incorporation)*	-	$	-
Founder shares issued	19,000		450
Issued pursuant to plan of arrangement (Note 4)	1,000,000		1
Balance, December 31, 2014	1,019,000	$	451

6. CAPITAL MANAGEMENT

In the management of capital, the Company includes shareholders' deficiency and cash. The Company's objective in managing capital is to ensure that financial flexibility is present to increase shareholder value through the development of its wireless network booster; to maintain a good capital base so as to maintain investor and creditor confidence and to sustain future development of the business and to safeguard the Company's ability to obtain financing when the need arises.

In maintaining its capital, the Company has a strict investment policy which includes investing any surplus capital only in highly liquid, highly rated financial instruments.

The Company reviews its capital management approach on an ongoing basis. There were no changes in the Company's approach to capital management during the period.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

(a) Fair value

The fair value of financial assets and liabilities together with the carrying amounts in the balance sheets are as follows:

The Company has classified financial assets and liabilities as follows:

		December 31, 2014
Fair value through profit or loss, measured at fair value:		
Cash	$	450
Other liabilities, measured at amortized cost:		
Accounts payable and accrued liabilities		2,000

The fair value of the Company's financial assets and liabilities approximates their respective carrying values as at the balance sheet dates because of the short term maturity of these instruments. The fair value of the financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT, (continued)

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 - valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities.
Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly.
Level 3 - valuation techniques based on inputs for the asset or liability that are not based on observable market data.

The fair value of cash is measured based on Level 1 inputs referred to in the three levels of the hierarchy noted above. The Company does not have any Level 2 or Level 3 fair value measurements and thus no continuity schedule has been presented. In addition, there have been no significant transfers between levels.

(b) Risk management policies
The Company is exposed to risks of varying degrees of significance which could affect its ability to achieve its strategic objectives for growth and in maximizing shareholders' returns. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to market conditions and the Company's activities.

Market risk
Market risk is the risk that the fair value of, or future cash flows from, the Company's financial instruments will significantly fluctuate due to changes in market prices. The value of the financial instruments can be affected by changes in interest rates, foreign exchange rates, and equity prices. The Company is not exposed to this risk as it does not hold financial instruments at fair value, other than bank indebtedness.

Credit risk
Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash and accounts receivable. The carrying amount of financial assets represents the maximum credit exposure to the Company.

Liquidity risk
Liquidity risk is the risk that the Company is not able to meet its financial obligations as they become due. The Company has no income and relies on equity financing to support operations and product development. The Company does not have sufficient capital to pay its liabilities and fund its operations over the next twelve months and will need to obtain external financing.

8. SUBSEQUENT EVENT

On November 24, 2014, Coltrane, Acpana Business Systems Inc. ("Acpana"), operating as Data Deposit Box, and 2441043 Ontario Inc., entered into an amalgamation agreement (the "Amalgamation Agreement") dated as of November 17, 2014, pursuant to which the parties intend to complete a business combination by way of a three-cornered amalgamation (the "Amalgamation") under the *Business Corporations Act* (Ontario).

Pursuant to the terms of the Amalgamation Agreement, each shareholder of Acpana and 2441043 Ontario Inc will be entitled to receive one (1) common share (a "Coltrane Share") of Coltrane for every one (1) common share of Acpana or common share of 2441043 Ontario Inc , as applicable, held by such shareholder. In addition, each holder of a stock option or warrant of Acpana and each holder a warrant or a broker warrant of 2441043 Ontario Inc. will receive an equal number replacement stock options ("Coltrane Options"), warrants ("Coltrane Warrants") and broker warrants ("Coltrane Broker Warrants") of Coltrane, as applicable.

Private Placements
Prior to the Amalgamation, 2441043 Ontario Inc. will complete a series of private placements (collectively, the "Private Placements") resulting in the issuance of up to 5,500,000 units of 2441043 Ontario Inc. (the "Units") for gross proceeds of up to $1,230,000. Each Unit will be comprised of one common share (a "Subco Share") and one Subco Share purchase warrant (a "Subco Warrant"), each Subco Warrant will entitle the holder thereof to acquire a Subco Share at a price of $0.30 or $0.50, as applicable, per share for a period of eighteen (18) months from the date of issuance. In addition, 2441043 Ontario Inc. will pay a commission to eligible person equal to 8% of the gross proceeds of the Private Placements and issue broker warrants ("Subco Broker Warrants") equal to 8% of the Units issued pursuant to the Private Placements.

Each Subco Broker Warrant will entitle the holder to acquire one Unit for a period of eighteen (18) months following the listing of the Coltrane Shares on a recognized stock exchange.

The Amalgamation and the Subdivision must be approved by two-thirds of the votes cast by shareholders present and voting at the special meeting of Acpana shareholders to be held on November 28, 2014. The board of directors of each of the companies have approved the Amalgamation and the board of directors of Acpana has unanimously resolved to recommend that its shareholders vote their securities in favour of the Amalgamation and the Subdivision.

Resulting Capitalization
After completion of the Amalgamation, assuming completion of the Private Placement and the Subdivision, an aggregate of 23,043,408 Coltrane Shares will be issued and outstanding with former shareholders of Acpana holding 16,524,408 Coltrane Shares, representing approximately 71.7% of the then outstanding Coltrane Shares, former shareholders of 2441043 Ontario Inc. holding approximately 5,500,000 Coltrane Shares, representing approximately 23.8% of the then outstanding Coltrane Shares and the original shareholders of Coltrane holding 1,019,000 Coltrane Shares, representing approximately 4.4% of the then outstanding Coltrane Shares.

The transaction closed on March 18, 2015.

SCHEDULE "C"
AUDITED FINANCIAL STATEMENTS OF SUBCO FOR THE PERIOD FROM INCORPORATION TO DECEMBER 31, 2014

2441043 Ontario Inc.

Financial Statements

For the period from November 6, 2014 *(date of incorporation)* to December 31, 2014

MNP LLP

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of 2441043 Ontario Inc.

We have audited the accompanying financial statements of 2441043 Ontario Inc., which comprise the statement of financial position as at December 31, 2014, and the statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of 2441043 Ontario Inc. as at December 31, 2014, and its financial performance and its cash flows for the period then ended in accordance with International Financial Reporting Standards.

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

Mississauga, Ontario
March 23, 2015

ACCOUNTING › CONSULTING › TAX
50 BURNHAMTHORPE ROAD WEST, SUITE 900, MISSISSAUGA ON, L5B 3C2
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MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying financial statements of 2441043 Ontario Inc., are the responsibility of the management and Board of Directors of the Company.

The financial statements have been prepared by management, on behalf of the Board of Directors, in accordance with the accounting policies disclosed in the notes to the financial statements. Where necessary, management has made informed judgments and estimates in accounting for transactions which were not complete at the end of the reporting period. In the opinion of management, the financial statements have been prepared within acceptable limits of materiality and are in accordance with International Financial Reporting Standards using accounting policies consistent with International Financial Reporting Standards appropriate in the circumstances.

Management has established systems of internal control over the financial reporting process, which are designed to provide reasonable assurance that relevant and reliable financial information is produced.

The Board of Directors is responsible for reviewing and approving the financial statements together with other financial information of the Company and for ensuring that management fulfills its financial reporting responsibilities. An Audit Committee assists the Board of Directors in fulfilling this responsibility. The Audit Committee meets with management to review the financial reporting process and the financial statements together with other financial information of the Company. The Audit Committee reports its findings to the Board of Directors for its consideration in approving the financial statements together with other financial information of the Company for issuance to the shareholders.

Management recognizes its responsibility for conducting the Company's affairs in compliance with established financial standards, and applicable laws and regulations, and for maintaining proper standards of conduct for its activities.

"Chris Irwin", President and CEO
Chris Irwin

"Brian Murray", CFO
Brian Murray

2441043 Ontario Inc.

Statement of Financial Position
(Expressed in Canadian Dollars)

As at December 31,	2014
Assets	
Current	
Cash *(Note 5)*	$ 1,056,309
HST receivable *(Note 6)*	6,674
	$ 1,062,983
Liabilities	
Current	
Accounts payable and accrued liabilities *(Notes 4 and 11)*	$ 27,565
	27,565
Shareholders' Equity	
Share Capital *(Note 7)*	785,792
Shares to be issued *(Note 7)*	27,000
Reserve for warrants *(Note 8)*	279,000
Accumulated Deficit	(56,374)
	1,035,418
	$ 1,062,983

Nature of Operations (Note 1)

Events after the reporting period (Note 13)

Approved on behalf of the Board:

"Chris Irwin" Director

The accompanying notes are an integral part of these financial statements

2441043 Ontario Inc.

Statement of Loss and Comprehensive Loss
(Expressed in Canadian Dollars)

		For the period from November 6, 2014 *(date of incorporation)* to December 31, 2014
Administrative expenses		
Consulting	$	51,342
Professional fees		5,000
Office and general		32
Net loss and comprehensive loss	**$**	**(56,374)**
Loss per share - basic and diluted	**$**	**0.07**
Weighted average number of shares outstanding		**784,081**

The accompanying notes are an integral part of these financial statements

2441043 Ontario Inc.

Statement of Changes in Shareholders' Equity
(Expressed in Canadian Dollars)

	Share Capital					
	Number of Shares	Amount	Shares to be issued	Reserve for warrants	Accumulated Deficit	Total
Balance at November 6, 2014 *(date of incorporation)*	-	$ -	$ -	$ -	$ -	$ -
Founder shares issued	1,500,000	30,000	-	-	-	30,000
Private placements	3,615,066	1,084,520	-	-	-	1,084,520
Proceeds received for shares to be issued	-	-	27,000	-	-	27,000
Warrants issued on private placement	-	(257,000)	-	257,000	-	-
Broker warrants issued on private placement	-	(22,000)	-	22,000	-	-
Share issue costs	-	(49,728)	-	-	-	(49,728)
Net loss and comprehensive loss for the period	-	-	-	-	(56,374)	(56,374)
Balance at December 31, 2014	5,115,066	$ 785,792	$ 27,000	$ 279,000	$ (56,374)	$ 1,035,418

The accompanying notes are an integral part of these financial statements

2441043 Ontario Inc.

Statement of Cash Flow
(Expressed in Canadian Dollars)

		For the period from November 6, 2014 *(date of incorporation)* to December 31, 2014
OPERATING ACTIVITIES		
Net loss	$	(56,374)
Net changes in non-cash working capital :		
HST receivable		(6,674)
Accounts payable and accrued liabilities		27,565
Cash Flow Used in Operating Activities		(35,483)
FINANCING ACTIVITIES		
Issuance of share capital, net of issue costs		1,064,792
Proceeds received for shares to be issued		27,000
Cash Flow From Financing Activities		1,091,792
Net increase in cash		1,056,309
Cash at beginning of period		-
Cash at end of period	$	1,056,309

The accompanying notes are an integral part of these financial statements

1. Nature of Operations

2441043 Ontario Inc. (the "Company") was incorporated under the laws of the Province of Ontario, Canada on November 6, 2014. The Company's principal business is developing cloud based data back-up systems. The Company's head office is located at 400 – 365 Bay Street, Toronto, Ontario, M5H 2V1.

At December 31, 2014 the Company had working capital of $1,035,418, had not yet achieved profitable operations, and has accumulated losses of $56,374.

On November 24, 2014, Coltrane, Acpana Business Systems Inc. ("Acpana"), operating as Data Deposit Box, and 2441043 Ontario Inc., a wholly-owned subsidiary of Coltrane, entered into an amalgamation agreement (the "Amalgamation Agreement") dated as of November 17, 2014, pursuant to which the parties intend to complete a business combination by way of a three-cornered amalgamation (the "Amalgamation") under the *Business Corporations Act* (Ontario).

In connection with the transaction, the Company expects to close further tranches of its private placement, see notes 7 and 13.

2. Basis of Presentation

2.1 Statement of compliance

The Company's financial statements have been prepared in accordance with and using accounting policies in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and Interpretations of the IFRS Interpretations Committee ("IFRIC"), effective for the Company's reporting for the year ended December 31, 2014.

These financial statements were authorized by the Board of Directors of the Company on March 23, 2015.

2.2 Basis of presentation

These financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value.

The financial statements are presented in Canadian dollars, which is also the Company's functional currency, unless otherwise indicated.

The preparation of financial statements in compliance with IFRS requires management to make certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2. Basis of Presentation (continued)

2.3 Adoption of new and revised standards and interpretations

New standards and interpretations to be adopted in future

At the date of authorization of these financial statements, the IASB and IFRIC have issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods and which the Company has not early adopted. However, the Company is currently assessing what impact the application of these standards or amendments will have on the financial statements of the Company.

- IFRS 9 *'Financial Instruments: Classification and Measurement'* – as issued in 2010, reflects the first phase of the IASB's work on the replacement of International Accounting Standard 39, Financial Instruments: Recognition and Measurement ("IAS 39") and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. In subsequent phases, the IASB is addressing impairment of financial assets. In November 2013, IFRS 9 was amended to include new requirements for hedge accounting and the effective date and transition provisions were amended to remove the mandatory effective date of IFRS 9. Entities may still choose to apply IFRS 9 immediately, but are not required to do so. The Company has not yet determined the impact of the amendments on the Company's financial statements.

- IFRS 15 – Revenue from Contracts with Customers ("IFRS 15"). In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers. IFRS 15 specifies how and when to recognize revenue as well as requiring entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18, Revenue, IAS 11, Construction Contracts, and a number of revenue-related interpretations. Application of the standard is mandatory for all IFRS reporters and it applies to nearly all contracts with customers: the main exceptions are leases, financial instruments and insurance contracts. IFRS 15 must be applied in an entity's first annual IFRS financial statements for periods beginning on or after January 1, 2017. Application of the standard is mandatory and early adoption is permitted. The Company has not yet determined the impact of the amendments on the Company's financial statements.

3. Summary of Significant Accounting Policies

3.1 Share based payments

Share based payment transactions
Employees (including directors and senior executives) of the Company receive a portion of their remuneration in the form of share-based payment transactions, whereby they render services as consideration for equity instruments ("equity-settled transactions").

In situations where equity instruments are issued to non-employees and some or all of the goods or services received by the entity as consideration cannot be specifically identified, they are measured at fair value of the share-based payment.

Equity settled transactions
The costs of equity-settled transactions with employees are measured by reference to the fair value at the date on which they are granted.

The costs of equity-settled transactions are recognized, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("the vesting date"). The cumulative cost is recognized for equity-settled transactions at each reporting date until the vesting date reflects the Company's best estimate of the number of equity instruments that will ultimately vest. The profit or loss charge or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and the corresponding amount is represented in share option reserve.

No expense is recognized for awards that do not ultimately vest.

Where the terms of an equity-settled award are modified, the minimum expense recognized is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification.

The dilutive effect of outstanding options, if any, is reflected as additional dilution in the computation of earnings per share.

3.2 Loss per share

The basic loss per share is computed by dividing the net loss by the weighted average number of common shares outstanding during the period. The diluted loss per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. The "treasury stock method" is used for the assumed proceeds upon the exercise of the options and warrants that are used to purchase common shares at the average market price during the year.

3. Summary of Significant Accounting Policies (continued)

3.3 Taxation

Income tax expense represents the sum of tax currently payable and deferred tax.

Current income tax
Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Deferred income tax
Deferred income tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax liabilities are recognized for all taxable temporary differences, except:

- where the deferred income tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized except:

- where the deferred income tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred income tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred income tax assets are reassessed at the end of each reporting period and are recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of the reporting period.

3. Summary of Significant Accounting Policies (continued)

3.3 Taxation (continued)

Deferred income tax (continued)
Deferred income tax relating to items recognized directly in equity is recognized in equity and not in profit or loss.

Deferred income tax assets and deferred income tax liabilities are offset if, and only if, a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend to either settle current tax liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be settled or recovered.

3.5 Financial assets

All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans-and-receivables or at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized through earnings. The Company's cash is classified as FVTPL.

Financial assets classified as loans-and-receivables and held-to-maturity are measured at amortized cost. The Company's trade and other receivables are classified as loans-and-receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary. At December 31, 2014 the Company has not classified any financial assets as available-for-sale.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognized on the settlement date.

Transactions costs associated with FVTPL financial assets are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

3.6 Financial liabilities

All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other-financial-liabilities.

Financial liabilities classified as other-financial-liabilities are initially recognized at fair value less directly attributable transaction costs. After initial recognition, other-financial-liabilities are subsequently measured at amortized cost using the effective interest method. The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the instrument, or, where appropriate, a shorter period. The Company's trade and other payables are classified as other-financial-liabilities.

Financial liabilities classified as FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as FVTPL. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Fair value changes on financial liabilities classified as FVTPL are recognized through profit or loss. At December 31, 2014 the Company has not classified any financial liabilities as FVTPL.

3. Summary of Significant Accounting Policies (continued)

3.7 Impairment of financial assets

The Company assesses at the end of each reporting period whether a financial asset is impaired.

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

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

In relation to trade receivables, a provision for impairment is made and an impairment loss is recognized in profit and loss when there is objective evidence (such as the probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired debts are written off against the allowance account when they are assessed as uncollectible.

Available-for-sale
If an available-for-sale asset is impaired, an amount comprising the difference between its cost and its current fair value, less any impairment loss previously recognized in profit or loss, is transferred from equity to profit or loss. Reversals in respect of equity instruments classified as available-for-sale are not recognized in profit or loss.

3.8 Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in profit or loss and the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount.

3. Summary of Significant Accounting Policies (continued)

3.9 Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) that has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risk specific to the obligation. The increase in the provision due to passage of time is recognized as interest expense.

3.10 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties. Related party transactions that are in the normal course of business and have commercial substance are measured at the exchange amount.

3.11 Significant accounting judgments and estimates

The preparation of these financial statements requires management to make judgments and estimates and form assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. On an ongoing basis, management evaluates its judgments and estimates in relation to assets, liabilities, revenue and expenses. Management uses historical experience and various other factors it believes to be reasonable under the given circumstances as the basis for its judgments and estimates. Actual outcomes may differ from these estimates under different assumptions and conditions.

4. Related Parties and Key Management

Key management includes the Company's directors, officers and any employees with authority and responsibility for planning, directing and controlling the activities of an entity, directly or indirectly. Compensation awarded to key management includes the following:

Period from November 6, 2014 *(dated of incorporation)* to December 31,		**2014**
Legal fees – share issue costs	**$**	**12,000**
Total compensation to key management	**$**	**12,000**

At December 31, 2014, included in trade and other payables are $12,000 due to legal fees charged by a law firm.

5. Cash and Cash equivalents

The balance at December 31, 2014 consists of cash on deposit with a major Canadian bank in general interest bearing accounts totaling $725,309 and cash held in trust with the Company's lawyer totaling $331,000, for total cash and cash equivalents of $1,056,309.

6. HST Receivable

The Company's HST receivable arises from harmonized sales tax ("HST") due from the Canadian government. The value is as follows:

	As at, December 31, 2014 $
HST receivable	**6,674**
Total HST receivable	**6,674**

At December 31, 2014, the Company anticipates full recovery of these amounts and therefore no impairment has been recorded against these receivables. The credit risk on the receivables has been further discussed in Note 10. The Company holds no collateral for any receivable amounts outstanding as at December 31, 2014.

7. Share Capital

The Company is authorized to issue an unlimited number of common shares. The issued and outstanding common shares consist of the following:

	Number	Amount ($)
Balance at November 6, 2014 (date of incorporation)	-	-
Issued for cash consideration:		
Founder shares (iii)	1,500,000	30,000
Private placement – 1st tranche (i)	288,000	86,400
Private placement – 2nd tranche (ii)	3,327,066	998,120
Warrants issued (Note 8)	-	(257,000)
Share issue costs:		
Cash	-	(49,728)
Finders warrants (Note 8)	-	(22,000)
Balance at December 31, 2014	5,115,066	785,792

(i) On December 8, 2014, the Company closed the first tranche of its non-brokered private placement. The Company issued 288,000 units of the Company at a price of $0.30 per unit for total aggregate proceeds of $86,400. Each unit consisted of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of $0.50 per share until 18 months following the listing of the common shares of the Company on a recognized stock exchange.

In connection with the financing, the Company paid a cash finder's fee of $5,592 and issued 18,640 broker warrants. Each broker warrant entitles the holder to subscribe for one additional unit at a price of $0.30 per unit until 18 months following the listing of the common shares of the Company on a recognized stock exchange. The underlying broker warrant is exercisable at $0.50 per share for a period of 18 months following the listing of the common shares of the Company on a recognized stock exchange.

(ii) On December 23, 2014, the Company closed the second tranche of its non-brokered private placement. The Company issued 3,327,066 units of the Company at a price of $0.30 per unit for total aggregate proceeds of $998,120. Each unit consisted of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of $0.50 per share until 18 months following the listing of the common shares of the Company on a recognized stock exchange.

In connection with the financing, the Company paid a cash finder's fee of $32,136 and issued 107,120 broker warrants. Each broker warrant entitles the holder to subscribe for one additional unit at a price of $0.30 per unit until 18 months following the listing of the common shares of the Company on a recognized stock exchange. The underlying broker warrant is exercisable at $0.50 per share for a period of 18 months following the listing of the common shares of the Company on a recognized stock exchange.

Cash costs in connection with the two tranches amounted to $12,000. Total cash costs including commission costs as described in (i) and (ii) above total $49,728.

(iii) On December 24, 2014, the Company issued 1,500,000 units of the Company at a price of $0.02 per unit for total aggregate proceeds of $30,000. Each unit consisted of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of $0.30 per share until 18 months following the listing of the common shares of the Company on a recognized stock exchange.

7. Share Capital (continued)

Shares to be issued

As at December 31, 2014, consideration of $27,000 had been received pertaining to unit subscriptions to be settled after the end of the reporting period. The units will be settled at $0.30. See note 13 for details.

8. Reserve for Warrants

The following table reflects the continuity of warrants for the period from November 6, 2014 *(date of incorporation)* to December 31, 2014:

	Number of Warrants	Amount $
Balance – November 6, 2014 *(date of incorporation)*	-	-
Issued pursuant to private placements (i)	5,115,066	257,000
Broker warrants issued (ii)	125,760	13,000
Warrants on broker units (iii)*	125,760	9,000
Balance – December 31, 2014	**5,366,586**	**279,000**

*These warrants are issuable upon exercise of the broker units.

(i) The warrants issued pursuant to the private placements between December 8, 2014 and December 24, 2014 are described in Note 7 above and have a fair value of $257,000, which was estimated using the Black-Scholes option pricing model and the following assumptions:

Risk-free interest rate	1.01 – 1.04%	Expected volatility	100%
Dividend yield	nil	Expected life-units	21 months

(ii) The broker warrants issued pursuant to the private placement between December 8, 2014 and December 24, 2014 are described in Note 7 and have a fair value of $13,000, which was estimated using the Black-Scholes option pricing model and the following assumptions:

Risk-free interest rate	1.01 – 1.04%	Expected volatility	100%
Dividend yield	nil	Expected life-units	21 months

(iii) The warrants on exercise of broker warrants issued pursuant to the private placement between December 8, 2014 and December 24, 2014 are described in Note 7 and have a fair value of $9,000, which was estimated using the Black-Scholes option pricing model and the following assumptions:

Risk-free interest rate	1.01 – 1.04%	Expected volatility	100%
Dividend yield	nil	Expected life-units	21 months

8. Reserve for Warrants (continued)

Warrants to purchase common shares carry exercise prices and terms to maturity as follows:

	Exercise price	Number of outstanding exercisable warrants	Expiry date
	$		
Warrants	0.50	3,615,066	18 months post liquidity event ***
Warrants	0.30	1,500,000	18 months post liquidity event ***
Broker Warrants *	0.30	125,760	18 months post liquidity event ***
Broker Unit Warrants **	0.50	125,760	18 months post liquidity event ***

* These are broker warrants which are issuable for one common share and one purchase share warrant.
** To be issued upon exercise of broker warrants.
*** These warrants are exercisable for eighteen months from the date the shares are listed on a recognized Canadian stock exchange.

9. Management of Capital

The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the Company's planned business activities. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business. In order to carry out the planned business activities and pay for administrative costs, the Company will spend its existing working capital and raise additional funds as needed. Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is reasonable. There were no changes in the Company's approach to capital management during the period from November 6, 2014 *(date of incorporation)* to December 31, 2014. The Company is not subject to externally imposed capital requirements.

The Company considers its capital to be shareholders' equity, which is comprised of share capital, shares to be issued, reserve for warrants and deficit, which as at December 31, 2014 totaled $1,035,418.

The Company's objective when managing capital is to obtain adequate levels of funding to support its business activities, to obtain corporate and administrative functions necessary to support organizational functioning and developing cloud based data back-up systems.

The Company raises capital, as necessary, to meet its needs and take advantage of perceived opportunities and, therefore, does not have a numeric target for its capital structure. Funds are primarily secured through equity capital raised by way of private placements. There can be no assurance that the Company will be able to continue raising equity capital in this manner.

10. Financial Instruments

Fair value of financial instruments

The Company has designated its cash and cash equivalents as FVTPL which are measured at fair value. Fair value of cash and cash equivalents is determined based on transaction value and is categorized as a Level one measurement. HST receivable is classified for accounting purposes as loans and receivables, which are measured at amortized cost which approximates fair value. Trade and other payables are classified for accounting purposes as other financial liabilities, which are measured at amortized cost which also approximates fair value. Fair value of HST receivable and trade and other payables are determined based on Level two measurements.

- Level One includes quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level Two includes inputs that are observable other than quoted prices included in Level One; and
- Level Three includes inputs that are not based on observable market data.

	Level One	Level Two	Level Three
	$	$	$
Cash and cash equivalents	1,056,309	-	-

As at December 31, 2014, both the carrying and fair value amounts of the Company's cash and cash equivalents are approximately equivalent.

A summary of the Company's risk exposures as it relates to financial instruments are reflected below:

Credit Risk
Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to cash and cash equivalents and trade and other receivables. Cash and cash equivalents consist of cash on hand and on deposit with reputable financial institutions and cash in trust with the Company's lawyer and management believe the risk of loss is minimal. HST receivable consists of harmonized sales tax ("HST") due from the Canadian government. Management believes the risk of loss for HST to be minimal. The Company's maximum exposure to credit risk as at December 31, 2014 is the carrying value of cash and cash equivalents and trade and other receivables.

Interest Rate Risk
The Company invests cash surplus to its operational needs in investment-grade short-term deposit certificates issued by the bank where it keeps its bank accounts. The Company periodically assesses the quality of its investments with this bank and is satisfied with the credit rating of the bank and the investment grade of its short-term deposit certificates. A change in the interest rate of 1% would cause interest income to change by less than $10,600.

Liquidity Risk
The Company's approach to managing liquidity risk is to ensure that it will have sufficient liquidity to meet liabilities when due. As at December 31, 2014, the Company had current assets of $1,062,983 and current liabilities of $27,565. All of the Company's financial liabilities and receivables have contractual maturities of less than 90 days and are subject to normal trade terms. As at December 31, 2014, working capital of the Company is $1,035,418. The Company is currently seeking equity financing. There can be no assurance that the Company will be successful in its efforts to arrange additional financing on terms satisfactory to the Company. If additional financing is raised by the issuance of shares from the treasury of the Company, control of the Company might change and shareholders may suffer additional dilution.

11. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities of the Company are principally comprised of amounts outstanding for trade purchases relating to business activities, amounts payable for financing activities and payroll liabilities. The usual credit period taken for trade purchases is between 30 to 90 days.

The following is an aged analysis of accounts payable and accrued liabilities:

	As at, December 31, 2014
Less than 1 month	$ 27,565
1 to 3 months	-
Over 3 months	-
Total accounts payable and accrued liabilities	**$ 27,565**

12. Income Taxes

Income Tax Provision

Major items causing the Company's income tax rate to differ from the Canadian combined federal and provincial statutory rate of approximately 26.5% are as follows:

	2014
	$
Loss before income taxes	(56,374)
Combined statutory rate	26.50%
Estimated recovery of income taxes	(14,900)
Change in current and future tax rates	(800)
Deductible share issue costs and other	(12,300)
Tax benefits not recognized	28,000
Income tax expense	-

Unrecognized deferred tax assets

Deferred income tax assets have not been recognized in respect of the following deductible temporary differences:

	2014
	$
Deferred Tax Assets	
Loss carryforwards	16,000
Share issue costs	12,000
	28,000
Less: deferred tax asset not recognized	(28,000)
Net Deferred Tax Assets	-

Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can use the benefits.

The unamortized balance, for income tax purposes, of the share issuance costs amounted to approximately $48,000 and will be deductible in Canada over the next five years.

12. Income Taxes (continued)

At December 31, 2014, the Company had income tax loss carry forwards expiring as follows:

Year of Expiry		
2034	$	65,000
Totals	$	65,000

13. Events after the reporting period

(i) Subsequent to December 31, 2014, the Company closed the third tranche of its non-brokered private placement. The Company issued 5,887,893 units of the Company at a price of $0.30 per share for total aggregate proceeds of $1,766,368. Each unit consisted of one common share and one share purchase warrant, with each warrant exercisable into one common share at a price of $0.50 per share until 18 months following the listing of the common shares of the Company on a recognized stock exchange.

(ii) On November 24, 2014, Coltrane Technologies Inc., Acpana Business Systems Inc. ("Acpana"), operating as Data Deposit Box, and the Company, entered into an amalgamation agreement (the "Amalgamation Agreement") dated as of November 17, 2014, pursuant to which the parties intend to complete a business combination by way of a three-cornered amalgamation (the "Amalgamation") under the *Business Corporations Act* (Ontario). The Amalgamation closed on March 18, 2015.

SCHEDULE "D"
UNAUDITED PRO FORMA INTERIM FINANCIAL STATEMENTS OF THE ISSUER
FOR THE NINE-MONTH PERIOD ENDED SEPTEMBER 30, 2014

Acpana Business Systems Inc.

Unaudited Pro Forma Consolidated Financial Statements

September 30, 2014

Acpana Business Systems Inc.
Unaudited Pro Forma - Consolidated Statement of Financial Position as at September 30, 2014

	Historical			Pro Forma		
	Acpana September 30, 2014	2441043 December 31, 2014	Coltrane December 31, 2014	Adjustments	Notes	Acpana September 30, 2014
	(Unaudited)	(Audited)	(Unaudited)			(Unaudited)
Assets						
Current Assets						
Cash and cash equivalents	512,323	1,056,309	450	(40,000)	(2)	
				1,644,706	(3)	3,173,788
Accounts receivable	109,669	-	-	-		109,669
Taxes receivable	380	6,674	-	-		7,054
Investment tax credits receivable	90,000	-	-	-		90,000
Prepaid expenses	46,689	-	-	-		46,689
	759,061	1,062,983	450	1,604,706		3,427,200
Non-current						
Promissory notes receivable	241,927	-	-	-		241,927
Property and equipment	2,815,536	-	-	-		2,815,536
Intangible assets	784,495	-	1	-		784,496
	4,601,019	**1,062,983**	**451**	**1,604,706**		**7,269,159**
Liabilities						
Current Liabilities						
Trade and other payables	476,140	27,565	2,000	-		505,705
Unearned revenue	76,812	-	-	-		76,812
Current portion of finance lease obligations	607,662	-	-	-		607,662
Long-term portion of finance lease obligations due on demand	1,338,425	-	-	-		1,338,425
	2,499,039	**27,565**	**2,000**	**-**		**2,528,604**
Non-current						
Finance lease obligations	135,640	-	-			135,640
	2,634,679	**27,565**	**2,000**	**-**		**2,664,244**
Shareholders' Equity						
Share capital	3,565,115	785,792	451	(786,243)	(1)	
				5,263,022	(1)	
				1,644,706	(3)	
				(465,000)	(3)	10,007,843
Shares to be issued	-	27,000	-	(27,000)	(1)	-
Reserve for share-based payments	924,025	-	-	-		924,025
Reserve for warrants	621,000	279,000	-	(279,000)	(1)	
				465,000	(3)	1,086,000
Accumulated deficit	(3,143,800)	(56,374)	(2,000)	58,374	(1)	
				(4,229,153)	(1)	
				(40,000)	(2)	(7,412,953)
	1,966,340	**1,035,418**	**(1,549)**	**1,604,706**		**4,604,915**
	4,601,019	**1,062,983**	**451**	**1,604,706**		**7,269,159**

See accompanying notes

Acpana Business Systems Inc.
Unaudited Pro Forma - Consolidated Statement of Loss and Comprehensive Loss

	Historical			Pro-Forma		
	Acpana	2441043	Coltrane			Acpana
	Nine month period ended September 30, 2014	Year ended December 31, 2014	Year ended December 31, 2014	Adjustments	Notes	Nine month period ended September 30, 2014
	(Unaudited)	(Audited)	(Unaudited)			(Unaudited)
Revenue	3,762,752	-	-	-		3,762,752
Cost of sales						
Data center	889,809	-	-	-		889,809
Amortization	344,273	-	-	-		344,273
Wages and benefits	104,709	-	-	-		104,709
Commissions	393,687	-	-	-		393,687
Merchant fees	151,887	-	-	-		151,887
Total cost of sales	1,884,365	-	-	-		1,884,365
Gross margin	1,878,387	-	-	-		1,878,387
Operating Expense						
Sales and marketing	84,429	-	-			84,429
Management and consulting	311,226	51,342	-	-		362,568
General and administrative	208,991	32	-	-		209,023
Professional fees	136,250	5,000	2,000	-		143,250
Wages and benefits	852,901	-	-	-		852,901
Depreciation	501,861	-	-	-		501,861
Share-based payments	871,000	-	-	-		871,000
Total expenses	**2,966,658**	**56,374**	**2,000**	**-**		**3,025,032**
Loss before interes income, (loss) gain on foreign exchange, income taxes and other expenses	(1,088,271)	(56,374)	(2,000)	-		(1,146,645)
Interest expense	(105,065)	-	-	-		(105,065)
Listing expenses	-	-	-	(4,229,153)	(1)	
				(40,000)	(2)	(4,269,153)
Loss on foreign exchange	(8,561)	-	-	-		(8,561)
Net loss and comprehensive loss	(1,201,897)	(56,374)	(2,000)	(4,269,153)		(5,529,424)
Loss per share - basic and fully diluted						**(0.244)**
Weighted average number of shares outstanding - basic and fully diluted						**22,658,474**

See accompanying notes

Acpana Business Systems Inc.
Notes to the Unaudited Pro Forma - Consolidated Financial Statements
September 30, 2014

PROPOSED ARRANGEMENT

Acpana Business Systems Inc. ("Acpana") entered into a share exchange agreement with 2441043 Ontario Inc. ("2441043"), and Coltrane Technologies Inc. ("Coltrane") on November 17, 2014, pursuant to which Acpana, 2441043 and Coltrane will be amalgamated (the "Amalgamation"). The Amalgamation agreement provides that, among other things, all of the issued and outstanding common shares of Acpana (the "Acpana Shares") will be exchanged for 1 shares of the resulting issuer ("Resulting Issuer"). Each Acpana share purchase warrant will be exchanged for 1 replacement warrants and each Acpana option will be exchanged for 1 replacement option. Upon completion of the Amalgamation and assuming the Concurrent Financing is fully subscribed (see "Pro Forma Assumptions and Adjustments"), the Acpana Shareholders will hold approximately 58% of the outstanding shares of the resulting issuer (the "Resulting Issuer") and the shareholders of 2441043 and Coltrane will hold approximately 42% of the outstanding shares of the Resulting Issuer. The Amalgamation will be considered a reverse takeover under the policies of the TSX Venture Exchange (the "Exchange"). Upon completion of the share exchange, it is expected that the resulting issuer's name will be "Acpana Bueinss Systems Inc.".

Although the Amalgamation will result in a legal combination of Acpana, 2441043 and Coltrane to form the Resulting Issuer, because 2441043 does not meet the criteria for a business per IFRS 3, from an accounting perspective, the Amalgamation is considered to be a reverse takeover transaction. The Amalgamation is not considered to be a business combination but a capital transaction whereby 2441043 is considered to issue additional shares in return for the net assets of Acpana and Coltrane. See "*Pro Forma Assumptions and Adjustments*" below.

For financial reporting purposes, the Company is considered a continuation of Acpana, the legal subsidiary, except with regard to authorized and issued share capital, which is that of 2441043, the legal parent.

BASIS OF PRESENTATION

The accompanying unaudited pro forma consolidated statement of financial position as at September 30, 2014, has been prepared by management of Acpana to give effect to the Amalgamation. In the opinion of management, the unaudited pro forma consolidated statement of financial position includes all adjustments necessary for the fair presentation of the transaction in accordance with International Financial Reporting Standards.

The unaudited pro forma consolidated statement of financial position may not be indicative of the financial position and results of operations that would have occurred if the transactions had taken place on the dates indicated or of the financial position or operating results which may be obtained in the future. The unaudited pro forma consolidated statement of financial position is not a forecast or projection of future results. The actual financial position and results of operations of Acpana Business Systems Inc. for any period following September 30, 2014 will likely vary from the amounts set forth in the unaudited pro forma consolidated statement of financial position and such variation may be material.

The unaudited pro forma consolidated statement of financial position should be read in conjunction with the audited consolidated financial statements of 2441043 Ontario Inc. as at December 31, 2014, the unaudited interim financial statements of Coltrane as at December 31, 2014, the unaudited interim financial statements of Acpana as at September 30, 2014, and the audited consolidated financial statements of Acpana as at December 31, 2014.

Acpana Business Systems Inc.
Notes to the Unaudited Pro Forma - Consolidated Financial Statements
September 30, 2014

PRO FORMA ASSUMPTIONS AND ADJUSTMENTS

The unaudited pro forma consolidated statement of financial position incorporates the following pro forma assumptions and adjustments:

1. In accordance with reverse acquisition accounting, and IFRS 2:

(i) The assets and liabilities of Acpana are included in the unaudited pro forma consolidated statement of financial position at their historic value.

(ii) The net assets of 2441043 are included at fair value, assumed to be equal to their carrying value at December 31, 2014.

(iii) The net assets of Coltrane are included at fair value, assumed to be equal to their carrying value at December 31, 2014.

(iv) Share capital, reserve accounts, and the deficit of 2441043 and Coltrane are eliminated.

Fair value of 2441043's transaction was based on the concurrent private placement share value. The preliminary purchase price of $5,263,022 has been allocated as follows:

Cash and cash equivalents	$ 1,056,759
Taxes receivable	6,674
Intangible asset	1
Accounts payable and accrued liabilities	(29,565)
Listing costs expensed	4,229,153
	$ **5,263,022**

2. Costs associated with the transaction are estimated to be $40,000 and will be expensed on completion of the acquisition.

3. The unaudited pro forma consolidated statement of financial position as at September 30, 2014 includes the additional tranches of the private placement financing for proceeds of $1,766,350 for an additional 5,887,832 units to be issued at $0.30 per unit for total proceeds raised of $2,850,870. Each unit consists of one common share and one common share purchase warrant, with each warrant exercisable into one common share at a price of $0.30 per share until 18 months following the listing of the common shares of Acpana on a recognized stock exchange. As of the date of filing of the unaudited pro forma consolidated statement of financial position, Acpana has received $1,766,350 from the additional tranches of the private placement financing for units to be issued at $0.30 per unit under the terms described above.

The fair value of the additional 5,887,832 share purchase warrants was estimated at $416,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.04%; volatility 100% and an expected life of 21 months.

The proposed brokered financing of 2441043 includes 8% of broker commission, consisting of $148,644 in cash commission and 495,480 broker units. Each broker unit consists of one (1) 2441043 Share and one 2441043 Warrant, with each whole 2441043 Warrant exercisable to acquire one (1) 2441043 Share at $0.50 until 18 months following the listing of the common shares of Acpana on a recognized stock exchange.

The fair value of the additional 495,480 share purchase warrants was estimated at $49,000 using the Black-Scholes pricing model with the following assumptions: dividend yield 0%; risk free interest 1.04%; volatility 100% and an expected life of 21 months.

Acpana Business Systems Inc.
Notes to the Unaudited Pro Forma - Consolidated Financial Statements
September 30, 2014

4. The unaudited pro forma consolidated statement of loss and comprehensive loss as at September 30, 2014 includes the operations of Acpana for the nine month period ended September 30, 2014, the operations of Coltrane for the date from September 16, 2014 *(date of incorporation)* to December 31, 2014, and the operations of 2441043 for the date from November 6, 2014 *(date of incorporation)* to December 31, 2014.

PRO FORMA SHARE CAPITAL

Pro forma capital stock as at September 30, 2014 has been determined as follows:

	Resulting Issuer	Pro Forma
	Number	**Amount**
2441043 Common Shares Outstanding as at December 31, 2014	5,115,066	785,792
Coltrane Common Shares Outstanding as at December 31, 2014	1,019,000	451
Acpana Common Shares Outstanding as at September 30, 2014	2,754,068	3,565,115
Increase of Acpana shares issued and outstanding as a result of the 6 for 1 share split	13,770,340	-
Elimination of Acpana Common Shares for legal purposes and the value of 2441043 and Coltrane share capital for accounting purposes	(17,543,408)	(786,243)
Issuance of 2441043 shares to Acpana shareholders	17,543,408	5,263,022
Additional tranches of ongoing financing of 2441043	5,887,832	1,793,350
Fair value assigned to warrants	-	(416,000)
Cost of issue		
Broker warrants	-	(49,000)
Cash commissions paid	-	(148,644)
Pro Forma Balance at September 30, 2014	28,546,306	10,007,843

PRO FORMA WARRANTS

Pro forma warrants at September 30, 2014 are as follows:

Date of Expiry	Type	No. of Warrants	Exercise Price $
December 2, 2016	Acpana warrants	898,818	0.28
18 months from qualifying transaction***	2441043 warrants	9,502,898	0.50
18 months from qualifying transaction***	2441043 warrants	1,500,000	0.30
18 months from qualifying transaction*, ***	2441043 warrants	495,480	0.30
18 months from qualifying transaction**, ***	2441043 warrants	495,480	0.50
Total		**12,892,676**	

* These are broker warrants which are issuable for one common share and one purchase share warrant
** To be issued upon exercise of broker warrants
*** These warrants are exercisable for eighteen months from the date the shares are listed on a recognized Canadian stock exchange.