Cortex Business Solutions Inc.

MANAGEMENT DISCUSSION & ANALYSIS

FOR THE YEAR ENDED JULY 31, 2017

DATED: October 24, 2017

Dear Shareholders,

As we post this year's results, I am excited to share that the Cortex 2.0 phase of our transformation plan is now well under way. Our Cortex Team has delivered strong results for F2017 and we are now well positioned to accelerate our growth. As our team would say, we have formed, we have stormed, we have normed and we are now performing. We have built a business that has a solid foundation and this coming year our focus is on strategic growth both organically and potentially through M&A should attractive opportunities be identified. We've refined our strategy to include new partnerships, internal development and technical expansion as methods of increasing value to our customers.

From the moment I joined the team our overarching theme has been to rebuild the business to scale. The proof of that theme success is in the milestones we've achieved over the past year:

We found the oil and gas bottom and we have bounced up. We now know that during the worst of times in oil and gas, we have the right team in place to weather the next commodities storm at our customers' sides and ensure their Cortex savings will at least continue, just like we did this one.

We have secured business in new verticals beyond oil and gas and we are delivering similar value to these new customers, adding value across their entire supply chain. Food and beverage companies, software vendors, engineering companies and equipment dealers are now getting value from the power of the Cortex Network.

We have made it easier for our customers to join the Network by automating much of the client onboarding process this year. These steps ensure our people can spend time helping people, not taking their credit cards. We have enhanced the methods we use to support our customers by introducing technology that has allowed them to sign up, log in, find their customer or vendor and transact. Simple.

We have had our first cash flow positive quarter from operating activities in the third quarter, followed by our second cash flow positive quarter from operating activities in the fourth quarter. The strength of the second half of the fiscal year has resulted in our first positive cash flow from operating activities for the fiscal year in Company history.

We have removed the going concern note from our financial statements. This is a testament to my confidence as CEO and the confidence of our Board of Directors that we have come up with strategies and we have executed on those strategies to no longer burn cash, while building a strong foundation for a growth oriented, profitable business.

We have increased the volumetric capacity of our Network fivefold this year. Our partnership with TELUS allows for us to dial up additional network capacity real time to accommodate increased transaction volumes without additional capital investment.

We have reduced the time from contract to live from 180 days to 45, accelerating our time to revenue and reducing the cost to onboard new clients, making it one of the lowest in the industry.

We have established an industry standard for customer satisfaction with a client rating of 97%, while growing revenue 31% Q4 F2017 over Q4 F2016.

Our North American sales team is in place and the systems are in place to support them. I look forward to another exciting year with a focus on growing revenue and expanding our Network in F2018.

Regards,

Joel Leetzow
Cortex President and CEO

Management's Discussion & Analysis
For the Fiscal Years Ended July 31, 2017 and 2016

The following management's discussion and analysis ("MD&A") of Cortex Business Solutions Inc. ("Cortex" or the "Company") should be read in conjunction with the consolidated financial statements, as at and for the year ended July 31, 2017. The accompanying financial statements of Cortex have been prepared by management and approved by the Company's Audit Committee. The financial data presented herein has been prepared in accordance with International Financial Reporting Standards ("IFRS").

All amounts are expressed in Canadian dollars, unless otherwise stated. This disclosure is effective as of October 24, 2017.

The MD&A and financial statements for earlier periods should also be considered relevant and are available on the System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. Additional information is also available on the Company's website at www.cortex.net.

FORWARD LOOKING STATEMENTS

Statements in this MD&A relating to matters that are not historical facts are forward-looking statements. Such forward-looking statements may involve known and unknown risks and uncertainties, which may cause the actual results, performances or achievements of the Company, to be materially different from any future results implied by such forward-looking statements. Forward-looking statements are often, but not exclusively identified by words such as "anticipate", "may", "expect", "plan", "future", "continue", "intends", "projects", "believes", "seek", "budget", "estimate", "forecast", "will", "predict", "potential" ,"target", "could", "might", and other similar expressions. Some of the risks that may cause actual results to vary are described under the "Business Risks and Uncertainties" section. It is important to note that:

Unless otherwise indicated, forward-looking statements describe our expectations, as of the date of the MD&A.

Readers are cautioned not to place undue reliance on forward-looking statements, as our actual results may differ materially from our expectations, if known and unknown risks or uncertainties affect our business, or if our estimates or assumptions prove inaccurate. Therefore, we cannot provide any assurance that forward-looking statements will materialize and the Company assumes no obligation to update or revise any forward-looking statements, whether as a result of new information, future events or any other reason unless required by applicable securities laws.

WHO WE ARE

Cortex Business Solutions is one of Canada's leading technology companies that has been providing e-invoicing solutions throughout North America for over 10 years. Cortex has annual revenue totals in excess of $11,000,000 and over 10,000 trading partners on the Cortex Trading Partner Network. Cortex delivers e-invoicing services across various industries including Oil & Gas, Mining, and Sports & Entertainment, with a focused expansion into additional verticals as opportunities present themselves.

We generate revenue through a combination of recurring monthly access and usage fees, integration fees and project management fees. Our network platform provides equal value to both the buyer and supplier organizations by leveraging a customer's existing technology, while facilitating connections to new trading partners, improved cash flow, data accuracy, internal controls and improved visibility into accounts receivable and accounts payable at any point in the process flow.

We implemented our shared value model over 10 years ago, at a time when no company billed suppliers, as it was our belief that suppliers would pay for a service that provided them real value. Recent events have provided validation of this model as our competitors have made the decision to adopt similar models.

As a leading network-as-a-service company, Cortex is focused on helping businesses within North America transform their manual and costly invoice-related processes, by enabling buyers and suppliers to send and receive documents electronically (including Rate Schedules, Purchase Orders, Field Tickets, and Invoices). Cortex also offers lightweight document approval tools for Field Tickets and Invoices that allow users to review documents prior to data being transmitted to the formal document workflow and ERP systems.

HOW WE COMPETE

Technology solutions like Cortex allow companies to run more efficiently without having large fluctuations in staffing requirements. Our goal isn't to replace existing staff; rather our focus is on helping employees perform their jobs better and faster, thus enabling them to focus on higher value tasks within their company. Traditionally, the Oil & Gas industry lags when it comes to implementing new administrative technologies, but we have seen greater interest from customers wanting to capitalize on the down economy by implementing a low-cost, high return solution to better prepare themselves for the eventual return to normal.

We bolster the standard functionality of the Cortex Trading Partner Network through strategic partnerships with technology vendors in the Procure to Pay space. These partnerships help Cortex enhance the customer's existing investment in solutions for accounting, finance, procurement and operations.

In addition, Cortex forms strategic relations with industry associations and education, furthering our ability to innovate, serve customers and help shape the future of technology in North America. Some of the organizations that we align with are Alberta Innovates Technology Forum, OFS Portal, Petroleum Industry Data Exchange, and the University of Calgary. Through these collaborative relationships, Cortex puts itself at the forefront of technology and industry best practices, and helps us remain at the forefront of leadership, compliance and growth in electronic procurement and supply chain solutions.

INDUSTRY TRENDS

Our primary industry remains Oil & Gas which can experience extended periods of great prosperity followed by periods of economic hardship as has been the case since early 2015 and. The new reality of the Oil & Gas market creates a greater need for improved productivity and lower operating costs. Technology solutions like Cortex allow companies to run more efficiently without having large fluctuations in staffing requirements.

Because of the flexibility of our platform, we can offer our e-invoicing solution across many industry segments beyond Oil & Gas such as food and beverage companies, software vendors, engineering companies and equipment dealers. Each of these markets shares a common denominator of having complex procurement cycles, supported by costly, manual processes, which can benefit from being on the Cortex Trading Partner Network ("the Network").

ECONOMIC CONDITIONS

The market for cloud-based, software-as-a-service is a highly competitive, yet somewhat underserved market. Most vendors focus on offering several loosely-connected services as part of larger, more diluted offering, whereas we focus solely on e-invoicing as a means of providing the greatest value to our customers. Our ability to offer a platform that connects to existing software, and is accessible via several different connection methods, allows us to better enhance a customer's process without acting as a disruptive entity.

A unique quality of the Network is our multiple connection methods that ensure any company, regardless of size or accounting complexity can benefit from using Cortex. Companies that start with our standard Workbench connection get full control over the invoice data entry from day one. As they grow they can move to a partial integrated connection method that simplifies their processes further through a draft upload capability. For those looking to fully automate their invoicing, we offer a complete integration method.

SEASONALITY & MARKET IMPACT

The recurring monthly access and usage fees that we derive from customers transacting on the Network have cyclical characteristics based on the current verticals we operate in. The integration fees and project management fees fluctuate each quarter dependent on multiple factors such as: number of new buyers joining the Network in any given quarter; customization requirements of the individual customer; and sophistication of the customers' integration team.

A primary example of seasonal effects on Canadian Oil & Gas is the reduction of business that occurs during "Spring Breakup". During the months of April and May most Oil & Gas companies are affected by road bans which impede their ability to move equipment to different lease sites. This government imposed slowdown of work means fewer rigs are operating than during the rest of the year, which affects the amount of invoices being sent.

OPERATIONAL HIGHLIGHTS

The following are some key operational highlights achieved during the year to drive towards the Company's strategic and financial goals.

- Significant buyer milestone achieved: The Company, for the first time now has over 100 buyers signed on to the Network. As of July 31, 2017 ("F2017"), 96 of these buyers were live and transacting with an additional 5 in progress.

- Key partnerships established: Various partnership agreements were put in place including but not limited to arrangements with Fundthrough Inc., EnterMyInvoice.com and Amalto Technologies to further enhance the customer experience by providing cash flow, additional automation and operational change management tools. This along with integral existing partnerships provided the Company with additional capabilities for the Network reach across more of the procure-to-pay cycle. These partnerships will enable Cortex to alter its' revenue streams in the future. The Company continues to establish additional strategic partnerships.

- Technological change: The Company made significant progress internally to expand the capacity of the Network by hosting the Company's production servers in managed services and setting the foundation for cloud capabilities. By implementing a DevOps team, the Company is now capable of moving to test and infrastructure automation which will decrease cost and reduce time to market for new functionality and patches alike. The key changes set the foundation to allow Cortex to compete technologically at levels previously not seen while achieving cost reductions as the Network can scale without the need of additional infrastructure.

- Re-established our direct sales cycle: The Company's new sales team was established during F2017 with a commitment to customer-centric selling focused on establishing the Cortex value proposition for our customers.

- Celebrated 10 years of active trading on the TSX Venture Exchange: The Company marked this major milestone by producing positive key financial metrics for the first time in the Company's history.

FINANCIAL HIGHLIGHTS

The following are some key financial highlights achieved during the year to drive towards the Company's strategic and financial goals.

- Positive cash flow from operations: The Company achieved positive cash flows from operating activities for F2017 for the first time in its history.
- Rebate provision fully paid: The Company has paid in full its remaining obligation under the rebate provision and continues to be debt free and without any long term liabilities.
- Significant project management fees: The Company secured a large fee-based project with one of its largest customers to transition them from the Cortex Legacy desktop application to the current Cortex platform. This work is ongoing into the fiscal year ended July 31, 2018 ("F2018").
- Sales and Marketing expenses increased 67% year over year: The Company invested heavily into the new sales team as additional employees were on-boarded. F2017 was an investment year and the expenses associated with this function are expected to level out and not increase substantially outside of variable components such as commissions paid based on sales targets being achieved.

The following table sets forth a summary of key results of operations as at and for the years ended July 31, 2017, 2016 and 2015.

	F2017	F2016	% Change	F2016	F2015	% Change
Total revenue	$ 11,059,292	$ 9,823,518	13%	$ 9,823,518	$ 10,586,955	(7%)
Cost of sales	3,217,622	5,462,248	(41%)	5,462,248	6,371,620	(14%)
Gross profit	7,841,670	4,361,270	80%	4,361,270	4,215,335	3%
Total other [1] expenses	8,285,658	7,045,703	18%	7,045,703	12,087,629	(42%)
Income (loss) from operations	(415,314)	(2,704,669)	85%	(2,704,669)	(7,925,798)	66%
Adjusted EBITDA [2]	569,214	(299,604)	290%	(299,604)	(5,828,276)	95%
Loss per share	(0.05)	(0.31)	84%	(0.31)	(1.08)	71%
Total assets	8,051,286	7,064,534	14%	7,064,534	7,283,089	(3%)
Deferred revenue	423,734	46,854	804%	46,854	230,989	(80%)
Total long-term financial liabilities	Nil	Nil	Nil	Nil	77,557	(100%)

[1] Other expenses include: Sales and marketing, Research and development, General and administrative, Severance and termination charges and Onerous contract.
[2] See additional information in the "Non-IFRS Measures" section below on page 28

KEY METRICS

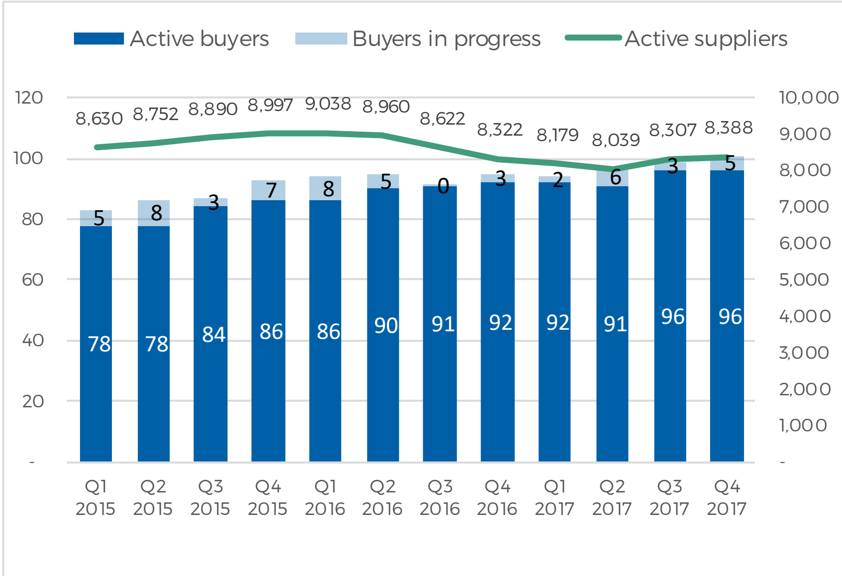
Access and usage fee revenue is influenced by the number of billable transactions and active suppliers on the Network. The billable transactions trend is aligned to the movement in the usage fees whereas the access fees tends to move more in line with the number of active suppliers. The number of billable transactions is dependent on the invoice flow between buyers and suppliers on the Network.

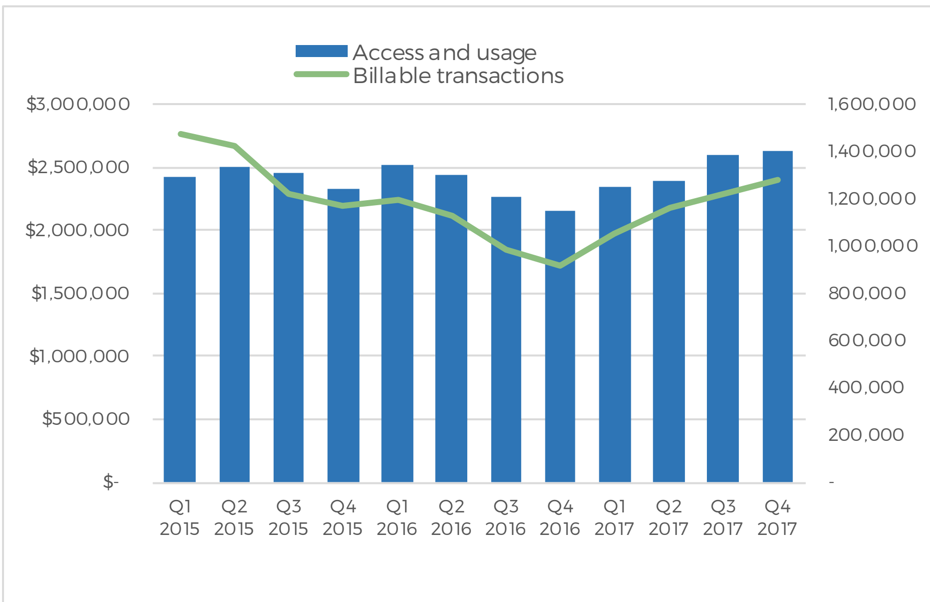
The number of active suppliers is a measure of how many suppliers sent invoices in any given month. This occurs by either sending a document or having a minimum monthly access fee.

The following table illustrates the growth in some key operational metrics:

	F2017	F2016	% change
Active Buyers	96	92	4%
Buyers in progress	5	3	
Total	101	95	6%
Active Suppliers	8,388	8,322	1%
Billable documents exchanged	4,704,755	4,224,630	11%
Total documents exchanged	11,827,178	10,902,566	8%

	Q4 2017		Q3 2017		Q2 2017		Q1 2017	
	#	% change	#	% change	#	% change	#	% change
Active buyers	96	nil	96	5%	91	(1%)	92	0%
Buyers in-progress	5		3		6		2	
Total	101	2%	99	2%	97	3%	94	(1%)
Active Suppliers	8,388	1%	8,307	3%	8,039	(2%)	8,179	(2%)
Billable documents exchanged	1,279,286	5%	1,218,686	5%	1,159,385	11%	1,047,398	14%
Total documents exchanged	3,103,238	(1%)	3,124,249	7%	2,907,739	8%	2,691,952	16%





The number of buyers transacting on the Network has increased 4% while the total number contracted increased 6% year over year. Seven buyers were decommissioned during the year due to a variety of factors which include but are not limited to going out of business, M&A and competition. The Company executed agreements with 13 new buyers resulting in a net gain in contracted buyers of six.

As more buying organizations join Cortex and accept invoices, more suppliers are brought onto the Network. With more buyers as destination points for suppliers, the ability to send invoices electronically magnifies. This correlates significantly with the number of billable documents and our recurring fees in the form of access and usage fees.

REVENUE

The Company's revenue breakdown by significant types of revenue is as follows:

	F2017	F2016	% Change
Revenue			
Access and usage	$ 9,964,212	$ 9,376,298	6%
Integration	268,579	404,062	(34%)
Project management	826,501	43,158	1815%
	11,059,292	**9,823,518**	**13%**

Access and usage fees include a monthly fee for access (fixed portion) to the Network plus transaction fees (variable portion) which are recognized in the month the document exchange occurred. Price plans vary the basic premise of the higher the access fee, the higher number of documents which are included in the plan and the lower the price per document.

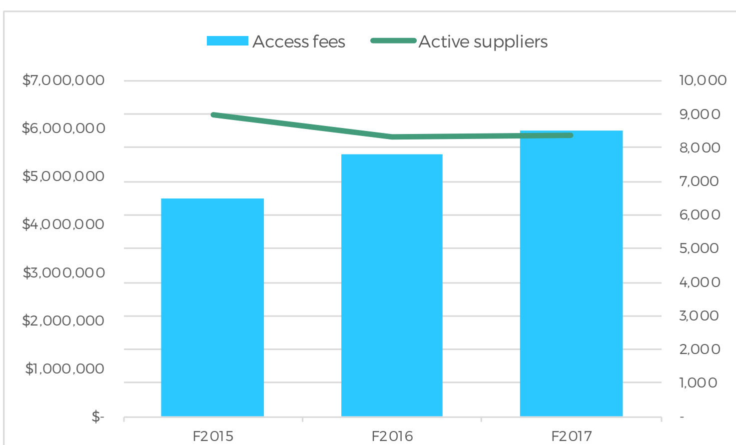
Total revenue increased 13% to $11.1 million from $9.8 million in F2016.

	F2017	F2016	% Change
Access and usage			
Access	$ 5,973,235	$ 5,478,628	9%
Usage	3,990,977	3,897,670	2%
	9,964,212	**9,376,298**	**6%**

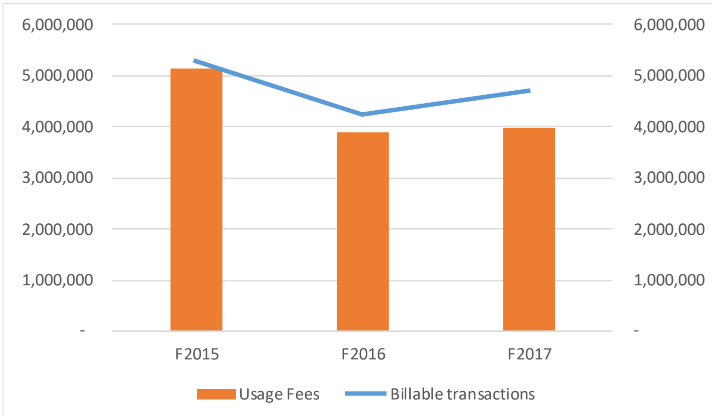
Access and usage fees increased 6% in F2017 over F2016 compared to a 3% decrease from F2016 to F2015.

Access fees are highly influenced by the number of active suppliers on the Network. Access fees grew 9% F2017 over F2016 (F2017 - $6.0 million; F2016 - $5.5 million) with the number of active suppliers increasing 1%.

This growth parallels the Company's strategy beginning in F2015 to mitigate fluctuations in customer fees by ensuring customers were on optimal price plans that had higher access fees with the appropriate amount of documents included. This resulted in a shift to higher access fees, less influenced by the number of billable transactions.



Usage fees are more aligned with movements in the number of billable transactions flowing through the Network. Usage fees increased 2% F2017 over F2016 (F2017 - $4.0 million; F2016 - $3.9 million) with an increase in billable transactions of 11%. With the shift to higher access fees noted above, billable transactions have less of an impact on usage fees as they only occur when customers go over their allotted documents per month or if they are on usage only price plans.



Integration fee revenue is recognized as a percentage of completion based on the stage of the project. Integration fees revenue decreased $0.1 million or (34%) (F2017 - $0.3 million: F2016 - $0.4 million).

The integration revenue stream continues to fluctuate dependent on integration project timelines, completion and the number of net new buyers and suppliers joining the Network in the year. With five buyers in progress as at July 31, 2017, a large portion of integrations were not paid nor hit their project milestone in order to recognize additional revenue. The contract to live time frame for major integrations has progressed rapidly allowing for recognition of revenue to occur earlier while reducing the cost to deliver the integration.

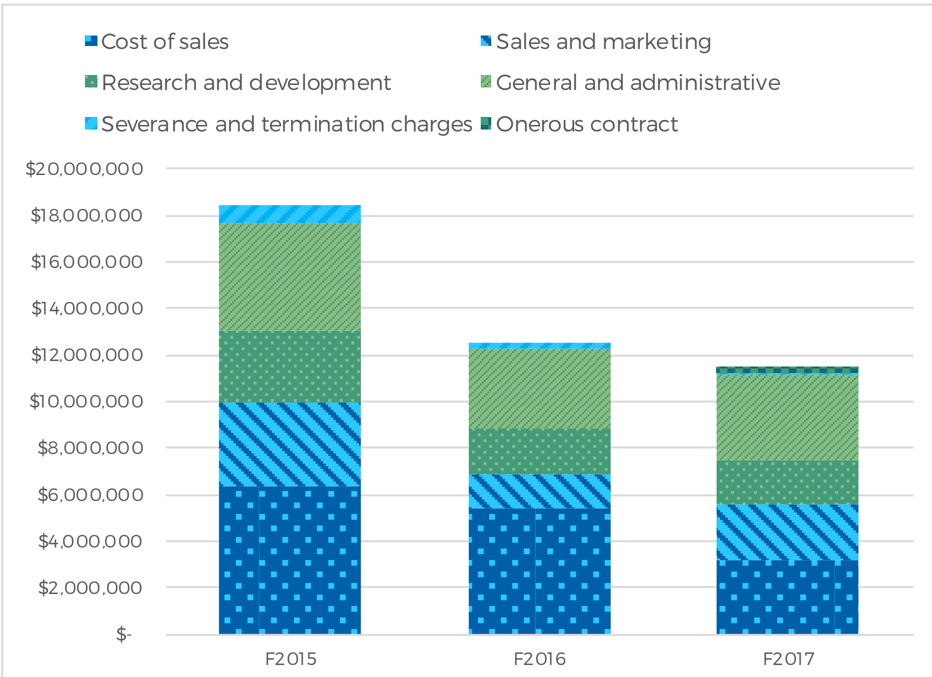
The Company changed its pricing structure towards the end of F2015, and beginning of F2016, eliminating the Workbench set up fees for suppliers. Historically, Workbench customers paid a fee to cover training and set up. With the move from our old platform to the new browser based environment and the improvement in webinars and other training sources, this fee was removed. The result of this is that no Workbench set-up fees were recognized in F2017.

Project management fees are recognized on a time and material basis as services are performed. In F2017, project management fees increased 1815% (F2017 – $0.8 million; F2016 - $0.0 million) in large part to securing a major development project with a large existing customer to move them off of the Cortex legacy system. This project work is ongoing into F2018 and the Company has added to the list of services provided to our customer to include process improvement consulting, onboarding programs, onboarding campaigns and integration specializations which will be charged out on a time and material basis. The expectation is that the project management fees will continue to grow as additional customers require ongoing customizations.

ANNUAL EXPENSES

The total expenses for F2017 decreased $1.0 million or 8% over F2016. The below table summarizes all expenses for the year.

	F2017	F2016	% Change
Expenses			
Cost of sales	$ 3,217,622	$ 5,462,248	(41%)
Sales and marketing	2,382,665	1,429,838	67%
Research and development	1,869,596	1,990,361	(6%)
General and administrative	3,676,862	3,412,059	8%
Severance and termination charges	138,897	213,445	(35%)
Onerous contract	217,638	-	100%
	11,503,280	**12,507,951**	(8%)



The largest influencing decrease in cost of sales is the reduction in amortization expenses related to internally developed intangible assets for F2017 offset in part due to increased personnel in the sales and marketing function. Furthermore, the Company recognized a provision for an onerous contract related to the previous head office lease, which is expected to remain unoccupied until the expiry of the lease on January 31, 2018.

Expenses related to operations are expected to remain flat as the Company has in place a repeatable business model that will allow the business to scale without a significant need to invest in additional infrastructure or personnel.

The individual expense movements are discussed in the following sections.

COST OF SALES & GROSS PROFIT

Gross profit improved from 44% to 71%. Gross profit, net of amortization, improved from 63% to 72%.

	F2017	F2016	% Change
Revenue	$ 11,059,292	$ 9,823,518	13%
Cost of sales	3,217,622	5,462,248	(41%)
As a percentage of revenue	29%	56%	(48%)
Gross profit	7,841,670	4,361,270	80%
Gross profit %	71%	44%	60%
Cost of sales, net of amortization [1]	$ 3,078,570	$ 3,620,727	(15%)
As a percentage of revenue	28%	37%	(24%)
Gross profit, net of amortization	7,980,721	6,202,791	29%
Gross profit %	72%	63%	14%

[1] See additional information in the "Non-IFRS Measures" section below on page 28

Cost of sales includes costs directly related to recognized revenue in the period. This includes professional services salaries, customer onboarding and support salaries, amortization of intangible assets, third party service provider and revenue sharing costs, credit card fees and a proportionate allocation of sustainment and corporate expenses, including rent, repairs, maintenance, infrastructure costs and stock option expenses.

The cost of sales, net of amortization, has been broken out in order to ensure comparability after F2016 when the intangible asset had been fully amortized.

Cost of sales decreased $(2.2) million or (41%) in F2017 from F2016 as a result of a combination of changes during the year. $(1.7) million is directly related to the fully amortized intangible asset in F2016. Additionally, the customer onboarding and customer support groups were restructured further in F2017 resulting in reduced head counts and $(0.8) million in savings. This reduction in cost of sales was offset by a $0.2 million increase in overhead allocations and $0.1 million in third party commissions.

As new buying organizations join the Network, Cortex will add additional suppliers and also connect existing suppliers to additional delivery points. As the Network matures, higher automation will occur while reducing the effort required by Cortex to successfully achieve critical mass. The tools within the Company's' application allow buyers to have greater success in inviting and connecting to suppliers and communicating to current suppliers on the Network.

The gross profit, net of amortization, improved to 72% in F2017 from 63% in F2016. This improvement is the result of the reduction in costs without a parallel dollar value reduction in revenue as the Company becomes more productive and efficient.

SALES AND MARKETING

	F2017	F2016	% Change
Sales and marketing	$ 2,382,665	$ 1,429,838	67%
As a percentage of revenue	22%	15%	

Sales and marketing expenses consists primarily of salaries and related expenses for our sales and marketing staff. This includes sales commissions on sales which are paid or accrued in the period, a proportionate allocation of corporate expenses, including rent, repairs, maintenance, infrastructure costs and stock option expenses.

Sales and marketing expenses increased $1.0 million or 67% in F2017 from F2016. The primary driver is the continued expansion of the sales organization resulting in increased salary costs of $0.5 million and commission costs of $0.1 million. Increased travel related expenditures along with marketing initiatives and other expenses provided for the additional $0.4 million increase. Sales and marketing expenses are expected to increase with variable based compensation and other sales and marketing initiatives as this function matures. Sales and marketing expenses are not expected to increase significantly as a percentage of revenue.

RESEARCH AND DEVELOPMENT

	F2017	F2016	% Change
Research and development	$ 1,869,596	$ 1,990,361	(6%)
As a percentage of revenue	17%	20%	

Research and development expenses include the costs of our development resources and related expenses, quality assurance salaries and a proportionate allocation of corporate expenses, including rent, repairs, maintenance, infrastructure costs and stock option expenses.

Research and development expenses decreased $(0.1) million or (6%) from F2016 to F2017. There was a decrease of $(0.3) million in sustainment allocations to the cost of sales function offset by an increase in headcount resulting in a $0.2 million increase is salary costs.

GENERAL AND ADMINISTRATIVE

	F2017	F2016	% Change
General and administrative	$ 3,676,862	$ 3,412,059	8%
As a percentage of revenue	33%	35%	

General and administrative expenses include public filing costs, professional fees, corporate and board compensation, corporate travel, corporate social functions and a proportionate allocation of corporate expenses, including rent, repairs, maintenance, infrastructure costs and stock option expenses.

General and administrative expenses increased $0.3 million or 8% in F2017 from F2016. The major components of this increase are related to the fair value change in the F2016 deferred share unit grants. This resulted in a $0.1 million increase in board compensation. Additionally, $0.1 million was due to upgrades and implementation related to the Company's accounting system and billing systems, respectively. The remaining increase was primarily the result of increased software licensing and subscriptions paid to other vendors in support of the Company's operations for $0.1 million. General and administrative expenses are expected to remain consistent but may vary dependent of share based payments for F2018.

SEVERANCE AND TERMINATION CHARGES

	F2017	F2016	% Change
Severance and termination charges	$ 138,897	$ 213,445	(35%)
As a percentage of revenue	1%	2%	

Severance and termination charges decreased 35% during F2017 over F2016. The majority of the Company's restructuring occurred in F2016 and F2015 resulting in the slight reduction in severance and termination charges of $(0.1) million

NET LOSS

The Company's net loss for the year ended July 31, 2017 improved 85% to $0.4 million compared to the July 31, 2016 net loss of $2.7 million.

The significant items impacting net loss were:

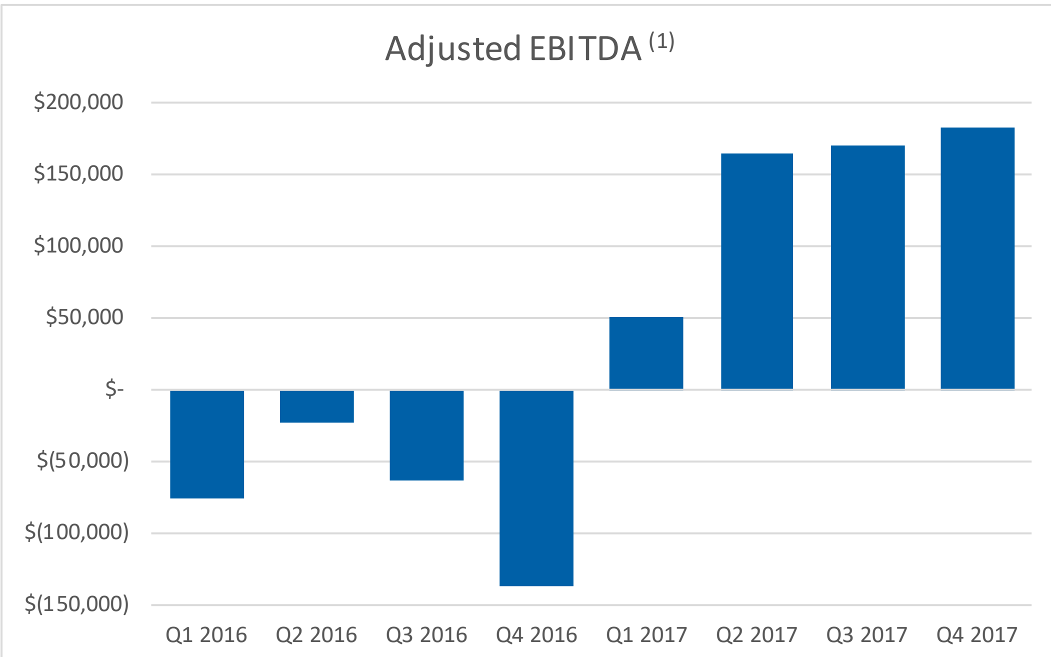
- Improved revenue growth resulting in a 13% increase in revenue.
- The fully amortized intangible asset in F2016 resulted in limited amortization to be taken in F2017 offset by increased sales & marketing expenses.
- Process improvements allowing Management to maintain a lower cost structure, while being efficient and scalable.

QUARTERLY INFORMATION

The Company monitors the cyclical nature of its business in alignment with the Oil and Gas sector from which the Company has historically derived the majority of its revenue. This sector typically has declines in activity during their spring break up, which impact Canadian revenues. The timing of spring break-up can vary year to year, however, it falls within the late spring, early summer timeline. For Cortex, this timing aligns to our third and fourth quarters.

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Total Revenue	$ 2,937,822	$ 2,930,726	$ 2,721,676	$ 2,469,068	$ 2,234,359	$ 2,403,314	$ 2,558,573	$ 2,627,272
Access and Usage Fees	2,624,467	2,603,932	2,398,153	2,337,660	2,152,545	2,263,485	2,443,975	2,516,293
Adjusted EBITDA [(1)]	182,323	170,731	165,410	50,750	(137,517)	(63,546)	(22,950)	(75,591)
Net Income (Loss)	(145,989)	19,847	(196,385)	(92,787)	(711,297)	(564,981)	(619,256)	(809,135)
Basic and diluted loss per share	(0.02)	-	(0.02)	(0.01)	(0.08)	(0.06)	(0.07)	(0.10)

(1) See additional information in the "Non-IFRS Measures" section below on page 28



QUARTERLY REVENUE

The Company's revenue breakdown by significant types of revenue is as follows:

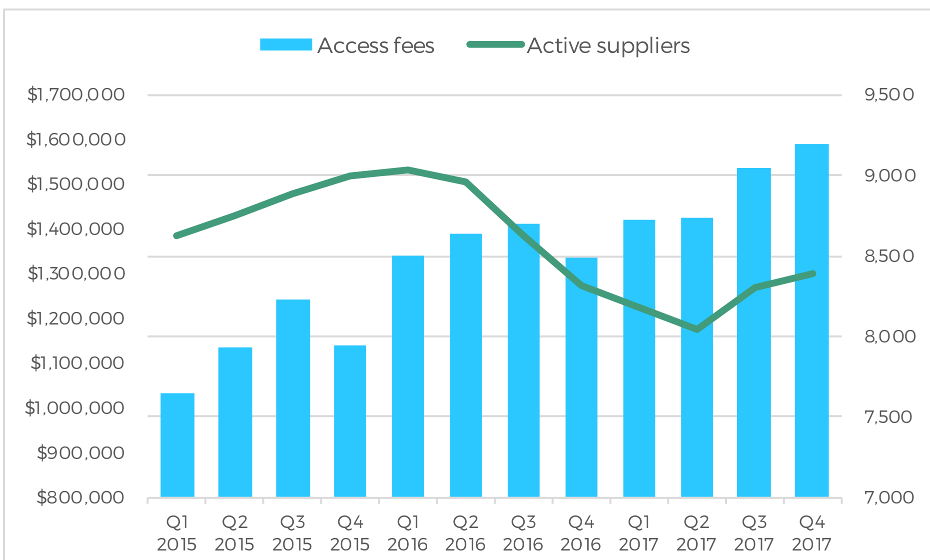
	Q4 2017	Q4 2016	% Change
Revenue			
Access and usage	$ 2,624,467	$ 2,152,545	22%
Integration	48,188	68,252	(29%)
Project management	265,167	13,562	1855%
	2,937,822	**2,234,359**	**31%**

The Company's total revenue increased 31% or $0.7 million Q4 F2017 over Q4 2016.

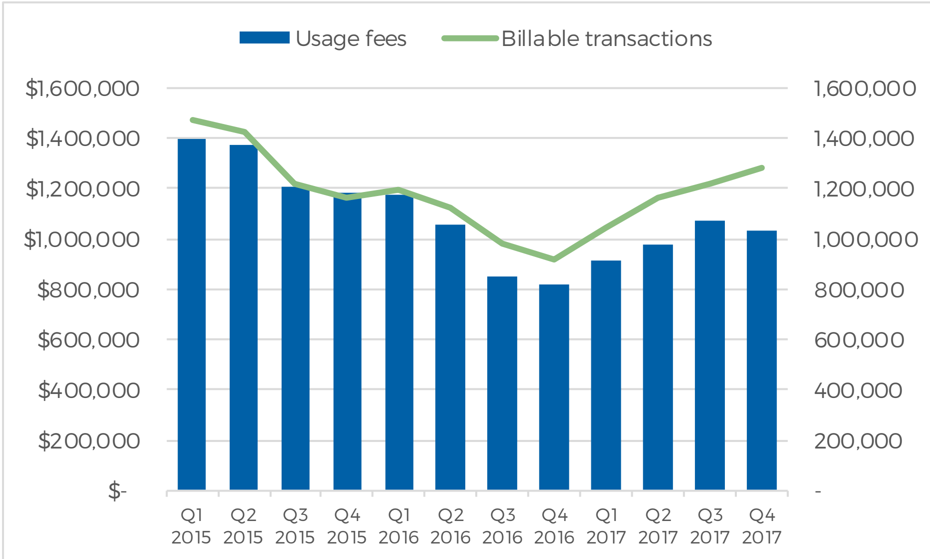
	Q4 2017	Q4 2016	% Change
Access and usage			
Access	$ 1,592,259	$ 1,334,154	19%
Usage	1,032,208	818,391	26%
	2,624,467	**2,152,545**	**22%**

Access and usage fees increased 22% in F2017 over F2016 compared to a 7% decrease from F2016 to F2015.

Access fees tend to move more in line with the number of active suppliers where the usage fees trend more in line with billable transactions. The charts below highlight this point for the last 12 quarters.



Access fees grew 19% or $0.3 million Q4 F2017 over Q4 F2016 while the number of active suppliers went up 1% during the same period. Consistent with the annual change described above, the results from the quarter also show the effects of the efforts put in place to mitigate fluctuations in customer fees by ensuring customers were on optimal price plans that had higher access fees with the appropriate amount of documents included. This resulted in a shift to higher access fees, less influenced by the number of billable transactions. For this reason, the access fees do not trend proportionately with the increase in active suppliers

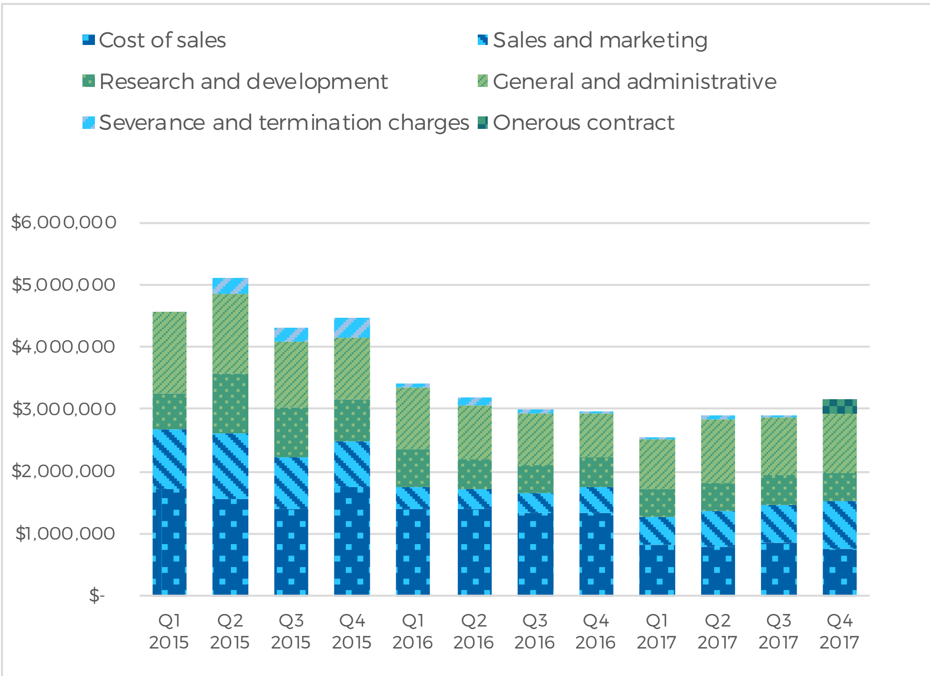


Usage fees are closer aligned with movements in the number of billable transactions flowing through the Network. Usage fees increased 26% in Q4 F2017 over Q4F2016 (Q4 F2017 - $1.0 million; F2016 - $0.8 million) with an increase in billable transactions of 5%. With the shift to higher access fees noted above, billable transactions have less of an impact on usage fees as they only occur when customers go over their allotted documents per month or if they are on usage only price plan.

QUARTERLY EXPENSES

Total expenses increased Q4 F2017 over Q4 F2016 by 8% or $0.2 million.

	Q4 2017	Q4 2016	% Change
Expenses			
Cost of sales	$ 768,585	$ 1,333,414	(42%)
Sales and marketing	742,131	419,845	77%
Research and development	466,568	480,687	(3%)
General and administrative	951,828	689,374	38%
Severance and termination charges	10,840	4,849	124%
Onerous contract	217,638	-	100%
	3,157,590	2,928,169	8%



The primary increase in overall expenses is an onerous contract provision recorded in Q4 F2017 related to the Company's previous head office lease of $0.2 million.

Expenses related to operations are expected to remain flat as the Company has in place a repeatable business model that will allow the business to scale without a significant need to invest in additional infrastructure or personnel.

The details of these movements for the quarters are highlighted as follows.

COST OF SALES & GROSS PROFIT

Gross profit improved to 74% from 40%. Gross profit, net of amortization, improved to 76% from 60%.

	Q4 2017	Q4 2016	% Change
Revenue	$ 2,937,822	$ 2,234,359	31%
Cost of sales	768,585	1,333,414	(42%)
As a percentage of revenue	26%	60%	(57%)
Gross profit	2,169,237	900,945	141%
Gross profit %	74%	40%	85%
Cost of sales	768,585	1,333,414	(42%)
Amortization	64,162	430,236	(85%)
Cost of sales, net of amortization [1]	704,423	903,178	(22%)
As a percentage of revenue	24%	40%	(40%)
Gross profit, net of amortization	2,233,399	1,331,181	68%
Gross profit %	76%	60%	28%

[1] See additional information in the "Non-IFRS Measures" section below on page 28

Cost of sales decreased $(0.6) million or (42%) as of Q4 F2017 from Q4 F2016 as a result of a combination of changes during the quarter. $(0.4) million is directly related to the fully amortized intangible asset in F2016. Additionally, the customer onboarding and customer support groups were restructured further in F2017 resulting in reduced head counts and $(0.2) million in savings. Cost of sales is expected to remain relatively flat for future quarters

SALES AND MARKETING

	Q4 2017	Q4 2016	% Change
Sales and marketing	$ 742,131	$ 419,845	77%
As a percentage of revenue	25%	19%	

Sales and marketing expenses increased $0.3 million or 77% from Q4 F2016 to Q4 F2017. The primary driver is the continued expansion of the sales organization resulting in increased salary costs of $0.1 million and accrued commission costs of $0.2 million. Sales and marketing expenses are expected to be similar as a percentage of revenue for future quarters.

RESEARCH AND DEVELOPMENT

	Q4 2017	Q4 2016	% Change
Research and development	$ 466,568	$ 480,687	(3%)
As a percentage of revenue	16%	22%	

Research and development expenses decreased insignificantly (3%) in Q4 2017 from Q4 F2016. The research and development team had an increase in headcount resulting in a $0.1 million increase is salary costs. This was offset by $(0.1) million in sustainment allocations to the cost of sales function.

GENERAL AND ADMINISTRATIVE

	Q4 2017	Q4 2016	% Change
General and administrative	$ 951,828	$ 689,374	38%
As a percentage of revenue	32%	31%	

The general and administrative expenses increased $0.3 million or 38% from Q4 F2016 over Q4 F2017. The major components of this increase are related to the fair value change in the F2016 DSU grants. This resulted in a $0.1 million increase in board compensation. An additionally $0.1 million was due to additional executive compensation accruals. The remaining increase of $0.1 million was a result of other general and administrative expenses.

NET LOSS Q4 F2017

The Company's net loss for the quarter ended July 31, 2017 improved 79% to $(0.1) million compared to the quarter ended July 31, 2016 net loss of $(0.7) million.

The significant items impacting net income were:

- Improved revenue growth resulting in a 31% increase in revenue.
- The fully amortized intangible asset in F2016 resulted in limited amortization to be taken in F2017 offset by increased Sales & marketing expenses.
- Onerous contract for $0.2 million recorded in Q4 2017.

INCOME TAXES

For the year and quarter ended July 31, 2017, the Company is not cash taxable. At July 31, 2017, the Company had approximately $53,672,635 of non-capital losses to carry forward to reduce future year's taxable income in Canada and $505,545 in the U.S.

REBATE PROVISION

The Company made a final payment of $302,041 in F2017 resulting in the rebate provision being paid in full. This will free up cash flow in future years and no obligation of this nature is expected.

SHARE CAPITAL

Cortex Business Solutions Inc. issued 85,279 common shares during F2017 compared to 1,558,355 during F2016. Of the shares issued, all 85,279 were issued by way of exercise of stock options or compensation units for total proceeds of $170,291.

The number of common shares issued and outstanding at July 31, 2017 was 9,069,983 and October 24, 2017 is 9,089,664.

The Company had 160,245 Deferred Share Units outstanding at July 31, 2017 and October 24, 2017.

There were 3,492 compensation units outstanding at July 31, 2017 and none at October 27, 2016. These were issued in conjunction with the private placement referred to above on September 2, 2015. These units are exercisable at $2.00 for a period of two years. All compensation units have been exercised.

LIQUIDITY AND CAPITAL RESOURCES

At July 31, 2017, Cortex Business Solutions Inc. held $6,248,176 in cash and $60,000 in short-term investments, compared to $5,621,835 and $60,000, respectively, at July 31, 2016. The Company had trade accounts receivable of $732,693 at July 31, 2017 compared to trade accounts receivable of $551,178 at July 31, 2016. The Company continues to maintain a diligent collections regime. None of the accounts receivables are under dispute; however, the Company has set up $20,106 as an allowance for doubtful accounts at July 31, 2017.

The Company has a current working capital of $5,441,920 compared to $5,206,774 at July 31, 2016. Cash provided by operating activities improved 144% to $517,143 in F2017 compared to cash used in operating activities of $(1,176,766) during F2016.

The Company has in place a detailed planning and budgeting process to assist in determining the funds required to ensure appropriate capital to meet its growth objectives. The Company strives to maintain sufficient capital to meet its short-term business requirements taking into account its capital commitments, planned capital expenditures and its holdings of cash. The Company has set forth in its business plan, expected revenue and expense targets for the fiscal year ended July 31, 2018.

The Company is not subject to externally imposed capital requirements. There has been no change to the Company's capital management philosophy during the year ended July 31, 2016. The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards on a going concern basis, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. Should the Company not be able to continue as a going concern, adjustments to the recorded amounts and classifications of assets, liabilities and expenses would be required.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CONTRACTUAL OBLIGATIONS

The Company has entered into various operating leases for office space expiring at various dates to August 2022.

The following is the minimum annual fiscal obligations, including the onerous contract, while excluding the share of operating costs relating to office space:

Year	Amount
2018	$ 205,214
2019	119,760
2020	119,760
2021	119,760
2022	89,820
Total	**654,314**

TRANSACTION WITH RELATED PARTIES

For the year ended July 31, 2016, a company under significant influence by a director was paid a cash commission of $158,240 and 79,121 compensation units with a fair value of $86,039 in consideration for their involvement with the September 2, 2015 private placement. During the year ended July 31, 2017, all compensation units issued to this related party were exercised.

For the year ended July 31, 2017, no amounts (2016 - $12,019) were included in general and administrative expenses paid to a related party for administrative duties performed.

BUSINESS RISKS AND UNCERTAINTIES

Material risk factors that could cause our actual results to differ materially from the forward-looking statements contained herein include: dependence on key personnel, risks related to expansion of our business operations – domestically and internationally, current global economic downturn, exchange rate fluctuations, risks related to future acquisitions, requirements for additional financing for our business and any future acquisitions, credit terms extended to our customers, possible volatility of our share price, product and geographic concentration in conjunction with the limited range of services that we provide, our historical dependence on a small number of large customers, our ability to protect our intellectual property, our potential vulnerability to computer and information systems security breaches, competition from third parties, rapid technological change, risk of third party claims for infringement of intellectual property rights by others, and risks related to technical standards and the certification of our services.

The material business risks and uncertainties are described in greater detail in the Company's Annual Information form as filed on November 9, 2016. This document can be found on the SEDAR website www.sedar.com.

USE OF ESTIMATES AND JUDGMENTS

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Accounting estimates will, by definition, seldom equal the actual results. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

The following discussion sets forth Management's most critical estimates and assumptions in determining the value of assets, liabilities and equity.

IMPAIRMENT OF NON-FINANCIAL ASSETS

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. The recoverable amount is the greater of value in use and fair value less costs to sell. Determining the value in use requires the Company to estimate expected future cash flows associated with the assets and a suitable discount rate in order to calculate present value. No impairments of non-financial assets have been recorded for the year ended July 31, 2017 or July 31, 2016.

USEFUL LIFE OF PROPERTY AND EQUIPMENT AND INTANGIBLE ASSETS

Property and equipment and intangible assets are amortized over the estimated useful life of the assets. Changes in the estimated useful lives could significantly increase or decrease the amount of amortization recorded during the year.

VALUATION OF ACCOUNTS RECEIVABLE

The valuation of accounts receivable is based on management's best estimate of the provision for doubtful accounts. During this review, historical experience, the age of the receivable balance, the credit worthiness of the customer and the reason for delinquency are considered.

SHARE-BASED COMPENSATION

Management is required to make certain estimates when determining the fair value of stock options awards issued including future volatility of the Company's share price, expected forfeiture rates, expected lives of the underlying securities, expected dividends and other relevant assumptions.

The Company operates a stock option plan as approved by the shareholders at the 2016 Annual General Meeting on December 9, 2016. Under this plan, directors, officers, consultants and employees are eligible to receive stock options. The aggregate number of common shares to be issued upon the exercise of all options granted under the plan shall not exceed 10% of the issued and outstanding common shares of the Company. Options granted under the current stock option plan generally have a term of five years but may not exceed five years and vest over a 3-year period. The stock options granted under a previous stock option plan had vesting periods ranging from immediate vesting upon grant to 3 years. The exercise price of each option shall be determined by the directors at the time of grant but shall not be less than the price permitted by the policy or policies of the stock exchange(s) upon which the Company's common shares are then listed.

The number of outstanding stock options at July 31, 2017 was 605,554 and at July 31, 2016, 537,077 with a weighted average exercise price of $3.93 and $4.47 respectively. The amounts exercisable for the same periods were 285,426 and 206,083, respectively, with a weighted average exercise price of $4.97 and $7.38 respectively. At October 24, 2017, the Company had 279,272 stock options exercisable and 586,223 stock options issued and outstanding. At October 24, 2017 there were no Compensation Units outstanding with a weighted average exercise price of $2.00 per Compensation Unit.

CRITICAL JUDGMENTS IN APPLYING ACCOUNTING POLICIES

In the preparation of these Consolidated Financial Statements, the Company has made judgments, aside from those that involve estimates, in the process of applying the accounting policies. These judgments can have an effect on the amounts recognized in the consolidated financial statements.

GOING CONCERN

When preparing financial statements, Management is requirement to make an assessment of the Company's ability to continue as a going concern. This assessment requires Management to estimate the Company's ability to meet current obligations and commitments as well as generate positive cash flow over the upcoming 12 months.

INCOME TAX

Management is required to apply judgment in determining whether it is probable deferred income tax assets will be realized. Management has determined that future realization of its deferred Canadian income tax assets did not meet the threshold of being probable and, as such, has not recognized any deferred income tax assets in the consolidated statement of financial position.

In addition, the measurement of any potential income taxes payable and deferred income tax assets and liabilities requires Management to make judgments in the interpretation and application of the relevant tax laws. The actual amount of income taxes only becomes final upon filing and acceptance of the tax return by the relevant authorities, which occurs subsequent to the issuance of the consolidated financial statements.

CHANGES IN ACCOUNTING POLICIES

Recent accounting policies and new pronouncements

At the date of authorization of these Consolidated Financial Statements, the IASB and the IFRS Interpretations Committee (IFRIC) have issued the following new and revised standards and interpretations which are not yet effective for the relevant reporting periods. The Company has not early adopted these standards, amendments or interpretations, however the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements.

IFRS 9 Financial Instruments

IFRS 9 introduces a number of new principles including (i) a third measurement category for financial assets – fair value through other comprehensive income; (ii) a single, forward-looking 'expected loss' impairment model, and (iii) a substantially-reformed approach to hedge accounting. Management has not yet determined that potential impact the adoption of IFRS 9 will have on the Company's consolidated financial statements. The standard is effective for the Company for the first interim period beginning August 1, 2018.

IFRS 15 Revenue from contracts with customers

IFRS 15 provides a single, comprehensive revenue recognition model for all contracts with customers. The standard contains principles that the Company will apply to determine the measurement of revenue and timing of when it is recognized. The underlying principle is that an entity will recognize revenue to depict the transfer of goods or services to customers at an amount that Company expects to be entitled to in exchange for those goods or services. Management has not yet determined that potential impact the adoption of IFRS 15 will have on the Company's consolidated financial statements. The standard is effective for the Company for the first interim period beginning August 1, 2018.

IFRS 16 Leases

IFRS 16 requires all leases, including financing and operating to be reported on a Company's balance sheet. The new standard will provide greater transparency on companies' lease assets and liabilities. The standard will impact the Company and is effective for the first annual year ended July 31, 2020.

NON-IFRS FINANCIAL MEASURES AND RECONCILIATIONS

The MD&A contains references to Non-IFRS financial measures that do not have standardized meanings prescribed by IFRS and therefore may not be comparable to similar measures presented by other reporting issuers. These measures assist the Company in evaluating the Company's operating performance against its expectations and against other entities. These non-IFRS financial measures assist in identifying underlying operating trends but are not substitutes for the Company's results reported under IFRS. Each measure is defined as follows:

- Adjusted earnings before interest, taxes, depreciation and amortization **("Adjusted EBITDA")** provides useful information to users as it reflects the net earnings prior to the effect of non-operating expenses including interest, tax, depreciation and amortization, in addition to non-recurring charges and share based payments. Management uses Adjusted EBITDA in measuring the financial performance of the Company as this measure reflects results that are controllable by Management in day-to-day operations. The fluctuations in tax rates, interest rates and the Company's stock price are not reflective of the Company's core operations

  For F2017, costs associated with an onerous contract related to the Company's previous Head office lease are classified as non-recurring.

  "Cost of sales, net of amortization" is calculated by adding back the impact of amortization on Cost of sales. The allows Management to evaluate Cost of sales without the impact of significant amortization charges from internally generated intangible assets from previous years.

The following is a reconciliation of Adjusted EBITDA to net income (loss):

	F2017	F2016	F2015
Net Loss	$ (415,314)	$ (2,704,669)	$ (7,925,798)
Amortization	139,051	1,841,521	1,860,171
Income tax (recovery) expense	(22,128)	12,987	52,401
Share-based payments	649,967	550,557	184,950
Onerous contract	217,638	-	-
Adjusted EBITDA	569,214	(299,604)	(5,828,276)

	Q4 2017	Q3 2017	Q2 2017	Q1 2017	Q4 2016	Q3 2016	Q2 2016	Q1 2016
Net Income (Loss)	**$ (145,989)**	**$ 19,847**	**$ (196,385)**	**$ (92,787)**	**$ (711,297)**	**$ (564,981)**	**$ (619,256)**	**$ (809,135)**
Amortization	64,162	25,004	25,030	24,855	460,622	460,301	460,298	460,300
Income tax expense (recovery)	(68,592)	16,799	15,024	14,641	14,031	(14,305)	282	12,979
Share-based payments	115,104	109,081	321,741	104,041	99,127	55,439	135,726	260,265
Onerous contract	217,638	-	-	-	-	-	-	-
Adjusted EBITDA	**182,323**	**170,731**	**165,410**	**50,750**	**(137,517)**	**(63,546)**	**(22,950)**	**(75,591)**

The following is a reconciliation of cost of sales, net of amortization to cost of sales:

	F2017	F2016	% Change
Cost of sales	$ 3,217,622	$ 5,462,248	(41%)
Amortization	139,051	1,841,521	(92%)
Cost of sales, net of amortization	3,078,570	3,620,727	(15%)
As a percentage of revenue	28%	37%	(24%)
Gross profit, net of amortization	7,980,721	6,202,791	29%

	Q4 2017	Q4 2016	% Change
Cost of sales	$ 768,585	$ 1,333,414	(42%)
Amortization	64,162	430,236	(85%)
Cost of sales, net of amortization	704,423	903,178	(22%)
As a percentage of revenue	24%	40%	(40%)
Gross profit, net of amortization	2,233,399	1,331,181	68%

"Joel Leetzow" (signed)

President and CEO

"Henry Pham" (signed), CPA, CA

Interim CFO