Cortex Business Solutions Inc.

2015 Second Quarter

Management's Discussion and Analysis

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March 13, 2015

The following management's discussion and analysis ("MD&A") should be read in conjunction with Cortex Business Solutions Inc. ("Cortex" or the "Company") consolidated financial statements, as at and for the quarter ended January 31, 2015. 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 March 13, 2015.

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 management's discussion and analysis;*
- *Readers should be 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 statement, whether as a result of new information, future events or any other reason unless required by applicable securities laws.*

Non-GAAP Financial Measures

The Company reports its financial results in accordance with Canadian GAAP. However, the MD&A contains references to non-GAAP financial measures such as Baseline revenue (access and usage fees revenue plus integration and set-up fees revenue). A reconciliation of revenue can be performed by subtracting project management fees from total revenue reported on the Company's statement of loss and comprehensive loss. Non- GAAP financial measures do not have standardized meanings prescribed by GAAP and therefore may not be comparable to similar measures presented by other reporting issuers.

These non-GAAP financial measures have been included in this MD&A as they are measures which management uses to assist in evaluating the Company's operating performance against its expectations and against other companies in similar industries. Management believes that non-GAAP financial measures assist in identifying underlying operating trends

Fiscal Q2 2015 Financial and Operational Highlights

Operational Highlights

During the downturn in the oil and gas markets, Cortex managed to grow its total revenue 7% Q2 F2015 over Q1 F2015, and 42% Q2 F2015 over Q2 F2014.

Management continues to monitor the impact to transactional revenue, as oil prices remain 50% lower than one year ago. The access and usage revenue stream grew 3% Q2 F2015 over Q1 F2015 and 37% Q2 F2015 over Q2 F2014. Management continues to monitor the impact on revenue of a prolonged downturn in commodity prices.

Cortex has accelerated development of its new product lines and looks forward to introducing Field Ticket Approver ("FTA") in May, 2015.

The Q2 F2015 financial highlights are:

- Total Revenue in Q2 F2015 was $2,823,082, an improvement of 42% over Q2 F2014 ($1,984,069). Access and usage fees grew 37% (Q2 F2015 - $2,506,230; Q2 F2014 - $1,829,303).

- The access and usage fee revenue grew 3% or $76,002 Q2 F2015 over Q1 F2015. Total revenue grew 7 % or $ 191,435 over the same period.

- The working capital declined $(640,179) from $ 7,087,153 at October 31, 2014 to $ 6,446,974 at January 31, 2015.

The Q2 F2015 operational highlights are:

- During Q2 F2015, five new buying organizations were sold in the quarter and two stopped receiving invoices.

- As of January 31, 2015 there were 78 active buying organizations on the Network, compared to 62 at January 31, 2014.

- Billable transactions:
  - Increased 31% Q2 F2015 over Q2 F2014 (Q2 F2015 -1,423,818; Q2 F2014 - 1,082,982)
  - Declined 3% Q2 F2015 over Q1 F2015 (Q2 F2015 -1,423,818; Q1 F2015 - 1,474,650)

- Active suppliers on the Cortex Network
  - Increased 33% Q2 F2015 over Q2 F2014
  - Increased 1% Q2 F2015 over Q1 F2015

- The Company is working on internal systems integrations across the organization over the next two quarters. This initiative will enhance productivity across the organization.

Description of Business

Cortex Business Solutions Inc. is a leading eCommerce service company that improves efficiencies, reduces costs and streamlines procurement and supply chain management for its customers. Accessing the Cortex Network enhances the exchange of business critical documents, such as purchase orders, receipts and invoices, resulting in improved cash flow management and business controls, while reducing day's sales outstanding and administrative costs. Cortex provides a low cost, low risk solution that can be implemented quickly by leveraging its customers' existing business environment(s).

Cortex products and services are non-intrusive and allow our customers the freedom to leverage and optimize their existing processes and information technology assets, where it makes the most impactful business sense for them. This approach improves the productivity, cash flow and profitability of our customers, while avoiding the risk and delays associated with large information technology or business process re-engineering initiatives.

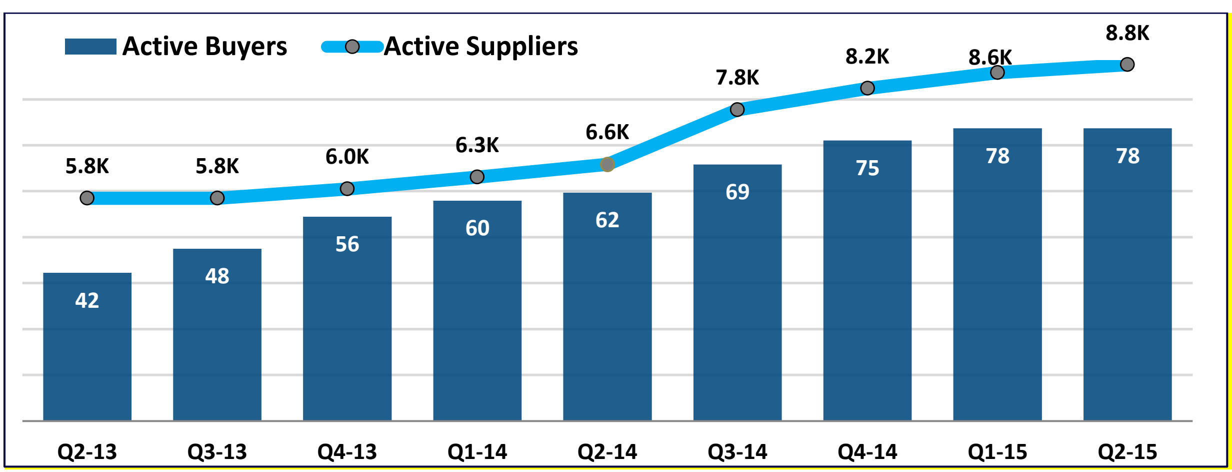
The following table illustrates the growth in some key metrics:

	2015				2014							
Buyer Integrations	Q2	% Change	Q1	% Change	Q4	% Change	Q3	% Change	Q2	% Change	Q1	% Change
Completed	78	0%	78	4%	75	9%	69	11%	62	3%	60	7%
In Progress	8		5		14		13		19		18	
	86	4%	83	(7)%	89	9%	82	1%	81	4%	78	5%
Billable Transactions	1,423,818	(3)%	1,474,650	25%	1,182,665	(2)%	1,203,283	11%	1,082,982	1%	1,074,126	10%
Total documents exchanged	3,915,442	(3)%	4,021,739	23%	3,279,344	1%	3,231,611	6%	3,039,967	1%	3,000,632	15%

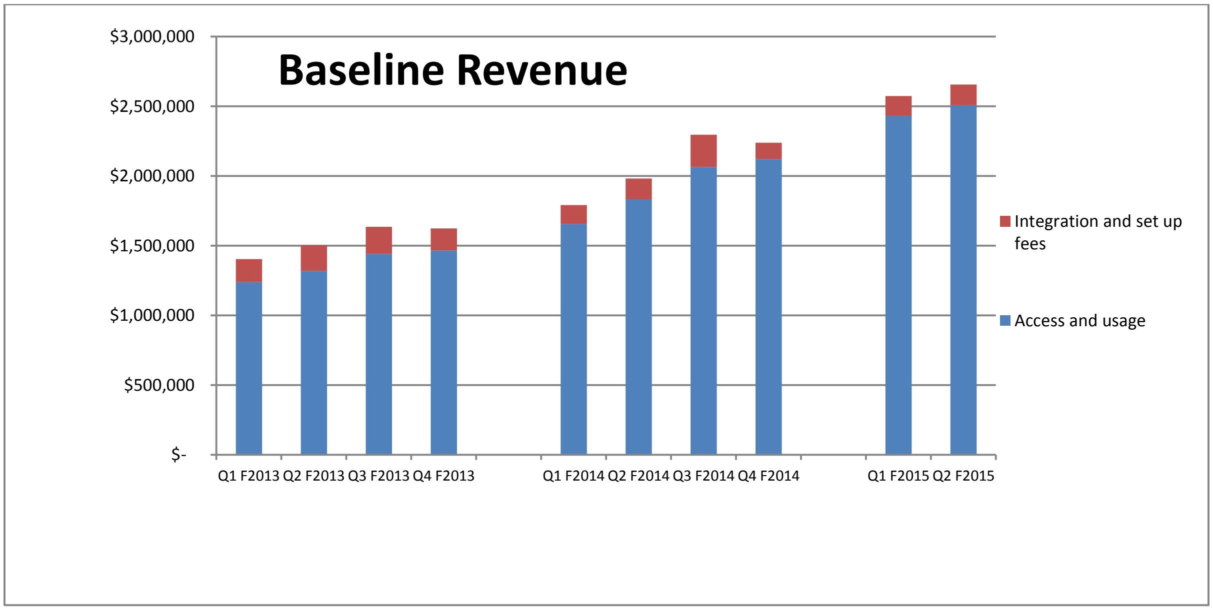
In Q2 F2015, Cortex signed five new Buying organizations, with 8 in various stages of project completion to start accepting invoices.

Two of our live Buying organizations stopped receiving invoices on the network. One was involved in a merger in the US where the acquirer already had an e-invoicing solution. The second Buyer stopped receiving invoices on the Network as they ceased operations. The impact to annualized revenue for Cortex is immaterial. (.004%)

The chart below is intended to help better understand how our Network grows. As more buying organizations accept invoices, (or become active buyers) more suppliers are active on the Network. With more destination points to the supplier, the supplier has the ability to send more invoices electronically to multiple buying organizations.



The active buyer and active supplier chart highlights the correlation between active buyers and suppliers; the baseline revenue chart continues the story highlighting how active buyers and suppliers lead to increased billable transactions on the Network. The Company monitors its access and usage revenue in conjunction with integration and set-up fees as baseline revenue. The baseline revenue stream is a recurring revenue stream, while the project management stream is typically not recurring in nature. The baseline revenue is more recurring in nature and is a better indicator of future revenue. Baseline revenue combined with project management revenue creates the total revenue of the Company.



The Company will allocate its resources toward these areas exhibiting attractive Return on Investment (ROI). Currently, both Canada and the U.S. show strong pipelines for growth opportunity.

Cortex continues to develop innovative products to further enhance the Cortex Network, the latest being Field Ticket Approver ("FTA"). Field Ticket Approver will assist with data entry of field tickets while offsite. FTA is expected to be released in the spring of 2015. This product will result in new revenue opportunities for Cortex. Additional product development investment will be incurred during the pre-connection stage.

The Cortex portal includes client profiles, messaging invites, reports and online help. Additional functionality will be added which will include notifications, geographic profiling and improved Network search.

Outlook

Q2 2015 saw significant changes to the Cortex organization. The addition of the new interim President and CEO brought some thorough review of cost structures, internal systems and leadership. Management continues to focus on revenue opportunities, while ensuring there are streamlined processes and systems in place to accelerate future growth in an efficient manner. The Company is determined to be best in class with the service they provide and has committed to six sigma training throughout the organization to improve processes. The Company is investing in load balance initiatives in the short term to ensure production infrastructure can continue to handle increased volumes.

Cortex will continue to add functionality to its service platform through market driver and strategic additions. The introduction of FTA will expand our functionality to include field automation. Capturing market share during this early maturity phase is a key objective for Cortex in FY 2015.

The increased functionality of Portal, allowing customers self-propagation, profiling and messaging, is generating increased traffic on the Network. Cortex has improved the functionality of invites and self-registration online sign-up, to bring on more customers and streamline sign up processes. Cortex will continue to release market driven functionality enhancements onto the platform during F2015, such as a notification framework to email customers about account activity.

Cortex continues to see demand for the 100% eBilling solution and expects sales from this product line to accelerate. There are now eight 100% eBilling customers.

Management is monitoring the effects of commodity prices on Network activity. January 2015 saw a slight impact to the billable transactions in Q2 F2015. With this small reduction in transactions (down 3%) the Company was still able to increase revenue over the preceding quarter (Q2 F2015 over Q1 F2015) by 7%.

FINANCIAL PERFORMANCE REVIEW AND ANALYSIS

Quarterly information

	Total Revenue	Access & Usage Fees Revenue	Net Loss	Basic and Diluted Loss Per Share
F2015				
Quarter Two	$2,823,082	$2,506,230	$(2,281,109)	$(0.01)
Quarter One	$2,631,647	$2,430,228	$(1,934,399)	$(0.01)
F2014				
Quarter Four	$2,812,040	$2,117,717	$(1,619,615)	$(0.01)
Quarter Three	$2,390,652	$2,070,174	$(1,613,556)	$(0.01)
Quarter Two	$1,984,069	$1,829,303	$(1,189,990)	$0.00
Quarter One	$1,790,582	$1,655,815	$(1,463,939)	$(0.01)
F2013				
Quarter Four	$1,623,934	$1,464,519	$(1,533,242)	$(0.01)
Quarter Three	$1,634,469	$1,439,219	$(1,736,711)	$(0.01)

The oil and gas industry has seasonal and cyclical trends. Spring break-up results in reduced transaction volume during this timeframe. This impacts Q3 and Q4 of every year. Cortex has been able, historically, to outgrow the slowdown and increase access and usage fees each quarter regardless. The revenue has been trending upwards in both access and usage fees and total revenue for current and preceding seven quarters.

The net loss was trending downwards from Q3 F2013 through Q2 F2014 as different cost saving initiatives were put into place in conjunction with the revenue increases. The Company then put into place a couple of major initiatives which brought the cost structure back up, increasing net loss. These initiatives included US expansion as well as growing into other verticals. These initiatives have a revenue lag and the Company continues to monitor their successes.

Quarter ended January 31, 2015

Revenue

The Company was able to realize 42% total revenue growth Q2 F2015 over Q2 F2014. The Company maintained a 37% access and usage fee growth rate Q2 F2015 over Q2 F2014 and 1% growth in integration and set-up fee revenue for the same period.

	Q2 2015	Q2 2014	Change	% Increase (Decrease)
Access and usage fees	$2,506,230	$1,829,303	$676,927	37%
Integration and set-up fees	149,993	149,191	802	1%
Project management fees	166,859	5,575	161,284	2893%
Total Revenue	$2,823,082	$1,984,069	$839,013	42%

Access and Usage Fees

Access and usage fees include a monthly fee for access to the Cortex Trading Partner Network (“Network”), plus transaction fees which are recognized in the month the service is performed.

Access and usage fee revenue continues to show strong growth at 37% Q2 F2014 to Q2 F2015. The growth of the access and usage fee revenue is a combination of a 26% increase in active buying organizations Q2 F2015 compared to Q2 F2014, and an additional 2,168 suppliers active on the Network resulting in 31% billable transaction growth.

Integration and Set-up Fees

Integration fee revenue is recognized on a percentage of completion basis, based on the provision of services provided. Set-up fee revenue is deferred and recognized as revenue over the estimated term of a contract with a customer.

The integration and set-up fee revenue stream continues to fluctuate depending on integrations project timelines, completion, and the number of net new suppliers joining the Network in the quarter paying the initial set-up fee. The deferred revenue for integration projects is recognized during specific milestone phases of the project, and upon completion, all set-up fees are recognized when customer starts transacting utilizing the integrated solution. Integration and set-up fees revenue was flat with an increase of $802 or 1% in Q2 F2015 compared to Q2 F2014.

Project Management Fees

Project management fees are recognized as services are performed. These fees are deferred upon receipt and recognized as the project is completed, in-line with specific contract deliverables.

In Q2 2015 Cortex provided “onboarding services” to one of its buying organizations assisting it in setting up its suppliers to further improve their invoice automation rate.

Total Revenue

The total revenue increase was 42% Q2 F2015 over Q2 F2014 (Q2 F2015 - $2,823,082; Q2 F2014 - $1,984,069). The largest contributor to this increase was the access and usage fee revenue of 37% (Q2 F2015 - $2,506,230; Q2 F2014 - $1,829,303). The Company continues to focus on additional opportunities to increase this recurring revenue growth through the sign-up of buying organizations, additional transactions per supplier on the Network, and secondary service offerings.

Expenses

	Q2 F2015	Q2 F2014	% Change
Expenses			
Cost of sales	$1,541,545	$1,294,233	19%
Sales and marketing	1,083,592	760,499	42%
Research and development costs	964,297	245,944	292%
General and administrative	1,253,361	865,630	45%
Severance and employment termination costs	263,625	Nil	100%
Total	$5,106,420	$3,166,306	61%

The total expenses increased 61% or $1,940,114 Q2 F2015 over Q2 F2014. The details of the individual line items are below:

Cost of Sales & Gross Profit

	Q2 F2015	Q2 F2014	% Change
Total Revenue	$2,823,082	$1,984,069	42%
Cost of Sales, as reported	1,541,545	1,294,233	19%
Gross Profit, as reported	1,281,537	689,836	86%
Cost of Sales, as reported	1,541,545	1,294,233	19%
Amortization	431,282	278,615	55%
Cost of Sales, net of amortization	1,110,263	1,015,618	9%
Gross Profit, net of amortization	1,712,819	953,722	80%
Gross profit %	61%	48%	

Total revenue increased $839,013, while cost of sales increased $247,312. The cost of sales has a variable component, but most of these costs are fixed in nature with a bit of a step increase resulting from growth. Once the impact of amortization is removed, cost of sales increased $94,645 or 9%.

Included in cost of sales is the amortization of intangibles. Amortization increased $152,667 or 55%. This is the result of amortization of the Canadian portion of roadmap, as well as the acceleration of the amortization. In addition, partner commission increased $58,127 or 137%. As the Company increases its partner driven sales, the partner commission will increase. AP service fees increased $35,829 during this period.

Sales and Marketing

	Q2 F2015	Q2 F2014	% Change
Sales and marketing	$1,083,592	$760,499	42%
As a percentage of revenue	38%	38%	

The sales and marketing line increased $323,093 or 42%. The majority of this increase, $212,232 is related to the expansion of the sales team. The Company expanded its sales and delivery team at the end of F2014 and first quarter of F2015 to accelerate its U.S. presence. Commission increased $56,414 Q2 F2015 over Q2 F2014. The remaining increases can be attributed to travel related expenses as the Company continues its growth strategy.

Research and Development

	Q2 F2015	Q2 F2014	% Change
Research and development	$964,297	$245,944	292%
Capitalized Software Development costs	Nil	$226,654	(100)%
Total research and development and capitalized software	964,297	472,598	104%
As a percentage of revenue	34%	24%	

Research and development costs increased $718,353 Q2 F2015 over Q2 F2014. Part of the increase can be attributed to the reduction in the salaries capitalized to software development. During Q2 F2015 the Company did not capitalize any development salaries compared to Q2 F2014 when the Company capitalized $226,654 worth of development salaries.

The Company continues to develop innovative products to further enhance the Cortex Network; one of which is Field Ticket Approver (FTA). This product is being developed based on customer feedback and market demand. FTA is expected to be released in May 2015. This product will result in new revenue opportunities for Cortex. During Q2 F2015 $220,000 was spent on the development team and their related expenses. The remaining related expenditures to complete this project are estimated to be around $1,100,000.

General and Administrative

	Q2 F2015	Q2 F2014	% Change
General and administrative	$1,253,361	$865,630	45%
As a percentage of revenue	44%	44%	

The general and administrative costs increased $387,731 Q2 F2015 over Q2 F2014. Q2 F2015 saw some significant changes to the organization. There are costs associated with changes of this magnitude. There were contracting costs incurred for the interim CEO, recruitment fees for interim CEO, and contracting fees for interim positions in the organization. The combined impact of these changes in the quarter was $225,000.

In addition, there were some costs associated with the restatement of the F2014 financial statements, the costs of which were not determined until Q2 F2015. The combined costs of these in the quarter were $100,000. The Company also invested in additional software licenses and upgrades from F2014. This resulted in an increase of $36,000 over the same quarter F2014

Severance and employee termination costs

	Q2 F2015	Q2 F2014	% Change
Severance and employee termination costs	$263,625	Nil	100%
As a percentage of revenue	9%	0%	

During Q2 F2015, the Company brought in Jim Barker as Interim President and Chief Executive Officer ("CEO"). In connection with this appointment, the Company provided a retiring allowance to the former President and Chief Executive Officer.

Net Loss Q2 F2015

The Company's net loss for the quarter ended January 31, 2015 was 92% higher in Q2 F2015 ($2,281,109) compared to Q2 F2014 - $(1,189,990).

This significant items impacting net loss were:

- The transition of the former President and CEO
- The expenditures for the development team for new product development, including recruiting fees and additional staff.
- The continuation of US expansion initiatives.

Six months ended January 31, 2015

Revenue

The Company was able to realize 45% growth or $1,680,078 during the six months ended January 31 F2015 over the six month period ended January 31 F2014. The recurring growth accounted for $1,451,340 a 42% increase during the six months ended January 31 F2015 over the six month period ended January 31 F2014.

	Six months ended			
	January 31 2015	January 31 2014	Change	% Increase (Decrease)
Access and usage fees	$4,936,458	$3,485,118	$1,451,340	42%
Integration and set-up fees	292,569	283,958	8,611	3%
Project management fees	225,702	5,575	220,127	3948%
Total Revenue	$5,454,729	$3,774,651	$1,680,078	45%

Access and Usage Fees

Access and usage fee revenue grew 42% for the six months ended January 31, 2015, compared to same period January 31, 2014. Access and usage fees grow dependant on transaction volumes through the Network. During the six month period ended January 31, 2015 the Company signed 9 buying organizations. The addition of these buying organizations resulted in a 33% increase of active suppliers on the Network. The total number of billable transactions for the six month period increased 35%, and total transactions increased 31%. In addition, over 400 suppliers integrated to various buying organizations.

Integration and Set up Fees

The integration and set-up fee revenue stream continues to fluctuate, dependant on integration project timelines, completions, and the number of net new suppliers joining the Network. The deferred revenue for integration projects is recognized during specific milestone phases of the project, and upon completion of the project. Integration and set-up fees revenue grew in the six-month period 3% or $8,611.

Project Management Fees

During the six months ended January 31, 2015, Cortex provided onboarding services to one of its buying organizations assisting them in setting up their suppliers to further improve their invoice automation rate. These projects are term projects and are not recurring in nature.

Total Revenue

The total revenue increase was 45% for the six months ended January 31, 2015, compared to the same period ended January 31, 2014, (January 31, 2015 - $5,454,729; January 31, 2014 - $3,774,651). The largest contributor to this increase was the access and usage fees revenue of 42% (January 31, 2015 - $4,936,458; January 31, 2014 - $3,485,118). The Company continues to focus on additional opportunities to increase this recurring revenue growth through the additional signing of buying organizations, additional transactions per supplier on the Network, and secondary service offerings.

Expenses

	Six months ended		
Expenses	**January 31 2015**	**January 31 2014**	**% Increase (Decrease)**
Cost of sales	$3,245,331	$2,356,957	38%
Sales and marketing	2,047,409	1,525,638	34%
Research and development costs	1,540,804	480,140	221%
General and administrative	2,583,693	2,056,220	26%
Restructuring costs	263,625	Nil	100%
Total	$9,680,862	$6,418,955	51%

The total expenses increased 51% for the six months ended January 31, 2015, compared to same period ended January 31, 2014. The details of the individual line items are below:

Cost of Sales & Gross Profit

	Six months ended		
	January 31 2015	**January 31 2014**	**% Change**
Total Revenue	$5,454,729	$3,774,651	45%
Cost of Sales, as reported	3,245,331	2,356,957	38%
Gross Profit, as reported	2,209,398	1,417,694	56%
Cost of Sales, as reported	3,245,331	2,356,957	38%
Amortization	862,158	393,519	119%
Cost of Sales, net of amortization	2,383,173	1,963,438	21%
Gross Profit, net of amortization	3,071,556	1,811,213	70%
Gross profit %	56%	48%	

Total revenue increased $1,680,078 (or 45%) while cost of sales increased $888,374 (or 38%). The cost of sales has some variable component, although a large amount of these costs are fixed in nature with a bit of a step increase dependent on growth. Once the impact of amortization is removed, cost of sales increased $419,735 or 21%.

The main movements in in cost of sales can be attributed to increase in amortization, partner commission, enterprise delivery headcount increased and AP service fees. The increase of $468,639 in amortization was the result of the decision made to accelerate amortization as well as starting to amortize the rest of the project as it reached completion.

As the Company increases its visibility in the US, the increase in the US delivery organization was $90,659 in the six month period. The final material increase was in AP service fees. This increase was $93,717 during the six month period. This was the result of a combination of AP service customers signed as well as completion of the AP services backlog.

Sales and Marketing

	Six months ended		
	January 31 2015	**January 31 2014**	**% Change**
Sales and marketing	$2,047,409	$1,525,638	34%
As a percentage of revenue	38%	40%	

Sales and marketing increased 34% or $521,771. As the Company fulfills its US expansion, its increased expenditure was $318,811. The Company also saw an increase in commission of $99,879 in conjunction with the six month sale of 9 buying organizations and multiple integration projects, as well as net new workbench sales.

The marketing team is increasing its visibility externally. During the six month period, the Company has co-sponsored events with partners, created marketing materials, and completed its new website which went live March 1, 2015.

Research and Development

	Six months ended		
	January 31 2015	**January 31 2014**	**% Change**
Research and development	$1,540,804	$480,140	221%
Capitalized Software Development costs	Nil	575,403	(100)%
Total research and development and capitalized software	1,540,804	1,055,543	46%
As a percentage of revenue	28%	28%	

Research and development increased $1,060,664 during the six month period ended January 31, 2015 compared to the six month period ended January 31, 2014. The increase is the result of the inclusion of salaries which were previously capitalized to software development. The amount capitalized during the six month period ended January 31, 2014 was $575,403 compared to Nil during the current six month period.

The Company continues to develop innovative products to further enhance the Cortex Network, one such product is Field Ticket Approver (FTA). This product is being developed based on customer feedback and market demand. FTA is expected to be released in May 2015. This product will result in new revenue opportunities for Cortex. The additional development costs related to new product development in the current six month period was $250,483.

General and Administrative

	Six months ended		
	January 31 2015	**January 31 2014**	**% Change**
General and administrative	$2,583,693	$2,056,220	26%
As a percentage of revenue	47%	54%	

General and administrative costs increased $527,473 over the six month period ended January 31, 2015 compared to the six month period ended January 31, 2014.

The Company had additional costs during the six month period related to the interim CEO, temporary outsourcing of Human Resource functionality and contractors who were brought in for specific short term projects and roles. The increase was $481,990 for the six month period related to contract expenditures, including associated recruitment fees.

There were increased professional fees incurred during the six month period with respect to the restatement of financial statements and legal fees surrounding organizational changes. The professional fees increased $124,819 during the current six month period compared to the six month period ended January 31, 2014. During the six month period there were declines in general and administrative costs of $(264,132) increase in senior management, board compensation, corporate and human resource expenses of $153,490 and an increase in travel and investor relations of $31,306.

Severance and employee termination costs

	Six months ended		
	January 31 2015	January 31 2014	% Change
Severance and employee termination costs	$263,625	Nil	100%
As a percentage of revenue	5%	0%	

During Q2 F2015, the Company brought in Jim Barker as interim President and Chief Executive Officer ("CEO"). In connection with this appointment, the Company provided a retiring allowance to the former President and Chief Executive Officer. There will be additional restructuring costs in Q3 F2015 as the Company announced the Chief Operating Officer had left the Company to pursue other interests.

Net Loss six months ended January 31, 2015 and 2014

The Company's net loss for the six months ended January 31, 2015, was 59% higher during the six month period ended January 31, 2015 ($4,215,507) compared to the same period ended January 31, 2014 ($2,653,928).

This significant items impacting net loss were:

- The transition of the former President and CEO;
- The expenditures for the development team for new product development, including recruiting fees and additional staff.

Income Taxes

For the six months and quarter ended January 31, 2015, the Company is not taxable. At January 31, 2015, the Company had approximately $47M of non-capital losses to carry forward to reduce future quarter's taxable income.

Rebate Provision

Cortex Business Solutions has increased its rebate provision in the second quarter of fiscal 2015 by $7,987 and by $15,974 during the six months ended January 31, 2015. This is the result of accretion recorded during the three and six month periods, (Q2 F2015 - $7,987; January 31, 2014 - $11,851); (Six months ended January 31 2015 - $15,974; Six months ended January 31, 2014 - $23,702). The payment for the rebate is on an annualized basis (July of each calendar year).

Share Capital

Cortex Business Solutions Inc. issued 9,620,000 common shares during Q2 F2015 compared to 2,484,200 during Q2 F2014.

There was no exercise of Compensation Units or warrants during Q2 F2015 or Q2 F2014.

The number of common shares issued and outstanding at January 31, 2015 and March 13, 2015 was 371,317,427.

Liquidity and Capital Resources

At January 31, 2015, Cortex Business Solutions Inc. held $6,859,012 in cash and $60,000 in short-term investments, compared to $9,547,661 and $60,000, respectively, at July 31, 2014. The Company had trade accounts receivable of $701,895 at January 31, 2015 compared to trade accounts receivable of $425,752 at July 31, 2014. The Company continues to maintain a diligent collections regime. None of the accounts receivables are under dispute; however the Company has set up $47,000 as an allowance for doubtful accounts at January 31, 2015.

The Company has a current working capital of $6,446,975 compared to $8,182,822 at July 31, 2014 and $7,087,153 at October 31, 2014. During Q3 F2015 the Company has an additional expenditure as a result of the Chief Operating Officer leaving the Company. The additional cash requirement in February was a gross payment of $216,500. In addition, in the fourth quarter of each year, the Company, under their rebate contract, makes an annual payment, currently estimated to be $550,532.

The below table highlights the Company’s current commitments:

	2015	2016/2017	Total on FS
Accounts payable and accrued liabilities	$597,302	$524,437	$1,121,739
Deferred revenue	$280,991	-	$280,991
Rebate provision	$550,532	$743,429	$1,293,961

The impact of the downturn in the oil and gas industry to the cash flow of the Company is unknown at this time. The Company will continue to monitor the impact of the down turn in the oil and gas industry and may need to revise capital and operating spending plans or consider additional financing when the outlook is clarified. Please refer to the going concern disclosure paragraph below for additional commentary.

Cash used in operating activities was $2,149,741 in Q2 F2015 compared to $1,168,233 in Q2 F2014. For the six month period ended January 31, 2015 the cash used in operating activities was $1,168,233 compared to $2,165,917 during the six months ended January 31, 2014. The Company typically has increased cash outflow in the second quarter of each year in conjunction with the Employee Performance Management (“EPM”) program. The Company paid out cash bonuses to staff in the quarter. This bonus program in conjunction with termination related costs and additional professional fees, increased cash usage during the three and six month periods.

During the quarter ended January 31, 2015 the company used $84,717 to invest in property and equipment, specifically computer equipment compared to $2,666 during the quarter ended January 31, 2014. Of the $84,717, $78,880 was related to the addition of the product development team and related hardware requirements. In addition, during the quarter ended January 31, 2015 the Company did not capitalize any software related to the upgrading of the Company’s network platform under the Roadmap project which was capitalized as an intangible assets, compared to $226,654 during the quarter ended January 31, 2014.

The Company operates a stock option plan, as approved by the shareholders at the 2013 Annual General Meeting on June 10, 2014. 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 quarters, (and may not exceed five quarters) and vest over an 18 month period. The stock options granted under a previous stock option plan, had vesting periods ranging from immediate vesting upon grant to 18 months. 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 January 31, 2015 was 23,318,010 and at July 31, 2014, 22,596,562 with a weighted average exercise price of $0.24 and $0.26 respectively. The amounts exercisable for the same periods were 17,856,019 and 16,788,300, respectively, with a weighted average exercise price of $0.28 and $0.29 respectively. At March 13, 2015, the Company had 15,462,719 stock options exercisable and 20,733,044 stock options issued and outstanding. At January 31, 2015 and March 13, 2015 there were 22,379,000, warrants outstanding at a weighted average exercise price of $0.23125. At January 31, 2015 and March 13, 2015 there were 9,164,090 Compensation Options/Units outstanding with a weighted average exercise price of $0.13 per Compensation Option/Unit.

The condensed consolidated interim financial statements of the Company have been prepared on a going concern basis. Accordingly, they do not give effect to adjustments that would be necessary, should the Company be unable to realize its assets, at the amounts recorded and discharge its liabilities, in other than the normal course of business. The Company has reported consecutive net losses for the six months ended January 31, 2015 and year ended July 31, 2014 of $4,215,508 and $5,887,100 respectively with a cumulative deficit of $58,066,627 as at January 31, 2015. Since June 2012, the Company has raised gross proceeds of $23,200,200 through external funding. These funds were utilized to fund general working capital, general and administrative expenses related to the expansion into the US and business development expenses. The ability of the Company to continue as a going concern is dependent upon future profitable operations and may require additional debt or equity financing. The Company's cash position at January 31, 2015 was $6,859,012.

The Company will closely monitor its cash on a regular basis, and will take necessary measures to preserve cash until the Company generates sufficient cash flow from operations or cash from new capital sources. On February 28, 2014, the Company closed its short form prospectus offering of common shares for aggregate gross proceeds of $10,000,000. Under the Offering, a total of 100,000,000 Common Shares were issued at a price of $0.10 per Common Share. In addition, the Underwriters received 6,000,000 compensation options at an exercise price of $0.10 for a period of twenty-four months from the date of issuance.

The Company has a business plan which demonstrates a strategy to increase revenue and control spending to the level necessary to maintain operations and achieve profitability.

The Company does not have committed capital expenditures at this time. There are budgeted discretionary capital expenditures during the 2016 fiscal year in the amount of $354,000 for IT capacity management and $47,000 for laptop purchases and related software.

The condensed consolidated interim 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 January 31, 2018 and office equipment expiring at various dates to August 2014. During the year ended July 31, 2013, the Company consolidated its operating space into a new lease which expires January 31, 2018.

The Company has an obligation to pay a rebate, annually to a certain customer based on future gross revenues up to a maximum of $2.3 million. The Company has $1.3M remaining on this obligation.

The Company's total minimum annual obligations are as follows: 2015 – $336,450; 2016 - $281,121; 2017 - $280,644 and 2018 - $145,333.

Transaction with Related Parties

During the quarter ended January 31, 2015, there was a retiring allowance paid to the President and Chief Executive Officer who left the Company on December 8, 2014. The gross payment was $263,625.

In addition, the Company has a related party sitting on its Board of Directors. The board member has a 15% interest in the Company.

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; the 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' Short-Form Prospectus filed on February 21, 2014 and its Annual Information form as filed on November 28, 2014. These documents 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 assets

When there are indications that an asset may be impaired, the Company is required to estimate the asset's recoverable amount. Impairment for intangible assets not available for use is required to be tested for recoverability on an annual basis. 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 assets have been recorded for the quarter ended January 31, 2015 or the year ended July 31, 2014.

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 quarter.

During the fiscal year ended July 31, 2014, the Company revisited its estimate of the useful life of the Canadian platform of its software to align with its US platform. As such, the useful life of the Canadian portion of the software has been reduced by nine quarters.

Rebate provision

Rebate provision is calculated using a risk free discount rate on the risk-adjusted future gross revenues the Company expects to earn. Changes in the estimated amounts and timing of future revenues to be earned, could significantly increase or decrease the amount of accretion expense recorded during the period, and the rebate provision recorded on the consolidated statements of financial position.

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 and warrants 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. Critical judgments in applying accounting policies.

In the preparation of the condensed 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 financial statements.

Capitalized software development costs

Software development costs are capitalized as intangible assets, when costs are attributable to a clearly defined product, technical feasibility has been established, a market has been identified, the Company intends to market the software and has adequate resources expected to be available to complete the project. Management is required to make judgments, on when the criteria for recognition as intangible assets is met. During the six months ended January 31, 2015, the Company capitalized $Nil (2014 - $575,403) of development costs as intangible assets.

Income tax

Management is required to apply judgment in determining whether it is probable deferred income tax assets will be realized. At January 31, 2015, management had determined that future realization of its deferred 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 financial statements.

Rebate provision

Management is required to apply judgement in determining whether it has a financial liability relating to any contracts that the Company enters into, and consequently requires management to determine when the financial liability should be recorded on the consolidated statement of financial position. There may be significant judgement in determining the value of these financial liabilities, as they may relate to timing of the Company's future revenues.

Changes in accounting policies

Recent accounting policies and new pronouncements

The IASB issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the Company's financial year beginning on August 1, 2014. For the purpose of preparing and presenting the consolidated financial statements for the relevant periods, the Company has consistently adopted all of these new standards for the relevant reporting periods.

Amendment to IAS 36, 'Impairments of assets' This amendment removes the requirement to disclose the recoverable amount when a CGU contains goodwill or indefinite lived intangible assets, but there has been no impairment.

Amendment to IAS 32, 'Financial instruments: Presentation' the amendment clarifies the requirements for offsetting financial assets and liabilities. Specifically, the amendment clarifies that the right to offset must be available on the current date and cannot be contingent on a future event. Accordingly, the Company

Other standards and interpretations issued or amended which are effective for the first time for fiscal year ends beginning on or after August 1, 2014 but which did not have a material impact on the Company's consolidated financial statements or note disclosures as currently presented include:

Amendments to existing standards and interpretations

IAS 39, 'Hedge accounting and novation of derivatives

IFRIC 21, 'accounting for levies imposed by governments'

IFRS 10, 'Consolidated financial statements'

IFRS 12, 'Disclosure of interest in other entities'

IAS 27, 'Consolidated and Separate Financial Statements'

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.

Amendment to IAS 1 "presentation of financial statements.". The amendment clarifies guidance on materiality and aggregation, the presentation of subtotals, the structure of financial statements and disclosure of account policies. This is effective for annual periods beginning on or after January 1, 2016

IFRS 15 Revenue from contracts with customers 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 15will have on the Company's financial statements. The standard is effective for the first interim period within years beginning on or after January 1, 2017.

IFRS 9 'Financial instruments' IFRS was issued in July 2014 and includes (i) a third measurement category for financial assets – fair value through other comprehensive income; (ii) a single, forward looking 'expected loss' impairment model. The guidance in IAS 39 on impairment of financial assets and hedge accounting continues to apply. Management has not yet determined that potential impact the adoption of IFRS 9 will have on the Company's financial statements. This standard is effective for annual periods beginning on or after January 1, 2018.

"Jim Barker" (signed)
Interim President and Chief Executive Officer

"Sandra L. Weiler" (signed)
Chief Financial Officer