CORTEX BUSINESS SOLUTIONS INC.
MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEARS ENDED JULY 31, 2015 and 2014

DATED: October 21, 2015

CORTEX

MANAGEMENT'S DISCUSSION & ANALYSIS

For the fiscal years ended July 31, 2015 and 2014

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 year ended July 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 October 21, 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.

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OVERVIEW

Cortex is a leading online network that helps companies connect and interact with each other to transmit documents to grow their businesses through the augmented exchange of documents. The Cortex Network provides a simplified document exchange process for industries with complicated procurement practices.

Our simplified model continues to prove out both sides of the automation coin and has received positive feedback from organizations utilizing these services. In addition, we continue to work on product development to assist the customers with secondary service to further enhance their automation experience.

Since our inception in 1999, we have established ourselves as a dependable partner for customers in our traditional market of oil & gas, as well as emerging markets such as mining, waste management, construction and sports & entertainment. Each of these markets shares a common denominator of having complex procurement cycles, supported by costly, manual processes, which can be aided with our vertically agnostic system.

With the number of companies looking to implement an electronic solution, there remains a large untapped market. Those same companies cite a lack of supplier adoption as a barrier to moving to an electronic solution, which is where Cortex provides value. A key strength of our offering is the high level of on-boarding support offered to new customers joining the network.

To better support our customers, we have clearly defined the groups responsible for each stage of a customer's life cycle. As part of this customer centric focus, each group has a distinct role to play; Sales offers a collaborative approach in assisting the customers in signing up for access to the Network, while Professional Services supports new customers throughout their on-boarding with support and training initiatives, and Client Success works with the customers post deployment to ensure they are maximizing their value on the Network. This clearly defined framework reinforces our differentiating service offering by providing unparalleled support.

Our recent focus on right sizing the business resulted in considerable cost savings to the Company, with no negative impact on our ability to serve existing customers. After careful review, we strengthened our leadership structure by consolidating the base of operations into our headquarters located in Calgary, AB. In addition to this consolidation activity, we made the difficult decision to remove certain individuals from the Company in an effort to reduce our recurring costs.

Increasing revenues through effective pipeline management is one of our highest organizational priorities. By focusing our efforts on holistic sales approach to new and existing prospects we can show customers the extent of the value we can bring to their current situation.

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OPERATIONAL HIGHLIGHTS

The following table sets forth a summary of key results of operations as at and for the years ended July 31, 2015, 2014 and 2013.

	F2015	*F2014*	*% Change*	*F2014*	*F2013*	*% Change*
Total Revenue	$10,586,955	$8,977,343	18%	$8,977,343	$6,164,138	46%
Cost of Sales	$6,371,620	$5,757,401	11%	$5,757,401	$3,880,606	48%
Gross Profit	$4,215,335	$3,219,942	31%	$3,219,942	$2,283,532	41%
Total other(1) expenses	$12,087,629	$9,115,129	33%	$9,115,129	$9,166,342	(1%)
Income (loss) from operations	$(7,925,798)	$(5,887,100)	35%	$(5,887,100)	$(6,877,304)	(14%)
Earnings (loss) per share	$(1.08)	$(0.97)	6%	$(0.97)	$(1.48)	(34%)
Total assets	$7,283,089	$14,795,495	(51%)	$14,795,495	$3,994,922	37%
Deferred revenue	$230,989	$128,061	80%	$128,061	$539,853	(76%)
Total long-term financial liabilities	$77,557	$1,277,987	(40%)	$1,277,987	$1,656,915	(23%)

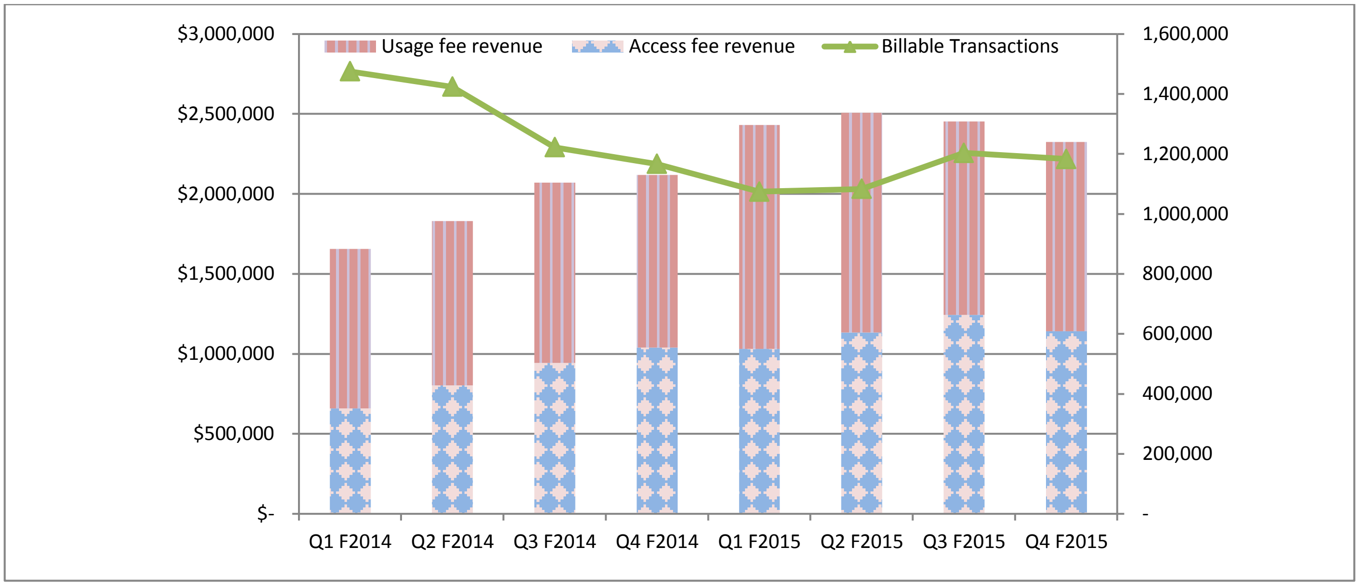
(1) Other expenses include; sales and marketing; research and development, general and administrative and severance and termination charges.

The fiscal year ended July 31, 2015 ("F2015"), was a year of material change for Cortex. Decisions were made with respect to leadership, employees and the future path of the organization. The introduction of the new President and CEO brought renewed focus and a clear drive towards profitability. The financial impact of these changes resulted in severance and termination charges of $789K during F2015 compared to $153K during the year ended July 31, 2014 ("F2014"). The net headcount reduction will translate to over $1.4M annually in reduced costs. The rationalization of headcount in the organization was necessary to bring the cost structure in line with the current revenue of the Company.

Total revenue for F2015 over F2014 increased 18%. The largest improvement was in the recurring access and usage fee revenue stream which increased 27% F2015 over F2014. The recurring access and usage fee revenue stream has three distinct components, access fees which are monthly fees based on a set access fee to the network; usage fees which will fluctuate with the number of billable transactions flowing through the network and AP Service fees which fluctuate with the number of transactions. Of the 27% growth in recurring revenue ($2,039,860); 54% ($1,105,085) was the result of access fee growth; 36% ($742,664) was the result of usage fee growth and 9% ($192,111) was the result of AP service revenue growth.

The Company has been focused on gaining market share in the United States (U.S.). With the changes in management, there will be a renewed strategy to improve the market share in the U.S. The growth in Canada was 11% and the US the growth was 28%. Part of the growth in the U.S. was attributable to the fluctuation in the U.S. dollar versus the CAD dollar in the year. The growth in U.S. with the impact of foreign exchange removed was 15%.

The Company continues to monitor the impact of commodity prices on their transactions volumes and related revenue. The last three quarters of fiscal 2015 have seen a decline in transaction volumes and related usage revenue reductions. However, the number of suppliers billed each month has stayed steady and the related access revenue has grown, compensating for the reduction in usage revenue to stabilize total recurring revenue.



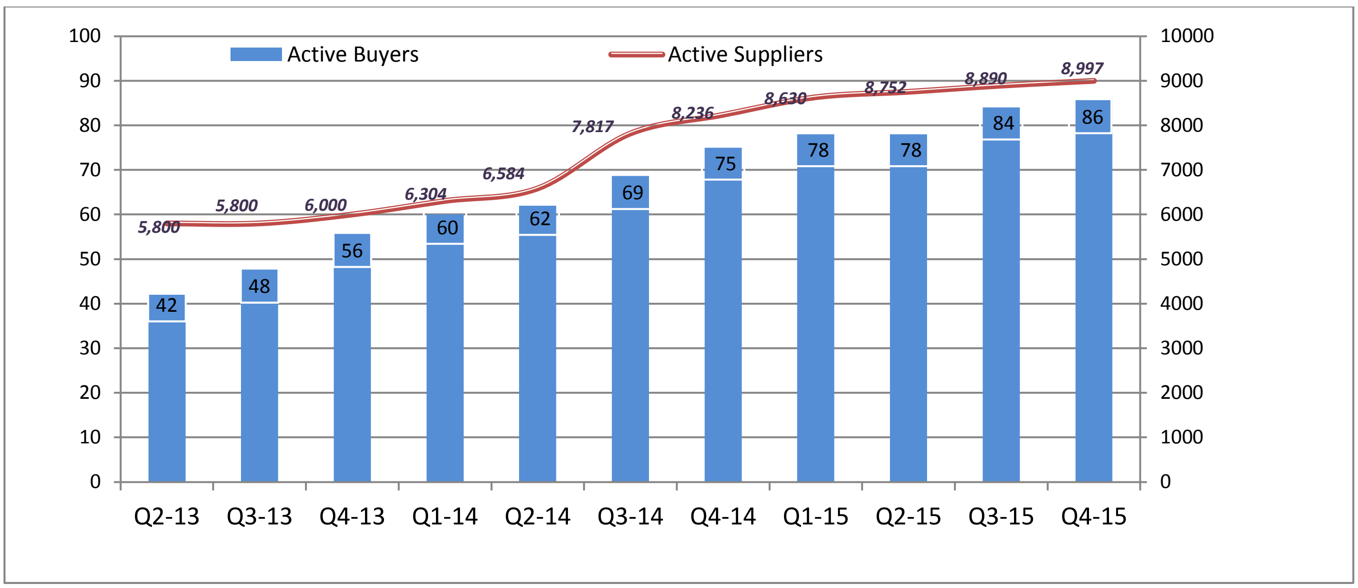
The following table illustrates the growth in some key operational metrics:

	Fiscal 2015							
Quarterly	**Q4**		**Q3**		**Q2**		**Q1**	
	#	% Change	#	% Change	#	% Change	#	% Change
Buyer Integrations Completed	86	2%	84	8%	78	0%	78	4%
In progress	7		3		8		5	
Total	93	7%	87	1%	86	4%	83	-7%
Billable Transactions	1,166,258	(5%)	1,221,999	(14%)	1,423,818	(3%)	1,474,650	25%
Total Documents exchanged	3,054,263	(9%)	3,355,769	(14%)	3,915,442	(3%)	4,021,739	23%

The billable documents have declined over the last three quarters. This is the combined result of spring break-up as well as continued downturn in the commodity prices impacting our largest customers in the oil and gas industry. The Company made some strategic moves outside of the oil and gas industry to start to offset this reduced transaction volume, signing a media and entertainment company as well as a company in the mining industry.

Annual	F2015	F2014	% Change
Buyer Integrations Completed at July 31	86	75	15%
In progress	7	14	
Total	93	89	4%
Billable Transactions	5,286,725	4,543,056	16%
Total Documents exchanged	14,347,213	12,551,554	14%

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 for 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.

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REVENUE

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

	2015		2014		% Change
Access and usage	$	9,712,870	$	7,673,009	27%
Integration and set up	$	583,056	$	631,556	-8%
Project management	$	291,029	$	672,778	-57%
	$	10,586,955	$	8,977,343	18%

Total revenue increased 18% to a total of $10,586,955 compared to $8,977,343 during the year ended July 31 2014. A portion of the Company's revenue is from the U.S. and as such, part of the increase in revenue in the year is the direct result of the foreign exchange differential between the Canadian and U.S. dollars. Removing the impact of the foreign exchange increase, the growth was 12%.

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 document exchange occurred.

Access and usage fees revenue grew 27% F2015 over F2014 compared to a 41% growth from F2013 to F2014. The growth of the access and usage fees revenue is a combination of buying organizations going live in the twelve month period, additional suppliers added to the Network, and additional transactions flowing through the Network as a result of combination of these factors.

Access and usage fees revenue comes from both Buyers and Suppliers on the Network. The volume of transactions from each customer is dependent upon their unique document requirements and the degree of automation realized through their Cortex integration.

Integration and Set up Fees

Integration fees revenue is recognized over the integration project on a percentage of completion based on the stage of the project.

Set-up fee revenue is charged to suppliers for initial set up and training. This fee is deferred and recognized as revenue over a one year period representing the estimated term of the contract.

The integration and set-up fees revenue stream continues to fluctuate dependent on integration project timelines, completion and the number of net new suppliers joining the Network in the year paying the initial set-up fee.

Integration and set-up fees revenue decreased $48,500 or 8% for F2015.

Project Management Fees

Project management fees are recognized as services are performed on a time and material basis. In fiscal 2015 these fees were 57% lower than in fiscal 2014. The majority of this decline was the result of a onetime backlog project which occurred during fiscal 2014.

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ANNUAL EXPENSES

During the current fiscal year, the Company made some organizational changes which impacted expenses in the year. The impacts of the changes made were not fully realized in the current year. The below table summarizes all expenses for the year.

	2015	2014	% Change
Expenses			
Cost of sales	$ 6,371,620	$ 5,757,401	11%
Sales and marketing	$ 3,634,172	$ 3,218,063	13%
Research and development costs	$ 3,008,873	$ 1,493,684	101%
General and administrative	$ 4,655,259	$ 4,250,192	10%
Severance and termination charges	$ 789,325	$ 153,190	415%
	$ 18,459,249	$ 14,872,530	24%

Total expenditures for F2015 increased 24%. The material increases in the year were in Research and development and Severance and termination charges. Each variance is highlighted and reviewed in the following sections.

Cost of Sales & Gross Profit

The Gross profit improved from 36% to 40%. Gross profit, net of amortization, improved from 48% to 56%.

	2015	2014	% Change
Total Revenue	$ 10,586,955	$ 8,977,343	18%
Cost of Sales (net of amortization of $1,725,685 and $1,068,313 respectively)	$ 4,645,935	$ 4,689,088	(1%)
As a percentage of revenue	44%	52%	
Gross Profit (net of amortization)	$ 5,941,020	$ 4,288,255	39%
Gross Margin %	56%	48%	
Cost of sales, net of amortization	$ 4,645,935	$ 4,689,088	(1%)
Amortization of intangibles	$ 1,725,685	$ 1,068,313	62%
Cost of sales, as reported	$ 6,371,620	$ 5,757,401	11%
As a percentage of revenue	60%	64%	(6%)
Gross Profit	$ 4,215,335	$ 3,219,942	31%
Gross Margin %	40%	36%	

Cost of Sales includes costs directly related to recognized revenue in the period. This includes delivery salaries, customer on boarding and support salaries, amortization of intangible assets, third party costs, credit card fees and related administrative costs of the individuals in these departments.

The Company has broken out cost of sales, net of amortization, as it improves the comparability of cost of sales on an annualized basis. After the amortization of the intangible ends after F2016, it will give a more meaningful comparison for subsequent years on how the Company is controlling the costs in this line item.

The largest changes year over year in cost of sales were amortization, partner commission and wages. In Q4 2014 the Company accelerated amortization. During F2015, this acceleration was in place the entire year resulting in an increase of $657,372 in amortization of intangible assets. The other material change was in wages which was reduced $585,851. This reduction is due to the downsizing of headcount as well as a change to the bonus program in the Company overall. The amounts paid to partners in the year increase $214,123. This is the direct result of increased revenue brought into the Company from these partners.

Sales and Marketing

Sales and marketing increased 13% fiscal 2015 compared to fiscal 2014.

	2015	2014	% Change
Sales and marketing	$ 3,634,172	$ 3,218,063	13%
As a percentage of revenue	34%	36%	

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 out in the period, a proportionate allocation of corporate expenses, including rent, repairs, maintenance, infrastructure costs and stock option expenses.

The Company, as part of its restructuring reduced the sales team materially during Q4 F2015. The Company brought in a new VP of Sales and Business Development to rebuild the sales organization and move the Company to the next level of success. The new sales group continues to work through the pipeline, refining the opportunities and clarifying the message and value proposition of the Cortex range of services.

The growth in sales and marketing expenditures were mainly in advertising and commissions paid during the year. These two amounts accounted for 42% of the increase or $173,671. The salaries in the year were up 12% or $36,816. The reduction in salaries from the downsizing will not be fully realized until F2016. Also during the current fiscal year, the Company spent $26,350 on a website redevelopment compared to no expenditures for a rebuild in fiscal 2014.

Research and Development

Research and development grew 101% F2015 over F2014.

	2015	2014	% Change
Research and development	$ 3,008,873	$ 1,493,684	101%
As a percentage of revenue	28%	17%	

Research and Development expenses include the costs of our development resources and related expenses, quality assurance salaries, related expenses and a proportionate allocation of rent and stock option expense.

The increase in salaries, contractors and recruitment fees as a result of the addition of a second development team in F2015 accounted for 87% of the 101% increase F2015 over F2014, or $1,324,088. In F2014 the Company capitalized $295,297 worth of development salaries to intangible assets, this accounts for part of the increase in salaries.

General and Administrative

The general and administrative expenses increased 10% F2015 over F2014.

	2015	2014	% Change
General and administrative	$ 4,655,259	$ 4,250,192	10%
As a percentage of revenue	44%	47%	

The increase in general and administrative costs in the year included costs related to the change in CEO in the year as well as some interim human resources outsourcing and contractors later transitioned to employees. Included in the F2015 general and administrative expenses are non-recurring expenditures paid in the year related to the role of President and CEO. The additional spend during F2015 for this role; included in general and administrative expenses were approximately $500,000. This includes approximately $360,000 for salary and recruiting fees as well as $140,000 in relocation and related expenditures which will not expected to be incurred in the future.

The staffing changes in the year resulted in the elimination of the COO and the SR VP of US Operations and Business Development positions. The run rate change from F2015 to F2016 for these positions out of general and administrative expenses will be a reduction of $264,000 annually.

The change in leadership resulted in a review of expenditures and a streamlining of costs. One of the large expenditure reductions was the removal of the investor relations consultants. This was a reduction in costs of $109,093 in the year. On an annualized basis this is a reduction in investor relations consulting fees of an estimated $162,000, inclusive of travel related expenditures. Professional fees increased 31% or $117,672. This is in large part due to the organizational costs and related legal fees to finalize the termination packages.

The Company also realized a decrease in foreign exchange gain in the year of $78,270, a 45% decrease over fiscal 2014 which had a foreign exchange gain of $173,142. The Company derives more revenue in the U.S. than expenditures. The net result to the Company is a foreign exchange gain when the U.S. dollar is higher than the Canadian dollar.

Severance and termination charges

Severance and termination charges increased 415% during F2015 over F2014.

	2015		2014		% Change
Severance and termination benefits	$	789,325	$	153,190	415%
As a percentage of revenue		7%		2%	

The Severance and termination charges were the result of the CEO, COO leaving the Company as well as the downsizing of 14% of staff in Q4 F2015. These costs have been highlighted as a separate line item as they are not recurring in nature and would skew the comparability of the other expense line items.

Net loss

The Company's net loss for the year ended July 31, 2015 increased 35% compared to July 31, 2014 (F2015 – $7,925,798; F2014 - $5,887,100).

This significant items impacting net loss were:

- Incremental expenses related to the interim CEO, net of severance, in the year $502,389,
- Severance and termination charges costs related to the changes in year of $789,325,
- Amortization of intangibles for the full fiscal year increase of $657,372,
- Provision for income tax of $52,401.

QUARTERLY INFORMATION

	Total Revenue	Access & Usage Fees Revenue	Net Loss	Basic and Diluted Loss Per Share
F2015				
Quarter Four	$2,491,329	$2,324,102	$(2,036,070)	$(0.27)
Quarter Three	$2,640,897	$2,452,310	$(1,674,220)	$(0.23)
Quarter Two	$2,823,082	$2,506,230	$(2,281,109)	$(0.31)
Quarter One	$2,631,647	$2,430,228	$(1,934,399)	$(0.27)
F2014				
Quarter Four	$2,812,040	$2,117,717	$(1,619,615)	$(0.27)
Quarter Three	$2,390,652	$2,070,174	$(1,613,556)	$(0.24)
Quarter Two	$1,984,069	$1,829,303	$(1,189,990)	$(0.23)
Quarter One	$1,790,582	$1,655,815	$(1,463,939)	$(0.28)

The Company monitors the cyclical nature of its business in alignment with the sector the Company has historically derived the majority of its revenue from, being oil and gas. This sector typically has declines in activity during their "spring break-up". 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.

During the fiscal 2014 year, the Company outgrew the seasonality impact by adding suppliers to the Network and grew access and usage fees revenue 13% and 2% during the third and fourth quarters. The third and fourth quarters of fiscal 2015 saw a reduction in access and usage fees revenue of 2% and 5% respectively. Although there was a reduction in revenue during the third and fourth quarters, the degree of reduction is significantly less than the transaction volume reduction of 14% and 5% respectively.

QUARTERLY REVENUE

The Company saw an 11% decline in revenue Q4 F2015 over Q4 F2014, and a 6% decline Q4 F2015 over Q3 F2015.

	Q4 2015	Q4 2014	Change	% Increase (Decrease)
Access and usage fees	$2,324,102	$2,117,717	$206,385	10%
Integration and set-up fees	123,462	115,804	7,658	7%
Project management fees	43,765	578,519	(534,754)	(92)%
Total Revenue	$2,491,329	$2,812,040	$(320,711)	(11)%

The access and usage fees increased 10% Q4 F2015 over Q4 F2014. The increase in access fees were 10% as well as the increase in usage fees was 10%. The billable transactions through the Network in Q4 F2015 were down 1% over Q4 F2014. This is due in part to the downturn in the commodity pricing which has impacted the transaction growth. The Company was still able to increase the number of active suppliers by 9% Q4 F2015 over Q4 F2014, which helped mitigate the reduced revenue which could have occurred as a result of less transactions flowing through.

The integration and set-up fees revenue grew moderately at 7% or $7,658. This is the result of integration projects moving staging we well as the workbench set up fees being realized over the term of their contracts. The deferred revenue on the statement of financial position increased July 31, 2015 over July 31, 2014. As the projects currently in deferred revenue are completed over the upcoming twelve months, these amounts will be recognized as revenue under the integration and set-up fees revenue stream. The main reason for the reduction year over year was the project management fees. These fees were one time in nature as the Company assisted one of their customers with some backlog invoice entry. This reduction of 92% or $534,754 was an expected fluctuation.

QUARTERLY EXPENSES

Total expenses were up Q4 F2015 over Q4 F2014 by 1% or $25,717.

	Q4 F2015	Q4 F2014	% Change
Expenses			
Cost of sales	$ 1,744,755	$ 2,168,406	(20%)
Sales and marketing	$ 740,898	$ 877,833	(16%)
Research and development costs	$ 672,319	$ 519,193	29%
General and administrative	$ 1,001,252	$ 723,985	38%
Severance and termination charges	$ 309,100	$ 153,190	102%
	$ 4,468,324	$ 4,442,607	1%

The details of these movements for the quarters are highlighted below.

Cost of Sales & Gross Profit

Cost of sales, as reported, decreased 20% F2015 over F2014 and cost of sales, net of amortization, decreased 25% over the same periods. This resulted in Gross profit, as reported, increasing 16% and Gross profit, net of amortization, increasing 10%.

	Q4 F2015	Q4 F2014	% Change
Total Revenue	$ 2,491,329	$ 2,812,040	(11%)
Cost of Sales (net of amortization of $431,420 and $425,634 respectively)	$ 1,313,335	$ 1,742,772	(25%)
As a percentage of revenue	53%	62%	
Gross Profit (net of amortization)	$ 1,177,994	$ 1,069,268	10%
Gross Profit %	47%	38%	
Cost of sales, net of amortization	$ 1,313,335	$ 1,742,772	(25%)
Amortization of intangible assets	$ 431,420	$ 425,634	1%
Cost of sales, as reported	$ 1,744,755	$ 2,168,406	(20%)
As a percentage of revenue	70%	77%	(9%)
Gross Profit	$ 746,574	$ 643,634	16%
Gross Margin %	30%	23%	

The largest reduction Q4 F2015 over Q4 F2014 was in salaries. This was reduced by $371,830 or 28%. This reduction makes up 87% of the total reduction in cost of sales, net of amortization. The Company streamlined some of its departments and had some natural attrition based on some of the management changes. These positions have not been subsequently filled and as a result, the Company has lower expenditures. In addition, the Company changed its bonus structure in Q4 F2015 resulting in a lower bonus payable for the fiscal year. This change is included in the reduction in salaries, accounting for $28,907 of the total $371,830 decrease in salaries.

In Q3 and Q4 F2014 the Company engaged in a backlog project with third party fees, this amount was not replicated in F2015 and as a result the Q4 F2015 third party costs, included in cost of sales, were down 85% or $148,954 from the same period F2014.

Sales and Marketing

Sales and marketing in Q4 F2015 declined 16% compared to Q4 F2014.

	Q4 F2015	Q4 F2014	% Change
Sales and marketing	$ 740,898	$ 877,833	(16%)
As a percentage of revenue	30%	31%	

During Q4 F2015, the downsizing of the Company occurred, of which the majority of the changes were in the sales and marketing group. Although the savings won't be fully realized in this quarter, the reduction, net of severance and termination charges, was seen for half a month. Prior to the downsizing there were some changes to the sales force resulting in cost savings as the number of sales staff was reduced. The combination of these facts assisted in the reduction in salaries quarter over quarter of 20% or $137,148. Also included in sales and marketing during the Q4 F2015 time period was the expenditure related to the website redevelopment of $26,350; with no comparison in Q4 F2014.

Research and Development

Research and development increased 29% Q4 F2015 over Q4 F2014.

	Q4 F2015	Q4 F2014	% Change
Research and development	$ 672,319	$ 519,193	29%
As a percentage of revenue	27%	18%	

The increase in research and development Q4 F2015 over Q4 F2014 is the result of an increase in salaries with the addition of a second team to the development team in order to work on some new product development.

The Company released its Field Ticket Approval product on May 16, 2015. This functionality will eliminate manual processes associated with the approval of invoices and field tickets, continuing to increase the velocity of transactions on our network. The same product release included a notification framework that allows users to receive email notifications regarding any unread messages or invitations, as well as status updates for suppliers.

General and Administrative

General and administrative expense increased 14%, or $277,267, Q4 F2015 over Q4 F2014.

	Q4 F2015	Q4 F2014	% Change
General and administrative	$ 1,001,252	$ 723,985	38%
As a percentage of revenue	40%	26%	

During Q4 F2015 the Company continued to maintain the streamlined cost structure put in place in Q3 F2015. Part of this reduction was the elimination of the external Investor Relations consultants, resulting in a reduction of $65,377 in Q4 F2015 compared to Q4 F2014. Part of the final payment for recruiting fees in relation to the CEO search occurred in Q4 F2015. The recruitment fees in Q4 F2015 were $29,231 more than Q4 F2014, an increase of 487%. Also related to the transition of the new CEO was relocation costs expensed in the quarter of $141,160.

The fourth quarter of fiscal 2015 included some downsizing across the organization. This downsizing required the advice of legal counsel and as such, the professional fees in Q4 F2015 were up $64,573 over Q4 F2014. The professional fees related to the downsizing in July 2015 as well as the search and successful placement of the new CEO.

Severance and Termination charges

Severance and termination charges increased 101% Q4 F2015 over Q4 F2014.

	Q4 F2015		Q4 F2014		% Change
Severance and termination benefits	$	309,100	$	153,900	101%
As a percentage of revenue		12%		5%	

The Company reduced the staffing in the organization 14% in July of 2015 resulting in the severance and termination charges.

Q4 F2014

The Company's net loss for the quarter ended July 31, 2015 increased 26% (Q4 F2015 – $2,036,071; Q4 F2014 - $1,619,615).

This significant items impacting net loss were:

- Increase in legal fees as part of the reorganization of the Company,
- Additional recruitment fees as the position of the CEO was filled and finalized in the quarter,
- Income tax provision in the quarter of $52,401
- Reduction in investor relations external consultants.

Income Taxes

For the year and quarter ended July 31, 2015, the Company is not cash taxable in Canada, however will be subject to a minimum tax in the US. At July 31, 2015, the Company has approximately $53.3million of non-capital losses to carry forward to reduce future year's taxable income.

Rebate Provision

Cortex Business Solutions reduced its rebate provision $505,223 from F2014 to F2015 the change is the result of a payment of $536,403 in year (F2014- $426,332) and accretion recorded in finance income (expense) of $31,180 (F2014 -$47,404).

Share Capital

On July 15, 2015, the Company consolidated its share capital on a 50:1 basis. All common share, stock options, warrants and per share amounts have been restated to reflect this share consolidation.

Cortex Business Solutions Inc. issued 192,400 common shares during F2015 compared to 2,051,001 during F2014. The 192,400 common shares issued during F2015 were to staff as part of the Company's Employee Performance Management Program ("EPM") for a fair value of $865,700 and share issue costs of $3,867.

The number of common shares issued and outstanding at July 31, 2015 is 7,426,349 and 8,977,724 at October 21, 2015

On September 2, 2015, the Company completed a private placement issuing 1,551,375 common shares with a purchase price of $2.00 for gross proceeds of $3,102,750 and net proceeds of approximately $2,800,000.

Liquidity and Capital Resources

At July 31, 2015, Cortex Business Solutions Inc. held $3,986,950 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 $407,899 at July 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 $20,000 as an allowance for doubtful accounts at July 31, 2015.

The Company has a current working capital of $3,138,608 compared to $8,182,822 at July 31, 2014. During the year ended July 31, 2015 the Company had additional expenditures as the result of termination of the President and CEO, COO and the downsizing in July 2015. The additional cash requirement during this period for severance and termination charges was $789,325.

Also, in July 2015, the Company made its annual payment on the rebate provision in the amount of $536,403 compared to $426,332 in July 2014.

The below table highlights the Company's current commitments:

	2015	2016/2017	Total on FS
Accounts payable and accrued liabilities	$948,311	Nil	$948,311
Deferred revenue	$230,989	- Nil	$230,989
Rebate provision	$695,207	$77,557	$772,764
Income tax provision	$57,148	Nil	$57,148

Cash used in operating activities was $6,045,306 in F2015 compared to $4,472,853 during F2014.

During the year ended July 31, 2015 the Company used $158,781 to purchase property and equipment and $14,512 to purchase third party software compared to $54,212 to invest in property and equipment and $295,297 to upgrade the Company's platform as an intangible asset and $2,329 in third party software purchases during F2014.

The Company operates a stock option plan as approved by the shareholders at the 2014 Annual General Meeting on June 24, 2015. 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, 2015 was 361,521 and at July 31, 2014, 451,931 with a weighted average exercise price of $13.00 and $7.04 respectively. The amounts exercisable for the same periods were 204,485 and 335,766, respectively, with a weighted average exercise price of $9.15 and $14.5 respectively. At October 21, 2015, the Company had 162,624 stock options exercisable and 319,496 stock options issued and outstanding. At July 31, 2015 and October 31, 2015 there were 447,580, warrants outstanding at a weighted average exercise prices of $11.56. At July 31, 2015 and October 21, 2015 there were 120,000 Compensation Options/Units outstanding with a weighted average exercise price of $5.00 per Compensation Option/Unit. During the fiscal year ended July 31, 2015, 63,282 compensation units expired with an exercise price of $9.25.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (note 2(a)) on a going concern basis, which assumes that the Company will realize its assets and discharge its liabilities in the normal course of business. The Company has reported net losses for the years ended July 31, 2015 of $7,925,798 and July 31, 2014 of $5,887,100; negative cash flow from operations of $6,045,306 and $4,472,853 for the years ended July 31, 2015 and July 31, 2014 respectively, and has a cumulative deficit of $61,776,518 as at July 31, 2015. The ability of the Company to continue as a going concern is dependent upon future profitable operations. When the Company can attain profitability and generate positive cash flows from operations is uncertain. These uncertainties cast significant doubt upon the Company's ability to continue as a going concern. The Company has raised funds in the year ended July 31, 2014 through a short form prospectus on February 28, 2014 for gross proceeds of $10,000,000 (note 9(d)). The Company's cash position at July 31, 2015 is $3,986,950. On September 2, 2015, the Company closed a bought deal private placement of 1,551,375 common shares at a price of $2.00 per share for gross proceeds of $3,102,750 and net proceeds of approximately $2,800,000. The Company will closely monitor its cash on a regular basis and take the necessary measures to preserve cash such as reduce operating costs, increase sales and seek additional sources of financing until the Company starts to generate sufficient cash flows from operations. There is no assurance that these initiatives will be successful.

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

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 January 2018 and office equipment expiring at various dates to August 2014.

The Company has an obligation to pay a rebate to a customer based on future gross revenues.

The Company’s total minimum annual obligations, excluding rebate provision as follows: 2016 - $270,621; 2017 - $280,644 and 2018 - $145,334.

Transaction with Related Parties

A Company under significant influence by a director was engaged in a professional capacity for consulting matters which was terminated during the year with no fees paid.

Subsequent to the year end, Cortex paid a Company under significant influence by a director cash commission of $158,240 and 79,121 broker warrants in consideration for their involvement with the September 2, 2015 private placement.

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' Short-Form Prospectus filed on February 21, 2014 and its Annual Information form as filed on November 27, 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 year ended July 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 year.

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 year ended July 31, 2015 no amounts were capitalized as an intangible asset compared to July 31, 2014 - $295,297 of development costs were capitalized as an intangible asset.

Income tax

Management is required to apply judgment in determining whether it is probable deferred income tax assets will be realized. At July 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.

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.

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 15 will 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.

"Joel Leetzow" (signed)	"Sandra L. Weiler" (signed)
President and CEO	**CFO**

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Transmit. Grow.