

GLANCE TECHNOLOGIES INC.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Six Months Ended May 31, 2018
Stated in Canadian dollars

**NOTICE OF AUDITOR REVIEW OF CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS**

The accompanying unaudited condensed interim financial statements for the three and six months ended May 31, 2018, have been prepared by management in accordance with International Financial Reporting Standards and approved by the Board of Directors of Glance Technologies Inc. (the “**Company**”). These condensed consolidated interim financial statements have been reviewed by the Company’s independent auditors.

Glance Technologies Inc.

Condensed Consolidated Statements of Financial Position

(stated in Canadian dollars)

ASSETS	Note	May 31, 2018 \$	November 30, 2017 \$
<i>(unaudited)</i>			
Current assets			
Cash		10,667,210	10,294,213
Accounts and other receivable	4	676,694	179,372
Prepaid expenses and deposits		1,755,693	683,284
Total current assets		13,099,597	11,156,869
Non-current assets			
Investments	5	2,487,774	1,303,904
Property and equipment	6	354,397	170,089
Intangible assets	7	1,672,822	342,745
Total non-current assets		4,514,993	1,816,738
Total assets		17,614,590	12,973,607
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	8	1,381,609	408,554
Deferred revenue	9	1,124,425	393,750
Total current liabilities		2,506,034	802,304
Non-current liabilities			
Deferred revenue	9	400,000	551,250
Total non-current liabilities		400,000	551,250
SHAREHOLDERS' EQUITY			
Share capital	10	32,216,098	20,273,414
Shares to be issued	10	15,866	74,249
Reserves	11	4,356,493	3,717,135
Deficit		(21,879,901)	(12,444,745)
Total shareholders' equity		14,708,556	11,620,053
Total liabilities and shareholders' equity		17,614,590	12,973,607

Nature of Operations (Note 1)

Commitments (Note 17)

Subsequent Events (Note 18)

_____, Director
 “Desmond Griffin”
 _____, Director
 “Kirk Herrington”

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

Glance Technologies Inc.

Condensed Consolidated Statements of Operations and Comprehensive Loss

Unaudited

(stated in Canadian dollars)

	Note	For the three months ended May 31, 2018 \$	For the three months ended May 31, 2017 \$	For the six months ended May 31, 2018 \$	For the six months ended May 31, 2017 \$
Revenue	13	229,060	126,527	1,402,779	143,091
Expenses					
Corporate communications and investor media	14	347,359	150,462	2,655,496	279,891
Depreciation	6,7	105,552	59,984	182,813	118,145
Finance expense		27,650	302,184	75,288	321,822
General and administrative costs	12,14	673,728	132,575	1,125,016	314,000
Management fees	12,14	12,530	8,465	20,192	19,715
Professional fees	14	171,358	17,911	477,687	44,329
Sales and marketing expense	12,14	1,082,312	429,835	2,528,449	773,032
Software development and information technology	12,14	744,719	122,606	1,104,199	255,975
Stock option-based compensation	11	685,519	39,868	905,807	117,803
Total Expenses		3,850,727	1,263,890	9,074,947	2,244,712
Loss from Operations		(3,621,667)	(1,137,363)	(7,672,168)	(2,101,621)
Other income (expense)					
Proportionate loss from associate	5	-	(62,236)	(616,130)	(62,236)
Proxy contest expenses	14	(997,728)	-	(1,220,372)	-
Foreign exchange loss		8,611	-	(1,421)	-
Interest income		41,520	-	72,192	-
Other income		2,709	-	2,743	-
Loss on settlement of debt		-	(4,240)	-	(4,240)
Total other income (expense)		(944,888)	(66,476)	(1,762,988)	(66,476)
Net loss and comprehensive loss for the period		(4,566,555)	(1,203,839)	(9,435,156)	(2,168,097)
Net loss per share					
Basic and diluted		(0.03)	(0.02)	(0.07)	(0.03)
Weighted average number of common shares outstanding		135,373,594	68,290,604	133,266,960	64,379,656

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

Glance Technologies Inc.
Condensed Consolidated Statements of Changes in Equity

Unaudited

(stated in Canadian dollars)

	Share capital (Number of shares)	Share capital \$	Shares to be issued \$	Reserves - options \$	Deficit \$	Total \$
Balance, November 30, 2016	58,262,435	2,988,667	93,743	565,577	(2,688,922)	959,065
Shares issued for private placement	6,914,214	1,266,557	-	-	-	1,266,557
Share issuance costs	-	(296,907)	-	216,453	-	(80,454)
Shares issued for rights offering	8,225,520	1,645,104	-	-	-	1,645,104
Shares issued for services	693,680	170,723	(30,407)	-	-	140,316
Shares issued in settlement of debt	5,000	1,000	-	-	-	1,000
Stock-options based compensation	-	-	-	117,803	-	117,803
Net loss for the period	-	-	-	-	(2,168,097)	(2,168,097)
Balance, May 31, 2017	74,100,849	5,775,144	63,336	899,833	(4,857,019)	1,881,294

	Share capital (Number of shares)	Share capital \$	Shares to be issued \$	Reserves - options \$	Deficit \$	Total \$
Balance, November 30, 2017	127,358,895	20,273,414	74,249	3,717,135	(12,444,745)	11,620,053
Shares issued under prospectus offering	3,684,000	11,052,000	-	-	-	11,052,000
Share issuance costs	-	(1,553,577)	-	-	-	(1,553,577)
Commission	257,880	773,640	-	-	-	773,640
Shares issued from warrant exercise	3,006,139	971,642	(49,483)	(1,557)	-	920,602
Shares issued from options exercise	1,328,778	602,481	(8,900)	(311,992)	-	281,589
Warrants issued in overallotment	-	-	-	47,100	-	47,100
Held in escrow	250,000	500,000	-	-	-	500,000
Stock-options based compensation	-	-	-	905,807	-	905,807
Shares to be cancelled	-	(403,502)	-	-	-	(403,502)
Net loss for the period	-	-	-	-	(9,435,156)	(9,435,156)
Balance, May 31, 2018	135,885,692	32,216,098	15,866	4,356,493	(21,879,901)	14,708,556

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

Glance Technologies Inc.
Condensed Consolidated Statements of Cash Flows

Unaudited

(stated in Canadian dollars)

	For the six months ended May 31, 2018 \$	For the six months ended May 31, 2017 \$
Cash flows provided by (used in)		
Operating activities		
Net loss	(9,435,156)	(2,168,097)
Items not affecting cash:		
Depreciation	182,813	118,145
Loss on settlement of debt	-	4,240
Proportionate loss from investment in associate	616,130	62,236
Stock option based compensation	905,807	117,803
Shares (received)/paid for services	(1,000,000)	137,076
Changes in non-cash working capital:		
Accounts and other receivable	(497,322)	(63,938)
Prepaid expenses and deposits	(572,409)	(177,105)
Accounts payable and accrued liabilities	973,055	(21,300)
Deferred revenue	(220,575)	97,500
	(9,047,657)	(1,893,440)
Investing activities		
Purchase of computer equipment and furniture	(175,526)	(15,767)
Tenancy improvements	(94,112)	-
Investment in associate	-	(200,000)
Purchase of intellectual property	(1,427,560)	(6,211)
	(1,697,198)	(221,978)
Financing activities		
Proceeds from share issuances	-	2,911,661
Proceeds from prospectus offering	11,052,000	-
Proceeds from warrants exercised	920,602	-
Proceeds from warrants purchased in over-allotment	47,100	-
Proceeds from options exercised	281,589	-
Proceeds from short-term loan	(403,502)	-
Financing cost paid	(779,937)	(80,454)
	11,117,852	2,831,207
Net change in cash	372,997	715,789
Cash - beginning of period	10,294,213	360,917
Cash - end of period	10,667,210	1,076,706

Supplemental Cash Flow Information (Note 15)

(The accompanying notes are an integral part of these condensed interim consolidated financial statements)

Glance Technologies Inc.

Notes to the Condensed Interim Consolidated Financial Statements

May 31, 2018

Unaudited – (stated in Canadian dollars)

1. Nature of Operations

Glance Technologies Inc. (“Glance Technologies” or the “Company”) was incorporated under the laws of the province of British Columbia, Canada, on October 24, 2014. The Company’s registered office is located at Suite 400, 200 Granville Street, Vancouver, B.C. V6C 1S4.

The Company’s common stock is quoted on the Canadian Securities Exchange under the symbol 'GET' and began trading on September 7, 2016.

On August 28, 2015, the Company completed a share exchange agreement (the “Transaction”) with Glance Pay Inc. (formerly, Clover Acquisitions Inc. and Glance Mobile Inc.) (“Glance Pay”). Glance Pay was incorporated on November 12, 2014 under the laws of the province of British Columbia, Canada. Glance Pay is a Canadian financial technology company involved in the business of developing and operating mobile payment processing software and smart-phone applications.

Under the terms of the Transaction, the shareholders of Glance Pay each received one common share of Glance Technologies (“Glance Technologies Shares”) in exchange for one common share of Glance Pay (“Glance Pay Shares”). As a result, the shareholders of Glance Pay obtained 75.4% of Glance Technologies. Glance Technologies' board of directors and senior management were reconstituted and consist of directors and senior management of Glance Pay. The Transaction was accounted as a reverse acquisition.

The Company aims to enhance the payment process for both consumers and merchants online, and brick-and-mortar environments, using proprietary technology that combines mobile technologies and traditional payment processing. The Company launched its applications during August 2016.

On December 27, 2017, Glance Coin Inc. (formerly “Glance Blockchain Token Inc.”) was incorporated as a wholly owned subsidiary of Glance Technologies Inc. Glance Coin Inc. will be responsible for developing and managing the Glance token, which will be a cryptocurrency with a series of smart contracts to allow merchants to grant the Glance token as a reward for consumer loyalty and engagement. The Company is currently writing its white paper for its cryptocurrency.

2. Basis of Presentation

a) Statement of Compliance

These condensed interim consolidated financial statements of the Company have been prepared in accordance with International Accounting Standards (“IAS”) 34, Interim Financial Reporting, and based on the principles of International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”). These condensed interim consolidated financial statements should be read in conjunction with the Company’s annual consolidated financial statements for the year ended November 30, 2017, which include the Company’s significant accounting policies, and have been prepared in accordance with the same methods of application.

The Board of Directors approved the condensed interim consolidated financial statements for issuance on July 27, 2018.

b) Basis of Measurement

These condensed interim consolidated financial statements have been prepared under the historical cost convention and are presented in Canadian dollars, which is the functional currency of the Company. In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for the cash flow information.

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
May 31, 2018

Unaudited – (stated in Canadian dollars)

2. Basis of Presentation (continued)

c) Basis of Consolidation

These condensed interim consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company - Glance Pay Inc., Glance Pay USA Inc. and Glance Coin Inc. Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. All intercompany transactions and balances are eliminated upon consolidation.

d) Reclassifications

Certain of the prior period figures have been reclassified to conform to the current year's presentation.

e) Significant Accounting Estimates and Judgements

The preparation of these condensed interim consolidated financial statements in accordance with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income, and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Significant areas requiring the use of estimates include the collectability of accounts and other receivables, the useful lives and carrying values of property and equipment and intangible assets, the carrying value of investments, the measurement of stock option-based payments, unrecognized deferred income tax assets and the split between current and non-current deferred revenue.

In preparing these condensed interim consolidated financial statements, the significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those applied to the consolidated financial statements for the year ended November 30, 2017.

3. Significant Accounting Policies

New Accounting Standards and Interpretations

Certain pronouncements have been issued by the IASB, or the IFRS Interpretations Committee that are mandatory for accounting years beginning on or after December 1, 2017 or later years.

New standard IFRS 15, "Revenue from Contracts with Customers"

The Company has not early adopted these revised standards and the adoption of the standard is not expected to have a significant impact on the Company's condensed interim consolidated financial statements. The Company plans to implement this revised standard for the quarter starting December 1, 2018. All other significant accounting policies have been applied on a basis consistent with those applied in the most recent audited annual consolidated financial statements. The policies applied in these condensed consolidated interim financial statements are based on IFRS issued and outstanding as at the date the Board of Directors approved and authorized to issue these condensed interim consolidated financial statements.

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
May 31, 2018

Unaudited – (stated in Canadian dollars)

4. Accounts and Other Receivable

Accounts and other receivable balance consists for the following:

	May 31, 2018	November 30 2017
	\$	\$
	<i>(unaudited)</i>	
Accounts receivable – Customers	131,078	42,783
Accounts receivable – Merchant	17,669	17,262
GST/PST receivable	427,568	116,027
Other receivables	100,379	3,300
	676,694	179,372

5. Investments

The below is a summary of the investments held by the Company:

	May 31, 2018	May 31, 2018	November 30, 2017	November 30, 2017
	\$	% owned	\$	% owned
	<i>(unaudited)</i>			
Investment in Associates				
Yield Growth Corp.	-	27.8	608,904	32.0
Investments - other				
Active Pay Distribution Inc.	900,000	18.4	100,000	5.2
Euro Asia Pay Holdings Inc.	595,000	14.3	595,000	27.8
Loop Cannabis Insights Inc.	992,774	19.8	-	-
	2,487,774		1,303,904	

Yield Growth Corp.

On May 29, 2017 (and as amended and restated on May 31, 2017), the Company's subsidiary Glance Pay Inc. ("Glance Pay") entered into a licensing agreement with Yield Growth Corp. ("Yield", formerly Cannapay Financial Inc.). Pursuant to the licensing agreement, Glance Pay granted Yield a worldwide, non-exclusive license to use its intellectual property in the marijuana financial technology industry in order to make, market, and sell a mobile payment app designed for legal marijuana purchase and delivery, using the Glance Pay payment platform as its base technology.

The licence has an initial term of one year and will automatically renew for up to 50 additional one year terms upon Yield's payment of the annual renewal fee of \$10,000. The license agreement can be terminated by Yield providing written notice at least one month prior to renewal. As consideration for the license, Yield agreed to pay Glance Pay a fee of \$912,500 for the initial term of one year, which was paid as follows:

- \$100,000 on May 31, 2017;
- \$200,000 on June 20, 2017; and
- \$612,500 from the issuance of 2,450,000 common shares of Yield on November 28, 2017.

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
May 31, 2018

Unaudited – (stated in Canadian dollars)

5. Investments (continued)

Yield Growth Corp. (continued)

Pursuant to the terms of the licensing agreement, in conjunction with each cash payment on May 31, 2017 and June 20, 2017, Yield issued to Glance Pay 4,000,000 common shares, for an aggregate of 8,000,000 common shares at \$0.05 per share for proceeds of \$400,000. This was in addition to 2,450,000 shares at a fair value of \$0.25 per share. Yield Growth Corp was incorporated on November 28, 2014 under the laws of the province of British Columbia, Canada. Yield Growth Corp combines traditional financial services with innovative technology to provide enhanced digital financial services to legally operating businesses in the marijuana industry.

Yield is an entity that is partially owned, but not controlled by the Company. As at May 31, 2018, Glance Pay owns 27.8% of the issued and outstanding common shares of Yield. Pursuant to the licensing agreement, Glance Pay has the right to appoint one director to the board of Yield but it has not yet exercised that right. The Company has incorporated its proportion of Yield's net loss for the six month period ended May 31, 2018 into its consolidated statement of operations of \$608,904. The value of the Company's net investment in Yield at May 31, 2018, has been written down to \$nil.

In the six months ended May 31, 2018, the licensing agreement with Yield was amended to extend the license granted by Glance Pay to two of Yield's wholly-owned subsidiaries (Super Dope Solutions Inc. and Juve Wellness Inc.). The amendment includes provisions that will terminate the license granted to each Yield subsidiary if that subsidiary ceases to be wholly owned by Yield. A Yield subsidiary that ceases to be wholly owned is granted the option to pay a \$200,000 fee to Glance Pay to maintain the license for a 50 year term with no further royalties due.

During the six months ended May 31, 2018, the Company recognised revenue of \$27 (2017: \$2,500) with Yield in connection with licensing services and revenue of \$nil (2017: \$100,000) in connection with design services.

Active Pay Distribution Inc.

On August 23, 2017, Glance Pay signed a licensing agreement with Active Pay Distribution Inc. ("Active Pay"). Pursuant to the licensing agreement, Glance Pay granted Active Pay a worldwide, non-exclusive license to use Glance Pay's intellectual property to make, market, and sell a mobile payment application.

The licence has an initial term of one year and will automatically renew for up to ninety nine additional one-year terms upon Active Pay's payment of the annual renewal fee of \$10,000. The license agreement can be terminated by Active Pay providing 90 days' written notice. Under the terms of the agreement, Active Pay agreed to pay Glance Pay \$1,000,000 as follows:

- \$800,000 for licensing payable by way of 3,200,000 shares of Active Pay at a fair market price of \$0.25 per share;
- \$100,000 for design of the app with a unique user experience, payable within 2 months of the licensing agreement through the issuance of 1,000,000 shares of Active Pay at a fair market price of \$0.10 per share; and
- \$100,000 within 6 months of the licensing agreement for 12 months of marketing and advertising of the new app, payable through the issuance of 400,000 shares of Active Pay at a fair market price of \$0.25.

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
May 31, 2018

Unaudited – (stated in Canadian dollars)

5. Investments (continued)

Active Pay Distribution Inc. (continued)

In November 2017, Active Pay issued 1,000,000 shares of Active Pay to Glance Pay at a fair market price of \$0.10 per share, pursuant to its obligation to pay for design of the app with a unique user experience. In February 2018, Active Pay issued 3,200,000 shares of Active Pay to Glance Pay at a fair market price of \$0.25 per share, pursuant to its obligation to pay for licensing fees. All amounts received to date have been accounted for as deferred revenue. Active Pay was incorporated on August 23, 2017, under the laws of the province of British Columbia, Canada. Active Pay combines traditional financial service with innovative technology to provide enhanced digital financial services to operate business in the health and wellness industry. As of May 31, 2018, Glance Pay owns 18.4% of the issued and outstanding common shares of Active Pay.

Euro Asia Pay Holdings Inc.

On October 14, 2017, the Company's subsidiary, Glance Pay signed a licensing agreement with Euro Asia Pay. Pursuant to the licensing agreement, Glance Pay granted Euro Asia Pay a worldwide, non-exclusive license to use Glance Pay's intellectual property in North America to make, market, and sell a mobile payment application.

The licence has an initial term of one year and will automatically renew for up to 50 additional one-year terms upon Euro Asia Pay's payment of the annual renewal fee of \$10,000. The license agreement can be terminated by Euro Asia Pay providing 90 days' written notice. Under the terms of the agreement, Euro Asia Pay agreed to pay Glance Pay \$1,000,000 as follows:

- \$405,000 for licensing with \$250,000 payable on signing and \$155,000 payable within 90 days of the date of the licensing agreement; plus 3,000,000 shares of Euro Asia Pay at a fair market price of \$0.07;
- \$175,000 for design of the application with a unique user experience, payable within 60 days of the licensing agreement through the issuance of 2,500,000 shares of Euro Asia Pay at a fair market price of \$0.07; and
- \$210,000 within 60 days of marketing and advertising of the new application, payable through the issuance of 3,000,000 shares of Euro Asia Pay at a fair market price of \$0.07.

In October 2017, Euro Asia Pay paid \$250,000 to Glance Pay, as due upon signing, and issued 2,500,000 shares of Euro Asia Pay to Glance Pay with a fair value of \$175,000, pursuant to its obligation to pay for design of the application with a unique user experience. As at November 30, 2017, the Company held 8,500,000 shares of Euro Asia Pay with a fair value of \$595,000. Euro Asia Pay was incorporated on October 16, 2017 under the laws of the province of British Columbia, Canada. Euro Asia Pay combines traditional financial service with innovative technology to provide enhanced digital financial services to operate business in the tourism and education industry. During the six months ended May 31, 2018, the Company recognised revenue of \$385,548 (2017: \$nil) with Euro Asia Pay Holdings Inc., in connection with licensing, design, marketing and branding services. As of May 31, 2018, Glance Pay owns 14.3% of the issued and outstanding common shares of Euro Asia Pay.

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
May 31, 2018

Unaudited – (stated in Canadian dollars)

5. Investments (continued)

Loop Cannabis Insights Inc. (formerly “Big Cannabis Data”)

On January 4, 2018, Yield, a company that is partially owned but not controlled by the Company, signed a definitive agreement for licensing and product pre-sales. Under the terms of the agreement, Yield sublicensed the Glance Pay mobile payment platform technology to Loop Cannabis Insights Inc. (“Loop”) for \$2,000,000 for a one year license, payable in stock at a fair value of \$0.25 per share for 8,000,000 shares, of which 4,000,000 shares was paid to Glance Technologies as a sublicense royalty, and the sublicense renewable for \$10,000 per year. On February 6, 2018, the 4,000,000 shares were transferred by Yield to Glance Pay. Loop (formerly “Big Cannabis Data”) was incorporated on January 2, 2018 under the laws of the province of British Columbia, Canada. Loop combines traditional financial service with innovative technology to provide enhanced digital financial services to legally operating businesses in the marijuana industry.

During the six months ended May 31, 2018, the Company recognised revenue of \$1,000,000 (2017: \$nil) to a related party, Loop Cannabis Insights Inc., in connection with a royalty fee for sublicensing the mobile payment platform from Yield. As of May 31, 2018, Glance Pay owns directly and indirectly 19.8% of the issued and outstanding common shares of Loop Cannabis Insights Inc.

In the previous reporting period, the Company incorporated its proportion of Loop Cannabis Insights Inc.’s net loss for the three month period ended February 28, 2018 into its consolidated statement of operations of \$7,226. The value of the Company’s net investment in Loop at May 31, 2018, is \$992,774.

6. Computer Equipment

A continuity of the Company’s computer equipment is as follows:

	Tenancy Improvements	Computer Equipment	Office Furniture	Total
	\$	\$	\$	\$
Balance, November 30, 2017	-	152,516	17,573	170,089
Additions	94,112	171,508	4,018	269,638
Amortization	(14,654)	(67,528)	(3,148)	(85,330)
Balance, May 31, 2018	79,458	256,496	18,443	354,397

7. Intangible Assets

A continuity of the Company’s intangible assets is as follows:

	Computer Software	Payment Processing Applications	Intellectual Property	Patent	Total
	\$	\$	\$	\$	\$
Balance, November 30, 2017	308,278	16,667	-	17,800	342,745
Additions	-	-	1,419,844	7,716	1,427,560
Amortization	(92,483)	(5,000)	-	-	(97,483)
Balance, May 31, 2018	215,795	11,667	1,419,844	25,516	1,672,822

On March 31, 2016, the Company filed a provisional application in the United States to patent its wireless electronic transaction system.

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
May 31, 2018

Unaudited – (stated in Canadian dollars)

7. Intangible Assets (continued)

In August 2016, the Company launched its payment processing application and began amortizing its acquired computer software and payment processing application. The Company amortizes its intangible assets on a straight-line basis over the estimated useful life of three years.

In December 2017, the Company completed an agreement to acquire Blockchain and cryptocurrency with rewards tokenization platform, Blockimpact, (“Blockimpact”) from Ztudium Limited. Blockimpact is being integrated with the Glance Pay mobile payment platform, to further enhance it and make it a full end-to-end cryptocurrency blockchain solution. It has been measured at cost of acquisition and it is still being developed. Upon completion, the Company intends to amortize it over the estimated useful life of three years.

8. Accounts Payable and Accrued Liabilities

Accounts payable and accrued liabilities consists of the following:

	May 31, 2018	November 30, 2017
	\$	\$
	<i>(unaudited)</i>	
Accounts payable	824,502	245,081
Accrued liabilities	295,195	28,681
Amounts due to related parties (Note 12)	65,324	58,371
Payroll liabilities	196,588	76,421
	1,381,609	408,554

9. Deferred revenue

The breakdown of deferred revenue for the six months ended May 31, 2018 is as follows:

	May 31, 2018	November 30, 2017
	\$	\$
	<i>(unaudited)</i>	
Current		
Euro Asia Pay Holdings Inc.	614,452	368,750
Active Pay Distribution Inc.	500,000	25,000
Yield Growth Corp.	9,973	-
	1,124,425	393,750
	May 31, 2018	November 30, 2017
	\$	\$
	<i>(unaudited)</i>	
Non-Current		
Euro Asia Pay Holdings Inc.	-	476,250
Active Pay Distribution Inc.	400,000	75,000
	400,000	551,250

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
May 31, 2018

Unaudited – (stated in Canadian dollars)

10. Share Capital

Common Shares:

Authorized: unlimited number of common shares (“Common Shares”), without par value

- a) On December 27, 2017, the Company completed a bought deal public offering (the “Offering”) of 3,684,000 units (the “Units”) at a price of \$3.00 per Unit (the “Offering Price”) for gross proceeds of approximately \$11,052,000. Each Unit consisted of one Common Share of the Company (each, a “Unit Share”) and one unit purchase warrant (each, a “Unit Warrant”). Each Unit Warrant is exercisable into one unit (each, a “Subsequent Unit”) at an exercise price of \$3.84 per Subsequent Unit for a period of 12 months following the closing of the Offering. Each Subsequent Unit consists of one Common Share of the Company (each, a “Subsequent Unit Share”) and one Common Share purchase warrant (each, a “Share Warrant”) exercisable at an exercise price of \$5.00 per Common Share (“Common Share”) for a period of 24 months following the closing of the Offering. Both the Unit Warrants and the Share Warrants are transferable by the holders thereof.

Pursuant to the Underwriting Agreement among the Company, Echelon Wealth Partners Inc. and PI Financial Corp. (together, the “Underwriters”) were granted an over-allotment option of 552,600 units at the offering price or the Common Share and/or Common Share purchase warrant portion of the over-allotment, at a price to be determined by the parties. The option was exercisable for a period of 30 days from the closing of the Offering. On October 27, 2017, the Underwriters exercised the over-allotment for 471,000 warrants at purchase price of \$0.10 per warrant. The warrants are exercisable at \$3.84 per share exercisable until December 27, 2018.

In consideration for the services provided by the Underwriters and pursuant to the Underwriting Agreement, the Underwriters received a cash commission of \$773,640 equal to 7% of the gross proceeds raised and 257,880 Units equal to 7% of the total number of Units sold under the Offering, at a fair market value of \$773,640.

- b) On February 5, 2018, the Company commenced a normal course issuer bid (“Bid”) through the facilities of the Canadian Securities Exchange. Under the Bid, the Company can purchase up to 6,500,000 common shares of the Company. The Bid will not extend beyond one year. Any purchases will be made at the prevailing market prices of the shares at the time of purchase. All shares purchased will be cancelled. As at May 31, 2018, the Company had purchased 360,000 common shares at a cost of \$403,502.
- c) As at May 31 2018, the Company had 24,019,865 (November 30, 2017 – 36,366,000) common shares which were held in escrow.

Share Purchase Warrants:

	Number of warrants	Weighted average exercise price \$
Balance, November 30, 2017	14,860,086	0.61
Issued - from equity financings	4,422,519	3.26
Exercised	(3,006,139)	0.32
New warrants issued from the exercise of outstanding Unit Warrants	768,688	0.23
Outstanding, May 31, 2018	17,045,154	1.49

Glance Technologies Inc.
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Unaudited – (stated in Canadian dollars)

10. Share Capital (continued)

Share Purchase Warrants (continued):

Additional information regarding share purchase warrants outstanding as at May 31, 2018 is as follows:

Number of warrants outstanding	Exercise price \$	Expiry date
512,138	\$0.25	April 27, 2019
5,000	\$0.25	April 28, 2019
10,000	\$0.30	August 30, 2019
125,000	\$0.30	September 6, 2019
1,500	\$0.30	September 7, 2019
27,000	\$0.30	September 13, 2019
100,000	\$0.30	September 14, 2019
505,832	\$0.30	September 22, 2019
489,527	\$0.30	September 25, 2019
67,527	\$0.30	September 28, 2019
139,166	\$0.30	September 29, 2019
50,000	\$0.30	September 28, 2019
76,669	\$0.33	January 25, 2019
5,843	\$0.33	November 29, 2019
7,497	\$0.33	December 30, 2019
319,431	\$0.40	October 19, 2018
64,625	\$0.40	February 20, 2019
2,000,000	\$0.75	September 27, 2018
7,130,000	\$0.75	October 19, 2018
4,722	\$0.75	January 24, 2019
48,375	\$0.75	February 20, 2019
11,475	\$0.75	February 21, 2019
12,500	\$0.75	February 22, 2019
180,750	\$0.75	February 23, 2019
1,100	\$0.75	February 27, 2019
3,000	\$0.75	March 1, 2019
5,625	\$0.75	March 12, 2019
3,160	\$0.75	April 19, 2019
4,812	\$0.75	May 1, 2019
500,000	\$0.75	October 19, 2019
220,000	\$1.10	November 1, 2018
4,412,880	\$3.84	December 27, 2018
17,045,154		

Glance Technologies Inc.

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11. Stock Options

Pursuant to the Company's stock option plan, directors may, from time to time, authorize the issuance of options to directors, officers, employees, and consultants of the Company. The terms of the granted stock options as well as the vesting conditions are at the sole discretion of the directors.

During the six month period ended May 31, 2018, the Company granted 3,631,000 stock options to employees and consultants of the Company, with an exercise price of \$0.52 to \$2.68 per Common Share. These options vested over a one-year period with a term of five years. In accordance with the Company's Stock Option Plan, options will terminate 90 days after a consultant or employee ceases to work for the Company. During the six month period ended May 31, 2018, a total of 635,000 stock options were cancelled due to termination of employee contracts or services. Subsequent to May 31, 2018, a further 1,235,000 stock options were granted, 444,794 stock options were exercised and 1,865,750 stock options were cancelled.

A continuity schedule of the incentive stock options is as follows:

	Number of options	Weighted average exercise price \$
Outstanding, November 30, 2017	5,975,322	0.64
Granted	3,631,000	1.60
Exercised	(1,328,778)	0.22
Cancelled	(635,000)	0.70
Outstanding, May 31, 2018	7,642,544	1.25

Additional information regarding stock options outstanding as at May 31, 2018 is as follows:

Range of exercise prices \$	Number of options outstanding	Number of options exercisable	Weighted average remaining contractual life (years)	Weighted average exercise price \$
0.15	727,500	377,500	3.14	0.15
0.18	118,544	93,544	3.41	0.18
0.20	100,000	100,000	3.88	0.20
0.28	180,000	100,000	3.35	0.28
0.295	641,250	418,750	4.30	0.295
0.425	340,000	340,000	4.32	0.425
0.465	50,000	-	4.34	0.465
0.52	220,000	-	4.43	0.52
0.54	441,000	-	4.43	0.54
0.72	686,750	496,750	4.38	0.72
0.85	187,500	125,000	4.41	0.85
1.14	390,000	330,000	4.43	1.14
1.36	400,000	100,000	4.43	1.36
1.37	140,000	107,500	4.43	1.37
1.46	650,000	325,000	4.43	1.46
2.06	770,000	230,000	4.43	2.06
2.60	500,000	300,000	4.43	2.60
2.68	1,100,000	550,000	4.43	2.68
	7,642,544	3,994,250	4.34	1.25

Glance Technologies Inc.
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Unaudited – (stated in Canadian dollars)

11. Stock Options (continued)

The fair value of options granted during the period was estimated on the date of grant using the Black-Scholes option pricing model assuming no expected dividends and the following assumptions:

	2018	2017
Expected stock price volatility	50%	96%
Risk-free interest rate	0.76%	1.28%
Expected life of options (years)	2.00	2.51
Expected forfeiture rate	15%	0%

The weighted average fair value of options granted was \$0.58 (2017 - \$0.11) per option. During the six months ended May 31, 2018, the Company recognized stock options-based payment of \$nil (2017 - \$204,662) for options granted to agents in connection with private placements.

In the same period, the Company recognized stock options-based payment of \$905,807 (2017 - \$117,803) for options previously granted to directors, officers, employees and consultants, which are unvested.

12. Related Party Transactions

During the six month periods ended May 31, 2018 and 2017, compensation of key management personnel and related parties were as follows:

	May 31, 2018	May 31, 2017
	\$	\$
	<i>(unaudited)</i>	<i>(unaudited)</i>
Remuneration and fees	200,364	247,435
Share-based compensation	179,351	74,333
	379,715	321,768

The remuneration and fees were allocated to sales and marketing, general and administrative, and research and development expenses.

- a) During the six months ended May 31, 2018, the Company incurred software, research, and development costs of \$31,500 (2017 - \$53,165), sales and marketing expense of \$8,308 (2017 - \$4,854) and management fees of \$20,192 (2017 - \$19,715) to the CEO of the Company. As at May 31, 2018, the Company owed the CEO of the Company \$42,991 (November 30, 2017 - \$16,748), which is included in accounts payable and accrued liabilities, for expense reimbursements. The amounts due were unsecured, non-interest bearing, due on demand, and to be settled in cash.
- b) During the six months ended May 31, 2018, the Company incurred software development and information technology expenses of \$60,000 (2017 - \$63,482) to the Chief Technical Officer (CTO) of the Company. As at May 31, 2018, the Company owed \$35,768 (November 30, 2017 - \$44,674) to the CTO and \$612 (November 30, 2017: \$612) to a company controlled by the CTO of the Company, which has been included in accounts payable and accrued liabilities.
- c) During the six months ended May 31, 2018, the Company incurred sales and marketing expenses of \$23,350 (2017 - \$60,000) to the former Chief Operating Officer (COO) of the Company. As at May 31, 2018, the Company owed \$10,000 (November 30, 2017 - \$10,874) to the former COO, which is included in shares to be issued.

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
May 31, 2018

Unaudited – (stated in Canadian dollars)

12. Related Party Transactions (continued)

- d) During the six months ended May 31, 2018, the Company incurred general and administrative costs of \$57,041 (2016 - \$46,219) to the Chief Financial Officer (CFO) of the Company. As at May 31, 2018, the Company owed \$9,025 (November 30, 2017 - \$12,177) to the CFO of the Company, which has been included in accounts payable and accrued liabilities.
- e) During the six months ended May 31, 2017, the Company incurred stock option-based payments of \$179,351 (2017 - \$74,333) to officers and directors of the Company.

13. Revenue

The breakdown of revenue for the six months ended May 31, 2018 and 2017 is as follows:

	Three months ended May 31, 2018 \$	Three months ended May 31, 2017 \$	Six months ended May 31, 2018 \$	Six months ended May 31, 2017 \$
	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>	<i>(unaudited)</i>
Royalty fee	-	-	1,000,000	-
Licence fee	50,575	2,500	50,575	2,500
Application, development & service fees	153,485	111,027	283,204	121,591
Advertising & promotion	25,000	13,000	69,000	19,000
	229,060	126,527	1,402,779	143,091

The royalty fee was received from the sublicense of the Glance Pay software, which was granted from a previous licensing agreement to Loop Cannabis Insights Inc. As consideration, the Company received 4,000,000 shares, at a fair market price of \$0.25 per unit (refer to Note 5).

14. Operating Expenses

General and administrative costs consist of the following:

	Three months ended May 31, 2018 \$	Three months ended May 31, 2017 \$	Six months ended May 31, 2018 \$	Six months ended May 31, 2017 \$
Office expenses	159,040	52,051	274,767	132,342
Consulting	108,300	-	225,000	-
Rent	166,285	19,271	205,499	49,271
Salaries	215,520	51,049	386,319	104,981
Travel	24,583	10,204	33,431	27,406
	673,728	132,575	1,125,016	314,000

Glance Technologies Inc.

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May 31, 2018

Unaudited – (stated in Canadian dollars)

14. Operating Expenses (continued)

Software development and information technology expenses consist of the following:

	Three months ended May 31, 2018 \$	Three months ended May 31, 2017 \$	Six months ended May 31, 2018 \$	Six months ended May 31, 2017 \$
Computer expenses	59,071	16,481	126,500	32,757
Salaries and management fee	503,453	106,125	795,504	223,218
Software and development consultancy	182,195	-	182,195	-
	744,719	122,606	1,104,199	255,975

Sales and marketing expenses consist of the following:

	Three months ended May 31, 2018 \$	Three months ended May 31, 2017 \$	Six months ended May 31, 2018 \$	Six months ended May 31, 2017 \$
Salaries and management fee	261,350	120,272	462,400	231,466
Sales and marketing	317,448	262,316	699,701	441,894
Travel	52,772	3,573	82,167	5,899
Consulting	402,810	43,674	848,271	93,773
Conference and events	47,932	-	435,910	-
	1,082,312	429,835	2,528,449	773,032

Financing expenses consist of the following:

	Three months ended May 31, 2018 \$	Three months ended May 31, 2017 \$	Six months ended May 31, 2018 \$	Six months ended May 31, 2017 \$
Interest and bank charges	15,379	14,650	31,028	29,767
Transfer agent fees	12,271	11,065	42,255	15,586
Financing costs	-	276,469	2,005	276,469
	27,650	302,184	75,288	321,822

Glance Technologies Inc.
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Unaudited – (stated in Canadian dollars)

14. Operating Expenses (continued)

Corporate communications and investor media expenses consist of the following:

	Three months ended May 31, 2018	Three months ended May 31, 2017	Six months ended May 31, 2018	Six months ended May 31, 2017
	\$	\$	\$	\$
Investor Awareness Programs	107,466	67,930	2,112,066	159,868
Conferences & events (IR)	-	2,513	-	22,358
Publicists	68,011	5,000	83,081	20,000
Media	171,882	75,019	460,349	77,665
	347,359	150,462	2,655,496	279,891

Professional fees expenses consist of the following:

	Three months ended May 31, 2018	Three months ended May 31, 2017	Six months ended May 31, 2018	Six months ended May 31, 2017
	\$	\$	\$	\$
Legal fees	132,171	3,793	398,038	15,719
Accounting and audit fees	29,599	5,734	60,399	17,601
Listing expenses	6,838	5,759	13,750	5,759
Insurance	2,750	2,625	5,500	5,250
	171,358	17,911	477,687	44,329

Proxy contest expenses consist of the following:

	Three months ended May 31, 2018	Three months ended May 31, 2017	Six months ended May 31, 2018	Six months ended May 31, 2017
	\$	\$	\$	\$
Investor relations	746,426	-	920,450	-
Legal fees	227,708	-	276,328	-
Printing and mailing	23,594	-	23,594	-
	997,728	-	1,220,372	-

Glance Technologies Inc.
Notes to the Condensed Interim Consolidated Financial Statements
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Unaudited – (stated in Canadian dollars)

15. Supplemental Cash Flow Information

	For the six months ended May 31, 2018 \$	For the six months ended May 31, 2017 \$
Non-cash investing and financing activities		
Common Shares issued as commission	773,640	-
Investments received as payment for deferred revenue	800,000	-
Share purchase warrants issued as finder's fee	-	11,790
Share options granted as finder's fee	-	204,663
Supplemental disclosures:		
Interest paid	-	-
Income taxes paid	-	-

16. Segmented Information

The Company's business consists of one operating segment and the Company's assets are located geographically in Canada and the USA. The USA operating segment does not exceed 10% of reported revenue or 10% of the combined assets of the Company. Thus, the geographic segments are aggregated into a single operating segment based on this, as well as having similar economic characteristics (IFRS 8.12).

During the period ended May 31, 2018, the Company's revenue recognized pertains to fees charged to merchants for payment processing through the Company's Glance Pay application. There was also revenue recognised for marketing services for Euro Asia Pay Holdings Inc., which included branding, executive search and consulting. Refer to Note 13 for the breakdown in revenue.

17. Commitments

On November 28, 2017, the Company entered into an agreement with Vision Critical Communications Inc. to sublease their premises located on the 4th Floor at 200 Granville Street, Vancouver, BC, V6C 1S4. The term of the lease commences on March 1, 2018 and expires on September 29, 2019. The sub-landlord is to be compensated with a monthly fee of \$51,465 (plus applicable taxes).

Fiscal Year	\$
2018	360,255
2019	463,185
	823,440

18. Subsequent Events

- a) Subsequent to May 31, 2018, the Company issued 534,631 common shares and 21,994 units on the exercise of warrants. These units are exercisable at \$0.75, for a period of one year from the date of exercise. The proceeds were \$155,396.

Glance Technologies Inc.

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18. Subsequent Events (continued)

- b) Subsequent to May 31, 2018, there were 444,794 shares issued from the exercise of stock options, for proceeds of \$164,657.
- c) Subsequent to May 31, 2018, there were 1,235,000 options granted to employees and officers of the Company at \$0.50 per share expiring on June 28, 2023.
- d) Subsequent to May 31, 2018, Glance appointed Lewisa Anciano to the position of Chief People & Culture Officer and Jonathan Hoyles to the position of Chief Commercial Officer & General Counsel. The Company's contract with Zeeshan Mallick, Chief Digital Officer, came to an end and was not renewed. In addition, Keith Kerr, the Vice President of Restaurant Relations, resigned as an officer of the Company.