

ACKROO INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE THREE MONTH ENDED MARCH 31, 2015

Dated: April 29, 2015

OVERVIEW

Ackroo Inc. ("Ackroo" or the "Company") is a public company and its shares are listed on the TSX Venture Exchange (TSX-V:AKR). The Company was originally incorporated under the laws of the Province of British Columbia and was continued under the laws of the Province of Alberta and subsequently continued federally under the Canada Business Corporations Act. The Company's head office is located at Suite 201 – 62 Steacie Drive, Ottawa, Ontario, Canada K2K 2A9 and records office at suite 1600 - 609 Granville Street, Vancouver, British Columbia, Canada K2K 3G4.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

This management's discussion and analysis ("MD&A") reports on the operating results and financial condition of the Company for the three months ended March 31, 2015 and is prepared as at April 29, 2015. This MD&A should be read in conjunction with the Company's consolidated financial statements as at and for the three months ended March 31, 2015, the annual audited financial statements as at and for the year ended December 31, 2014, and the notes thereto which were prepared in accordance with International Financial Reporting Standards ("IFRS") (collectively referred to as the "Financial Statements"), which are available on www.sedar.com. Other information contained in this document has also been prepared by management and is consistent with the data contained in the Financial Statements.

Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's certifying officers, based on their knowledge, having exercised reasonable diligence, are also responsible to ensure that these filings do not contain any untrue statement of a material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it was made, with respect to the period covered by these filings, and these Financial Statements together with the other financial information included in these filings fairly present in all material respects the financial condition, results of operations and cash flows of the Company, as of the date of and for the periods presented in these filings. The Board of Directors approves the Financial Statements and MD&A and ensures that management has discharged its financial responsibilities. The Board's review is accomplished principally through the Audit Committee, which meets periodically to review all financial reports, prior to filing.

All dollar amounts referred to in this MD&A are expressed in Canadian dollars except where indicated otherwise.

APPROVAL

The Board of Directors of the Company has approved the disclosure contained in this MD&A.

ACKROO INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE THREE MONTH ENDED MARCH 31, 2015

CAUTIONARY NOTE REGARDING ON FORWARD-LOOKING INFORMATION

This Management's Discussion and Analysis includes "forward-looking statements", within the meaning of applicable Canadian securities legislation, which are based on the opinions and estimates of Management and are subject to a variety of risks and uncertainties and other factors that could cause actual events or results to differ materially from those projected in the forward looking statements. While these forward-looking statements, and any assumptions upon which they are based, are made in good faith and reflect our current judgment regarding the direction of our business, actual results will almost always vary, sometimes materially, from any estimates, predictions, projections, assumptions, or other future performance suggested herein.

Forward-looking statements are often, but not always, identified by the use of words such as "seek", "anticipate", "budget", "plan", "continue", "estimate", "expect", "forecast", "may", "will", "project", "predict", "potential", "targeting", "intend", "could", "might", "should", "believe" and similar words suggesting future outcomes or statements regarding an outlook. These statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements. These forward looking statements include but are not limited to statements concerning:

- The successful outcome of negotiations to acquire channel partners
- Estimated future sales
- Research and development costs
- The Company's strategies and objectives
- The Company's ability to maintain operating expense levels
- The Company's tax position, anticipated tax refunds and the tax rates applicable to the Company
- The availability of qualified sales and operations employees
- General business and economic conditions
- The Company's ability to drive economies of scale
- Future financing arrangements

Readers are cautioned that the foregoing lists of risks, uncertainties, assumptions and other factors are not exhaustive. Events or circumstances could cause actual results to differ materially from those estimated or projected and expressed in, or implied by these forward looking statements. Due to the risks, uncertainties and assumptions inherent in forward-looking statements, prospective investors in securities of the Company should not place undue reliance on these forward-looking statements. The forward-looking statements contained in this document are made as of the date hereof and the Company undertakes no obligation to update publicly or revise any forward-looking statements or in any other documents filed with Canadian securities regulatory authorities, whether as a result of new information, future events or otherwise, except in accordance with applicable securities laws. This cautionary statement expressly qualifies the forward-looking statements.

ACKROO INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE THREE MONTH ENDED MARCH 31, 2015

OUTLOOK

The Company's efforts are focused on selling its SAAS based gift card & loyalty platform into the overall retail market across North America and other selected markets with an extra focus on supporting the small to medium size business segments. This platform enables retailers and retail networks of all types and sizes to increase profitability and build long-term customer relationships through customized gift card, loyalty and rewards programs.

The Company's utilization of its web-based solution provides the power to massively scale in a lightweight online tool that works with customers' existing business processes, making it easy and affordable for businesses of any size to design and launch their own gift card and/or loyalty program.

The Company's online and in-store gift card & loyalty program options provide a blend of stored value capabilities and advanced rewards features and functions, arming businesses with their own 'private currency' and the flexibility to create customized rewards programs that resonate with their customers. During the quarter ended March 31st, 2015, the Company built on the activities performed throughout 2014 by executing and adding to the core strategy. The key aspects of this strategy are:

- Business: Acquisition of customers through 3 key channels to market:
 - Direct Sales force:
 - Sales Operations
 - Support current customers training, installation and upsell requirements
 - Provide sales and marketing support for our channel partners
 - Product/Referral Partners:
 - Primarily merchant service providers providing solutions like payment services to merchants.
 - Provide integration with their platforms
 - Provide referrals to our sales operations team via a combination of existing and prospective customer of theirs
 - Re-sellers:
 - Independent Sales Organizations that license and re-sell Ackroo's product
 - Invest via a license model to white label the product
 - Are extended a significant discount on retail rates for selling, contracting, billing and providing first line support to merchants they acquire

The Company continues to spend efforts on attracting, supporting and further developing all 3 of these key channels for the business.

- Finance & Operations: Has 4 main focuses:
 - On-boarding of merchants:
 - Working directly with the merchants to provide point of sale and program setup, training and where possible upselling
 - Engaging with our channel partners around deployment requirements where required
 - Engaging with the R&D team around complicated installs
 - Setting up billing and reporting for merchants
 - Supporting merchants:
 - Call centre and tier 2 support (includes on-call)

ACKROO INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE THREE MONTH ENDED MARCH 31, 2015

- Trouble shooting and addressing technical issues
- Interfacing with R&D to solve technical issues
- Migration of legacy platforms to current core platform

- Supporting Sales, Marketing and the channels
 - Sales operations focus on driving revenue via current customers and our channels
 - Administration and reporting
 - Channel Training and Marketing
- All general operation, finance and administrative requirements of the business

The Company continues to work at improving processes to reduce costs and improve efficiencies in all of these areas.

- Technology/ Research & Development: Has 3 key focuses:
 - Product Development:
 - Enhancing the current platform
 - Maintaining and developing the short and long-term product road map
 - Supporting Operations:
 - Merchant on-boarding
 - Merchant trouble shooting
 - Migration of legacy platforms to current core platform
 - Product Partners:
 - Supporting and helping acquisition of merchants
 - Supporting and helping acquisition of new partners
 - Developing deeper partnership integration

The Company continues to further develop our solution set to attract and retain both merchants and product partners alike.

During the quarter ended March 31, 2015, the Company focused in particular on:

- Executing under the Company's revised cost structure while maintaining and growing product, support and sales levels
- Close our private placement financing
- Focus on adding distribution options for our gift card customers (providing our merchants networks to sell their gift cards into in order to grow revenues)
- Acquiring a complimentary product offering company in PhotoGIFTCARD to expand our solution set, introduce our first distribution point for customers and to gain access to a strong set of merchants in order to cross sell Ackroo's core products and services
- Complete integration with Blackhawk Networks to provide a large distribution channel for our merchants
- Continue executing on our revised core sales strategy via sales operations and the focus on channel support and customer cross sell/upsell
- Expand our reseller network with the addition of West Technology Group in St. Lucia
- Complete technology advancements required to support our new reseller model
- Continue deepening our product integration with current and new product partners
- Continue pursuing M&A activities for when timing may be right to execute on them

ACKROO INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE THREE MONTH ENDED MARCH 31, 2015

- Migration of our legacy platforms to our new AKR3 platform
- Pursue potential referral and reseller partners for the business
- Further developing our product offering
- Move into our new head office in Ottawa at the new reduced lease cost
- Grow our customer base to over 1,000 locations supported
- Begin quarterly investor meetings with the first in BC to provide investor insight
- Continue providing guidance to our investors through press releases and our investor meetings to keep investors informed and to also help attract new investors

Executing growth under our new cost structure was a key goal that we are happy to have achieved and are excited to continue to do.

Our expansion into complimentary offerings like gift card distribution allows Ackroo to further differentiate from our competitors.

Our first acquisition was proof to our M&A thesis that there is plenty of opportunity to do so where we can acquire, reduce their internal costs through our resources and grow our revenues. It also afforded us the ability to better understand due diligence and operational migration when looking to pursue more acquisitions in the near future.

The addition of a Caribbean based reseller opens up a large addressable market that we had not been exposed to. By having a local presence with deep retail roots in this region we are excited about the prospects that this relationship will bring.

On the technology front, we have continued to deepen our relationship with our product partners building aligned product roadmaps together. We continue to add new features to our platform to help enhance our merchant experience. We also have been working to migrate multiple legacy platforms into a single hosted environment and platform which will reduce costs from suppliers to internal support.

For investors we were happy to see share price growth during the quarter. We saw a low of \$0.145 in early January and a close of \$0.48 per share on March 31st, 2015. In our opinion the increase represents growing confidence in our ability to execute.

We are very pleased with the results of Q1 and we are highly confident in our ability to continue to execute in future quarters.

As at March 31, 2015, the Company had cash reserves of \$390,249 and working capital of \$368,620.

ACKROO INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE THREE MONTH ENDED MARCH 31, 2015

SELECTED FINANCIAL INFORMATION

	For the three months ended March 31, 2015	For the three months ended March 31, 2014
Total revenues	\$ 385,138	\$ 370,261
Loss and comprehensive loss	414,203	790,613
Per share - basic and diluted	0.03	0.10
Total current assets	727,016	472,071
Total current liabilities	358,396	352,553
Total long-term financial liabilities	32,750	142,097
Cash	390,249	101,733
Total equity	516,447	986,623

Financial information prepared in accordance with International Financial Reporting Standards ("IFRS")

Operations:

As described in the overview, the Company is aggressively selling its SAAS based gift card and loyalty platform into the full retail marketplace with an extra focus on small and medium size merchants. This platform enables small to medium sized businesses, independent merchants and business networks to increase profitability and build long-term customer relationships through customized gift card, loyalty and rewards programs.

Ackroo Inc. is a holding company that has 100% ownership and control of the operating companies Ackroo Canada Inc. (formerly MoneyBar Rewards Inc.) and Ackroo Corporation. All operations to date have been managed through Ackroo Canada Inc. Ackroo Corporation is a United States based subsidiary that will be used to grow our business in the United States.

SUMMARY OF QUARTERLY RESULTS²

	Quarter Ended March 31, 2015	Quarter Ended December 31, 2014	Quarter Ended September 30, 2014	Quarter Ended June 30, 2014
Revenue	\$ 385,138	\$ 350,260	\$ 321,972	\$ 285,673
(Loss)	(\$ 414,203)	(\$ 979,874)	(\$ 478,383)	(\$ 561,422)
Basic and diluted loss per share ¹	(0.03)	(0.15)	(0.10)	(0.10)
	Quarter Ended March 31, 2014	Quarter Ended December 31, 2013	Quarter Ended September 30, 2013	Quarter Ended June 30, 2013
Revenue	\$ 370,261	\$ 406,904	\$ 355,861	\$ 290,259
(Loss)	(\$ 790,613)	(\$ 675,604)	(\$ 697,537)	(\$ 949,370)
Basic and diluted loss per share ¹	(0.10)	(\$0.10)	(\$0.10)	(\$0.20)

¹ - Numbers have been rounded to the next decimal for presentation purposes and adjusted for the 1 for 10 share exchange.

² - Financial information prepared in accordance with International Financial Reporting Standards ("IFRS").

ACKROO INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE THREE MONTH ENDED MARCH 31, 2015

ANALYSIS OF THE SUMMARY OF QUARTERLY RESULTS:

The Company is aggressively selling its SAAS based gift card and loyalty platform into all sectors of the retail economy. The Company's utilization of web-based solutions provide the power to massively scale in a lightweight online tool, that works with customers' existing point-of-sale equipment, making it easy and affordable for businesses of any size to design and launch their own gift card and/or loyalty program.

Over the previous nine quarters the Company has further developed its technology to provide more functionality on a wider range of devices and has built an expanded its operations team. The average quarter to quarter revenue growth, for the twelve month period, of over 10% is reflective of this technology and operational focus.

RESULTS OF OPERATIONS FOR THE THREE MONTHS ENDED MARCH 31, 2015

The following analysis of the Company's operating results for the three months ended March 31, 2015 and includes a comparison against the three month period ended March 31, 2014.

Revenue

For the three months ended March 31, 2015, revenues were \$385,138 compared to \$370,261 for the three months ended March 31, 2014. During the three months ended March 31, 2015, the Company aggressively sold its gift card and loyalty programs to continue revenue growth by over 4%.

Expenses

Cost of goods sold for the three months ended March 31, 2015 was \$137,141 compared to \$89,576 for the three months ended March 31, 2014. The results show a margin decrease from 76% to 64%. The margin decrease is a result of the higher percentage of lower margin product sold in 2015 as compared with 2014.

Depreciation for the three months ended March 31, 2015 was \$3,023 compared to \$13,043 for the three months ended March 31, 2014. This depreciation relates to computer equipment, furniture and fixtures.

Amortization of intangible assets for the three months ended March 31, 2015 was \$7,274 compared to \$70,308 the three months ended March 31, 2014. The 2015 amortization relates to amortization of assets acquired from Gift2Gift Corp.

Administrative expense for the three months ended March 31, 2015 was \$317,996 compared to \$379,176 for the three months ended March 31, 2014. This decrease in expense relates to a continued focus on cost containment and elimination of costs.

Research and development for the three months ended March 31, 2015 was \$130,501 compared to \$217,237 for the three months ended March 31, 2014. These expenditures reflect the Company's continued commitment to the development of new technologies. The decrease in expense relates to the restructuring of the R&D department.

ACKROO INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE THREE MONTH ENDED MARCH 31, 2015

Sales and marketing for the three months ended March 31, 2015 was \$6,643 compared to \$260,508 for the three months ended March 31, 2014. The decrease in expense relates to the restructuring of the Sales department and consolidation of sales and operations departments.

Stock based compensation expense for the three months ended March 31, 2015 was \$202,648 as compared to \$138,569 for the three months ended March 31, 2014. Stock based compensation expenses during the three months ended March 31, 2015 related to employee incentives and compensation to Board members. The increase in expense relates to changing vesting period from 36 months to be vesting immediately.

Interest income for the three months ended March 31, 2015 was \$318 compared to \$495 for the three months ended March 31, 2014. The income is a result of interest earned on cash deposits. Interest expense for the three months ended March 31, 2015 was \$2,317 compared to \$3,559 for the three months ended March 31, 2014, and reflects interest on capital leases and long-term debt.

Loss from Operations

Loss from operations for the three months ended March 31, 2015 was \$414,203 compared to \$790,613 for the three months ended March 31, 2014. The significant decrease in loss from operations for the current period is due to the Company's decision to aggressively pursue cost reduction activities. The loss from operations excluding interest, taxes, amortization and stock-based compensation for the three months ended March 31, 2015 was \$199,259 compared to \$565,628 for the three months ended March 31, 2014.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of cash and cash equivalents, accounts receivables, accounts payable and accrued liabilities, finance lease obligations, and long-term debt. Unless otherwise noted, the carrying values of these financial instruments as presented in the condensed consolidated interim statement of financial position reasonably approximate their fair values, due to their short-term nature or their terms and conditions approximate market rates.

The Company's financial instruments have been classified as follows:

Cash and cash equivalents	fair value through profit or loss
Accounts receivable	loans and receivables
Accounts payable and accrued liabilities	other financial liabilities
Finance lease obligations and long-term debt	

Risk Management

The Company's activities expose it to a variety of financial risks including market risk (i.e. currency risk, interest rate risk), credit and liquidity risks.

(a) Market risk

Market risk is defined as the risk that the fair value or future cash flows of a financial instrument held by the Company will fluctuate because of changes in the market value.

ACKROO INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE THREE MONTH ENDED MARCH 31, 2015

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's capital leases and long-term debt bear interest at fixed rate. Bank indebtedness is based on market rates plus a fixed percentage and represents some risk. As a whole,, the Company's exposure to interest rate risk is minimal.

Currency risk

The Company transacts primarily in Canadian dollars and is not exposed to significant currency risk.

(b) Credit risk

The Company is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Company's maximum exposure to credit risk represents the sum of the carrying value of its cash and cash equivalents and accounts receivable. The Company's cash and cash equivalents are deposited with a Canadian chartered bank and as a result management believes the risk of loss on this item to be remote. Management believes that the credit risk on its accounts receivable is limited as the amounts are expected to be collected in the Company's next operating cycle.

The balances at March 31, 2015 are as follows:

	Amounts due	Collected within 25 days of period end	Remaining overdue balance
1 - 30 days due	\$ 155,986	\$ 105,957	\$ 50,029
31 - 60 days due	92,281	92,231	50
61 - 90 days due	11,384	-	11,384
Greater than 90 days past due	3,813	3,785	28
	<u>\$ 263,464</u>	<u>\$ 201,973</u>	<u>\$ 61,491</u>

The balances at December 31, 2014 are as follows:

	Amounts due	Collected within 30 days of period end	Remaining overdue balance
1 - 30 days due	\$ 111,497	\$ 98,290	\$ 13,207
31 - 60 days due	34,116	34,116	-
61 - 90 days due	537	-	537
Greater than 90 days past due	26,949	7,154	19,795
	<u>\$ 173,099</u>	<u>\$ 139,560</u>	<u>\$ 33,539</u>

ACKROO INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE THREE MONTH ENDED MARCH 31, 2015

The Company provides credit to its clients in the normal course of operations. It carries out, on a continuing basis, credit checks on its clients, a review of outstanding amounts and maintains provisions for estimated uncollectible accounts. During the period ended March 31, 2015, one customer comprised 27% of the Company's trade accounts receivables and 31% of revenue.

(d) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's management believes its existing working capital coupled with the cash that will be generated from its operations coupled with additional financing activities will enable the Company to meet its financial obligations.

LIQUIDITY AND CAPITAL RESOURCES

At March 31, 2015, the Company has a deficit of \$12,531,778 and expects to incur further losses in the development of its business. As the Company is still in its early stages of its growth plan the Company does not generate sufficient revenue and has not yet achieved profitable operations, and expects to incur further losses. The Company's objective in managing liquidity risk is to maintain sufficient liquidity in order to meet operational and investing requirements at any point in time. The Company has historically financed its operations and met its capital requirements primarily through the sale of capital stock by way of private placements, exercise of stock options, debt, and the exercise of warrants issued.

The Company's operating activities for the three months ended March 31, 2015 consumed cash of \$393,008 as compared to the three months ended March 31, 2014 of \$591,208.

The operating, investing and financing activities resulted in a \$54,091 increase and a \$148,630 decrease in the cash position of the Company for the three months ended March 31, 2015 and March 31, 2014 respectively. The resulting cash balances were \$390,249 and \$101,733 as at March 31, 2015 and March 31, 2014, respectively.

The Company has working capital of \$368,620 as at March 31, 2015. These funds will be used to finance future operating costs and for general working capital purposes.

The Company has future financial commitments under its office-operating lease in the amount of \$30,975 for remainder of fiscal 2015.

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes that the Company will be able to meet its obligations and continue its operations for its next fiscal year. Realization values may be substantially different from carrying values as shown and these financial statements do not give effect to adjustments that would be necessary to the carrying values and classification of assets and liabilities should the Company be unable to continue as a going concern.

ACKROO INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE THREE MONTH ENDED MARCH 31, 2015

SHARE CAPITAL

(a) Issued and outstanding

The Company has completed consolidation of its issued and outstanding share capital on the basis of ten (10) pre-consolidation shares to one (1) post-consolidation share on December 9, 2014.

As at April 29, 2015 the Company had 15,255,825 common shares issued and outstanding (March 31, 2014 – 6,089,280).

On January 20, 2015, the Company closed a private placement for net proceeds of \$1,246,285. The offering was oversubscribed. The Company issued 8,364,165 units to subscribers at a price of \$0.15 per unit, each unit consisting of one common share and one share purchase warrant, each whole warrant entitling the holder to acquire one additional common share of the Company at a price of \$0.25 per share for a period of 12 months. No finder's fees or commissions were paid in connection with the closing of the private placement.

(b) Escrow Shares

On October 1, 2012 the Company completed the acquisition of MoneyBar Transactions Canada Inc. ("MoneyBar") and issued 4,585,679 common shares of which 3,048,538 were placed in escrow. These were in addition to 57,101 common shares which were held in escrow prior to the acquisition of MoneyBar.

As at April 29, 2015, 1,092,452 common shares remained in escrow (March 31, 2014 - 2,351,534 shares).

(c) Outstanding Warrants

In connection with the January 20, 2015 private placement, 8,364,165 share units which entitled the holder to receive one common share and one subscription warrant for each share unit. Each subscription warrant entitles the holder to acquire one common share at an exercise price of \$0.25 per share until January 20, 2015. The Company determined the fair value of the subscription warrant and allocate the residual value to the common shares.

During the year ended December 31, 2014, in connection with private placements, the Company issued 588,683 subscription warrants to acquire one common share at exercise price between \$1.00 and \$2.20 per share expiring between January 31, 2015 and July 15, 2015. Ackroo issued 67,073 warrants to agents and finders who provided assistance in connection with the private placement completed by the Company. Each agent warrant entitles the holder to acquire one common share at exercise price between \$1.00 and \$2.20 per share expiring between January 31, 2015 and July 15, 2015. The Company determined the fair value of the warrants and allocated the residual value to the common shares.

In connection with a private placement immediately before the completion of the reverse takeover in 2012, the Company issued 784,148 share units which entitled the holder to receive one common share and one subscription warrant for each share unit. Each subscription warrant entitles the holder to acquire one common share at an exercise price of \$7.00 per share until October 1, 2015. The Company determined the fair value of the subscription warrant and allocated the residual value to the common shares.

ACKROO INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE THREE MONTH ENDED MARCH 31, 2015

A summary of the Company's warrant activity is as follows:

	Number of warrants
Balance at December 31, 2013	845,270
Warrants expired	(61,123)
Warrants exercised	-
Warrants issued	655,757
Balance at December 31, 2014	1,439,904
Warrants expired	(209,507)
Warrants exercised	-
Warrants issued	8,364,165
Balance at April 29, 2015	9,594,562

The fair value of the subscription warrants issued in 2015 totaled \$1,246,285. The fair value was calculated using the Black-Scholes model using 0.87% risk-free interest rate, 217% volatility, 12 month expected life and 0% dividend yield.

The fair value of the agent warrants and subscription warrants issued in 2014 totaled \$29,200 and \$255,500 respectively. The fair value was calculated using the Black-Scholes model using risk-free interest rate between 0.97% and 1.10%, volatility between 180% and 194%, 1 year expected life and 0% dividend yield.

(d) Stock options

Under the terms of Ackroo, approved Stock Option Plan (ESOP) the Board of Directors of Ackroo may, from time to time, in its discretion, and in accordance with the Exchange requirements, grant to directors, officers, employees and consultants of Ackroo options to purchase Ackroo Shares, provided that the number of Ackroo Shares reserved for issuance, together with those to be issued pursuant to options previously granted, does not exceed 10% of the issued and outstanding Ackroo Shares at the time of the grant. In addition, the number of shares which may be reserved for issuance to any one individual may not exceed 5% of the issued shares on a yearly basis, or 2% if the optionee is engaged in investor relations activities or is a consultant.

Under Exchange policy, all such rolling stock option plans which set the number of common shares issuable under the plan at a maximum of 10% of the issued and outstanding common shares must be approved and ratified by shareholders on an annual basis. There are currently 15,255,825 Ackroo Shares outstanding, which means that up to 1,525,583 Ackroo Shares could be reserved for issuance upon the exercise of stock options.

Options are exercisable over periods of up to ten years as determined by the Board of Directors and are required to have an exercise price no less than the closing market price of the Ackroo Shares prevailing on the day that the option is granted less a discount of up to 25%, with the amount of the discount varying with market price in accordance with the policies of the Exchange. Options held by an officer, director or service provider (not conducting investor relations) expire 90 days after the option holder has left office or the service provider ceases providing services, and for options held by service providers conducting

ACKROO INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE THREE MONTH ENDED MARCH 31, 2015

investor relations, 30 days after Ackroo terminates that relationship. In the case of the death of an employee, officer, director or other service provider, the option may be exercised by a personal representative or heir until the earlier of the option's expiry or one year after the option holder died.

Pursuant to the Stock Option Plan, the Board of Directors may from time to time authorize the grant of options to directors, officers, employees and consultants of Ackroo or employees of companies providing management or consulting services to Ackroo. Other than options granted to consultants performing investor relation's activities, which must vest in stages over 12 months with no more than one-quarter of the options vesting in any three-month period, the Stock Option Plan contains no vesting requirements, but permits the Board of Directors to specify a vesting schedule in its discretion.

A summary of the Company's stock option activity is as follows:

	Number of Options	Weighted Average Exercise Price
Balance, December 31, 2012	567,441	\$4.20
Expired/Cancelled	(481,648)	\$4.20
Granted	479,110	\$2.00
Balance, December 31, 2013	564,903	\$2.50
Expired/Cancelled	(562,457)	\$2.78
Granted	353,416	\$0.87
Balance, December 31, 2014	355,862	\$1.18
Expired/Cancelled	(289,292)	\$0.92
Granted	935,000	\$0.21
Balance, April 29, 2015	1,001,570	\$0.35

At April 29, 2015, a summary of stock options outstanding and exercisable are as follows:

Grant Date	Number of Options outstanding	Number of Options Exercisable	Exercise Price	Expiry date	Remaining contractual life (years)
October 1, 2012	21,571	21,571	\$1.00	October 1, 2017	2.51
October 4, 2012	25,000	21,970	\$4.50	October 4, 2022	7.52
July 15, 2014	19,999	4,444	\$1.00	July 15, 2024	9.30
January 19, 2015	935,000	935,000	\$0.21	January 19, 2018	2.81
April 29, 2015	1,001,570	982,985	\$0.35		3.05

The fair value of options granted during 2015 was estimated using the Black-Scholes option pricing model with the following assumptions:

ACKROO INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE THREE MONTH ENDED MARCH 31, 2015

<u>Grant Date</u>	<u>Granted</u>	<u>Stock Price</u>	<u>Exercise Price</u>	<u>Expected Life</u>	<u>Volatility</u>	<u>Dividend Rate</u>	<u>Risk Free Rate</u>	<u>Fair Value</u>
January 19, 2015	935,000	0.21	0.21	3	258%	0.0%	0.87%	\$ 202,648

RELATED PARTY TRANSACTIONS

An officer and director of the Company had an on-going agreement to provide consulting services. Total expense recorded in the quarter ended March 31, 2015 amounted to \$NIL and in the quarter ended March 31, 2014 amounted to \$30,000. There were no unpaid amounts as at March 31, 2014 and March 31, 2015.

An officer of the Company had an on-going consulting agreement to provide marketing consulting services. Total expense recorded in the quarter ended March 31, 2015 amounted to \$NIL and in the quarter ended March 31, 2014 amounted to \$22,500. There were no unpaid amounts as at March 31, 2015 and March 31, 2014.

On December 30, 2011, the company entered into a service agreement and a license agreement with MoneyBar Transactions Canada Inc. ("MTC") whereby the company will provide services and deliverables as reasonably requested by MTC to assist MTC in performing its obligations under the joint venture agreement between MTC and Kennerly Edwards Consulting Inc. In return for the provision of the services and the development of deliverables, MTC shall pay to the company all net revenues received by MTC and/or its affiliates from its and/or their participation in the joint venture. For the quarter ended March 31, 2015, the company recognized \$6,225 of revenue for the services and deliverables, of which \$2,345 is unpaid and included in accounts receivable as of March 31, 2015. For the quarter ended March 31, 2014, the company recognized \$15,336 of revenue for the services and deliverables, of which \$15,336 being unpaid and included in accounts receivable as of March 31, 2014. A shareholder of the Company is the principal shareholder and sole director of MTC.

The Company has an agreement with a company that has an officer who is a consultant of the Company to provide legal services. Total expense recorded in the quarter ended March 31, 2015 amounted to \$19,002. There were no unpaid amounts at March 31, 2015. Total expense recorded in the quarter ended March 31, 2014 amounted to \$13,203 and no unpaid amounts at March 31, 2014.

BUSINESS COMBINATION

Effective January 20, 2015, the Company acquired certain assets of Gift2Gift Corp., a company incorporated under the federal laws of Canada, for a purchase price of \$150,000. This strategic acquisition will further strengthen Ackroo's penetration of the rapidly growing, multi-billion dollar gift card market by adding innovative features to their existing market leading platform. This acquisition will also potentially increase Ackroo's merchant footprint by adding Gift2Gift Corp.'s more than 500 merchant locations.

Gift2Gift Corp. is a privately held company with deep roots in consumer goods marketing, production and distribution. The Company provides a software and fulfillment solution that allows consumers or companies to personalize or co-brand their favorite gift card. Recognizing the opportunity to address the Gift Card market

ACKROO INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS

AS AT AND FOR THE THREE MONTH ENDED MARCH 31, 2015

with a personal touch was the seed for developing their proprietary PhotoGIFTCARD.com system. The Company's focus is on providing a simple, flexible, user-friendly service that anyone can use. Gift2Gift Corp. is headquartered in Vancouver, BC, Canada.

RISKS AND UNCERTAINTIES

The Ability to Manage Growth

Should the Company be successful in its efforts to acquire customers it will experience significant growth in operations. If this occurs management anticipates that additional expansion will be required in order to continue development. Any expansion of the Company's business would place further demands on its management, operational capacity and financial resources. The failure to manage growth effectively could have a material adverse effect on the Company's business, financial condition and results of operations.

Possible Dilution to Present and Prospective Shareholders

The Company's plan of operation, in part, contemplates the further issuance of securities of the Company and possibly, incurring debt. Any transaction involving the issuance of previously authorized but unissued common shares would result in dilution, possibly substantial, to present and prospective holders of common shares.

Dependence of Key Personnel

The Company strongly depends on the business and technical expertise of its management and key personnel. There is little possibility that this dependence will decrease in the near term.

Lack of Trading

The lack of trading volume of the Company's shares reduces the liquidity of an investment in the Company's shares.

Volatility of Share Price

Market prices for shares of TSX Venture Exchange companies are often volatile. Factors such as announcements of financial results, and other factors could have a significant effect on the price of the Company's shares.

Trends and Uncertainties

The Company's ability to generate revenues in the future is dependent on its ability to successfully acquire channel partners, customers and create an infrastructure to economically manage any resulting growth in operations.

Future Operations

Presently, the Company revenues are not sufficient to meet operating and capital expenses and the Company has incurred operating losses since inception, which are likely to continue for the foreseeable future. The Company anticipates that it will have negative cash flows in the near term. There is no assurance that the Company will operate profitably or will generate positive cash flow in the future. In addition, the Company's operating results in the future may be subject to significant fluctuations due to many factors not within our control, such as the unpredictability of when customers will place orders, the size of customers' orders, the demand for the Company's platform and solutions, the level of competition and general economic conditions. The Company expects to incur operating losses and negative cash flow until its platform gain market acceptance sufficient to generate a commercially viable and sustainable level of sales so that it is operating in a profitable manner. These circumstances raise doubt about the Company's ability to continue as a going concern

**ACKROO INC.
MANAGEMENT'S DISCUSSION AND ANALYSIS
AS AT AND FOR THE THREE MONTH ENDED MARCH 31, 2015**

CRITICAL ACCOUNTING ESTIMATES

There have been no significant changes to any accounting estimates as disclosed in the Company's most recent audited financial statements as at and for the period ended 31 December 2014.

CHANGES IN ACCOUNTING POLICIES

Except as set out below under "Recent Accounting Pronouncements", the accounting policies applied in the financial statements as at and for the three months ended March 31, 2015 are the same as those applied in the Company's audited financial statements as at and for the period ended December 31, 2014 which are available at www.sedar.com. and reflect all the adjustments necessary for fair presentation in accordance with IAS 34. There has been no material impact on these financial statements from changes in accounting standards during the period.

ADDITIONAL INFORMATION

Additional information relating to the Company is available at www.sedar.com.