PRODIGY VENTURES INC.
(FORMERLY 71 CAPITAL CORP.)

CONSOLIDATED FINANCIAL STATEMENTS

For the nine months ended December 31, 2015 and year ended March 31, 2015
(expressed in Canadian dollars)

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of Prodigy Ventures Inc.

We have audited the accompanying consolidated financial statements of Prodigy Ventures Inc., which comprise the consolidated statement of financial position as at December 31, 2015, the consolidated statements of operations and comprehensive income, changes in equity and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

KPMG

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Prodigy Ventures Inc. as at December 31, 2015, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Comparative information

The consolidated financial statements of Prodigy Ventures Inc. (previously TCB Corporation) as at and for the year ended March 31, 2015 were audited by another auditor who expressed an unmodified opinion on those financial statements on August 6, 2015.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

April 14, 2016
Toronto, Canada

Prodigy Ventures Inc.
Consolidated Statements of Financial Position as at December 31, 2015 and March 31, 2015
(Expressed in Canadian dollars)

	December 31, 2015	March 31, 2015
Assets		
Current assets:		
Cash	$ 841,957	$ 347,582
Accounts receivable	1,442,908	313,807
Unbilled receivables	135,790	–
Income taxes recoverable	6,187	–
Prepaid expenses	27,057	500
	2,453,899	661,889
Non-current assets:		
Advances to shareholder (Note 4)	–	1,482
Deferred tax asset (Note 13)	85,643	–
Property and equipment (Note 5)	24,156	3,447
	109,799	4,929
Total assets	$ 2,563,698	$ 666,818
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	$ 1,215,095	$ 374,016
Deferred revenue	16,362	–
Income taxes payable (Note 13)	–	25,631
Current portion of long-term debt (Notes 6 and 16)	87,432	49,992
	1,318,889	449,639
Non-current liabilities:		
Long-term debt (Notes 6 and 16)	183,154	141,644
	183,154	141,644
Total liabilities	1,502,043	591,283
Shareholders' Equity		
Share capital (Note 7)	411,212	100
Contributed surplus	14,805	492
Retained earnings	635,638	74,943
	1,061,655	75,535
Total liabilities and shareholders' equity	$ 2,563,698	$ 666,818

Commitments (Note 16)

The accompanying notes are an integral part of these consolidated financial statements.

On behalf of the Baord:

"Thomas Beckerman" Director

"Stephen Moore" Director

Prodigy Ventures Inc.
Consolidated Statements of Operations and Comprehensive Income
Nine months ended December 31, 2015 and year ended March 31, 2015
(Expressed in Canadian dollars)

	Nine months ended December 31, 2015	Year ended March 31, 2015
Revenue (Note 11)	$ 6,187,766	$ 2,730,698
Direct costs	3,922,298	2,164,737
Gross profit	2,265,468	565,961
Expenses:		
Advertising and promotion	81,959	20,700
Computer	25,655	41,067
Depreciation (Note 5)	2,509	2,633
Finance costs	20,035	13,580
Listing expense (Note 3)	89,917	–
Management fees and compensation	447,630	113,525
Office and general	5,742	2,089
Professional fees	391,035	14,359
Rent and occupancy	17,027	10,567
Research and development	368,972	137,348
Share-based compensation (Note 7)	14,805	492
Telecommunications	2,661	3,467
Travel	24,068	16,026
	1,492,015	375,853
Income before income taxes	773,453	190,108
Income taxes (Note 13)	212,758	30,879
Net income and comprehensive income for the period	$ 560,695	$ 159,229
Net income per share - basic and diluted (Note 14)	$ 0.01	$ 0.00

The accompanying notes are an integral part of these consolidated financial statements.

Prodigy Ventures Inc.
Consolidated Statements of Changes in Equity
Nine months ended December 31, 2015 and year ended March 31, 2015
(Expressed in Canadian dollars)

	Common shares	Class A shares	Restricted voting shares	Share capital (Note 7)	Contributed surplus	Retained earnings	Total Shareholders' equity
Balance March 31, 2015	70	30	–	$ 100	$ 492	$ 74,943	$ 75,535
Exercise of options	12	4	–	508	(492)	–	16
Recapitalization of share capital	20,024,642	(34)	88,051,416	–	–	–	–
Private placement	1,183,080	–	–	85,773	–	–	85,773
Shares issued for services	2,274,793	–	–	164,922	–	–	164,922
Shares issued to 71 Capital Corp. shareholders	2,205,635	–	–	159,909	–	–	159,909
Stock-based compensation	–	–	–	–	14,805	–	14,805
Net income	–	–	–	–	–	560,695	560,695
Balance December 31, 2015	25,688,232	–	88,051,416	$ 411,212	$ 14,805	$ 635,638	$ 1,061,655

	Common shares	Class A shares	Restricted voting shares	Share capital (Note 7)	Contributed surplus	Retained earnings	Total Shareholders' equity
Balance March 31, 2014	100	–	–	$ 100	$ –	$ (34,286)	$ (34,186)
Cancellation of treasury shares	(30)	–	–	(30)	–	–	(30)
Stock-based compensation	–	–	–	–	492	–	492
Dividends paid	–	–	–	–	–	(50,000)	(50,000)
Issuance of Class A shares	–	30	–	30	–	–	30
Net income	–	–	–	–	–	159,229	159,229
Balance March 31, 2015	70	30	–	$ 100	$ 492	$ 74,943	$ 75,535

The accompanying notes are an integral part of these consolidated financial statements.

Prodigy Ventures Inc.
Consolidated Statements of Cash Flows
Nine months ended December 31, 2015 and year ended March 31, 2015
(Expressed in Canadian dollars)

	Nine months ended December 31, 2015	Year ended March 31, 2015
Cash flows from operating activities		
Net income for the period	$ 560,695	$ 159,229
Adjustments to reconcile net income to cash provided by operating activities:		
Depreciation (Note 5)	2,509	2,633
Stock-based compensation (Note 7)	14,805	492
Shares issued for professional fees	164,922	–
Finance costs	20,035	13,580
Listing expense (Note 3)	89,917	–
Income taxes	212,758	30,879
Change in non-cash operating working capital:		
Increase in Accounts receivable	(1,129,101)	(313,807)
Increase in Unbilled receivables	(135,790)	–
Increase in Prepaid expenses	(26,557)	(500)
Increase in Accounts payable and accrued liabilities, net of working capital acquired	840,813	366,132
Increase in Deferred revenue	16,362	–
Net cash flows from operating activities before income taxes paid	631,368	258,638
Income taxes paid	(314,085)	(9,770)
Net cash flows from operating activities	317,283	248,868
Cash flows from investing activities		
Cash acquired from reverse acquisition (Note 3)	54,124	–
Purchase of equipment	(23,218)	(2,586)
Net cash flows from (used in) investing activities	30,906	(2,586)
Cash flows from financing activities		
Advances under long-term debt	150,000	200,000
Repayments of long-term debt	(71,050)	(8,364)
Advances to shareholder – net of repayments	1,482	(30,871)
Proceeds from private placement	85,773	–
Finance costs paid	(20,035)	(13,580)
Proceeds from exercise of options	16	–
Dividends paid	–	(50,000)
Cancellation of treasury shares	–	(30)
Proceeds from issuance of Class A shares	–	30
Net cash flows from financing activities	146,186	97,185
Increase in cash	494,375	343,467
Cash, beginning of period	347,582	4,115
Cash, end of period	$ 841,957	$ 347,582
Supplemental disclosure of non-cash transactions:		
Issuance of common shares in connection with Amalgamation (Note 3)	$ 159,909	$ –

The accompanying notes are an integral part of these consolidated financial statements.

1. NATURE OF OPERATIONS

Prodigy Ventures Inc. (formerly 71 Capital Corp.) ("Prodigy" or the "Company") is engaged in creating platforms and applications with technologies in mobile video, proximity, wearables, augmented reality and 3D. It provides clients technology services for business strategy, application design, development and implementation. The Company was incorporated as 71 Capital Corp. under the Canada Business Corporations Act on February 6, 2008 and was classified as a Capital Pool Company, as defined by the TSX Venture Exchange ("TSXV").

The Company's registered office is as follows: c/o Fogler, Rubinoff LLP, 77 King Street West, Suite 3000, P.O. Box 95, TD Centre, Toronto, Ontario M5K 1G8. The Company's common shares are listed on the TSXV under the symbol PGV.

On September 10, 2015, the Company closed its Qualifying Transaction pursuant to an agreement between 71 Capital Corp., TCB Corporation and 2478677 Ontario Ltd., and 71 Capital Corp. changed its name to Prodigy Ventures Inc. (Note 3).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Statement of compliance

These consolidated annual financial statements of the Company were prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"), and have been prepared in accordance with accounting policies based on the IFRS standards and International Financial Reporting Interpretations Committee interpretations. The policies set out below were consistently applied to all the periods presented unless otherwise noted below.

Basis of presentation

These financial statements have been prepared on a historical cost basis, except for those financial instruments carried at fair value.

These financial statements are presented in Canadian dollar, which is the Company's functional and presentation currency.

These financial statements were authorized for issuance by the Company's Board of Directors on April 14, 2016.

In connection with the reverse acquisition described in Note 3, the Company has changed its fiscal year end to December 31 from its previous fiscal year end of March 31, resulting in the current nine-month fiscal period. The Company will now be on a quarterly reporting calendar based on a December 31 financial year end, with fiscal quarters ending on the last day of March, June, September and December of each year. As a result of the change in the year end, the results of the previous fiscal year are not directly comparable.

Critical accounting judgments and estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amount of expenses and other income during the period.

Management continuously evaluates the estimates and underlying assumptions based on management's experience and knowledge of facts and circumstances. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in future periods if affected.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Significant estimates made by management include the following:

Revenue recognition for professional service:

Revenue relating to fixed price professional services contracts is recognized based on the percentage of completion of the project which is assessed based on actual labour cost and budgeted cost required to complete the project. The Company estimates the costs associated with the project based on historical experience.

Allowance for doubtful accounts:

The Company monitors the financial stability of its customers and the environment in which they operate to make estimates regarding the likelihood that the individual accounts receivable balance will be paid. Credit risks for outstanding accounts receivable is regularly assessed and reviewed. The allowance for doubtful accounts is recorded based on specific customer information and experience.

Deferred tax assets and liabilities:

The Company estimates the amount and the timing of the reversing of temporary differences giving rise to deferred tax assets or liabilities and recognizes this amount based on historical experience and substantively enacted tax rates.

Property and equipment:

Significant judgment is involved in the determination of useful lives and residual values of property and equipment, for the computation of depreciation. The determination of useful lives and residual values is based on the Company's expectations of the asset's future economic benefits and is reviewed annually and adjusted, if required.

Basis of consolidation

The consolidated financial statements include the financial statements of the Company, and its wholly owned subsidiary companies. All significant intercompany balances and transactions have been eliminated upon consolidation.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, balances with banks and investment dealers, and short-term deposits with original maturities of less than three months at date of acquisition and are recorded at fair value. As at December 31, 2015 and March 31, 2015, the Company did not have any cash equivalents.

Property and equipment

Property and equipment are recorded at cost less accumulated depreciation and any impairment losses recorded. Cost includes expenses that are directly attributable to the acquisition of the asset. When parts of an item of equipment have different useful lives, they are accounted for as separate components of equipment and depreciated accordingly. The carrying amount of any replaced component or a component no longer in use is derecognized.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item of property and equipment will flow to the Company and the costs of the item can be reliably measured. All other expenses are charged to operating expenses as incurred.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Depreciation is based on the cost of an asset less its estimated residual value. Depreciation is charged to profit or loss over the estimated useful life of an asset. Depreciation is provided on a declining-balance basis using the following rates:

Computer hardware – 30% declining balance

Computer software – 30% declining balance

Furniture – 30% declining balance

Depreciation methods, rates and residual values are reviewed annually and revised if the current method, estimated useful life or residual value is different from that estimated previously. The effect of such a change is recognized on a prospective basis in the consolidated financial statements.

Revenue recognition

The Company derives its revenues from software and related consulting service contracts. Revenue comprises the fair value of consideration received or receivable from the provision of services in the ordinary course of business, net of discounts and sales taxes. The Company recognizes revenue once persuasive evidence exists, generally in the form of an executed agreement, it is probable the economic benefits of the transaction will flow to the Company and revenue and costs can be measured reliably. If collection is not considered probable, revenue is recognized only once fees are collected.

The Company recognizes revenues based on time and material incurred, or for fixed price professional service contracts, based on the percentage of completion of the project which is assessed based on actual labour cost and budgeted cost required to complete the project. If a loss on a contract is considered probable, the loss is recognized at the date determinable.

Amounts are generally billable on reaching certain performance milestones, as defined by individual contracts. Revenue earned in excess of contract billings is recorded as unbilled revenue. Cash proceeds received in advance of performance under contracts are recorded as deferred revenue. Deferred revenue is classified as long-term if it relates to performance obligations that are expected to be fulfilled after 12 months from year end.

Operating leases

The aggregate cost of operating leases are recognized in profit or loss on a straight-line basis over the term of the lease. Lease incentives are recognized as an integral part of the total lease expense over the term of the lease.

Research and development costs and investment tax credits

All costs relating to research are expensed as incurred. Investment tax credits are recognized in the period in which the credits are earned and realization is considered more likely than not. Assistance received or receivable is accounted for using the cost reduction approach.

Income tax and deferred taxes

The tax expense recognized in net income (loss) comprises the sum of deferred tax and current tax not recognized in other comprehensive income (loss) or directly in equity.

The tax currently payable is based on the taxable income or loss for the period. The taxable income or loss may differ from the income or loss for the period as reported in the accompanying consolidated statements of operations and comprehensive income due to the exclusion, if any, of revenue or expense items that are taxable or deductible in other periods, as well as items that are not taxable or deductible. The Company's liability for current income taxes is calculated using income tax rates that have been enacted or substantively enacted by the end of the reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Deferred tax , if any, is recognized using the liability method on differences between the carrying amounts of assets and liabilities in the accompanying financial statements and their corresponding tax bases. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that future taxable income will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the taxable temporary difference arises from the initial recognition of goodwill or the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable income or loss, nor the income or loss for the period reported in the Company's consolidated statements of operations and comprehensive income.

Deferred tax assets and liabilities are measured, without discounting, at the tax rates that have been enacted or substantively enacted by the end of the reporting period and applicable in the period in which the liability is expected to be settled or the asset realized.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable income will be available to allow the benefit of all or part of the asset to be utilized. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable income will be available.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when these relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis. Changes in deferred tax assets or liabilities are recognized as a component of taxable revenue or expense in profit or loss, except where these relate to items that are recognized in other comprehensive income (loss) or directly in equity, in which case, the related deferred tax is also recognized in other comprehensive income (loss) or equity, respectively.

Share-based payments

The grant date fair value of share-based payment awards granted to employees is recognized as share-based compensation expense, with a corresponding increase in contributed surplus, over the vesting period of the award (Note 7). The amount recognized is adjusted to reflect the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that vest. Upon the exercising of options, the fair value of the options exercised that has been added to contributed surplus is reclassified to common shares and reflected in the consolidated statements of changes in shareholders' equity.

Impairment testing of property and equipment

The costs of the Company's property and equipment not ready to be used, if any, are not subject to depreciation and are tested for impairment at least annually or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable during a reporting period. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. For purposes of assessing impairment, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash generating units ("CGU"s). An impairment loss is recognized for the amount by which the asset or CGU's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset or CGU's fair value, less costs to sell, and value-in-use.

To determine the value-in-use, management estimates expected future cash flows and determines a suitable interest rate in order to calculate the present value of those cash flows. The data used for impairment testing procedures are directly linked to the Company's latest approved budget, adjusted as necessary to exclude the effects of future reorganizations and asset enhancements. Discount factors are determined individually for each CGU and reflect their respective risk profiles as assessed by management. As a result, some assets are tested individually for impairment and some are tested at the CGU level.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Impairment losses recognized in respect of CGUs are allocated first to reducing the carrying amount of any goodwill allocated to the CGUs (or group of CGUs) and then to reducing the carrying amount of the other assets in the CGU (or group of CGUs) on a pro rata basis. Long-lived assets that suffer impairment are reviewed for possible reversal of the impairment at each reporting date. For such assets, an impairment charge is reversed if the CGUs or individual asset's recoverable amount exceeds its carrying amount.

Provisions

(i) Provisions are recognized when the Company has a present legal obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation, and this amount can be reliably estimated. Provisions are measured based on management's best estimate of the expenditure required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material. Additionally, the Company performs evaluations to identify onerous contracts and, where applicable, records provisions for such contracts.

(ii) A provision for onerous contracts would be recognized when the expected benefits to be derived by the Company from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision would be measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company would recognize any impairment loss on the assets associated with the contract.

Financial instruments – assets and liabilities

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognized when they are extinguished, discharged, cancelled or expired. At initial recognition, the Company classifies its financial instruments depending on the purpose for which the instruments were acquired, as follows:

Cash, cash equivalents and bank indebtedness are designated as fair value through profit or loss and are measured at fair value, with changes in fair value being recorded in net income (loss) at each reporting period end.

Accounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company's accounts receivable comprise trade receivables and are included in current assets due to their short-term nature. Accounts receivable are initially measured at fair value and, subsequently, they are measured at amortized cost using the effective interest method.

Accounts payable and those accrued liabilities which are financial instruments are initially recognized at fair value and, subsequently, they are measured at amortized cost, which generally corresponds to cost. These instruments are included in current liabilities due to their short-term nature.

Long-term debt principally comprises interest-bearing facilities with certain third-party lenders to the Company. The Company's long-term debt is measured and presented on the accompanying consolidated statements of financial position at amortized cost less directly attributable transaction costs and is discussed in Note 6. Due to the interest and other features of these facilities, management is of the opinion that the current and long-term portions of these facilities carrying amounts are a reasonable approximation of fair value.

Advances to (from) shareholder are non-interest-bearing and have no specific terms of repayment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Impairment of financial assets

Financial assets other than those carried at fair value through profit or loss are assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset. Objective evidence that financial assets are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, or the disappearance of an active market for an asset.

The Company maintains an allowance for doubtful accounts at an amount estimated to be sufficient to provide adequate protection against losses resulting from collecting less than the full amount due on its accounts receivable. The Company considers evidence of impairment for accounts receivable at both a specific asset and a collective level. All individually significant accounts receivable are assessed for specific impairment. Individual overdue accounts are reviewed, and allowances are recorded, to report accounts receivable at net realizable value when known that they are not collectible in full. All individually significant receivables found not to be specifically impaired are collectively assessed for any impairment that has been incurred but not yet identified.

In assessing collective impairment, the Company uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses, if any, are recognized in the accompanying consolidated statements of operations and comprehensive income and are reflected in an allowance account against the corresponding financial asset. Interest on the impaired asset continues to be recognized through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss would be reversed.

Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources, services or obligations between related parties.

Comprehensive income (loss)

Basic comprehensive income (loss) comprises net income (loss) and other comprehensive income (loss). Other comprehensive income (loss) represents changes in shareholders' equity (deficiency) and would be presented as accumulated other comprehensive income (loss). However, the Company has not had material income or losses relating to other comprehensive income (loss) and, accordingly, has made no adjustments to the accompanying consolidated financial statements.

Income per share

The Company calculates basic income per share by dividing the net income attributable to common and restricted shareholders by the weighted average number of common and restricted shares outstanding during the period. Diluted per share amounts are calculated giving effect to the potential dilution that would occur if securities or other contracts to issue common or restricted shares are exercised or converted. Diluted income (loss) per share would be equal to basic income (loss) per share when the effect of dilutive securities is anti-dilutive.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

Future and recently adopted accounting policy changes

At the date of the authorization of these consolidated financial statements, the IASB has issued the following new and revised standards and amendments which are not yet effective for the relevant periods.

IFRS 9 - Financial Instruments ("IFRS 9") - IFRS 9 replaces International Accounting Standard ("IAS") 39, Financial Instruments: Recognition and Measurement. This standard establishes principles for the financial reporting of financial assets and financial liabilities that will present relevant and useful information to users of financial statements for their assessment of the amounts, timing and uncertainty of an entity's future cash flows. This standard also includes a new general hedge accounting standard which will align hedge accounting more closely with risk management. It does not fully change the types of hedging relationships or the requirement to measure and recognize ineffectiveness; however, it will provide more hedging strategies that are used for risk management to qualify for hedge accounting and introduce more judgment to assess the effectiveness of a hedging relationship. Adoption of IFRS 9 is mandatory and will be effective for annual periods beginning on or after January 1, 2018 with early adoption permitted. The Company is currently assessing the impact of adopting this standard on the Company's consolidated financial statements and related note disclosures.

IFRS 15 - Revenue from Contracts with Customers ("IFRS 15") - IFRS 15 replaces IAS 11, Construction Contracts and IAS 18, Revenue, as well as various interpretations regarding revenue. This standard introduces a single model for recognizing revenue that applies to all contracts with customers, except for contracts that are within the scope of standards on leases, insurance and financial instruments. This standard also requires enhanced disclosures. Adoption of IFRS 15 is mandatory and will be effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The Company is currently assessing the impact of adopting this standard on the Company's consolidated financial statements and related note disclosures.

IFRS 16 – Leases ("IFRS 16") - In January 2016, the IASB issued the final publication of the IFRS 16 standard, which will supersede the current IAS 17, Leases ("IAS 17") standard. Under IFRS 16, a lease will exist when a customer controls the right to use an identified asset as demonstrated by the customer having exclusive use of the asset for a period of time. IFRS 16 introduces a single accounting model for lessees and all leases will require an asset and liability to be recognized on the statement of financial position at inception. The accounting treatment for lessors will remain largely the same as under IAS 17. The standard is effective for annual periods beginning on or after January 1, 2019 with early adoption permitted, but only if the entity is also applying IFRS 15. The extent of the impact of adoption of the standard has not yet been determined.

IAS 1 – Presentation of Financial Statements ("IAS 1") - On December 18, 2014, the IASB issued amendments to IAS 1 as part of its initiative to improve presentation and Disclosure Initiative in financial reports. The amendments are effective for annual periods beginning on or after January 1, 2016. Early adoption is permitted. The Company intends to adopt these amendments in its consolidated financial statements for the annual period beginning on January 1, 2016. The extent of the impact of adoption of the amendments has not yet been determined.

3. REVERSE ACQUISITION

On September 10, 2015, 71 Capital Corp. ("71 Capital") completed its Qualifying Transaction, which was effected pursuant to an agreement between 71 Capital, TCB Corporation ("TCB") and 2478677 Ontario Ltd., a wholly owned subsidiary of 71 Capital. Pursuant to the agreement, 71 Capital acquired all of the issued and outstanding shares of TCB.

As part of the Qualifying Transaction, 71 Capital consolidated its common shares on the basis of 2 to 1. TCB recapitalized its share capital via the issuance of 20,024,724 common shares and 88,051,416 restricted shares and the cancellation of the common, Series I Class A and Series II Class A shares that were outstanding prior to the amalgamation. TCB amalgamated with a wholly owned subsidiary of 71 Capital (the "Amalgamation"), pursuant to which all shares of TCB, including those issued in connection with the Amalgamation, (Note 7(b)), were exchanged for shares of the resulting issuer, Prodigy. Following completion of the Qualifying Transaction, the Company had an aggregate of 25,688,232 common shares outstanding, comprising 20,024,724 common shares issued to former holders of TCB common shares, 1,183,080 common shares to investors in a private placement, 2,274,793 common shares issued for financial advisory services in connection with the transaction and 2,205,635 common shares issued to former holders of 71 Capital common shares. The Company also had 88,051,416 restricted shares outstanding, issued to former holders of TCB.

Nine months ended December 31, 2015 and the year ended March 31, 2015 (Expressed in Canadian dollars)

3. REVERSE ACQUISITION - CONTINUED

Upon closing of the Qualifying Transaction, the shareholders of TCB owned approximately 95.02% of the common and restricted shares (including shares issued in connection with the transaction) of the Company and, as a result, the transaction is considered a reverse acquisition of 71 Capital by TCB. For accounting purposes, TCB is considered the acquirer and 71 Capital the acquiree. Accordingly, the consolidated financial statements are in the name of Prodigy (formerly 71 Capital); however, they are a continuation of the financial statements of TCB which has adopted 71 Capital's financial year end of December 31.

The results of operations of 71 Capital are included in the consolidated financial statements of TCB from the date of the reverse acquisition, September 10, 2015.

The following summarizes the reverse takeover of 71 Capital by TCB and the net assets acquired and liabilities assumed at September 10, 2015:

Fair value of consideration paid to former 71 Capital shareholders:	
2,205,635 common shares at $0.0725 per share	$ 159,909
Identifiable assets acquired and liabilities assumed:	
Cash	54,124
Deferred tax asset	16,134
Accounts payable	(266)
Net assets acquired/assumed	69,992
Listing expense	$ 89,917

The Amalgamation with 71 Capital allowed TCB, a private company, to obtain a listing on the TSXV without having to go through an initial public offering process. As the acquisition was not considered a business combination, a total of $89,917, being the excess of fair value of the consideration paid to obtain the listing over the net assets (liabilities) received (assumed), has been included in listing expense in the consolidated statements of operations and comprehensive income.

4. ADVANCES TO/FROM SHAREHOLDER

The advances to/from the Company's Chief Executive Officer and largest shareholder were unsecured, were non-interest bearing and had no specific terms of repayment.

Nine months ended December 31, 2015 and the year ended March 31, 2015 (Expressed in Canadian dollars)

5. PROPERTY AND EQUIPMENT

	Computer Hardware	Computer Software	Furniture	Total
Cost				
Balance, March 31, 2014	$ 7,813	$ 5,633	$ –	$ 13,446
Additions	2,586	–	–	2,586
Balance, March 31, 2015	10,399	5,633	–	16,032
Additions	21,630	187	1,401	23,218
Balance, December 31, 2015	$ 32,029	$ 5,820	$ 1,401	$ 39,250
Accumulated depreciation				
Balance, March 31, 2014	$ 4,319	$ 5,633	$ –	$ 9,952
Depreciation	2,633	–	–	2,633
Balance, March 31, 2015	6,952	5,633	–	12,585
Depreciation	2,448	8	53	2,509
Balance, December 31, 2015	$ 9,400	$ 5,641	$ 53	$ 15,094
Carrying amounts				
Balance, March 31, 2014	$ 3,494	$ –	$ –	$ 3,494
Balance, March 31, 2015	3,447	–	–	3,447
Balance, December 31, 2015	$ 22,629	$ 179	$ 1,348	$ 24,156

6. LONG-TERM DEBT

The Company's long-term debt comprises three credit facilities with the Business Development Bank of Canada ("BDC"). Each facility is guaranteed personally by the Chief Executive Officer of the Company and bears interest at BDC's floating base interest rate plus 1% per annum, payable monthly. The first facility was negotiated effective May 27, 2014 and matures on January 22, 2019 to a maximum of $200,000. The second facility was negotiated effective December 11, 2014 and matures June 22, 2019 to a maximum of $50,000. This $50,000 facility was drawn upon by the Company during the year ended December 31, 2015. The third facility was negotiated effective June 2, 2015 and matures on November 22, 2019 to a maximum amount of $100,000. There are no financial performance covenants in connection with the credit facilities. Loan repayments are due on a monthly basis over the term of the respective loans. On the date of maturity, the balance of each facility in principal and interest and all other amounts owing on the loan are due and payable. The Company made repayments of $71,050 during the nine months ended December 31, 2015 ($8,364 during the year ended March 31, 2015), resulting in a balance of $270,586 outstanding as at December 31, 2015 (March 31, 2015 - $191,636). Refer to note 16, which includes principal and interest payment commitments as at December 31, 2015.

7. SHARE CAPITAL

a) Authorized

Unlimited common shares (March 31, 2015 – unlimited): voting, without par value, participating
Unlimited restricted shares (March 31, 2015 – Nil): non-voting, without par value, participating in dividends when concurrently declared on common shares

Nine months ended December 31, 2015 and the year ended March 31, 2015 (Expressed in Canadian dollars)

7. SHARE CAPITAL - CONTINUED

b) Shares issued and outstanding

	Number of Shares	Amount
Common shares		
Balance, March 31, 2015	70	$ 70
Exercise of stock options (i)	12	381
Recapitalization of share capital (ii)	20,024,642	(338)
Private placement (iii)	1,183,080	85,773
Shares issued for services (iv)	2,274,793	164,922
Shares issued to 71 Capital shareholders (Note 3)	2,205,635	159,909
Balance, December 31, 2015	25,688,232	$ 410,717
Restricted shares (v)		
Balance, March 31, 2015	–	$ –
Recapitalization of share capital (ii)	88,051,416	495
Balance December 31, 2015	88,051,416	$ 495
Class A shares		
Balance, March 31, 2015	30	$ 30
Exercise of stock options (i)	4	127
Recapitalization of share capital (ii)	(34)	(157)
Balance, December 31, 2015	–	$ –
Total		$ 411,212

(i) On April 1, 2015, 12 common shares and 4 Series II Class A shares were issued for $16 cash upon the exercise of options. The fair value of the options exercised of $492 was reclassified to share capital from contributed surplus.

(ii) Prior to the Amalgamation, the Company recapitalized its share capital via the issuance of 20,024,724 common shares and 88,051,416 restricted shares and the cancellation of the common, Series I Class A and Series II Class A shares that were outstanding prior to the Amalgamation.

(iii) In connection with the Amalgamation, the Company closed a private placement for the issuance of 1,183,080 subscription receipts at a price of $0.0725 per share for gross proceeds of $85,773. Issue costs were nil. Each subscription receipt was converted into one common share upon closing of the Amalgamation.

(iv) In connection with the Amalgamation, 2,274,793 common shares were issued at $0.0725 per share to Robson Capital Inc. for financial advisory services. An amount of $164,922 was included in professional fees for the year ended December 31, 2015 for these financial advisory services.

(v) With the exception of certain voting rights, the restricted shares have the same attributes as the Company's common shares. The restricted shares are classified as common shares for purposes of net income per share calculations. The holders of the restricted shares shall be entitled, in the event of any liquidation, dissolution or winding-up of the Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs, to such assets of the Company as are available for distribution. The restricted shares will also be converted into common shares, in the event of certain change of control transactions. The restricted shares are non-transferable. Each restricted share is convertible into one common share, without the payment of additional consideration by the holder thereof, in certain circumstances including, as and when such conversion is permitted by the rules of the TSXV which may include, without limitation, where additional common shares are issued by the Company to shareholders other than the holders of restricted shares. Any such conversion right shall be allocated among the holders of restricted shares on a pro rata basis according to their holdings of restricted shares.

Nine months ended December 31, 2015 and the year ended March 31, 2015 (Expressed in Canadian dollars)

7. SHARE CAPITAL - CONTINUED

During the year ended March 31, 2015, 30 common shares were cancelled for $30 cash, 20 Series I Class A shares were issued for $20 cash and 10 Series II Class A shares were issued for $10 cash.

c) Stock Options Outstanding

Upon Amalgamation, the Company adopted the Stock Option Plan (the "Plan") of 71 Capital. The purpose of the Plan is to provide an incentive to the Company's directors, senior officers, employees and consultants to continue their involvement with the Company and to increase their efforts on the Company's behalf. The Plan is a "rolling" stock option plan, whereby options may be granted equal in number to up to 10% of the issued common shares of the Company at the time of the grant of the stock option.

Prior to the Amalgamation, the Board of Directors of the Company had authorized and issued options under an existing stock option plan (the "TCB Option Plan"). On February 1, 2015, the Board of Directors of TCB passed a resolution adopting the TCB Option Plan under which a maximum of 16 options to acquire common shares of the Company could be issued. The TCB Option Plan was cancelled as of September 10, 2015, the date of the Amalgamation.

The following table reflects the continuity of stock options for the fiscal period ended December 31, 2015 and year ended March 31, 2015:

	December 31, 2015			March 31, 2015		
Expiry date	**Number of options**	**Exercise price**	**Weighted average exercise price**	**Number of options**	**Exercise price**	**Weighted average exercise price**
Outstanding, beginning of year	16	$ 1.00	$ 1.00	–	$ –	$ –
Granted	1,375,000	0.10	0.10	16	1.00	1.00
Exercised	(16)	1.00	1.00	–	–	–
Cancelled/Expired	–	–	–	–	–	–
Outstanding, end of year	1,375,000	$ 0.10	$ 0.10	16	$ 1.00	$ 1.00
Vested, end of year	–	$ –	$ –	16	$ 1.00	$ 1.00

(i) During the nine months ended December 31, 2015, prior to the Amalgamation, all of the outstanding options under the TCB Option Plan were exercised at a price of $1.00 per option.

(ii) On October 16, 2015, the Company issued options to acquire a total of 1,375,000 common shares at an exercise price of $0.10 per share. Of these options, 1,175,000 were issued to officers and directors of the Company. The options vest on December 31, 2016, and expire on December 31, 2018.

The weighted average remaining contractual life and weighted average exercise price of options outstanding and of options exercisable as at December 31, 2015 are as follows:

	Options Outstanding			Options Exercisable	
Exercise price	**Number outstanding**	**Weighted average exercise price**	**Average remaining contractual life (years)**	**Number exercisable**	**Weighted average exercise price**
$ 0.10	1,375,000	$ 0.10	3.00	–	n/a
Total	1,375,000	$ 0.10	3.00	–	n/a

The Company recorded stock-based compensation expense of $14,805 in the period ended December 31, 2015 (March 31, 2015 - $492) in connection with the options issued, which were valued using the Black-Scholes option pricing model with an expected volatility based on comparable companies of 97.1%, a dividend rate of nil, an expected life of 3.2 years and a risk-free rate of 0.55%.

Nine months ended December 31, 2015 and the year ended March 31, 2015 (Expressed in Canadian dollars)

8. CAPITAL MANAGEMENT

The Company defines capital as the aggregate of shareholders' equity and debt. The Company's equity comprises the common and restricted shares of the Company subscribed by the shareholders and retained earnings. The Board of Directors manages the dividend policy and the pricing of products and services of the Company so as to ensure that there is adequate cash flow to fund the Company's operations and safeguard the Company's ability to continue as a going concern so that it can continue to provide returns for shareholders.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Company, is optimal.

There were no changes in the Company's approach to capital management during the period ended December 31, 2015 and year ended March 31, 2015. The Company is not subject to externally imposed capital requirements.

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The Company's financial instruments comprise cash and cash equivalents, accounts receivable, advances to shareholder, accounts payable and accrued liabilities and long-term debt. The fair values of these financial instruments approximate their carrying values, unless otherwise noted, due to their short-term maturities or interest rates which management believes approximates those of similar instruments in the current market. Except as otherwise noted, the Company is not exposed to significant risks in relation to its financial instruments.

The Company's risk management policies are established to identify and analyze the Company's risk, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. There have been no changes to the Company's exposure to risks in respect of its financial instruments, and there have been no changes in respect of management's objectives, policies and processes in the management of its financial instruments from that of the prior reporting year.

The Company does not hold or issue derivative financial instruments for trading or speculative purposes.

Credit risk

Concentration of credit risk relates primarily to the Company's accounts receivable, as the receivables principally derive from one revenue source: technology services. The Company derives 100% of its revenue from five customers (87% from one customer). As at December 31, 2015, one customer represented 95% (March 31, 2015 – 89%) of the accounts receivable balance. All of the Company's customers are currently located in Canada.

As at December 31, 2015, approximately 26% (March 31, 2015 - 16%) of the Company's accounts receivable are greater than 30 days past due. As at the following dates, the aging of gross trade and other receivables were as follows:

	December 31, 2015	March 31, 2015
Current	$ 791,452	$ 264,335
1 - 30 days	283,494	–
31 - 60 days	341,554	49,472
61 - 90 days	26,408	–
Total	$ 1,442,908	$ 313,807

9. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT - CONTINUED

The allowance for doubtful accounts was nil at the reporting dates. There is no indication, as at these dates, that the debtors will not meet their obligations. Bad debt expenses were nil for all reporting periods. The Company manages its credit risk relating to its trade receivables through credit approval and monitoring procedures, including senior management prior approval of all rental contracts. Such approvals are based on trade information, payment history, credit rating and financial analysis, where possible.

The Company reviews the components of these accounts on a regular basis to evaluate and monitor this risk. The Company's customers are generally large financially established organizations which limits the credit risk relating to the customer.

Liquidity risk

The Company is exposed to liquidity risk to the extent that it must meet its financial obligations as and when due. The Company's approach to managing liquidity risk is to ensure that it always has sufficient cash and other current financial assets to meet its obligations when due without incurring unacceptable losses or damage to the Company's reputation. Management forecasts cash flows to identify financing requirements. These requirements are then addressed through combination of cash management and access to additional capital.

Management is of the view, based on historical cash flow, that there is sufficient current and future cash flow from its operating activities and third-party loans to sustain ongoing operations. Should contractual commitments require payment, management believes that its current sources of liquidity are sufficient to cover these obligations. A maturity analysis of the payments required under long-term debt is presented in Note 15.

Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Company is exposed to variable market interest rates on its long- term debt. As at December 31, 2015, based on a 1% change in interest rates, the estimated sensitivity of the Company's net income to changes in interest rates was ($2,706) (March 31, 2015 – ($1,916)), based on an increase and $2,706 (March 31, 2015 - $1,916) based on a decrease.

Fair value hierarchy

The following summarizes the Company's financial instruments that are carried at fair values according to the fair value hierarchy, which comprises the following levels. The fair value hierarchy requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The financial assets measured at fair value include cash and cash equivalents using Level 1 inputs. There were no transfers of financial assets during the period between any of the levels.

Nine months ended December 31, 2015 and the year ended March 31, 2015 (Expressed in Canadian dollars)

10. ECONOMIC DEPENDENCE

As at and for the fiscal year ended December 31, 2015, approximately 87% (March 31, 2015 – 68%) of the Company's revenue and 95% (March 31, 2015 – 89%) of the accounts receivable balance relate to transactions entered into with one customer.

11. REVENUE

Revenue comprises:

	Nine months ended December 31, 2015	Year ended March 31, 2015
Fixed price contracts	$ 3,665,150	$ 209,600
Time and materials	2,522,616	2,521,098
Total	$ 6,187,766	$ 2,730,698

At December 31, 2015, the aggregate amount of costs incurred and recognized revenue to date under open fixed price contracts amounted to $1,197,528 and $2,106,629, respectively (March 31, 2015- $126,424 in costs incurred and $128,000 in revenue recognized).

12. RELATED PARTY TRANSACTIONS

a) The Company rented its premises from its Chief Executive Officer on a month-to-month lease. These transactions were in the normal course of operations and are measured at their transaction amount, which is the amount agreed to by the related parties. During the nine months ended December 31, 2015, the Company paid $8,097.35 (year ended March 31, 2015 - $10,567) in rent and occupancy costs.

b) The Company had advances to the Chief Executive Officer of nil as at December 31, 2015 (March 31, 2015 - advances to the Chief Executive Officer of $1,482).

Compensation to key management personnel

Compensation earned for the nine months ended December 31, 2015 and year ended March 31, 2015 due to persons and corporations in charge of the planning, direction and control of the Company, including executive and non-executive directors is as follows:

	Nine months ended December 31, 2015	Year ended March 31, 2015
Salaries, fees and benefits	$ 977,658	$ 554,044
Share-based compensation	12,651	492
Total	$ 990,309	$ 554,536

Nine months ended December 31, 2015 and the year ended March 31, 2015 (Expressed in Canadian dollars)

13. INCOME TAXES

a) The components of the current and deferred tax (recovery) expense were as follows:

	Nine months ended December 31, 2015	Year ended March 31, 2015
Current income tax expense	$ 282,267	$ 30,879
Deferred tax recovery	(69,509)	–
	$ 212,758	$ 30,879

b) A reconciliation of the Company's income taxes at statutory rates with reported taxes is as follows:

	Nine months ended December 31, 2015	Year ended March 31, 2015
Income before income taxes	$ 773,453	$ 190,108
Statutory tax rate	26.5%	15.5%
Income tax expense using the Company's statutory tax rate	204,966	29,467
Increase (decrease) in taxes resulting from:		
Permanent differences	32,203	–
Impact of small business deduction	(24,411)	–
Other items	–	1,412
Income tax expense	$ 212,758	$ 30,879

c) Unrecognized deferred tax asset:

The Company had a non-capital loss carried forward of $340,364 at December 31, 2015. This non-capital loss arose prior to the Qualifying Transaction. The Company did not recognize a deferred tax asset associated with these non-capital losses because the former business of 71 Capital, where the losses arose, has ceased.

Nine months ended December 31, 2015 and the year ended March 31, 2015 (Expressed in Canadian dollars)

13. INCOME TAXES - CONTINUED

d) Temporary differences:

Temporary differences, comprising the deferred tax asset (liability) and the amounts of deferred income tax expense recognized in the consolidated statements of operations and comprehensive income for each temporary difference are estimated as follows:

	April 1, 2015	Recognized in net income	December 31, 2015
Property and equipment	$ –	$ (821)	$ (821)
Non-capital losses carried forward	–	30,491	30,491
Deferred financing costs	16,134	39,839	55,973
	$ 16,134	$ 69,509	$ 85,643

14. NET INCOME PER SHARE

The computations for basic and diluted net income per share are as follows:

	Nine months ended December 31, 2015	Year ended March 31, 2015
Net income for the period	$ 560,695	$ 159,229
Weighted average number of common and restricted shares outstanding, basic and diluted	110,382,732	108,076,140
Net income per share, basic and diluted	$ 0.01	$ 0.00

15. OPERATING SEGMENT INFORMATION

The Company evaluates operational performance based on two reportable operating segments. Prodigy's technology services provider, Prodigy Labs, provides clients with consulting services for strategy, design, project management, application development, staff augmentation and services related to Prodigy's business platforms. Prodigy is also a venture builder. This segment ("Prodigy Ventures") is creating new business platforms and applications in many of the highest growth technology segments: mobile video, wearables, proximity marketing, mobile payments, augmented reality, 3D and social. Prodigy Venture's business platforms and applications are or will be designed to deliver B2B, B2C, P2P (Peer to Peer) and IoT (Internet of Things) capabilities.

The Company's Chief Executive Officer, the chief operating decision maker ("CODM"), evaluates performance, makes operating decisions and allocates resources based on financial data consistent with the segmented reporting in these consolidated financial statements. The accounting policies of the segments are the same as those described in note 2.

Nine months ended December 31, 2015 and the year ended March 31, 2015 (Expressed in Canadian dollars)

15. OPERATING SEGMENT INFORMATION - CONTINUED

An analysis of the Company's revenue and expenses by segment is presented below. All of the Company's operations are currently located in Canada.

	Nine months ended December 31, 2015			Twelve months ended March 31, 2015		
	Prodigy Labs	Prodigy Ventures	Total	Prodigy Labs	Prodigy Ventures	Total
Revenue	$ 6,187,766	$ –	$ 6,187,766	$ 2,730,698	$ –	$ 2,730,698
Direct costs	3,922,298	–	3,922,298	2,164,737	–	2,164,737
Gross profit	2,265,468	–	2,265,468	565,961	–	565,961
Expenses:						
Advertising and promotion	40,763	41,196	81,959	20,700	–	20,700
Computer	25,655	–	25,655	41,067	–	41,067
Depreciation	2,509	–	2,509	2,633	–	2,633
Interest and bank charges	20,035	–	20,035	13,580	–	13,580
Listing expense	89,917	–	89,917	–	–	–
Management fees and compensation	447,630	–	447,630	113,525	–	113,525
Office and general	5,742	–	5,742	2,089	–	2,089
Professional fees	391,035	–	391,035	14,359	–	14,359
Rent and occupancy	17,027	–	17,027	10,567	–	10,567
Research and development	–	368,972	368,972	–	137,348	137,348
Share-based compensation	14,805	–	14,805	492	–	492
Telecommunications	2,661	–	2,661	3,467	–	3,467
Travel	24,068	–	24,068	16,026	–	16,026
	1,081,847	410,168	1,492,015	238,505	137,348	375,853
Net income (loss) before income taxes	1,183,621	(410,168)	773,453	327,456	(137,348)	190,108
Income taxes	212,758	–	212,758	30,879	–	30,879
Net income (loss) and comprehensive income (loss) for the period	$ 970,863	$ (410,168)	$ 560,695	$ 296,577	$ (137,348)	$ 159,229

Total segment assets and total segment liabilities are not measures used by the CODM to assess performance and to make resource allocate decisions.

16. COMMITMENTS

a) Principal and interest payments under the credit facilities (Note 6) as at December 31, 2015 are due as follows:

	Principal	Interest	Total
2016	$ 87,432	$ 13,139	$ 100,571
2017	87,432	8,156	95,588
2018	66,602	3,370	69,972
2019	29,120	756	29,876
	$ 270,586	$ 25,421	$ 296,007

b) The Company has entered into a one-year lease agreement effective December, 2015. The future minimum annual base rent on office premises under this existing operating lease is:

2016	$ 15,840
Total	$ 15,840