Condensed Consolidated Interim Financial Statements

DCPayments™

For the Three Months Ended March 31, 2015

(unaudited)

DirectCash Payments Inc.
Condensed Consolidated Interim Statements of Financial Position
Canadian dollar in thousands (unaudited)

As at:	*Notes*	**March 31, 2015**	December 31, 2014
Assets			
Current assets:			
Cash in circulation	*8*	**$ 8,532**	$ 9,256
Cash	*8*	**6,059**	4,988
Restricted funds		**4,790**	6,435
Trade and other receivables		**13,119**	15,318
Inventories		**11,220**	9,547
Prepaid expenses		**4,180**	2,954
		47,900	48,498
Non-current assets:			
Other assets		**285**	309
Property and equipment		**42,436**	42,996
Intangible assets		**107,329**	114,733
Goodwill		**169,799**	167,804
Deferred tax asset		**5,243**	5,087
		325,092	330,929
		$ 372,992	$ 379,427
Liabilities and Shareholders' Equity			
Current liabilities:			
Restricted funds liability		**$ 4,790**	$ 6,435
Trade and other payables		**42,151**	44,383
Other current liabilities		**11,662**	12,400
Current portion of long-term debt	*4*	**1,551**	1,461
		60,154	64,679
Non-current liabilities:			
Other liabilities		**3,641**	2,110
Long-term debt	*4*	**198,140**	194,946
Deferred tax liability		**21,516**	23,514
		223,297	220,570
Shareholders' equity:			
Share capital	*5*	**271,863**	271,863
Shares held in trust	*5*	**(2,591)**	(2,320)
Contributed surplus		**2,537**	2,314
Foreign currency translation reserve		**(16,349)**	(20,998)
Deficit		**(165,919)**	(156,681)
Total Shareholders' equity		**89,541**	94,178
		$ 372,992	$ 379,427

See accompanying notes to the condensed consolidated interim financial statements
Legal matters (Note 11)

DirectCash Payments Inc.
Condensed Consolidated Interim Statements of Operations and Comprehensive Income
Canadian dollar in thousands (except per share amounts) (unaudited)

For the three months ended:	Notes	**March 31, 2015**	March 31, 2014
Revenue		**$ 66,037**	$ 67,259
Expenses			
Cost of sales		**33,222**	31,206
Personnel expenses		**8,587**	9,570
Other expenses		**5,441**	4,964
Vault cash rental costs	*4(d)*	**2,307**	2,173
Realized gain on foreign exchange	*8*	**(118)**	(1)
EBITDA		**16,598**	19,347
Other gains		**-**	(2,921)
Depreciation of property and equipment		**4,349**	4,385
Amortization of intangible assets		**9,891**	9,898
Finance costs	*4(c)*	**5,590**	4,659
Unrealized loss on foreign exchange	*8*	**1,181**	5,480
Net loss before income taxes		**$(4,413)**	$(2,154)
Current income tax expense		**1,144**	3,063
Deferred income tax benefit		**(2,651)**	(3,532)
		(1,507)	(469)
Net loss		**$(2,906)**	$(1,685)
Other comprehensive income			
Foreign currency translation on investments in foreign operations		**4,649**	18,997
Total comprehensive income		**$ 1,743**	$ 17,312
Net loss per share attributable to common shareholders			
Basic and Diluted	*5*	**$(0.17)**	$ (0.10)

See accompanying notes to the condensed consolidated interim financial statements

DirectCash Payments Inc.
Condensed Consolidated Interim Statements of Cash Flows
Canadian dollar in thousands (unaudited)

For the three months ended:	Notes	**March 31, 2015**	March 31, 2014
Cash provided by (used in):			
Operations:			
Net loss		**$ (2,906)**	$ (1,685)
Add (deduct) items not involving cash:			
Income taxes		**(1,507)**	(469)
Unrealized loss on foreign exchange	*8*	**1,181**	5,480
Share-based compensation		**223**	373
Finance costs	*4*	**5,590**	4,659
Other		**97**	195
Depreciation and amortization		**14,240**	14,283
Changes in non-cash working capital	*10*	**(862)**	(4,461)
Paid to EPSP trustee	*5*	**(271)**	(400)
Income taxes paid, net		**(2,071)**	(1,038)
Net cash generated from operating activities		**13,714**	16,937
Investing:			
Acquisition of property and equipment		**(3,104)**	(1,195)
Acquisition of intangible assets		**(621)**	(192)
Net cash used in investing activities		**(3,725)**	(1,387)
Financing:			
Long-term debt repayment		**(539)**	(1,620)
Revolving facility advance (repayments), net		**3,028**	(38,119)
Interest paid	*10*	**(6,646)**	(6,891)
Dividends to shareholders	*6*	**(6,332)**	(6,068)
Net cash used in financing activities		**(10,489)**	(52,698)
Decrease in cash and cash equivalents		**(500)**	(37,148)
Cash and cash equivalents, beginning of period		**14,244**	50,888
Foreign exchange gain on cash held in foreign currency		**847**	791
Cash and cash equivalents, end of period		**$ 14,591**	$ 14,531
Cash and cash equivalents is comprised of:			
Cash in circulation	*8*	**8,532**	10,805
Cash	*8*	**6,059**	3,726
		$ 14,591	$ 14,531

See accompanying notes to the condensed consolidated interim financial statements

DirectCash Payments Inc.
Condensed Consolidated Interim Statements of Changes in Equity
Canadian dollar in thousands (unaudited)

	Notes	Share Capital $	Shares held in trust (by EPSP Trustee) $	Contributed surplus (current and unvested EPSP) $	Foreign currency translation reserve $	Deficit $	Non-controlling interests $	Total $
As at December 31, 2014		**271,863**	**(2,320)**	**2,314**	**(20,998)**	**(156,681)**	**-**	**94,178**
Net loss		-	-	-	-	(2,906)	-	(2,906)
Foreign currency translation on investments in foreign operations		-	-	-	4,649	-	-	4,649
Share based payment transactions (EPSP)		-	(271)	223	-	-	-	(48)
Dividends	*6*	-	-	-	-	(6,332)	-	(6,332)
As at March 31, 2015		**271,863**	**(2,591)**	**2,537**	**(16,349)**	**(165,919)**	**-**	**89,541**
As at December 31, 2013		271,863	(2,035)	2,275	(20,080)	(135,654)	72	116,441
Net loss		-	-	-	-	(1,685)	-	(1,685)
Foreign currency translation on investments in foreign operations		-	-	-	18,997	-	-	18,997
Share based payment transactions (EPSP)		-	(410)	383	-	-	-	(27)
Repurchase of non-controlling interest		-	-	-	-	20	(72)	(52)
Dividends	*6*	-	-	-	-	(6,068)	-	(6,068)
As at March 31, 2014		271,863	(2,445)	2,658	(1,083)	(143,387)	-	127,606

See accompanying notes to the condensed consolidated interim financial statements

1. Corporate information

DirectCash Payments Inc. ("DCPayments" or the "Company") is a publicly traded corporation incorporated and domiciled in Alberta, Canada. The condensed consolidated interim financial statements comprise those of DCPayments and its subsidiaries and wholly-owned limited and general partnerships. The Company's registered head office is located at #6, 1420 – 28 Street N.E., Calgary, Alberta. DCPayments is a payments service business with operations in Canada, Australia, New Zealand, the United Kingdom, and Mexico. The Company's focus is on building long term contracted recurring revenue.

The Company provides switch and transaction processing services for automated banking machines ("ATMs") and for debit and credit cards and related services. DCPayments deploys, operates and services ATMs in all its geographic segments. In Canada, the Company operates its Other Services business which includes payment, bank card processing and related services as well as other managed services to credit unions and financial institutions. The end-to-end payment solutions provided to credit unions and financial institutions enables these customers to outsource their payment and bank card and ATM processing and compete with services similar to those offered by larger banks.

On October 31, 2014 the Company, through its 100% owned subsidiary DC Payments Australasia Pty Ltd. completed an acquisition of the ATM business of Ezeatm Limited, an Australian listed public company.

These condensed consolidated interim financial statements have been prepared by management from the historical records of DCPayments and its subsidiaries.

2. Basis of presentation

Statement of compliance

The condensed consolidated interim financial statements for the three months ended March 31, 2015 have been prepared in accordance with International Accounting Standards ("IAS") 34 Interim Financial Reporting and do not include all of the information required for full annual financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Company's consolidated financial statements as at and for the year ended December 31, 2014 which were prepared in conformity with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These condensed consolidated interim financial statements were approved and authorized for issuance by the Board of Directors on May 14, 2015.

Basis of measurement

These condensed consolidated interim financial statements are stated in Canadian dollars and were prepared on a going concern basis, under the historical cost basis, except for the interest rate swaps and foreign exchange contracts which are measured at fair value.

Additional GAAP Measure

DCPayments has presented earnings before interest, taxes, depreciation and amortization ("EBITDA") as a subtotal in its condensed consolidated interim statement of operations and comprehensive income (loss). EBITDA is an important measure utilized by management in assessing the financial performance of the Company relative to its operating plans and budgets. It is also the measurement utilized by the holders of the Company's long-term debt, as described in note 4, in calculating financial covenants. The Company has presented EBITDA prior to unrealized foreign exchange gains and losses and non-recurring other gains. The Company utilizes this presentation of EBITDA because it is consistent with the definitions under DCPayments' credit facility agreement. DCPayments has also presented EBITDA prior to the deduction for acquisition-related expenses. These expenses relate only to business combinations which are complex, require the pre-approval of the Company's lenders and are financed utilizing long-term debt or the issue of equity or a combination thereof. Costs incurred on recurring asset acquisitions are not considered acquisition-related expenses and are included with other expenses in the consolidated statement of operations.

Use of estimates and judgments

The preparation of condensed consolidated interim financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the condensed consolidated interim financial statements and the reported amounts of revenues and expenses during the reporting period. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2014. Although these estimates are based on management's best approximation of the amount, event or actions, actual results ultimately may differ from those estimates.

3. Significant accounting policies

The condensed consolidated interim financial statements have been prepared following the same accounting policies as the audited consolidated financial statements for the year ended December 31, 2014. The accounting policies have been applied consistently by the Company to all periods presented in these condensed consolidated interim financial statements.

There are no relevant new and amended standards for the Company to adopt effective January 1, 2015.

(Tabular amounts in thousands of Canadian dollars, except as noted)

4. Long-Term Debt

The Company's long-term debt consists of the following:

	Note	***Principal***	**March 31, 2015**	December 31, 2014
Term Loan, due June 28, 2017	*4(a)*	*$40.3m Cdn*	**$40,276**	$40,678
	4(a)	*$6.8m A$*	**6,600**	6,535
Unsecured Senior Notes, due August 8, 2019	*4(b)*	*$125.0m Cdn*	**125,000**	125,000
Minimum finance lease payments, due 2015-2017		*£0.1m GBP*	**224**	260
Minimum finance lease payments, due 2017		*$0.3m Cdn*	**306**	335
Revolving credit facility, due June 28, 2017	*4(a)*	*$23.5m Cdn*	**23,475**	18,503
	4(a)	*$9.9m A$*	**9,554**	11,262
Total			**$205,435**	$202,573
Less: interest on finance leases			**(12)**	(16)
Unamortized transaction costs			**(5,732)**	(6,150)
			$199,691	$196,407
Current portion of long-term debt			**(2,355)**	(2,268)
Current portion of unamortized transaction costs			**804**	807
Long-term debt			**$198,140**	$194,946

a. Senior Secured Facilities

In order to fund acquisition opportunities, DCPayments has established a credit facility with a syndicate of lenders (the "Syndicate"). The facility includes a revolving facility and a term loan.

Under the credit facility dated July 23, 2012 as amended, DCPayments is subject to certain financial covenants as follows (terms as defined in the credit facility): (i) Senior Secured Debt Leverage must be less than or equal to 2.25 times EBITDA, which steps down to 2.0 times on January 1, 2016; (ii) Total Debt Leverage must be less than or equal to 3.5 times EBITDA; and (iii) the ratio of EBITDA less unfunded capital expenditures, dividends and cash taxes to interest expense and scheduled principal payments on funded debt (the "Fixed Charge Coverage Ratio") must be greater than or equal to 1.35 times EBITDA. Debt as defined includes amounts outstanding under letters of credit and is reduced by certain cash and cash equivalents. EBITDA, as defined, is adjusted for pro-forma adjustments related to business acquisitions that occur during the relevant calculation period and certain other non-cash charges. Amounts drawn and expenses paid on the Company's vault cash rental agreements (Note 4(d)) are not considered debt, and therefore are not applicable in making the foregoing calculations. As at March 31, 2015, DCPayments was in compliance with all applicable covenants and ratios under the facility.

Until such time as the Total Debt Leverage ratio is less than or equal to 2.75, as calculated on an annual basis, the Company is required to repay outstanding advances to the extent of 50% of excess cash flow (as defined in the credit facility) for the previous year. Such repayment, if required, is due within 120 days of the Company's year end. There was no repayment due for the year ended December 31, 2014.

The interest rate applicable to amounts borrowed under the credit facility is based on the Prime, LIBOR or BA rates in Canada (BBSY rate in Australia) plus an applicable margin, adjusted quarterly based on the Total Debt Leverage ratio for the preceding quarter. Additionally, DCPayments is required to pay a commitment fee on the unused portion of the revolving facility.

Substantially all of the Company's assets, including the shares of its material subsidiaries (as defined in the credit facility) and partnership interests are pledged to secure borrowings made under the senior facilities.

Term Loan

During the three months ended March 31, 2015, the Company repaid $0.4 million and A$ 0.1 million on its term loan (March 31, 2014 - $1.4 million and A$ 0.2 million). Under the terms of this facility, 50% of the loan amortizes over five years in escalating quarterly instalments commencing February 28, 2013 and matures on June 28, 2017. As at March 31, 2015, $4.8 million of the term loan amortization prior to maturity remains, including $2.1 million for the succeeding 12 months.

The average interest rate on the Company's Term Loan for the three months ended March 31, 2015 was 5.10% on the Canadian tranche and 5.81% on the Australian dollar denominated tranche (March 31, 2014 – 5.25% and 5.93%, respectively).

Revolving Facility

DCPayments has a $115 million five-year revolving credit facility available for general corporate purposes, maturing June 28, 2017 of which $33.0 million was outstanding as at March 31, 2015 (December 31, 2014 - $29.8 million). The Company has posted letters of credit totalling approximately $1.9 million (US$ 1.0 million and A$ 0.6 million) in connection with third-party contracts in Canada and Australia (December 31, 2014 – $4.1 million). These letters of credit reduce the Company's borrowing capacity under the revolving facility.

The average interest rate on the Company's revolving facility for the three months ended March 31, 2015 was 5.10% on the Canadian tranche and 4.95% on the Australian dollar denominated tranche (March 31, 2014 – 5.25% and 5.1%, respectively).

b. Unsecured Senior Notes

DCPayments has $125 million aggregate principal amount of seven year unsecured senior notes (the "Notes") outstanding, maturing on August 8, 2019. The Notes are direct senior unsecured obligations ranking pari passu with all other present and future senior unsecured indebtedness of DCPayments and bear interest at 8.125% per annum, payable semi-annually on February 8th and August 8th. The Notes contain no maintenance covenants. Pursuant to the terms of the indenture, the Company is limited on the amount of restricted payments, including dividends, which it can make, such restrictions being generally governed by a fixed charge coverage incurrence test and an overall restricted payments basket. The Notes are guaranteed by all of the Company's material subsidiaries and partnerships.

(Tabular amounts in thousands of Canadian dollars, except as noted)

c. Finance costs

Three months ended March 31:	**2015**	2014
Unsecured senior notes	**$ 2,504**	$ 2,504
Term facility	**611**	869
Revolving facility	**443**	647
Amortization of transaction costs	**418**	453
Realized loss on interest rate swaps	**203**	141
Unrealized loss (gain) on interest rate swaps	**1,130**	(119)
Debt carrying costs	**168**	135
Other	**113**	29
	$5,590	$4,659

Debt carrying costs include primarily the commitment fee payable by the Company on the unused portion of the revolving facility. Other finance costs include interest paid or accrued on current and contingent tax obligations.

d. Vault Cash Rental Agreements

DCPayments has vault cash rental agreements with large financial institutions for the supply of cash to ATMs owned by the Company in Canada, Australia and the United Kingdom. Under these agreements, cash is owned by the vault cash provider who contracts directly with or authorizes the Company, as agent, to contract with transaction acquirers, settlement agents and armoured car carriers. DCPayments does not have an ownership claim over the vault cash which is loaded into ATMs.

Under the agreements, DCPayments pays a fee to the vault cash provider which is calculated using the total amount of vault cash in circulation at any given time and the number of notes supplied by the vault cash provider from time to time. Additionally, under the Australian agreement, the Company pays a fee for access to the available vault cash.

The settlement of the cash asset and corresponding liability is through regulated clearing systems and as such a right of set-off exists. As a result of the above factors, such cash and the related obligations are not reflected in the condensed consolidated interim financial statements. The amounts in circulation under these facilities was approximately $271 million and $261 million as of March 31, 2015 and December 31, 2014, respectively. Amounts in local currency are as follows:

As at:	**March 31, 2015**	December 31, 2014
Americas - Canadian dollars	**$ 82,306**	$ 81,972
Australasia – Australian dollars	**$ 150,801**	$ 150,276
Europe – GPB	**£ 22,784**	£ 20,215

(Tabular amounts in thousands of Canadian dollars, except as noted)

5. Share capital

a. Authorized shares

DCPayments is authorized to issue (a) an unlimited number of common shares and (b) an unlimited number of preferred shares (issuable in series). As at March 31, 2015 and December 31, 2014, only common shares have been issued.

b. Issued and fully paid shares

DCPayments had 17,589,279 common shares outstanding as of March 31, 2015 and December 31, 2014 (March 31, 2014 – 17,589,279).

c. Shares held in trust by EPSP Trustee

The cumulative balance of shares held in trust by EPSP Trustee comprises the cost of common shares held by the Trustee under the employee profit sharing plan (“EPSP”) that have not become vested to the participants.

As at:	**March 31, 2015**	December 31, 2014
Balance, January 1	**$2,320**	$2,035
EPSP vested	**-**	(1,215)
Shares purchased and held by Trustee – EPSP	**271**	1,500
	$2,591	$2,320
Number of shares held by EPSP Trustee	**139,023**	125,479

d. Weighted average shares outstanding

Three months ended March 31:	**2015**	**2014**
Issued common shares	**17,589,279**	17,589,279
Effect of EPSP shares held in trust by Trustee	**(135,986)**	(104,777)
Weighted average number of shares (basic and diluted)	**17,453,293**	17,484,502

6. Dividends declared

The following dividends were declared by DCPayments during the periods indicated.

Three months ended March 31:	**2015**	**2014**
11.5 to 12.0 cents monthly per qualifying common share	**$6,332**	$6,068

Effective with the August 2014 dividend, the dividend rate was increased from 11.5 cents per share to 12.0 cents per share. DCPayments’ policy is to pay dividends on or about the last day of each month to shareholders of record on the last business day of the preceding month. As a result, the March 2015 and 2014 dividends of approximately $2.1 million and $2.0 million, respectively (12.0 cents per share for 2015 and 11.5 cents per share for 2014) were declared and paid subsequent to the reporting period.

7. Related party transactions

DirectCash Bank

DCPayments is party to various service and marketing agreements with DirectCash Bank ("DC Bank"), in which DCPayments provides transaction processing and technology services to DC Bank and DC Bank provides services and products to DCPayments or its customers for a fee. All contracts are negotiated at market terms and rates. DC Bank is indirectly owned by two of the original principals of DCPayments, who continue to maintain significant ownership in the Company. One of DC Bank's significant shareholders (indirectly through a holding corporation) is also DCPayments' President and CEO. Any transactions between DCPayments and DC Bank are approved by independent directors.

During the three months ended March 31, 2015, DCPayments paid approximately $0.4 million (2014: $0.4 million) of fees to DC Bank associated with various agreements with DC Bank. The related party balance payable to DC Bank at March 31, 2015 was approximately $0.5 million (March 31, 2014: $0.1 million).

On May 13, 2014 the Company entered into an agreement (the "Agreement") to acquire DC Bank through the acquisition of all of the issued and outstanding shares of DC Bank's sole shareholder, 6676405 Canada Ltd. ("6676405") for consideration of $15 million, payable in the form of common shares of the Company issued from treasury at a price of $13.9148 per share, which was equal to the 20 day volume-weighted average trading price of the common shares on the Toronto Stock Exchange as at the close of business on May 12, 2014. Accordingly, upon closing, the Company will issue 1,077,989 common shares to the shareholders of 6676405, subject to adjustment on account of a minimum net asset value of DC Bank as at closing. In accordance with the terms of the Agreement, the minimum net asset value of DC Bank as at closing must be approximately $7.0 million. Closing of the transaction is subject to a number of regulatory, governmental and other approvals and consents, including the approval of the Minister of Finance (Canada) and the Toronto Stock Exchange. The Company and DC Bank have continued to provide additional information requested by the Office of the Superintendent of Financial Institutions (OSFI) in connection with their review of this transaction, and do not at this time have an expected timeline for approval. Should the required approvals not be received by September 30, 2015 the agreement will terminate. To date DCPayments has incurred and deferred third party transaction costs in the amount of $0.2 million, in respect of the Agreement.

8. Financial instruments and risk management

The Company's financial instruments include its cash and cash equivalents, trade and other receivables, loans receivable, interest rate swaps, foreign exchange contracts, trade and other payables, other liabilities and long-term debt.

Fair value measurements for financial instruments

The fair values of financial instruments are determined with respect to the hierarchy that prioritizes the input to fair value measurement. In the absence of an active market, the Company determines fair value by using valuation techniques that refer to observable market data or estimated market process. Fair values are inherently judgmental, thus the estimated fair values do not necessarily reflect amounts that would be received or paid in the case of immediate settlement of these instruments. The use of different estimations, methodologies and assumptions could have a material effect on the estimated fair value amounts.

(Tabular amounts in thousands of Canadian dollars, except as noted)

The carrying value of cash and cash equivalents, trade and other receivables, loans receivable, trade and other payables and other liabilities approximate their fair values due to the relatively short-term nature of these balances.

The following table shows the detail of cash and cash equivalents items by currency:

As at March 31, 2015	***CDN***	***AUD***	***GBP***	**Other(1)**	**Total**
Cash in circulation					
Cash inventory	**$248**	**$-**	**$-**	**$900**	**$1,148**
Vault cash	**3,014**	**1,676**	**85**	**2,609**	**7,384**
Other					
Operating cash (bank overdraft)	**(3,071)**	**1,412**	**5,944**	**1,774**	**6,059**
Total cash and cash equivalents	**$191**	**$3,088**	**$6,029**	**$5,283**	**$14,591**

As at December 31, 2014	*CDN*	*AUD*	*GBP*	Other(1)	Total
Cash in circulation					
Cash inventory	$456	$-	$-	$1,296	$1,752
Vault cash	3,792	1,614	63	2,035	7,504
Other					
Operating cash (bank overdraft)	(2,309)	1,241	5,102	954	4,988
Total cash and cash equivalents	$1,939	$2,855	$5,165	$4,285	$14,244

(1) Includes cash and cash equivalents held in US Dollars, Mexican Peso and New Zealand Dollars.

The carrying amount of long-term debt relates to borrowings under the Company's credit facility, unsecured senior notes and obligations under finance leases. The carrying amount of borrowings under the credit facility approximates fair value since borrowings are subject to short-term floating interest rates and the spread is consistent with the Company's current credit spreads. As at March 31, 2015, the fair value of the Company's unsecured senior notes was approximately $128.8 million (December 31, 2014 - $127.2 million) based on best available estimated quoted price. The fair value of the obligations under finance leases is determined by estimating future cash flows on a borrowing by borrowing basis, and discounting these future cash flows using the effective interest rate.

(Tabular amounts in thousands of Canadian dollars, except as noted)

The following table shows the comparison of the carrying and fair values of the Company's other financial instruments:

		March 31, 2015		December 31, 2014	
	Level [4]	**Carrying value**	**Fair Value**	Carrying value	Fair Value
Interest rate swaps, liability [1]	2	**$2,880**	**$2,880**	$1,725	$1,725
Foreign exchange contracts, asset [2]	2	**261**	**261**	719	719
Long- term debt [3]	2	**205,423**	**209,173**	202,557	204,757

(1) Included in other non-current liabilities and the unrealized loss is reported in finance costs.
(2) Included in trade and other receivables and the unrealized loss is reported in unrealized loss on foreign exchange.
(3) Includes the current and long-term portions of long-term debt before unamortized transaction costs.
(4) The fair value hierarchy establishes three levels to classify the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the lowest priority to unobservable inputs (level 3). Level 1 – inputs are unadjusted quoted prices in identical instruments in active markets; Level 2 – inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly; Level 3 – inputs used in a valuation technique are not based on observable market data in determining fair values of these instruments.

Risk exposures

The Company is exposed to certain risks relating to its ongoing business operations. DCPayments' overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on its financial performance.

Foreign currency risk:

DCPayments is exposed to foreign currency fluctuations primarily as a result of its investments in Australia, the United Kingdom, Mexico and New Zealand. The Company also had outstanding term and revolving loans denominated in Australian dollars and owns cash in circulation in New Zealand dollars and in Mexico denominated both in Peso and US dollars. The Company enters into foreign exchange contracts to hedge its exposure to the foreign currency risks in addition to utilizing the Australian dollar denominated debt as a natural hedge. The following table summarizes the change in the exchange rates which significantly impacted the Company's financial results for the periods presented:

Australian dollar	**2015**	2014
Opening rate, January 1	**0.9479**	0.9496
Closing rate, March 31	**0.9669**	1.0250
Average rate – three months ended March 31	**0.9754**	0.9900

UK Pound Sterling	**2015**	2014
Opening rate, January 1	**1.8071**	1.7627
Closing rate, March 31	**1.8834**	1.8430
Average rate – Three months ended March 31	**1.8792**	1.8262

(Tabular amounts in thousands of Canadian dollars, except as noted)

As at March 31, 2015, the Company held the following Australian dollar foreign exchange contracts:

		Australian dollar sell position		**As at March 31, 2015**
Type	Price	Q1 2015	Q2 2015	Asset (liability)
Fixed rate forward contract, month of settlement				
April 30, 2015	$0.9804	$15,043		$275
April 29, 2015	$0.9587	20,862		(75)
April to June, 2015	$1.0025		$1,500	61
Total		$35,905	$1,500	$261

Subsequent to March 31, 2015, the Company cancelled at no cost the fixed rate forward contract due April 29, 2015 and rolled the fixed rate forward contract due April 30, 2015 to May 29, 2015 at a rate of $0.9788.

As at March 31, 2015, the fair value of the Company's foreign exchange contracts was an asset of approximately $0.3 million (December 31, 2014 – an asset of $0.7 million). The fair value of the foreign exchange contracts are based on pricing models where the inputs include forward curves, volatility estimates and discount rates (level 2 inputs).

The following table discloses the Company's unrealized and realized gains and losses, primarily attributed to Australian dollar transactions, for the periods indicated:

For the three months ended March 31:	**2015**	2014
Realized gain:		
Australian and US dollar currency contracts	**$(46)**	$300
Repayment of debt denominated in Australian dollars(1)	**(96)**	(96)
Other foreign currency assets and liabilities	**24**	(205)
	$(118)	$(1)

For the three months ended March 31:	**2015**	2014
Unrealized loss:		
Australian dollar currency contracts	**$457**	$607
Debt denominated in Australian dollars(1)	**845**	4,866
Other foreign currency assets and liabilities	**(121)**	7
	$1,181	$5,480

(1) Includes foreign exchange on both the term loan and revolving credit facility (Note 4) and on intercompany balances between the Company and its Australian subsidiary which are designated as short term in nature and translated through net loss.

Interest rate risk:

Interest rate risk is the risk that the fair value of the future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

DCPayments is exposed to interest rate risk on its credit facility which is subject to variable interest rate provisions. The Company has not entered into interest rate swaps or other financial arrangements that mitigate the exposure to interest rate fluctuations on this facility.

(Tabular amounts in thousands of Canadian dollars, except as noted)

The Company is also exposed to interest rate risk on its vault cash rental facilities. As at March 31, 2015 the Company held two interest rate swaps to mitigate the risk on its Australian dollar denominated vault cash rental facilities:

Maturity Date	Current face Value ($A)	Fixed BBSY rate	**As at March 31, 2015** Liability
April 28, 2017	$50,000	3.66%	$(1,766)
February 27, 2018	$50,000	2.75%	(1,114)
Total	$100,000		$(2,880)

As at March 31, 2015, the fair value of the Company's interest rate swaps was a liability of approximately $2.9 million (December 31, 2014 - $1.7 million). The fair value of the interest rate swaps is based on pricing models where the inputs include forward curves, volatility estimates and discount rates (level 2 inputs).

Credit risk:

Credit risk is the risk of an unexpected loss if a counterparty fails to meet its contractual obligations. The carrying amount of the financial assets represents the maximum credit exposure.

Credit exposures can arise, normally for a short period of time as the Company depends on its customers to pay for products and services. DCPayments' contracts typically provide for the ability to settle ATM and point of sale transactions directly to the benefit of the Company, which substantially reduces the credit risk of trade and loans receivable. As at March 31, 2015, the total provision for uncollectible amounts was $0.9 million and the Company had $0.9 million in outstanding trade receivables over 90 days that it considers not impaired (December 31, 2014 - $0.8 million and $0.6 million, respectively).

DCPayments typically also has the contracted ability to require funds to be paid by the customer in advance of funding a prepaid card in the prepaid products line of business. DCPayments is potentially exposed to credit risk on its restricted funds. The Company limits its exposure to credit risk by holding liquid securities with a regulated financial institution. Given the current standing of the regulated financial institution, the Company believes that the risk of default on these deposit obligations to be minimal.

Liquidity risk:

DCPayments may be exposed to liquidity risk if it is unable to collect its trade receivables balances on a timely basis, which in turn could impact the ability to meet commitments under its long-term debt agreements. The Company's policy is to maintain a conservative debt to total capitalization structure, maintain a diverse clientele of well established and well financed entities, and to maintain sufficient capacity within its revolving credit facilities to meet immediate liquidity requirements. The following table shows the maturities of the Company's financial liabilities:

(Tabular amounts in thousands of Canadian dollars, except as noted)

As at March 31, 2015	Total	Within 1 year	2-5 years
Trade and other payables	$42,151	$ 42,151	$ -
Long-term debt and interest obligations(1)	221,343	13,182	208,161
Other current liabilities	11,662	11,662	-
Other long-term liabilities	761	-	761
Interest rate swaps	2,880	-	2,880
Revolving credit facility(2)	$33,029	$ -	$ 33,029

(1) Includes future interest obligations calculated based on the interest rates in effect on March 31, 2015 but excludes finance lease payments.
(2) Includes revolving credit facility excluding future interest obligations.

9. Segment reporting

The Company's operations are segmented into the Americas (Canada and Mexico), Australasia (Australia and New Zealand) and Europe. Performance is measured based on revenues and gross profit. Cost of sales includes the costs of recurring services and products. Revenues and gross profits by geographic segment are as follows:

Revenue and gross profit

Three months ended March 31, 2015	**Americas**	**Australasia**	**Europe**	**Total**
Revenue				
ATM	**$15,936**	**$29,428**	**$8,510**	**$53,874**
Other Services	**12,163**	**-**	**-**	**12,163**
Revenue from external customers	**28,099**	**29,428**	**8,510**	**66,037**
Cost of sales				
ATM	**7,807**	**15,547**	**4,943**	**28,297**
Other Services	**4,925**	**-**	**-**	**4,925**
Total cost of sales	**12,732**	**15,547**	**4,943**	**33,222**
Gross profit				
ATM	**8,129**	**13,881**	**3,567**	**25,577**
Other Services	**7,238**	**-**	**-**	**7,238**
Total gross profit	**$15,367**	**$13,881**	**$3,567**	**$32,815**

(Tabular amounts in thousands of Canadian dollars, except as noted)

Three months ended March 31, 2014	Americas	Australasia	Europe	Total
Revenue				
ATM	$17,257	$28,921	$8,207	$54,385
Other Services	12,869	5	-	12,874
Revenue from external customers	30,126	28,926	8,207	67,259
Cost of sales				
ATM	9,297	11,757	5,070	26,124
Other Services	5,047	-	35	5,082
Total cost of sales	14,344	11,757	5,105	31,206
Gross profit				
ATM	7,960	17,164	3,137	28,261
Other Services	7,822	5	(35)	7,792
Total gross profit	$15,782	$17,169	$3,102	$36,053

Depreciation and amortization expense

	Americas	**Australasia**	**Europe**	**Total**
Three months ended March 31, 2015	**$2,756**	**$8,442**	**$3,042**	**$14,240**
Three months ended March 31, 2014	3,777	7,581	2,925	14,283

Vault cash rental costs

	Americas	**Australasia**	**Europe**	**Total**
Three months ended March 31, 2015	**$502**	**$1,535**	**$270**	**$2,307**
Three months ended March 31, 2014	180	1,760	233	2,173

Assets and liabilities

As at March 31, 2015	**Americas**	**Australasia**	**Europe**	**Total**
Non-current assets, excluding goodwill	**$46,314**	**$102,979**	**$6,000**	**$155,293**
Goodwill	**68,285**	**101,514**	**-**	**169,799**
Total assets	**138,961**	**219,202**	**14,829**	**372,992**
Total liabilities, excluding corporate liabilities	**31,343**	**49,107**	**3,828**	**84,278**
Corporate liabilities (long-term debt)				**199,173**

As at December 31, 2014	Americas	Australasia	Europe	Total
Non-current assets, excluding goodwill	$46,371	$108,256	$8,498	$163,125
Goodwill	68,285	99,519	-	167,804
Total assets	141,629	221,417	16,381	379,427
Total liabilities, excluding corporate liabilities	38,026	47,466	3,929	89,421
Corporate liabilities (long-term debt)				195,828

(Tabular amounts in thousands of Canadian dollars, except as noted)

Reconciliation of segment gross profit to net loss before taxes

Three months ended March 31:	**2015**	2014
Gross profit	**$32,815**	$36,053
Personnel expenses	**(8,587)**	(9,570)
Other expenses	**(5,441)**	(4,964)
Vault cash rental costs	**(2,307)**	(2,173)
Realized gain on foreign exchange	**118**	1
EBITDA	**16,598**	19,347
Other gains	**-**	2,921
Depreciation of property and equipment	**(4,349)**	(4,385)
Amortization of intangible assets	**(9,891)**	(9,898)
Finance costs	**(5,590)**	(4,659)
Unrealized loss on foreign exchange	**(1,181)**	(5,480)
Net loss before income taxes	**$(4,413)**	$(2,154)

10. Supplementary cash flow information

Changes in non-cash working capital:

Three months ended March 31:	**2015**	2014
Trade and other receivables	**$1,958**	$(4,888)
Inventories	**(1,548)**	782
Prepaid expenses	**(1,309)**	147
Trade and other payables	**(90)**	(648)
Other	**127**	146
	$(862)	$(4,461)

Interest paid:

Three months ended March 31:	**2015**	2014
Unsecured senior notes	**$5,120**	$5,120
Term facility	**658**	888
Revolving facility	**470**	583
Realized loss on interest rate swaps	**203**	141
Other	**195**	159
	$6,646	$6,891

11. Legal matters

Given the nature of DCPayments' business, DCPayments has entered into a large number of contracts. Given the number of contracts, there is a small (but constant) amount of litigation where DCPayments is required to enforce its contractual rights to ensure revenue continuity. Also, in rare cases it faces litigation where competitors, customers, distributors, sales agents, employees or others have issued statements of claim or counter claims alleging some sort of breach in relation to DCPayments' agreements with them. It is a necessary part of DCPayments' business to enforce its contracts and defend these claims. However, none of these lawsuits are material in amount.

On August 20, 2013, DCPayments was added as a named party to a class action lawsuit previously filed against The Cash Store Financial Services Inc. ("CashStore") as it relates to payday loans and related fees in the province of Ontario. DCPayments has retained counsel on this matter and is contesting the claim. The Ontario Superior Court of Justice had originally set a schedule for the certification motion to be heard over five days in September of 2014, however as a result of the CCAA proceedings of CashStore, that motion has been adjourned until December of 2015.

On November 9, 2012, DCPayments in addition to CashStore were named in a class action lawsuit as it relates to payday loans and related fees in the province of Manitoba. DCPayments has retained counsel on this matter and is contesting the claim. The Manitoba Court of Queen's Bench had originally set a schedule for the certification motion to be heard over three days in November of 2014, however as a result of the CCAA proceedings of CashStore, that motion has been adjourned and has not yet been rescheduled.