Condensed Consolidated Interim Financial Statements

DC Payments

For the Three Months Ended March 31, 2016

(unaudited)

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

As at:	*Notes*	**March 31, 2016**	December 31, 2015
Assets			
Current assets:			
Cash in circulation	*8*	**$10,620**	**$ 10,854**
Cash	*8*	**10,946**	**10,002**
Cash in escrow		**-**	**390**
Restricted funds		**1,570**	**2,317**
Trade and other receivables		**12,894**	**12,253**
Inventories		**13,693**	**14,342**
Prepaid expenses		**3,503**	**3,870**
		53,226	**54,028**
Non-current assets:			
Other assets		**254**	**292**
Property and equipment		**37,605**	**39,359**
Intangible assets		**78,511**	**87,471**
Goodwill		**172,868**	**174,191**
Deferred tax asset		**9,171**	**9,233**
		298,409	**310,546**
		$351,635	**$ 364,574**
Liabilities and Shareholders' Equity			
Current liabilities:			
Restricted funds liability		**$1,570**	**$2,317**
Trade and other payables		**41,262**	**47,736**
Other current liabilities		**4,642**	**4,560**
Current portion of long-term debt	*4*	**9,052**	**9,081**
		56,526	**63,694**
Non-current liabilities:			
Other liabilities		**4,304**	**3,323**
Long-term debt	*4*	**215,727**	**207,879**
Deferred tax liability		**12,678**	**15,216**
		232,709	**226,418**
Shareholders' equity:			
Share capital	*5*	**271,202**	**271,202**
Shares held in trust	*5*	**(2,482)**	**(1,926)**
Contributed surplus		**2,310**	**1,988**
Foreign currency translation reserve		**(11,242)**	**(7,548)**
Deficit		**(197,388)**	**(189,254)**
Total Shareholders' equity		**62,400**	**74,462**
		$351,635	**$ 364,574**

Subsequent event (Note 11)

See accompanying notes to the condensed consolidated interim financial statements

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

For the three months ended:	Notes	**March 31, 2016**	March 31, 2015
Revenue		**$68,691**	$ 66,037
Expenses			
Cost of sales		**35,805**	33,222
Personnel expenses		**8,980**	8,587
Other expenses		**5,597**	5,441
Vault cash rental costs	*4(d)*	**2,581**	2,307
Realized loss (gain) on foreign exchange	*8*	**48**	(118)
Adjusted EBITDA		**15,680**	16,598
Depreciation of property and equipment		**4,664**	4,349
Amortization of intangible assets		**9,562**	9,891
Finance costs	*4(c)*	**5,346**	5,590
Unrealized (gain) loss on foreign exchange	*8*	**(953)**	1,181
Net loss before income taxes		**$(2,939)**	$(4,413)
Current income tax expense		**1,186**	1,144
Deferred income tax benefit		**(2,303)**	(2,651)
		(1,117)	(1,507)
Net loss		**$(1,822)**	$(2,906)
Other comprehensive income (loss)			
Foreign currency translation on investments in foreign operations		**(3,694)**	4,649
Total comprehensive income (loss)		**$(5,516)**	$ 1,743
Net loss per share attributable to common shareholders			
Basic and Diluted	*5*	**$(0.10)**	$(0.17)

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, 2016**	March 31, 2015
Cash provided by (used in):			
Operations:			
Net loss		**$ (1,822)**	$ (2,906)
Add (deduct) items not involving cash:			
Income taxes		**(1,117)**	(1,507)
Unrealized (gain) loss on foreign exchange	*8*	**(953)**	1,181
Share-based compensation		**377**	223
Finance costs	*4(c)*	**5,346**	5,590
Other		**95**	97
Depreciation and amortization		**14,226**	14,240
Changes in non-cash working capital	*10*	**(1,838)**	(862)
Paid to EPSP trustee	*5(c)*	**(611)**	(271)
Income taxes paid, net		**(1,755)**	(2,071)
Net cash generated from operating activities		**11,948**	13,714
Investing:			
Acquisition of property and equipment		**(3,316)**	(3,104)
Acquisition of intangible assets		**(65)**	(621)
Asset acquisitions		**(2,191)**	-
Changes in non-cash working capital	*10*	**398**	-
Net cash used in investing activities		**(5,174)**	(3,725)
Financing:			
Long-term debt repayment		**-**	(539)
Revolving facilities advance, net		**7,792**	3,028
Interest paid	*10*	**(6,700)**	(6,646)
Dividends to shareholders	*6*	**(6,312)**	(6,332)
Net cash used in financing activities		**(5,220)**	(10,489)
Increase (decrease) in cash and cash equivalents		**1,554**	(500)
Cash and cash equivalents, beginning of period		**20,856**	14,244
Foreign exchange gain (loss) on cash held in foreign currency		**(844)**	847
Cash and cash equivalents, end of period		**$ 21,566**	$ 14,591
Cash and cash equivalents is comprised of:			
Cash in circulation	*8*	**10,620**	8,532
Cash	*8*	**10,946**	6,059
		$ 21,566	$ 14,591

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 $**	**Total $**
As at December 31, 2015		**271,202**	**(1,926)**	**1,988**	**(7,548)**	**(189,254)**	**74,462**
Net loss		-	-	-	-	(1,822)	(1,822)
Foreign currency translation on investments in foreign operations		-	-	-	(3,694)	-	(3,694)
Share based payment transactions (EPSP)	*5(c)*	-	(556)	322	-	-	(234)
Dividends	*6*	-	-	-	-	(6,312)	(6,312)
As at March 31, 2016		**271,202**	**(2,482)**	**2,310**	**(11,242)**	**(197,388)**	**62,400**
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

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 in the payments merchant space.

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.

2. Basis of presentation

Statement of compliance

The condensed consolidated interim financial statements for the three months ended March 31, 2016 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, 2015 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 10, 2016.

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 adjusted earnings before interest, taxes, depreciation and amortization ("Adjusted EBITDA") as a subtotal in its consolidated statement of operations and comprehensive income (loss). Adjusted 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 Adjusted EBITDA prior to unrealized foreign exchange gains and losses and non-recurring other gains (loss). The Company utilizes this presentation of Adjusted EBITDA because it is consistent with the definitions under DCPayments' credit facility agreement. DCPayments has also presented Adjusted 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 and comprehensive income (loss).

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

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, 2015. 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, 2015.

4. Long-Term Debt

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

	Note	***Principal***	**March 31, 2016**	December 31, 2015
Revolving credit facility, due July 23, 2017	*4(a)*	*$69.4m Cdn*	**$69,394**	$70,838
	4(a)	*A$14.4m*	**14,336**	4,434
Reducing revolving credit facility, due July 23, 2017	*4(a)*	*A$18.5m*	**18,394**	19,140
Unsecured Senior Notes, due August 8, 2019	*4(b)*	*$125.0m Cdn*	**125,000**	125,000
Minimum finance lease payments, due 2016-2017		*£0.1m GBP*	**77**	120
Minimum finance lease payments, due 2016-2018		*$0.6m Cdn*	**586**	654
Total			**$227,787**	$220,186
Less: interest on finance leases			**(3)**	(4)
Unamortized transaction costs			**(3,005)**	(3,222)
			$224,779	$216,960
Current portion of long-term debt			**(9,052)**	(9,081)
Long-term debt			**$215,727**	$207,879

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 included a revolving facility and a term loan (the "Prior Credit Agreement"). On August 17, 2015 DCPayments signed an amendment and restatement of the Prior Credit Agreement dated July 23, 2012 as amended in 2013 and 2014.

Under the amended and restated credit facility dated August 17, 2015, 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 Adjusted EBITDA, which stepped down to 2.0 times on January 1, 2016; (ii) Total Debt Leverage must be less than or equal to 3.5 times Adjusted EBITDA; and (iii) the ratio of Adjusted 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 Adjusted EBITDA. Debt as defined includes amounts outstanding under letters of credit and is reduced by certain cash and cash equivalents. Adjusted 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, 2016, 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. At March 31, 2016 and December 31, 2015, there is an estimated $6.7 million repayment due under this provision and this amount has been included in the current portion of long-term debt.

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.

Revolving Facility

The amended facility includes Cdn$115 million (including a Cdn$20 million Pounds Sterling Tranche commitment) revolving credit facility, A$15 million revolving credit facility and A$20 million reducing revolving credit facility (reducing approximately A$0.5 million per quarter) available for general corporate purposes, maturing July 23, 2017 of which Cdn$102.1 million was outstanding as at March 31, 2016 (December 31, 2015 - $94.4 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, 2015 – $2.0 million). These letters of credit reduce the Company's borrowing capacity under the revolving facility.

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

The average interest rate on the Company's revolving facilities for the three months ended March 31, 2016 was 4.95% on the Canadian facilities and 4.81% on the Australian dollar denominated facilities (March 31, 2015 – 5.10% and 4.95%, 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 8^{th} and August 8^{th}. 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.

c. Finance costs

Three months ended March 31:	**2016**	2015
Unsecured senior notes	**$2,525**	$ 2,504
Term facility	**-**	611
Revolving facilities	**1,283**	443
Amortization of transaction costs	**217**	418
Realized loss on interest rate swaps	**235**	203
Unrealized loss on interest rate swaps	**1,013**	1,130
Debt carrying costs	**50**	168
Other	**23**	113
	$5,346	$5,590

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

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.

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 were approximately $379 million and $418 million as of March 31, 2016 and December 31, 2015, respectively. Amounts in local currency are as follows:

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

As at:	**March 31, 2016**	December 31, 2015
Americas - Canadian dollars	**$109,576**	$ 114,993
Australasia – Australian dollars	**$167,771**	$ 158,880
Europe – GBP	**£ 54,705**	£ 70,147

5. Share capital

a. Authorized shares

DCPayments is authorized to issue an unlimited number of common shares and an unlimited number of preferred shares (issuable in series). As at March 31, 2016, only common shares have been issued.

b. Issued and fully paid shares

The Company had 17,534,279 common shares outstanding as of March 31, 2016 and December 31, 2015 (March 31, 2015 – 17,589,279). During the three months ended March 31, 2016, DCPayments did not purchase any shares through a Normal Course Issuer Bid ("NCIB").

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, 2016**	December 31, 2015
Balance, January 1	**$1,926**	$2,320
EPSP vested	**(55)**	(1,133)
Shares purchased and held by Trustee – EPSP	**611**	739
	$2,482	$1,926
Number of shares held by EPSP Trustee	**162,111**	111,734

d. Weighted average shares outstanding

Three months ended March 31:	**2016**	2015
Issued common shares	**17,534,279**	17,589,279
Effect of EPSP shares held in trust by Trustee	**(137,875)**	(135,986)
Weighted average number of shares (basic and diluted)	**17,396,404**	17,453,293

6. Dividends declared

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

Three months ended March 31:	**2016**	2015
12.0 cents monthly per qualifying common share	**$6,312**	$6,332

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 2016 and 2015 dividends of approximately $2.1 million and $2.1 million, respectively were declared and paid subsequent to the reporting period.

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

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, 2016, DCPayments paid approximately $0.4 million (2015: $0.4 million) of fees to DC Bank associated with various agreements with DC Bank. The related party balance payable to DC Bank and included in current liabilities at March 31, 2016 was approximately $0.2 million (December 31, 2015: $0.7 million).

8. Financial instruments and risk management

Fair value measurements for financial instruments

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, 2016	***CDN***	***AUD***	***GBP***	**Other(1)**	**Total**
Cash in circulation					
Cash inventory	**$503**	**$-**	**$-**	**$1,044**	**$1,547**
Vault cash	**3,306**	**62**	**138**	**5,567**	**9,073**
Other					
Operating cash	**2,090**	**4,214**	**3,076**	**1,566**	**10,946**
Total cash and cash equivalents	**$5,899**	**$4,276**	**$3,214**	**$8,177**	**$21,566**

As at December 31, 2015	*CDN*	*AUD*	*GBP*	Other(1)	Total
Cash in circulation					
Cash inventory	$351	$-	$-	$1,113	$1,464
Vault cash	4,139	71	150	5,030	9,390
Other					
Operating cash	4,584	1,986	2,062	1,370	10,002
Total cash and cash equivalents	$9,074	$2,057	$2,212	$7,513	$20,856

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

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

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, 2016, the fair value of the Company's unsecured senior notes was approximately $124.4 million (December 31, 2015 - $126.3 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.

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

		March 31, 2016		December 31, 2015	
	Level [(4)]	**Carrying value**	**Fair Value**	Carrying value	Fair Value
Interest rate swaps, liability[(1)]	2	**$3,325**	**$3,325**	$2,328	$2,328
Foreign exchange contracts, asset[(2)]	2	**$390**	**$390**	$-	$-
Long- term debt[(3)]	2	**$227,784**	**$227,159**	$220,182	$221,432

(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 gain was reported in unrealized gain 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 2 inputs are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly.

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 has outstanding 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	**2016**	2015
Opening rate, January 1	**1.0083**	0.9479
Closing rate, March 31	**0.9957**	0.9669
Average rate – three months ended March 31	**0.9908**	0.9754

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

UK Pound Sterling	**2016**	2015
Opening rate, January 1	**2.0407**	1.8071
Closing rate, March 31	**1.8652**	1.8834
Average rate – Three months ended March 31	**1.9674**	1.8792

The Company entered into two Australian dollar foreign exchange contracts on February 19, 2016 that expire on December 30, 2016. The two contracts are at a fixed rate of A$0.98 and A$0.99 each at A$12.5 million for a total Australian hedge of A$25 million. The fair value of the Company's foreign exchange contracts at March 31, 2016 was an asset of $0.4 million. The fair value of the foreign exchange contracts is 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:	**2016**	2015
Realized loss (gain):		
Australian and US dollar currency contracts	**$-**	$(46)
Repayment of debt denominated in Australian dollars(1)	**-**	(96)
Other foreign currency assets and liabilities	**48**	24
	$48	$(118)

For the three months ended March 31:	**2016**	2015
Unrealized (gain) loss:		
Australian dollar currency contracts	**$(390)**	$457
Debt denominated in Australian dollars(1)	**-**	845
Other foreign currency assets and liabilities	**(563)**	(121)
	$(953)	$1,181

(1) Includes foreign exchange on both the term loan and revolving credit facility from the Prior Credit Agreement (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

As at March 31, 2016 the Company held three interest rate swaps to mitigate the risk on its Australian dollar denominated vault cash rental facilities:

	Current face		**As at March 31, 2016**
Maturity Date	Value ($A)	Fixed BBSY rate	Liability
February 27, 2018	$50,000	2.75%	$(776)
September 28, 2018	50,000	3.20%	(1,533)
February 28, 2019	35,000	2.98%	(1,016)
Total	$135,000		$(3,325)

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

As at March 31, 2016, the fair value of the Company's interest rate swaps was a liability of approximately $3.3 million (December 31, 2015 - $2.3 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 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, 2016, the total provision for uncollectible amounts was $1.0 million and the Company had $1.1 million in outstanding trade receivables over 90 days that it considers not impaired (December 31, 2015 - $1.0 million and $1.3 million, respectively).

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:

As at March 31, 2016	Total	Within 1 year	2-5 years
Trade and other payables	$41,262	$41,262	$-
Long-term debt and interest obligations(1)	159,038	8,668	150,370
Other current liabilities	4,642	4,642	-
Other long-term liabilities	979	-	979
Interest rate swaps	3,325	-	3,325
Revolving credit facility(2)	102,124	8,752	93,372

(1) Includes future interest obligations calculated based on the interest rates in effect on March 31, 2016 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:

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

Revenue and gross profit

Three months ended March 31, 2016	**Americas**	**Australasia**	**Europe**	**Total**
Revenue				
ATM	**$18,338**	**$28,612**	**$11,102**	**$58,052**
Other Services	**10,638**	**1**	**-**	**10,639**
Revenue from external customers	**28,976**	**28,613**	**11,102**	**68,691**
Cost of sales				
ATM	**9,475**	**14,706**	**7,018**	**31,199**
Other Services	**4,606**	**-**	**-**	**4,606**
Total cost of sales	**14,081**	**14,706**	**7,018**	**35,805**
Gross profit				
ATM	**8,863**	**13,906**	**4,084**	**26,853**
Other Services	**6,032**	**1**	**-**	**6,033**
Total gross profit	**$14,895**	**$13,907**	**$4,084**	**$32,886**

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

Depreciation and amortization expense

	Americas	**Australasia**	**Europe**	**Total**
Three months ended March 31, 2016	**$2,832**	**$10,628**	**$766**	**$14,226**
Three months ended March 31, 2015	2,756	8,442	3,042	14,240

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

Vault cash rental costs

	Americas	Australasia	Europe	Total
Three months ended March 31, 2016	**$629**	**$1,372**	**$580**	**$2,581**
Three months ended March 31, 2015	502	1,535	270	2,307

Assets and liabilities

As at March 31, 2016	**Americas**	**Australasia**	**Europe**	**Total**
Non-current assets, excluding goodwill	**$49,955**	**$68,503**	**$7,083**	**$125,541**
Goodwill	**68,285**	**104,583**	**-**	**172,868**
Total assets	**144,983**	**193,083**	**13,569**	**351,635**
Total liabilities, excluding corporate liabilities	**27,312**	**31,597**	**6,207**	**65,116**
Corporate liabilities (long-term debt)				**224,119**

As at December 31, 2015	Americas	Australasia	Europe	Total
Non-current assets, excluding goodwill	$51,455	$78,322	$6,578	$136,355
Goodwill	68,285	105,906	-	174,191
Total assets	149,094	203,161	12,319	364,574
Total liabilities, excluding corporate liabilities	31,560	35,047	7,315	73,922
Corporate liabilities (long-term debt)				216,190

Reconciliation of segment gross profit to net loss before taxes

Three months ended March 31:	**2016**	2015
Gross profit	**$32,886**	$32,815
Personnel expenses	**(8,980)**	(8,587)
Other expenses	**(5,597)**	(5,441)
Vault cash rental costs	**(2,581)**	(2,307)
Realized gain (loss) on foreign exchange	**(48)**	118
Adjusted EBITDA	**15,680**	16,598
Depreciation of property and equipment	**(4,664)**	(4,349)
Amortization of intangible assets	**(9,562)**	(9,891)
Finance costs	**(5,346)**	(5,590)
Unrealized gain (loss) on foreign exchange	**953**	(1,181)
Net loss before income taxes	**$(2,939)**	$(4,413)

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

10. Supplementary cash flow information

Changes in non-cash working capital:

Three months ended March 31:	**2016**	2015
Trade and other receivables	**$(285)**	$1,958
Inventories	**1,337**	(1,548)
Prepaid expenses	**312**	(1,309)
Trade and other payables	**(3,293)**	(90)
Other	**489**	127
	$(1,440)	$(862)

Interest paid:

Three months ended March 31:	**2016**	2015
Unsecured senior notes	**$5,145**	$5,120
Term loan[(1)]	**-**	658
Revolving facility	**1,232**	470
Realized loss on interest rate swaps	**235**	203
Other	**88**	195
	$6,700	$6,646

(1) Related to term loan fully paid on August 17, 2015.

11. Subsequent event

The Plan of Arrangement with respect to the CashStore Financial Services Inc. class action lawsuits received all necessary approvals and was implemented on December 31, 2015. On April 29, 2016, DCPayments paid the final settlement amount of $2.5 million and the Company has received a release for all the class action lawsuits which have been filed against the Company.