MANAGEMENT'S DISCUSSION AND ANALYSIS
OF OPERATING RESULTS AND FINANCIAL CONDITION

The following discussion and analysis, prepared as of November 18, 2015, provides information Management believes is relevant to an assessment and understanding of RDM Corporation's ("RDM" or the "Company") consolidated results of operations and financial condition. The discussion should be read in conjunction with the audited consolidated financial statements of RDM Corporation and notes thereto for the fiscal year ended September 30, 2015 which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Annual information related to RDM, can be obtained from documents filed on the System for Electronic Document Analysis and Retrieval ("SEDAR") on the internet at www.sedar.com.

All dollar amounts used in this discussion and analysis are expressed in U.S. dollars, unless otherwise noted.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Management's Discussion and Analysis ("MD&A") constitute forward-looking statements. These include statements about Management's expectations, beliefs, intentions or strategies for the future, which are indicated by words such as "anticipate, intend, believe, estimate, forecast and expect" and similar words. All forward-looking statements reflect Management's current views with respect to future events, and are subject to numerous risks, uncertainties and assumptions that have been made. Management has identified a number of important factors that could cause actual results, performance or achievements to be materially different from those expressed or implied by these forward-looking statements which are discussed in this MD&A, elsewhere in the Company's annual report, and in other continuous disclosure filings of the Company. Forward-looking statements are not guarantees of future performance. Such factors include, the speed of adoption of remote deposit capture in the United States, the continued reliance in the United States on checks as a payment mechanism, the ability of the Company to successfully introduce new products and new service delivery options, fluctuations in the U.S. $/Canadian $ exchange rate and competition from larger industry participants. Actual results could vary materially from those that are expressed or implied by these forward-looking statements due to any of the risks and uncertainties that are described in this MD&A, risks and uncertainties that are unknown to Management, or from risks that Management currently believes to be immaterial. The Company does not intend, and does not assume any obligation, to update these forward-looking statements. Additional information relating to the Company and the risks inherent in its business is provided in the Company's Annual Information Form ("AIF"). The AIF and other documents are available on SEDAR at www.sedar.com and on the Company's website at www.rdmcorp.com.

NON-IFRS MEASURES

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization adjusted for foreign exchange gains and losses, stock-based compensation and one-time charges) and operating income do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other companies. Adjusted EBITDA is provided to assist management and investors in determining the Company's approximate operating cash flow before interest, income taxes, and depreciation and amortization, foreign exchange, stock-based compensation and one-time charges. Management believes that RDM shareholders and potential investors in RDM use non-IFRS financial measures such as adjusted EBITDA and operating income in making investment decisions about the Company and measuring the operational results.

CORPORATE OVERVIEW

RDM is a provider of solutions for the electronic commerce and payment processing markets. RDM pioneered Remote Check Deposit solutions and web-based image management and transaction processing services for financial institutions, retailers, payment processors and government agencies, as well as print quality control and image quality systems for a variety of global customers. RDM's recurring revenue, cloud based, Image & Transaction Management System ("ITMS") is an industry leading e-check processing solution whereby transaction information can be remotely captured and processed electronically from distributed locations, resulting in reduced payment processing float time and reduced costs associated with processing payments. RDM's solutions process over $600 billion in payments annually.

There exists a significant market for an electronic solution to the millions of checks that are still written in the U.S. every day. The cost of processing these checks is high. A typical check is handled multiple times in the current U.S. banking and back-office systems. Beyond the effect on businesses that write and process checks, financial institutions incur substantial costs needed to transport original paper checks to multiple handling points for processing and posting.

Remote Deposit Capture ("RDC") refers to a deposit taking mechanism that uses technology to capture check images and data at corporate or merchant sites and the electronic transmission of these deposits to a financial institution. The Check Clearing for the 21st Century Act ("Check 21"), which became effective in the United States October 28, 2004 was a catalyst for the adoption of RDC as well as other forms of image based check processing. While Check 21 does not require the conversion of paper checks into electronic transactions or digital images, it does encourage an industry shift away from traditional methods of handling paper checks by granting Image Replacement Documents ("IRDs") the same legal status as the original paper check. RDC allows productivity and transportation savings by eliminating the paper check.

Check 21 authorizes the creation of a substitute check from images of the front and back of an original paper check. Check 21 also enables U.S. banks to unilaterally choose to truncate all paper checks and provide substitute checks, or IRDs, to those banks and customers who have not agreed to accept the electronic records or images of the original paper checks. By promoting the use of imaging technology such as RDM's ITMS solution, Check 21 enables the elimination of many costly check processing steps and facilitates the development of improvements to bank back-office operations, improved treasury operations, while at the same time opening the door for new and improved service offerings to bank customers.

The Company has become a leading firm in providing technologies and electronic payment systems to the payment processing and point of sale industries, primarily in the area of check electronification and RDC. The Company has historically been a leading market player in providing quality control products to the check printing and processing industry. In recent years, through its technical expertise within the financial transaction processing community, RDM has developed and introduced leading-edge alternative payment technologies for the Point of Sale ("POS") Electronic Check Conversion, Walk-In Bill Payment ("WIBP"), and RDC markets. The Company's cloud based service offerings include its web-based ITMS and Simply Deposit, distributed desktop applications and Simply Deposit Mobile®, a mobile offering.

OBJECTIVES AND DISTRIBUTION STRATEGY

The Company's objective is to build a growth business. Growth will be based on recurring revenues from Payment Processing Services through its ITMS service platform and the sale of Digital Imaging hardware products.

The Company will continue to invest internally to enhance its existing products, as well as to develop new product offerings to diversify its product portfolio. In addition, the Company will pursue acquisition opportunities that integrate with the Company's product portfolio or expand the product portfolio with new product offerings.

The primary distribution channel for transaction processing is through financial institutions. These financial institutions provide the services to their customers. Digital Imaging products are sold through the same financial institutions and other resellers.

In almost all cases, large financial institutions implement their RDC solutions after an evaluation period. Typically, implementations are phased in, beginning with an initial pilot implementation, followed by increased penetration to their customer base. As the service is deployed to more customers, it results in higher transaction volumes and increases monthly user fees. Various market surveys suggest that the addressable market for RDC is less than 50% penetrated.

Simply Deposit Mobile is now fully integrated with our ITMS product allowing the mobile user to realize all the benefits and functionality of our ITMS platform. Simply Deposit Mobile allows us to target businesses with a mobile workforce collecting payments in the field. Simply Deposit Mobile makes use of today's smartphone technology to enable check deposits from anywhere a wireless signal or broadband access is available. Simply Deposit Mobile extends RDC to the actual point of initial check receipt.

Now mobile businesses can take advantage of the convenience and cost savings associated with RDC including reduced trips to the bank, later deposit cut-off times, quicker access to funds, faster deposit preparation, and enhanced security. RDM is working with a number of companies that provide online and mobile banking solutions to financial institutions. These solutions utilize our mobile products. Many of our financial institution customers are launching mobile applications which integrate with our solution.

Our strong cash position allows RDM to be in a position to make strategic investments, if and when they are identified, to add shareholder value. Going forward, we intend to broaden our product offering through a combination of internal development and acquisition.

SUMMARY OF 2015 RESULTS AND SELECTED FINANCIAL INFORMATION

Results of Operations

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization adjusted for foreign exchange gains and losses, stock-based compensation and one-time charges) and operating income should not be construed as a substitute for net income (loss) determined in accordance with IFRS.

Adjusted EBITDA is calculated as outlined in the following table:

In thousands of U.S. dollars

		2015		2014
Net income	$	5,326	$	2,845
Income tax expense		1,499		96
Interest income		(70)		(41)
Depreciation and amortization		1,039		1,127
Foreign exchange gain		(34)		(107)
Stock-based compensation		403		198
Other expense (income)		(2,161)		153
Adjusted EBITDA	$	6,002	$	4,271

FISCAL 2015 HIGHLIGHTS

(In thousands of U.S. dollars unless otherwise noted)

Fiscal 2015 results include:

- Total revenue was $23,530 in 2015 compared to $22,689 in 2014, an increase of 4%.
- Recurring Payment Processing revenue was $13,759 in 2015 compared to $12,579 in 2014, an increase of 9%.
- Digital Imaging revenue grew by 9% to $9,235 in 2015 compared to $8,453 in 2014.
- Gross margin was 61% in 2015 compared to 56% in 2014.
- Operating income increased 55% to $4,560 in 2015 compared to $2,946 in 2014.
- Adjusted EBITDA was $6,002 compared to $4,271 in 2014, an increase of 41%.
- Net income was $5,326, up from $2,845.
- The Company added 7,641 end user seats and ended the quarter with 44,621 end user seats, an increase of 21% compared to the end of 2014.
- The Company generated $5,271 in cash from operations and ended the year with $26,405 in cash and cash equivalents.
- Three new financial institutions selected RDM to replace their existing RDC provider in the year.

Consolidated revenues were $23,530. Gross profit increased $1,631 to $14,246 and increased as a percentage of revenues to 61% compared to 56% the prior year. The increase is mainly a result of the growth in higher margin software services revenue. Payment Processing Services accounted for 61% of total revenue compared to 63% the year before.

In fiscal 2015, net income before taxes was $6,825 compared to net income before taxes of $2,941 in fiscal 2014.

The Company ended fiscal 2015 with $26,405 in cash and cash equivalents (an increase of $3,983 from 2014) and $29,687 in net working capital.

FOREIGN CURRENCY

The Company's financial results are impacted by volatility in the Canadian/U.S. dollar exchange rate. The average U.S. dollar exchange rate for the fiscal year 2015 was $1 Canadian equals $0.82 U.S. This compares to an average rate of $1 Canadian equals $0.92 U.S. in the same period of 2014.

The Company's functional or measurement currency is U.S. dollar. Based on a U.S. dollar functional currency, the following are the key areas impacted by foreign currency volatility:

- The Company sells products primarily in U.S. dollars; therefore, reported revenues are not highly impacted by foreign currency volatility.
- A portion of the Company's expenses are incurred in Canadian dollars and therefore fluctuate in U.S. dollars as the U.S. dollar varies. A weaker U.S. dollar results in an increase in translated expenses, and a stronger U.S. dollar results in a decrease.
- Changes in foreign currency rates also impact the translated value of the Company's working capital that is held in Canadian dollars. Foreign exchange rate fluctuations result in foreign exchange gains or losses based upon movement in the translated value of Canadian working capital into U.S. dollars. Assuming a positive working capital amount, a weaker U.S. dollar results in foreign exchange gains and a stronger U.S. dollar results in exchange losses.
- The Company often enters into forward contracts to sell U.S. dollars as a hedge against a portion of its Canadian dollar denominated expenses.

REVENUE AND GROSS PROFIT

Payment Processing Services

Primary objectives for the Company's Payment Processing Services product line in fiscal 2015 are to i) grow the number of ITMS end user seats by acquiring new financial institution customers and support existing banks with deployments to their customer base and ii) launch various ITMS product enhancements for new sources of revenue.

ITMS end user seats grew by 21% this year to 44,621 at September 30, 2015. The Company added 7,641 end user seats in fiscal 2015. Total Payment Processing Services revenue was $14,295 in fiscal 2015 compared to $14,236 in 2014. Of the $14,295 in revenue, $13,759 was recurring revenue compared to $12,579 in the prior year; an increase of 9%.The balance of the revenue is comprised of professional services and custom development. In fiscal 2015 revenue from custom development and professional services was $536 compared to $1,657 in 2014.

Gross profit for the Payment Processing Services product line in fiscal 2015 increased by 10% to $10,644 from $9,706 in 2014. As a percentage of revenue, gross profit increased from 68% in 2014 to 74% in fiscal 2015. The increase is a result of a reduction in the cost of network operations and the fixed cost nature of expenses and growing revenue.

The Company continues to expand its presence in the market as evident by the increase in the number of end user seats. The Company is targeting increased ITMS volumes through expanded services offerings to financial institution's corporate clients. In addition, three new financial institutions selected RDM to replace their existing RDC providers in the year.

Digital Imaging Products

Digital Imaging revenue was $9,235 for the year ended September 30, 2015, a $782 or 9% increase compared to 2014. Shipments of proprietary scanners for the year ended September 30, 2015 totaled 24,143 units versus 20,737 units in 2014. Towards the end of 2015, the Company released two new Digital Imaging products: the EC9100i and

EC9600i series check scanners. These new products are capable of higher speeds and the EC9600i introduces IP-addressability and networking ability to meet the increasing security and functionality demands in the marketplace. These products have not yet contributed significant revenue.

Gross profit for the Digital Imaging product line in the year ended September 30, 2015 was $3,602 compared to $2,909 in 2014. As a percentage of revenue, gross profit was 39% in fiscal 2015 and 34% in 2014. The increase in gross margin is attributable to a change in mix towards higher margin products and favourable inventory variances.

Operating Expenses and Consolidated Operating Results

Operating expenses were $9,686 for the year ended September 30, 2015 compared to $9,669 in 2014.

Sales and marketing expenses for the year ended September 30, 2015 were $2,874 compared to $3,138 in 2014. Research & development expenses for the year ended September 30, 2015 were $4,651 compared to $4,440 in 2014. General and administration expenses increased from $2,091 in 2014 to $2,161 in fiscal 2015.

Interest income for fiscal 2015 was $70 compared to $41 in the same period last year. Foreign exchange was a gain of $34 in fiscal 2015 compared to a gain of $107 in 2014. The gains in fiscal 2015 and 2014 were primarily a result of weakening in the Canadian dollar while the Company maintained a net monetary or liability position in Canadian dollars.

The Company recorded other income of $2,161 in fiscal 2015 compared to other expense of $153 in 2014. The components of other income and expenses are as follows:

Years ended September 30		2015		2014
Change in estimated royalties	$	266	$	-
Recognition of investment tax credits		2,064		-
Change in settlement claim		120		-
Loss on disposal		(289)		-
Obligation for future payments		-		(153)
Other income	$	2,161	$	(153)

a) Change in estimated royalties

The Company pays fees to third parties related to the licensing of patents for technology used in its products and services. Estimated costs of $266 recorded as liability in periods prior to 2015 were reversed in 2015 as it was determined the fees were no longer payable.

b) Recognition of Investment Tax Credits

The Company has recorded investment tax credits of $2,064 which had been earned in periods prior to 2015 but not recognized. The Company has determined that there is reasonable assurance, based on estimated future taxable income, that these credits will be realized.

c) Change in settlement of claim

In fiscal 2013 the Company recorded other expense of $2,240 as an estimate of the full cost of a settlement of a claim by PPS Data, LLC for alleged patent infringement. The Company's estimate included $600 payable in the future. In the first quarter of 2015 the final amount payable was determined to be $480. The difference of $120 has been recorded in other income.

d) Loss on disposal of property and equipment

In fiscal 2015 the Company disposed of assets no longer in use and incurred a loss of $289.

e) Obligation for future payments

In fiscal 2014 the Company entered into a lease for office space and consolidated its corporate staff in this new facility. As a result, the Company ceased to use one of its rented facilities on April 25, 2014. Efforts to sublet and offset the ongoing lease contract have been unsuccessful. The obligation for future payments of $153 was charged to other expense in 2014.

The Company recorded a tax provision of $1,499 in fiscal 2015 compared to $96 in 2014. The increased tax provision is necessary to provide for taxes payable on income. The Company is using available Investment Tax Credits to offset cash taxes payable.

The Company's net income before income taxes for the year ended September 30, 2015 was $6,825 compared to net income before income taxes of $2,941 in the same period last year.

SELECTED ANNUAL INFORMATION

(In thousands of U.S. dollars, except per share amounts)

Years ended September 30	2015	2014	2013
Revenue	$ 23,530	$ 22,689	$ 21,870
Adjusted EBITDA	6,002	4,271	3,565
Net income (loss)	5,326	2,845	(519)
Income (loss) per share basic and diluted	.24	.13	(.02)
Cash and cash equivalents	26,405	22,422	18,897
Cash dividends per share	0.05	0.03	-
Total assets	$ 37,035	$ 32,510	$ 28,632

RESULTS FOR THE QUARTER ENDED SEPTEMBER 30, 2015

Adjusted EBITDA (earnings before interest, taxes, depreciation and amortization adjusted for foreign exchange gains and losses, stock-based compensation and one-time charges) and operating income should not be construed as a substitute for net income (loss) determined in accordance with IFRS.

Adjusted EBITDA is calculated as outlined in the following table.

In thousands of U.S. dollars

	Three months ended September 30	
	2015	2014
Net income	$ 2,063	$ 878
Income tax expense	934	24
Interest income	(21)	(11)
Depreciation and amortization	261	216
Foreign exchange gain	(56)	(30)
Stock-based compensation	88	96
Other income	(1,590)	-
Adjusted EBITDA	$ 1,679	$ 1,173

The Company's fourth quarter 2015 results included revenues of $6,115, gross margins of 62%, operating expenses of $2,459 and an operating income of $1,330. This compares to revenues of $6,185, gross margins of 53%, operating expenses of $2,447 and an operating income of $860 in 2014.

Revenue for Payment Processing Services increased 4% to $3,656 compared to $3,518 in the fourth quarter of 2014. Revenue for Digital Imaging was $2,459 in the fourth quarter of 2015 compared to $2,667 in the fourth quarter of 2014.

The gross margin for Transaction Processing in the fourth quarter of 2015 was 77% compared to 72% in the same quarter in 2014. The increase in margin is primarily a result of higher recurring revenue and the fixed value of network operating costs.

The gross margin for Digital Imaging in the fourth quarter of 2015 was 39% compared to 29% in the fourth quarter of 2014. In the fourth quarter of 2015, the Company recorded an inventory adjustment totaling $75 associated with cumulative favorable variances on raw material components purchased during 2015 and an $18 provision for obsolete inventory. In the same quarter in 2014 inventory write-downs of $118 were recorded.

The Company recorded a foreign exchange gain of $56 in the fourth quarter of 2015 compared to a gain of $30 in the same quarter in 2014. The gains are a result of a weakening in the Canadian dollar while the Company maintained a net monetary liability position in Canadian dollars.

Operating expenses were $2,459 in the fourth quarter of 2015 compared to $2,447 in the same quarter of 2014.

Sales and marketing expenses totaled $659 in the fourth quarter of 2015 compared to $843 in the fourth quarter of 2014, a decrease of $184. The decrease is primarily a result of reduced commissions on revised compensation plans. Research and development expenses were $1,215 in the fourth quarter of 2015 compared to $1,062 in the fourth quarter of 2014 an increase of $153. The increase is a result of increased salary expense; higher R&D material costs related to new product development and enhanced training expense. The average number of employees in research and development totaled 41 in the fourth quarter of 2015 and 37 in the fourth quarter of 2014. A lower allocation to custom development project costs also contributed to the increase. General and administration expenses were $586 in the fourth quarter of 2015 compared to $542 in the same quarter in 2014.

The Company recorded other income of $1,590 in the fourth quarter of 2014. Other income is comprised of the following:

	Three months ended September 30			
		2015		2014
Recognition of investment tax credits	$	(1,879)	$	-
Loss on disposal		289		-
Other income	$	(1,590)	$	-

a) Recognition of Investment Tax Credits

The Company has recorded investment tax credits of $1,879 which had been earned in periods prior to 2015 but not recognized. The Company has determined that there is reasonable assurance, based on estimated future taxable income, that these credits will be realized.

b) Loss on disposal of property and equipment

In fiscal 2015 the Company disposed of assets no longer in use and incurred a loss of $289.

The Company generated net income of $2,063 in the fourth quarter of 2015 compared to $878 in the fourth quarter of 2014.

The Company generated cash from operations in the fourth quarter of 2015 of $2,164 compared to $3,106 in the fourth quarter of 2014.

SUMMARY OF QUARTERLY RESULTS

(In thousands of U.S. dollars, except per share amounts)

Year ended September 30	2015 (unaudited)							
	First Quarter		Second Quarter		Third Quarter		Fourth Quarter	
Revenue	$	5,846	$	5,758	$	5,811	$	6,115
Adjusted EBITDA	$	1,376	$	1,431	$	1,516	$	1,679
Net income	$	1,123	$	789	$	1,351	$	2,063
Earnings per share:								
Basic and diluted	$	0.05	$	0.04	$	0.06	$	0.09
Cash and cash equivalents	$	23,009	$	23,436	$	24,677	$	26,405
Total assets	$	32,090	$	33,169	$	34,247	$	37,035

Year ended September 30	2014 (unaudited)			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ 5,751	$ 5,185	$ 5,568	$ 6,185
Adjusted EBITDA	$ 1,061	$ 952	$ 1,093	$ 1,165
Net income	$ 780	$ 652	$ 535	$ 878
Earnings per share:				
Basic and diluted	$ 0.04	$ 0.03	$ 0.03	$ 0.03
Cash and cash equivalents	$ 19,347	$ 20,127	$ 19,532	$ 22,422
Total assets	$ 31,045	$ 30,805	$ 31,553	$ 32,510

Year ended September 30	2013 (unaudited)			
	First Quarter	Second Quarter	Third Quarter	Fourth Quarter
Revenue	$ 4,767	$ 5,402	$ 6,085	$ 5,616
Adjusted EBITDA	$ 613	$ 694	$ 1,147	$ 1,111
Net income (loss)	$ 192	$ 191	$ (1,540)	$ 638
Earnings per share:				
Basic and diluted	$ 0.01	$ 0.01	$ (0.07)	$ (0.02)
Cash and cash equivalents	$ 19,366	$ 18,821	$ 19,194	$ 20,126
Total assets	$ 29,122	$ 29,927	$ 28,911	$ 29,496

LIQUIDITY AND CAPITAL RESOURCES

The Company has historically financed its operations primarily through the sale of share capital and operating cash flow. For the year ended September 30, 2015, the Company generated $5,271 in cash from operations compared to $4,422 in the same period last year.

At September 30, 2015 the Company held cash and cash equivalents of $26,405. The strong cash position allows RDM to be in a position to make strategic investments, if and when they are identified, that may add shareholder value. Cash is currently invested in short term low risk investments in banks. At September 30, 2015, the Company had net working capital of $29,687, compared to the net working capital of $24,673 at September 30, 2014 an increase of $5,048.

The Company maintains a $1,000 revolving credit facility with its bank. The primary intended use of the facility is to fund short-term working capital requirements and at September 30, 2015 this facility was not drawn upon. While the Company does not anticipate the need for additional working capital in the short term, building a recurring Application Service Provider business such as ITMS does require periodic and routine capital outlays for related hardware and software upgrades. The Company intends to monitor these outlays and determine if, and when, any additional debt or lease financing may be required.

In accordance with the Company's dividend policy, quarterly dividends of $0.01 per share were paid on March 6, June 5, September 5 and December 18, 2014, to shareholders of record on February 20, May 22, August 22 and December 4, 2014. On January 28, 2015, the Board of Directors determined that the Company would increase the dividend by 50% to $0.015 per common share which would be declared and payable quarterly. Quarterly dividends of $0.015 per share were paid on March 5, June 8 and September 9, 2015, to shareholders of record on February 19, May 25 and August 21, 2015. A quarterly dividend of $0.015 per share is due to be paid on December 18, 2015 to shareholders of record on December 4, 2015.

SHARE DATA

At September 30, 2015, the Company had 22,024,976 common shares outstanding. In addition, as of September 30, 2015, the Company had 1,967,250 stock options outstanding, each of which is exercisable into one common share. The number of outstanding stock options includes 575,000 pursuant to an exemption under Section 613(c) of the Toronto Stock Exchange Company Manual.

During 2015, 376,250 options were exercised for common shares for total proceeds of $353 and 120,000 options were granted. In the same period in 2014, 306,500 options were exercised for common shares for total proceeds of $304 and 875,000 options were granted.

The Company implemented a Normal Course Issuer Bid ("NCIB") to purchase up to 1,083,686 common shares between December 30, 2014 and December 29, 2015. The Company has not purchased any shares under the NCIB.

CONTRACTUAL OBLIGATIONS AND OFF-BALANCE SHEET ARRANGEMENTS

The Company does not enter into off-balance sheet arrangements, other than purchase commitments for inventory and furniture and equipment and operating leases for certain ITMS and office equipment, and facility leases. The following table quantifies the Company's contractual obligations as of September 30, 2015.

(In thousands of U.S. dollars)

Contractual Obligations	Total	Less than 1 year	1-3 years	4-5 years	After 5 years
Operating leases for equipment	$ 667	$ 293	$ 373	$ -	$ -
Facility leases	1,401	559	842	-	-
Total contractual obligations	$ 2,068	$ 852	$ 1,215	$ -	$ -

The Company, in the normal course of business, has outstanding commitments at September 30, 2015 to purchase inventory and furniture and equipment of $943. Rent expense for the year was $553 (2014 - $436).

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

Fluctuations in the exchange rate between the Canadian dollar and the U.S. dollar may have a material adverse effect on the Company's results from operations. The Company generates the majority of its revenues in U.S. dollars, while a portion of its expenses are denominated in Canadian dollars.

The Company's functional and reporting currency is the U.S. dollar. The Company has payroll and other expenditures in Canadian dollars and fluctuations in the exchange rate between the Canadian dollar and the U.S. dollar may continue to have a material adverse effect on the Company's results from operations. Since a portion of the Company's expenses are incurred in Canadian dollars, they will increase or decrease in U.S. dollars as the U.S. dollar varies. A weaker U.S. dollar results in an increase in translated expenses, and a stronger U.S. dollar results in a decrease. The Company maintains Canadian dollar monetary assets and liabilities.

Changes in foreign currency rates also impact the translated value of the Company's working capital that is held in Canadian dollars. Foreign exchange rate fluctuations result in foreign exchange gains or losses based upon movement in the translated value of Canadian working capital into U.S. dollars. Assuming a positive working capital amount, a weaker U.S. dollar results in foreign exchange gains and a stronger U.S. dollar results in exchange losses. The Company also enters into forward contracts to sell U.S. dollars as a hedge against a portion of its Canadian dollar denominated expenses.

The effective portion of foreign exchange gains and losses on the designated hedge are recognized in other comprehensive income and reclassified to profit or loss when the hedged payroll is incurred. The Company designated its U.S. dollar forward contracts as a hedge against its future payroll expenses incurred in Canadian dollars.

The Company is exposed to credit risk on derivative financial instruments arising from the potential for counterparties to default on their contractual obligations to the Company; however, the Company minimizes this risk by limiting counterparties to these contracts to Canadian Chartered Banks.

Current U.S. dollar forward contracts are typically for a period up to 12 months out and the use of these contracts are subject to Management and Board controls and approvals. The timing and amount of foreign exchange contracts are estimated based on current conditions in the Company's markets, the estimated timing of payments denominated in Canadian dollars and the Company's past experience. The Company's policy is not to utilize derivative financial instruments for trading or speculative purposes.

At September 30, 2015, the Company had no outstanding U.S. dollar forward contracts.

CRITICAL ACCOUNTING ESTIMATES AND SIGNIFICANT ACCOUNTING POLICIES

The Company's financial statements are prepared in accordance with IFRS. The preparation of these financial statements requires Management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. On an ongoing basis, Management bases its estimates on historical experience and other assumptions that it believes are reasonable in the circumstances. Actual results may differ from the estimates, however, there have been no changes made to critical accounting estimates during the past two fiscal years. The following accounting policies reflect the more significant estimates and assumptions used in the preparation of the Company's financial statements.

Revenue Recognition: Revenue recognition is critical because it is a key indicator of the Company's financial performance. Management follows specific guidelines in recognizing revenue and makes estimates and assumptions that affect the reported amounts of revenue. A delay in recognizing revenue could cause operating results to vary significantly from quarter to quarter.

The Company's revenues are derived from product sales, software licenses, extended warranty, transaction processing fees and custom development contracts. Revenue from product sales and extended warranties are included in Digital Imaging Products revenue. Revenue from software licenses, transaction processing fees and custom development contracts are included in Payment Processing Services revenue.

Revenue from product sales is recognized upon delivery, provided that no significant obligations on the part of the Company remain and collection of the related receivable is considered probable. Revenue is measured at the fair value of the consideration received or receivable.

Revenue from software licenses is recognized over the term of the license.

Service and extended warranty revenue is recognized ratably over the term of the related agreement, which is typically 12 to 24 months.

Revenue from transaction processing fees is recognized on a per item basis as transaction processing services are provided and when collection of the related receivable is considered probable.

Custom development contract revenue is recognized using the percentage of completion method based on development labour costs incurred. Revisions in custom development costs and profit estimates, which can be significant, are reflected in the accounting period in which the relevant facts become known. Under the percentage of completion method, costs and estimated earnings on uncompleted contracts in excess of billings are included in accounts receivable.

Revenue that has been prepaid but does not yet qualify for recognition as revenue under the Company's revenue recognition policies is reflected as deferred revenue.

Allowance for Doubtful Accounts: Allowance for doubtful accounts relates to estimated losses that may arise if any customers are unable to make required payments. Management specifically analyzes the age of outstanding customer balances, historical bad debt experience, customer credit-worthiness and changes in customer payment terms when making estimates of the uncollectability of the Company's accounts receivable balance. If the Company determines that the financial condition of any of its customers deteriorates, increases in the allowance are made.

Impairment of Inventories, Furniture and Equipment and Intangible Assets: Whenever events or changes in circumstances indicate that the carrying value of inventories, property and equipment or intangible assets may not be recoverable, the Company assesses the impairment of these assets. Factors the Company considers important, include significant underperformance relative to plan, a change in the Company's business strategy, or significant negative industry or economic trends. When the Company believes that the carrying value of inventories, property and equipment or intangible assets may not be recoverable based upon the existence of one or more of the above indicators of potential impairment, the Company determines what impairment, if any, exists and provides for such impairment in the period known.

Income Taxes and Investment Tax Credits: The Company believes that it has adequately provided for income taxes and related investment tax credits based on all of the information that is currently available. Tax filings are subject to audits, which could materially change the amount of current and future income tax assets and liabilities.

In accessing the realizability of future assets, Management considers whether it is more likely than not that some or all of the future tax assets will not be realized. The ultimate realization of future tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of future tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. The amount of the future tax asset considered realizable could change materially in the near term based on future taxable income during the carry forward period.

RECENT ACCOUNTING PRONOUNCEMENTS

The IASB and International Financial Reporting Interpretations Committee ("IFRIC") have issued the following standards that have not been applied in preparing these consolidated financial statements as their effective dates fall within annual periods beginning subsequent to the current reporting period.

IAS 1, Presentation of Financial Statements

In December 2014, the IASB issued amendments to IAS 1 "Presentation of Financial Statements" as part of its major initiative to improve presentation and disclosure in financial reports (the "Disclosure Initiative"). The amendments are effective for annual periods beginning on or after January 1, 2016. Early adoption is permitted. These amendments will not require any significant change to current practice, but should facilitate improved financial statement disclosures. The Company is currently assessing the impact of these amendments on its consolidated financial statements.

IFRS 9, Financial Instruments

In October 2010, the IASB issued IFRS 9, Financial Instruments ("IFRS 9"). IFRS 9, which replaces IAS 39, Financial Instruments: Recognition and Measurement, 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 new standard is effective for the Company's interim and annual consolidated financial statements commencing October 1, 2015. The Company is assessing the impact of this new standard on its consolidated financial statements.

IFRS 15, Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers ("IFRS 15"). IFRS 15 establishes principles for revenue recognition measurement and related disclosures. The new standard is effective for the Company's interim and annual consolidated financial statements commencing October 1, 2018. The Company is assessing the impact of this amended standard on its consolidated financial statements.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROLS

The Company's Management maintains appropriate information systems, procedures and controls to ensure that information used internally and disclosed externally is complete, accurate, reliable and timely. The disclosure controls and procedures are designed to provide reasonable assurance that information required to be disclosed in its various reports are recorded, processed, summarized and reported accurately. As of the end of the period covered by this MD&A, the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO") of the Company reviewed and evaluated the Company's disclosure controls and procedures (as that term is defined in Multilateral Instrument 52-109) and, based upon that review and evaluation, concluded that those disclosure controls and procedures were effective and met the requirements thereof. Nevertheless, Management does recognize that any controls and procedures no matter how well designed and operated, can only provide reasonable assurance and not absolute assurance of achieving the desired control objectives.

CSA Multilateral Instrument 52-109 requires the CEO and CFO to certify that they are responsible for establishing and maintaining internal control over financial reporting for the Company and that those internal controls have been designed and are effective in providing reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with IFRS. The CEO and CFO are also responsible for disclosing any changes to the Company's internal controls that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting.

Management, including the CEO and CFO, does not expect that the Company's disclosure controls or internal controls over financial reporting will prevent or detect all errors and all fraud or will be effective under all potential future conditions. A control system is subject to inherent limitations and, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the control systems objectives will be met.

The CEO and CFO have, using the framework and criteria established in "Internal Control – Integrated Framework" issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO") together with the guidance for smaller public companies published by COSO, evaluated the design and operating effectiveness of the Company's internal controls over financial reporting and concluded that, as of September 30, 2015, and subject to the inherent limitations described above, internal controls over financial reporting were effective to provide reasonable assurance that information related to consolidated results and decision to be made on those results were appropriate. The Company expects to adopt the 2013 COSO Framework in fiscal 2016.

There have been no changes in the Company's internal controls over financial reporting during the year ended September 30, 2015, that have materially affected, or are reasonably likely to materially affect its internal controls over financial reporting.

Risks and Uncertainties

The Company operates in a highly competitive technological market and faces a number of risks and uncertainties associated with its operations:

Currency Risk: Substantially all the Company's revenues are in, and are anticipated to be in the future, U.S. dollars. Fluctuations in the exchange rate between the Canadian dollar and the U.S. dollar and other currencies may have a material adverse effect on the Company's results from operations. The Company closely monitors the exchange rate between the U.S. and Canadian dollar. The Company, as part of adopting IFRS, has adopted the U.S. dollar as its functional currency and is reporting in U.S. dollars. The Company incurs operating expenses in Canadian dollars including approximately $8,000 in payroll. There can be no assurance that future exchange rate fluctuations in 2016 or beyond will be favorable to the Company. Management believes that a one-cent increase in the value of the Canadian dollar, relative to the U.S. dollar, negatively impacts the Company's profitability by approximately $106, respectively, based on expected 2016 expenditures. The Company may hedge a portion of expected fiscal 2016 Canadian dollar exposure. Management's strategy is to, i) source raw material costs as well as sales and marketing expenses in U.S. dollars, ii) and purchase Canadian dollar forward contracts to sell U.S. dollars.

Risks Inherent in Transaction Processing: There can be no certainty that the Company will be successful in gaining and maintaining a leadership position in transaction processing as Check 21 gains prominence or that the Company's ITMS will garner sufficient transaction volume to become a profitable business. U.S. financial institutions could also decide to bring transaction processing in-house. The Company is party to agreements with its customers that, among other things, obligate the Company to accurately process transaction data within prescribed processing windows. Should the Company breach its service level agreements with its customers, penalties ranging from service credits to outright contract termination may result. Furthermore, the Company is obligated to maintain confidentiality of customer information and maintain adequate backup and recovery systems. Although the Company has designed operational processes and controls to meet these obligations, there can be no certainty that the Company can meet its obligations 100% of the time and the Company could be subject to fines, penalties, and legal defense costs, should the Company's transaction processing capabilities or operations be compromised. Furthermore, given that the majority of the Company's revenues are from U.S.-based financial institutions, there can be no assurance that changes in U.S. legislation or government policy will not render the Company at a competitive disadvantage in the future.

Risk Inherent in Transaction Processing for Non-financial Institution Customers: The RDC services that RDM will provide through the non-financial institution channel will use the same ITMS infrastructure and systems that support our ITMS services provided through banks. RDM will be responsible for the clearing of the checks through the payment system and, consequently, will be responsible for any associated merchant credit risk. RDM has hired a Credit Manager and has established policies and detailed procedures aimed at reducing such risk. RDM will receive a higher transaction fee for items processed where it is exposed to merchant credit risk. This is in addition to the risks outlined in the Risks Inherent in Transaction Processing. Merchant credit risk exposures include the risk of fraud by merchants in submitting checks for processing. Fraud perpetrated by such merchants could have material adverse effect on RDM's business and operating results.

Major customers: Three major customers for the year ended September 30, 2015 account for 46% of revenue for the year. The loss of one of these customers could have a material adverse effect on the Company's business and results of operations.

Impact of Competition and Market Acceptance: Many of RDM's competitors and potential competitors have significantly greater financial, technical, marketing, and other resources. This competition could have a material adverse effect on RDM's business, results of operations and financial condition in the future. The Company's future success is also dependent on the continued acceptance of the Company's document scanners and ITMS, which in turn are dependent on Electronic Check Conversion gaining widespread acceptance in the U.S. and Check 21 resulting in an industry shift towards distributed image capture and transaction processing systems.

Changes in Payment Technologies: RDM's business model is currently focused on check processing. Consumers have an increasing number of payment methods which they may utilize, including credit and debit cards, as well as newer technologies such as stored value cards and gift cards. Changes by consumers in their payment mechanisms could substantially reduce the number of checks which require processing. A reduction in the utilization of checks for the market as a whole could reduce RDM's addressable market and ultimately have a material adverse effect on the Company's business and operations.

Proprietary Technology: RDM has relied, and expects to continue to rely, on a combination of copyright, trademark and trade secret laws, confidentiality procedures, and contractual provisions to establish, maintain, and protect the Company's proprietary rights. Unauthorized parties have, and may continue to attempt to copy aspects of RDM's products or to obtain information regarded as proprietary. With increased competition comes other companies' attempting to emulate RDM's technologies and products. Policing unauthorized use of the Company's technology is difficult, time-consuming, and costly. Furthermore, the U.S. patent system is fraught with numerous patent litigants claiming ownership to patents on broad systems, concepts, and processes. The Company cannot be certain it is not infringing on the patents or intellectual property rights of others or that the Company will not be the target of unfounded, yet expensive, patent infringement lawsuits.

Product Development: The Company frequently develops and introduces new products. RDM has experienced product development delays in the past and may experience delays in the future. If RDM experiences significant new product development delays, its position in the market could be harmed, and revenue could be substantially reduced, which could adversely affect operating results. Delays may occur for many reasons, including an inability to hire and manage experienced developers, discovery of bugs and errors in software, or the inability of current or future products to conform to industry or quality requirements.

Reliance on Third Party Relationships: The Company has a number of third party relationships that are significant to its marketing, sales and related support activities and product development efforts. The Company relies upon relational database management systems applications, and development tool suppliers, software and hardware suppliers to strengthen its product offerings through integration with industry-standard tools and utilities. The Company's intent in entering into these relationships is to keep pace with the technological and marketing developments of major software suppliers, to acquire technical assistance for the Company's product development efforts and to leverage the Company's sales and marketing capabilities. There can be no assurance that these companies, many of which have significantly greater financial and marketing resources than the Company, will not develop or market software products that compete with the Company's products in the future or will not otherwise discontinue their relationship with or support the Company. The failure of the Company to maintain its existing relationships, or to establish new relationships in the future, for any reason, could have a material adverse effect on the Company's business, results of operations, liquidity and financial condition.

Manufacturing and Production: The Company's manufacturing operations are dependent on the Company sourcing high quality electronic and mechanical components from reliable and timely suppliers. In some cases, the Company is reliant on sole-source suppliers and can be impacted by industry-wide component allocation issues that can impact the continuity of manufacturing operations. There can be no assurance that the Company will not be affected by component shortages, which could impact the Company's ability to fulfill customer orders on a timely basis.

Executive Officers and Key Employees: RDM's future success is dependent on the abilities of its executive officers and key employees. Although RDM has employment and non-competition agreements with certain of its executive officers, if RDM were to lose the services of one or more of its executive officers, or, if one or more of them decides to join a competitor or otherwise compete directly or indirectly with RDM, the Company's operating results could be affected.

Potential Fluctuations in Quarterly Results: The Company's quarterly operating results fluctuate depending on the timing and size of orders, the number, timing and significance of new product announcements by the Company and its competitors, the ability of the Company to develop, introduce and market new and enhanced versions of the Company's products and services on a timely basis, the level of product and price competition, and general economic factors such as exchange rates. Quarterly results in the future may be influenced by these or other factors, including possible delays in the development and shipment of new products.

Economic Uncertainty: Many of RDM's customers have been negatively affected by general economic conditions affecting the broader market. Current and future conditions remain uncertain. Management closely monitors the current economic environment and will adjust quickly to market developments since our business model is scalable. Management believes that a prolonged economic downturn would have a potential impact on the following:

- *Revenue*
  - Potential decrease in the overall demand for the Company's services;
  - Potential increase in customer churn as a result of downsizing, bankruptcies and collections;

- *Supplier Risk*
  - Potential of some of our third party suppliers encountering financial difficulties which may result in an inability to obtain timely deliveries of quality components.

Cyber Risks: As a software-as-a-service provider, RDM faces cyber risks such as data breaches, unauthorized access and denial of service attacks as well as associated financial, reputational and business interruption risks. Because the Company's technology and services involve the storage and transmission of clients' proprietary information, unauthorized access or security breaches as a result of third-party action, employee error, malfeasance or otherwise could result in the loss of information, litigation, indemnity obligations and other significant liabilities. In addition, it could reduce sales, impair RDM's reputation, increase costs or result in liability claims, and seriously harm the Company's business. These risks continue to be actively managed by the Company through enterprise-wide technology and information security programs, with the goal of maintaining overall cyber resilience that prevents, detects and responds to such threats. Despite its commitment to cyber security, however, RDM may not be able to fully mitigate all such risk because the techniques used to obtain unauthorized access or sabotage systems change frequently and generally are not identified until they are launched against a target.

General: RDM faces the risks normally associated with emerging technology companies. The market for RDM's Products and Services is characterized by rapidly changing technology, evolving industry standards, and frequent new product introductions. Furthermore, the Company's digital imaging operates in an industry with significant competition and Management expects competition will continue to increase.

Outlook

Our revenue growth rate will be influenced by the economy in general, the overall growth rate in the industry, the Company's ability to win new financial institution business, and, more particularly, by the adoption rate that our financial institution and other partners achieve with their customer base. The Company is focused on developing targeted vertical solutions for ITMS transaction processing and expanding its suite of services designed to accelerate our customers' and end users' rate of adoption. Growth will also be impacted by the existing and new market acceptance of RDM's Digital Imaging products.

RDM's reported earnings will also be affected favorably or unfavorably by any significant changes in the exchange rate between the Canadian and U.S. dollar. While annual revenue growth rates are more predictable, on a quarter by quarter basis, there could be a higher degree of variability due to the timing of orders and deployment schedules of banks and their customers.

The Company continues to look for suitable acquisition opportunities that may add shareholder value.

Our corporate strategy is to continue to be product leaders and provide operational excellence to our customers. To achieve this, we plan to develop targeted solutions in both digital imaging and payment processing.