

HDX Completes Acquisition of Terminal Management Concepts Ltd., a developer of wireless pay-at-the-table EMV Chip & PIN software

TORONTO, Jan. 7, 2015 /CNW/ - Posera-HDX Limited ("HDX" or the "Company") is pleased to announce that it has completed the acquisition of all the issued and outstanding shares of ("TMC") of Markham, Ontario and subsequently amalgamated with TMC. The terms of the transaction were not disclosed. HDX is listed on the TSX under the symbol "HDX".

Wide-spread credit card security breaches have resulted in a payment industry decision to deploy EMV Chip and PIN technology in the United States. The deployment of EMV Chip and PIN credit cards will make it necessary for table service restaurants to give customers the ability to maintain control of their credit cards by paying for their meals "at the table" and entering their credit card PIN into the wireless payment terminal. The current insecure practice, whereby customers place their credit card inside a folio and allow the server to take the credit card elsewhere to be swiped on a magnetic stripe reader, will no longer be allowed without the merchant accepting the liability for fraudulent transactions. Restaurants will require a "pay-at-the-table" device, ideally integrated with their in-house point-of-sale ("POS") solution, in order to correctly identify the table and the appropriate client balances to finalize electronic card payments.

TMC provides wireless EMV Chip and PIN "pay-at-the-table" credit and debit card processing software and hardware solutions to Canadian merchants nationwide. Based in Markham, Ontario, TMC has deployed its payment software solutions through direct sales and strategic partnerships with the world's largest payment terminal manufacturers. TMC's solutions and services integrate directly with most of the leading restaurant POS applications world-wide. Because TMC's middle-ware product is POS solution agnostic, payment processing relationships can be achieved regardless of the POS solution employed by a particular restaurant. TMC's solutions can be marketed and deployed in the United States where the requirement for "pay-at-the-table" solutions is becoming a necessary part of restaurant operations due to the introduction of EMV Chip and PIN requirements and the credit card / merchant liability shift due to take place in October of 2015.

Paul Howell, CEO of HDX commented "TMC is a very important part of HDX's growth strategy. The TMC team has built "pay-at-the-table" solutions that are used in over two thousand Canadian locations and the consummation of our partnership could not come at a better time. This transaction bolsters our strategy of providing integrated payment solutions to new merchants and existing clients that already utilize HDX products and services. TMC's products give our sales team the ability to achieve payment processing relationships with restaurants that currently use competitive POS solutions. TMC's software, in conjunction with HDX's intellectual property and services, provides merchants with one-stop-shopping, one monthly payment, and one source for technical support of all of their retail technology solutions. TMC's business model supports HDX's ability to grow payment processing revenue, profitability, and TMC's recurring revenue model is very attractive to HDX. The opportunity for our Company to deploy "pay-at-the-table" solutions with payment processing contracts in the United States is enormous".

The need for more secure forms of payment processing in the United States has become abundantly clear in recent years. News regarding the theft of credit card account numbers and personal information has occurred multiple times. In 2013, between 40 and 70 million consumer credit card numbers were stolen from a large US retailer. In 2009, data from 130 million credit card holders was stolen from a large US credit card processor. In 2007, 90 million credit card accounts were compromised through security breaches at a major US retailer and the US government today continues to investigate a group of breaches at convenience stores, retailers, and airlines resulting in more than 190 million accounts being compromised.

In the United States there are 1.2 billion magnetic stripe cards in circulation, 15 million magnetic stripe POS terminals, and thousands of banking institutions managing electronic payments. As there are over 900,000 restaurants, the opportunity to provide "pay-at-the-table" technology, payment processing solutions, and integrated POS solutions is enormous.

Cardholder signatures are not a reliable method of identification and magnetic stripe data is easily copied, reproduced, and distributed. By the end of 1992, in order to address the problem of fraud related to magnetic-stripe credit cards, France converted all of the country's POS equipment and consumer credit cards to EMV Chip and PIN technology.

EMV ("Europay/MasterCard/Visa"), formed in 1993, manages the standards by which the world's POS solutions and ATM's ("Automated Teller Machine") meet security standards and achieve interoperability related to the acceptance of payment via chip based credit cards.

On March 31st 2011, Visa Canada, MasterCard Canada and their card issuing partners implemented a domestic card "Liability Shift" whereby the liability for fraudulent transactions shifted to merchants that had not implemented EMV Chip and PIN technology.

The major US credit card companies have announced that this Liability Shift will take place in October 2015 in the United States. This is an aggressive timeframe and the race to deploy solutions will be highly disruptive. Time-challenged merchants are advised to work with solution vendors that are experienced in facilitating EMV transaction processing.

Posera-HDX has developed and deployed POS software solutions at thousands of merchant locations in Europe and Canada and all of our software solutions have been EMV Chip and PIN enabled and certified for many years now. Because of the breadth and quality of our solution and service offerings, our Company is well positioned to take advantage of the market opportunity presented in the United States.

One of the Company's strengths has been its ability to integrate and build on acquisitions both to build our customer base, and to acquire superior technologies that can be used by our entire customer base. The Company is dedicated to providing end-to-end solutions for POS, Payments Processing, Enterprise Management, Client Loyalty, and Site Security.

About HDX

HDX is in the business of managing merchant transactions with consumers and facilitating payment. The Company develops and deploys touch screen POS system software and associated enterprise management tools and has developed and deployed numerous POS applications. Posera-HDX also provides system hardware integration services, merchant staff training, system installation services, and post-sale software and hardware support services.

Zomaron, a wholly owned division of HDX, provides credit card and debit card payment processing solutions through its sales force of over 170 agents and grew its merchant base by more than 35% in 2014.

HDX leading edge technology also includes prepaid stored value payments solutions, customer self-serve kiosks and "line buster" mobile POS terminals. These products have been designed to dramatically enhance customer throughput and drastically reduce customer queues. These technologies are especially effective in high foot traffic environments that have limited cash register counter space, limited retail square footage, and the absence of a drive through.

HDX develops, deploys, and supports a restaurant POS software known as "Maitre'D" which has been deployed in over 20,000 locations worldwide in eight different languages. The Company sells and services its clients directly, as well as through a network of approximately 100 value added reseller partners in 25 countries. HDX has offices in Toronto, London, Brantford, Mississauga, Seattle, Montreal, Glasgow (U.K.), and Paris (France).

SOURCE Posera-HDX

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For further information: To find out more about Posera-HDX Ltd., visit our websites at www.hdxsolutions.com, www.maitredpos.com, www.zomaron.com and www.terminalmanagement.ca.

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