MANAGEMENT'S DISCUSSION AND ANALYSIS
Three-months ended September 30, 2015
Dated: November 13th, 2015

This Management's Discussion and Analysis ("MD&A") for the three months ended September 30th, 2015 (third quarter of fiscal 2015) provides detailed information on the operating activities, performance and financial position of Posera-HDX Limited ("POSERA" or the "Company"). This discussion should be read in conjunction with the Company's unaudited condensed consolidated interim financial statements and accompanying notes for the third quarter of fiscal 2015. The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars. The information contained herein is dated as of November 13th, 2015, and is current to that date, unless otherwise stated.

This MD&A discusses the three-months ending September 30, 2015, compared to June 30, 2015 and September 30, 2014. For an analysis of the nine-months ending September 30, 2015 compared to September 30, 2014, please read this MD&A in conjunction with the MD&A for the three-months ending June 30, 2015 and the three and nine-months ending September 30, 2014.

The management discussion and analysis is the responsibility of management. The Board of Directors carries out its responsibility for the review of this disclosure directly and through its audit committee comprised exclusively of independent directors. The audit committee reviews and prior to publication, approves, pursuant to the authority delegated to it by the Board of Directors, this disclosure.

The Company reports its financial results in Canadian dollars and under International Financial Reporting Standards ("IFRS"). References herein to "POSERA", "the Company", "we" and "our" mean Posera-HDX Limited

Additional information relating to the Company is available on SEDAR at www.sedar.com, and on the Company's web-site at www.posera.com.

FORWARD LOOKING STATEMENTS

This MD&A includes certain forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with our business and the environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend" and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts, but reflect the Company's current expectations regarding future results or events. These forward-looking statements are based on a number of estimates and assumptions, including those which are identified in the "Critical Accounting Estimates and Judgments" section herein, and are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under "Risks and Uncertainties" herein, as well as the risks and uncertainties detailed in our Annual Information Form which was filed on March 31, 2015 with the regulatory authorities.

NON-IFRS REPORTING MEASURES

Management reports on certain Non-IFRS measures to evaluate performance of the Company. Non-IFRS measures are also used to determine compliance with debt covenants and manage the capital structure. Because non-IFRS measures do not generally have a standardized meaning, securities regulations require that non-IFRS measures be clearly defined and qualified, and reconciled with their nearest IFRS measure. The Canadian Institute of Chartered Accountants (CICA) Canadian Performance Reporting Board has issued guidelines that define standardized earnings before interest, taxes, depreciation and amortization (EBITDA).

EBITDA, Normalized EBITDA, Working Capital or Debt to Equity Ratio are not calculations based on IFRS. EBITDA should not be considered an alternative to net income or comprehensive income in measuring the Company's performance, nor should it be used as an exclusive measure of cash flow. POSERA reports EBITDA, Normalized EBITDA, Working Capital and Debt to Equity Ratio because they are key measures that management uses to evaluate performance of the Company, and because the Company feels that these Non-IFRS measures provide important information about the Company. EBITDA is a measure commonly reported and widely used by investors as an indicator of a company's operating performance and ability to incur and service debt, and as a valuation metric. While EBITDA has been disclosed herein to permit a more complete comparative analysis of the Company's operating performance and debt servicing ability relative to other companies, investors are cautioned that EBITDA as reported by POSERA may not be comparable in all instances to EBITDA as reported by other companies.

<u>Non-IFRS reporting definitions:</u>

EBITDA: POSERA's management defines EBITDA as Net Income before interest expense, interest income, income taxes (excluding certain investment tax credits and other government assistance), amortization of capital and intangible assets, realized and unrealized exchange gain or loss, impairments and gains or losses on held for trading financial instruments, and other gains or losses on disposition of assets or extinguishment of liabilities;

Normalized EBITDA: POSERA's management defines Normalized EBITDA as EBITDA above less certain one-time non-recurring expenditures, and non-cash stock-based compensation expense;

Working Capital: POSERA's management defines Working Capital as its current assets less current liabilities excluding the conversion option value.

Debt to Equity Ratio: POSERA management defines Debt to Equity Ratio as Debt (i.e. notes payable, vehicle loans and bank indebtedness) as a percentage of shareholder's equity.

NON-IFRS REPORTING MEASURES (continued)

Reconciliation to Net Loss: There is a reconciliation for each of the Non-GAAP reporting measures to their nearest IFRS equivalent under the heading "Reconciliation of Non-IFRS measures to their Closest IFRS equivalent".

Recurring Revenue: Includes payment processing revenue and certain components of POS revenues as disclosed on the statement of operations. These include POS support and maintenance contracts, POS referral revenue sharing arrangements and other recurring revenue agreements.

Comparative Figures:

Certain prior period comparative figures have been restated to conform to the consolidated financial statements presentation adopted under IFRS. All comparative figure adjustments have been discussed in the management discussion and analysis for the three and nine-months ending September 30, 2015.

Financial Highlights and Summary - Three-months ended September 30, 2015 (Unaudited)

(*This section acts merely as a summary; the detailed analysis is discussed in the "Comparison of the Unaudited three-months ended September 30, 2015, September 30, 2014 and June 30, 2015".)*

- Revenues and earnings for the combined entity for the three months-ended September 30, 2014 include no results of operations for the acquired entity Terminal Management Concepts Ltd. ("TMC") which was acquired on December 31st, 2014, whereas revenues and earnings for the three-months ended June 30, 2015 and September 30, 2015 include the operations for the full quarterly reporting period for TMC;
- Recurring revenue for the three-months ended September 30, 2015 was $2,297,833, an increase of $447,799 (24.2%) from recurring revenue of $1,850,034 for the three-months ended September 30, 2014, and an increase of $154,518 (7.2%) from recurring revenue of $2,143,315 for the three-months ended June 30, 2015;
- Net loss for the three-months ended September 30, 2015 was a loss of $838,406, an increase in the loss of $638,176 (318.8%) from a loss of $200,176 for the three-months ended September 30, 2014, and an increase in the loss of $192,495 (29.8%) from a loss of $645,911for the three-months ended September 30, 2015;
- EBITDA loss for the three-months ended September 30, 2015, was $367,925, an increase in the loss of $352,102 (2,225.3%) from a loss of $15,823 for the three-months ended September 30, 2014, and an increase in the loss of $194,892 (112.6%) from a loss of $173,033 for the three-months ended June 30, 2015;
- Normalized EBITDA loss for the three-months ended September 30, 2015 was $274,532, an increase in the loss of $193,774 (239.9%) from a loss of $80,758 for the three-months ended September 30, 2014, and an increase in the loss of $149,489 (119.6%) from a loss of $125,043 for the three-months ended June 30, 2015;
- Total revenue was $5,072,822 for the three-months ended September 30, 2015, up $397,117 (8.1%) from $4,693,705 for the three-months ended September 30, 2014 and down $211,734 (4.0%) from $5,284,556 for the three-months ended June 30, 2015;
- Gross profit was $2,139,797 for the three-months ended September 30, 2015, up $36,739 (1.7%) from $2,103,058 for the three-months ended September 30, 2014, and down $69,956 (3.2%) from $2,209,753 for the three-months ended June 30, 2015;
- Included in cost of sales and operating expenses for the three-months ended September 30, 2015, September 30, 2014 and June 30, 2015 were certain one-time non-recurring expenditures, non-cash amortization of intangible assets and property plant and equipment and non-cash stock-based compensation expense totaling $426,487, $216,574 and $402,781 respectively;
- POSERA's cash and cash equivalents totaled $2,596,178 as at September 30, 2015, an increase of $703,086 (37.1%) from $1,893,092 as at September 30, 2014, and a decrease of $946,417 (26.7%) from $3,542,595 as at June 30, 2015. Bank indebtedness was $239,999 as at September 30, 2015, an increase of $32,902 (15.9%) compared to $207,097 as at September 30, 2014, and a decrease of $11 (0.0%) compared to $240,010 as at June 30, 2015; and
- POSERA's working capital totaled $1,757,835 as at September 30, 2015, an increase of $385,514 (28.1%) from $1,372,321 as at September 30, 2014, and a decrease of $509,144 (22.5%) from $2,266,979 as at June 30, 2015.

POSERA's BUSINESS

For more than 30 years, Posera has been supporting merchant business success in the hospitality industry. A TSX company trading under the symbol "PAY", POSERA is in the business of managing merchant transactions with consumers and facilitating all aspects of the payment transaction. POSERA's Maitre 'D™ and Fingerprints™ Point-of-Sale ("POS") solutions are trusted by the top fine dining and quick-service hospitality brands around the world.

POSERA's POS system software solutions, associated enterprise management tools and debit / credit payment terminals have been deployed in 25 countries in 8 different languages in over 30,000 merchant locations worldwide. POSERA's direct sales force is bolstered by a global dealership network of approximately 80 resellers which translates to approximately 550 representatives selling, supporting and installing its software and related products and services. POSERA prides itself on its long and established track record of exceptional customer service and continued technological innovation. POSERA's success will continue to be driven by the Company's unwavering objective to ensuring the business success of its growing base of merchant clients.

In addition to POSERA's two marquee Point-of-Sale software solutions, the Company's full service offerings include integrated and non-integrated debit and credit processing, EMV compliant Pay-At-The-Table ("PATT") applications, system hardware integration services, merchant staff training, system installation services, and post-sale software and hardware customer support.

Composition of Revenues and Expenses

POSERA's revenue model includes revenues primarily from the following sources:

- **Revenue from the sale of software license agreements.** POS Software licensees and resellers contract with POSERA for the use of proprietary POS software.
- **Revenue from the sale of POSERA POS hardware.** Merchant licensees may purchase POS equipment from POSERA for installation at merchant.
- **Revenues from the provision of customer service contracts.** Merchants contract with POSERA for ongoing support and maintenance of their installed POS systems and other equipment.
- **Revenues from payments fees from merchants.** Merchants pay fees for the processing of debit and credit card payments transactions. The transaction fees are paid to a third party processor which remits residual income to the Company.
- **Revenue fees from the sale of software development services.** Merchants may hire POSERA to develop software applications to meet their POS and payment requirements.
- **Revenue from data and application hosting fees.** Merchants or other application service providers may contract with POSERA for data and application hosting services.
- **Services revenue from the delivery of consulting and system integration services.** Merchant licensees and merchants may hire POSERA to install and manage POS equipment, terminals and readers at merchant locations and provide other services as required.

POSERA's cost of sales consists primarily of the cost of POS system hardware, third party software and miscellaneous hardware and software which are purchased by POSERA for resale, and technology costs and operations and support costs directly incurred to earn revenue, including amortization. Technology costs consist primarily of personnel and related costs associated with POSERA technology development and maintenance, as well as external suppliers. Operations and support costs consist primarily of personnel and related costs associated with the ongoing operations and support of the POSERA business, fixed hosting costs, merchant implementation costs and certain consumer and merchant support costs.

POSERA's operating costs are broken down into the following two categories: (1) sales & marketing; and (2) general & administrative. Sales and marketing costs consist primarily of personnel and related costs associated with the ongoing sales and marketing functions, as well as brand development fees, media placement fees, trade show fees, advertising and other promotional expenses. General and administrative fees consist primarily of personnel and related costs associated with the Company's senior management, administrative, legal and finance functions, as well as professional fees and other general corporate expenses.

Stock-based compensation expense relates to charges for stock options granted to directors and employees.

Interest income on POSERA corporate funds consists primarily of interest income related to its invested cash and short-term investments. POSERA's policy is to invest its excess cash in short-term investment-grade interest bearing securities. Interest income fluctuates based upon the amount of funds available for investment and prevailing interest rates.

Interest expense relates to interest costs of vehicle loans and notes payable. The notes payable were either issued as a result of or acquired in the business combinations that POSERA has completed or as a result of a term promissory note. On the date of acquisition or issuance of the notes payable, POSERA fair-valued the notes payable acquired or issued, and as a result part of the interest expense included accretion of the fair-value increment of the notes payable acquired or issued.

Growth Strategy and Future Outlook

POSERA will continue to innovate to meet the needs of an ever changing hospitality and technology environment. Above all else, POSERA will continue to focus on meeting the needs of both its existing merchant client base and those of new clients. To this end, the Company will continue to improve on its core POS offerings in the form of new product releases that are focused on improving the business success of its clients. POSERA will also continue to seek out new peripheral products that serve to broaden its suite of products and, in so doing, further deepen and strengthen the Company's' client relationships.

As a recognized customer service leader to the hospitality industry, POSERA will continue to refine and improve upon the customer service that its merchant clients have come to expect. To this end, the company has initiated a project to streamline its customer service offering in 2016 with the objective of not only improving its level of service, but doing so more efficiently. POSERA's customers are priority number one and enhancing the customer experience is paramount to the Company's growth strategy.

POSERA will continue to identify vertical market segments and specific customer groupings that are ideal customers for POSERA's technology, assigning the appropriate sales force personnel to communicate with prospective clients. Additionally, POSERA will continue to expand its direct sales and reseller network to market its POS and related products and technology more effectively.

The Company will continue to build on its revenue model of stable, predictable recurring revenue streams. These include payment processing revenues, POS support and maintenance contracts and POS referral revenue sharing arrangements.

Finally, POSERA will continue to selectively assess acquisition opportunities to strengthen its market position and augment its growth. The evaluation of potential acquisitions will include whether the target company has technology or services that extend the Company's core capabilities, has a complementary customer base and has a compatible corporate culture.

Critical Accounting Estimates and Judgments

This MD&A should be read in conjunction with the Company's audited Consolidated Financial Statements for the years-ended December 31, 2014 and 2013, including the notes thereto, in particular Note 2. POSERA's consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards, while the condensed consolidated interim financial statements are prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting, collectively referred to as ("**IFRS**"). The Consolidated Financial Statements for the years-ended December 31, 2014 outline the accounting principles and policies used to prepare our financial statements. Accounting policies are critical if they rely on a substantial amount of judgment in their application or if they result from a choice between accounting alternatives and that choice has a material impact on the reported results or financial position.

The Company has considered in determining its critical accounting estimates, trends, commitments, events or uncertainties that it reasonably expects to materially affect the methodology or assumptions, subject to the items identified in the Caution regarding forward-looking statements section of this MD&A.

Critical accounting judgments

The preparation of annual consolidated financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The following are the significant accounting judgments that were made in the preparation of the financial statements:

Cash-generating units ("CGU"s)

In testing for impairment of certain assets that do not have independent cash inflows, the Company is required to group non-goodwill long-lived assets into CGUs which is the lowest level of assets that produce cash inflows which are independent of other assets. Goodwill is allocated to each CGU, or groups of CGUs, that is expected to benefit from the synergies of the combination. Each unit or group of units to which goodwill is allocated represents the lowest level within the entity at which goodwill is monitored for internal management purposes and is not larger than an operating segment.

Functional currency of consolidated entities.

Under IFRS, each consolidated entity must determine its own functional currency, which becomes the currency that entity measures its results and financial position in. In determining the functional currencies of consolidated entities, the Company considered many factors, including the currency that mainly influences sales prices for goods and services, the currency of the country whose competitive forces and regulations mainly determine the sales prices, and the currency that mainly influences labour material and other costs for each consolidated entity.

Critical accounting estimates

The following are some of the estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year. Refer to Note 2 of the Annual Consolidated Financial Statement and MD&A for the years-ended December 31, 2014 and 2013 for a complete listing of the Company's critical accounting estimates.

a. *Intangible asset – September 30, 2015 - $2,866,683 (September 30, 2014 - $3,112,549, June 30, 2015 - $3,101,829) and Goodwill – September 30, 2015 - $7,904,851 (September 30, 2014 - $6,754,631, June 30, 2015 - $7,657,565)*
    - Critical estimates relate to the valuation of intangible assets and goodwill acquired in business combinations and the potential or actual impairment of intangible assets and goodwill as part of the CGU impairment testing.
    - See the detailed disclosure surrounding the estimates used in the December 31, 2014 annual consolidated financial statements and MD&A.
b. *Investment Tax Credits Receivable – non-refundable – September 30,2015 - $878,982 (September 30, 2014 - $1,067,101 June 30, 2015 - $966,463)*
    - *Management estimates that the non-refundable Investment Tax Credits receivable will be recoverable before expiry. See detailed disclosure surrounding the expiry dates for non-refundable Investment Tax Credits Receivable in* Note 3*. An annualized 2.50% decrease in the forecasted taxable income of the entity with the Non-Refundable Investment Tax Credits Receivable would not cause any of the tax credits to expire before use.*
    - *See the detailed disclosure surrounding the estimates used and sensitivity thereon in the December 31, 2014 annual consolidated financial statements and MD&A.*

The presentation of the below of Selected Financial Data is for the purposes of this management discussion and analysis. The 2014 and 2013 financial data below have been prepared and presented in accordance with International Financial Reporting Standards.

Selected Financial Data for the three months ended	**September 30, 2015**	**September 30, 2014**	**June 30, 2015**
Total revenue	$ 5,072,822	$ 4,693,705	$ 5,284,556
Recurring revenue	2,297,833	1,850,034	2,143,315
POS revenue	4,484,605	4,258,454	4,697,150
Payment processing revenue	588,217	435,251	587,406
Net loss	(838,406)	(205,808)	(645,911)
Income (loss) per share – basic and diluted	(0.01)	(0.00)	(0.01)
Weighted average number of shares outstanding (000's) - basic	75,838	59,359	71,702
Weighted average number of shares outstanding (000's) – diluted	75,838	59,359	72,508
Cash and cash equivalents	2,596,178	1,893,092	3,542,595
Bank indebtedness	239,999	207,097	240,010
Working capital (as outlined on Page 23 of this MD&A)	1,757,835	1,372,321	2,266,980
Total assets	19,618,850	18,185,542	20,225,212
Long-term liabilities	1,948,857	2,222,704	2,003,669
Total shareholders' equity	11,741,621	10,602,756	12,328,515

Comparison of the Unaudited Three-Months Ended

The table below sets out the unaudited statements of operations for the three-months ended June 30, 2015, June 30, 2014 and March 31, 2015.

Analysis of the Unaudited Quarterly Results	Q3-2015 (unaudited) $	Q3-2014 (unaudited) $	Q2-2015 (unaudited) $	Q3-2015 vs. Q3-2014 $	%	Q3-2015 vs. Q2-2015 $	%
Revenue							
POS	4,484,605	4,258,454	4,697,150	226,151	5.3%	(212,545)	(4.5%)
Payment processing	588,217	435,251	587,406	152,966	35.1%	811	0.1%
Total Revenue	**5,072,822**	**4,693,705**	**5,284,556**	**397,117**	**8.1%**	**(211,734)**	**(4.0%)**
Cost of Sales							
Cost of inventory	984,118	925,047	1,165,291	59,071	6.4%	(181,173)	(15.5%)
Technology	550,040	305,612	510,297	244,428	80.0%	39,743	7.8%
Operations and Support	1,398,867	1,359,988	1,399,215	38,879	2.9%	(348)	(0.0%)
Total Cost of Sales	**2,933,025**	**2,590,647**	**3,074,803**	**342,378**	**13.2%**	**(141,778)**	**(4.6%)**
Gross Profit	2,139,797	2,103,058	2,209,753	36,739	1.7%	(69,956)	(3.2%)
Gross Profit Percentage	42.2%	44.8%	41.8%		(5.8%)		1.0%
Operating Expenditures							
Sales and marketing	1,427,815	1,194.739	1,341,469	233,076	19.5%	86,346	6.4%
General and administrative	1,413,001	1,205,791	1,396,108	207,210	17.2%	16,893	1.2%
Total Operating Expenditures	**2,840,816**	**2,400,530**	**2,737,577**	**440,286**	**18.3%**	**103,239**	**3.8%**
	(701,019)	**(297,472)**	**(527,824)**	**(403,547)**	**135.7%**	**(173,195)**	**32.8%**
Other expenses (income)							
Interest expense	107,714	95,069	103,787	12,645	13.3%	3,927	3.8%
Realized and unrealized loss on foreign exchange	22,967	2,779	(2,568)	20,188	726.4%	25,535	(999.4%)
Interest and other income	(5,498)	(4,144)	(6,840)	(1,354)	32.7%	1,342	(19.6%)
	125,183	**93,704**	**94,379**	**31,479**	**33.6%**	**30,804**	**32.6%**
Net loss before income taxes	**(826,202)**	**(391,176)**	**(622,203)**	**(435,026)**	**111.2%**	**(203,999)**	**32.8%**
Current	124,368	17,516	188,829	106,852	610.0%	(64,461)	(34.1%)
Future	(112,164)	(208,516)	(165,121)	96,352	(46.2%)	52,957	(32.1%)
Net loss	**(838,406)**	**(200,176)**	**(645,911)**	**(638,230)**	**318.8%**	**(192,495)**	**29.8%**
Other comprehensive income	284,541	157,183	(43,130)	127,358	81.0%	327,671	(759.7%)
Comprehensive loss	**(553,865)**	**(42,993)**	**(689,041)**	**(510,872)**	**1,188.3%**	**135,176**	**(19.6%)**
Non-IFRS reporting measures(as outlined on Pages 20 – 22 of this MD&A):	(unaudited)	(unaudited)	(unaudited)				
Recurring Revenue	**2,297,833**	**1,850,034**	**2,143,315**	**447,799**	**24.2%**	**154,518**	**7.2%**
EBITDA	**(367,925)**	**(15,823)**	**(173,033)**	**(352,102)**	**(2,225.3%)**	**(194,892)**	**(112.6%)**
Normalized EBITDA	**(274,532)**	**(80,758)**	**(125,043)**	**(193,774)**	**(239.9%)**	**(149,489)**	**(119.6%)**

Comparison of the unaudited quarters ended September 30, 2015 and 2014 and June 30, 2015

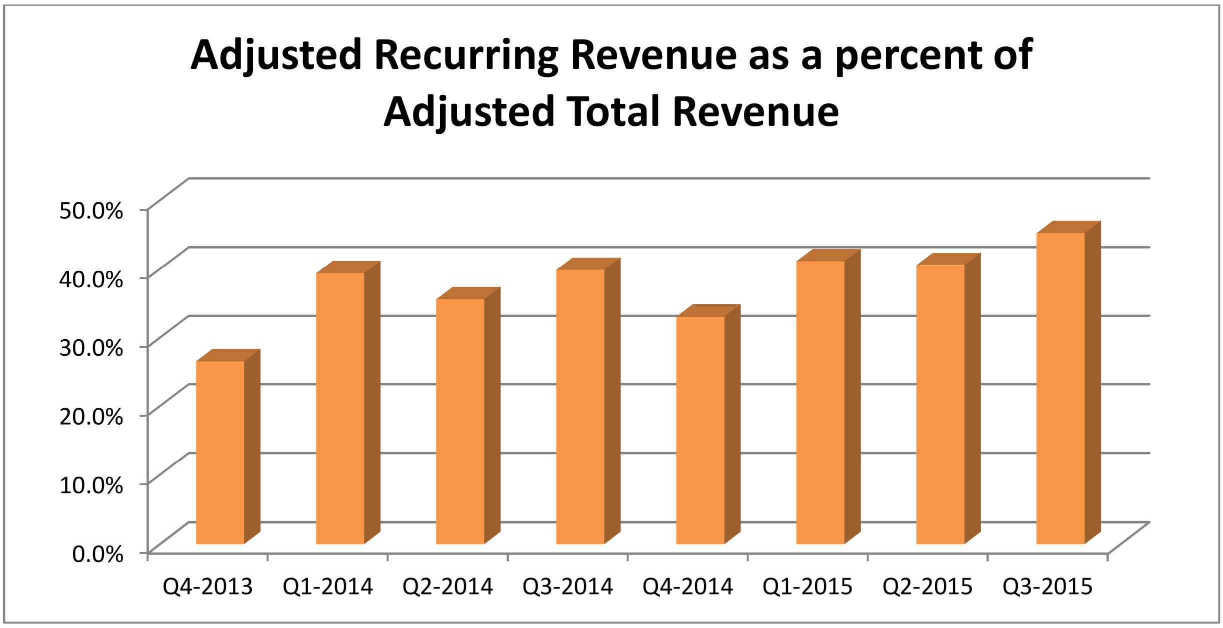
On December 31, 2014 the Company completed the acquisition of Terminal Management Concepts Ltd. (“TMC”). Other than transaction costs incurred by the Company, the acquisition of TMC did not have an impact on the Consolidated Statement of Operations and Comprehensive Income (Loss) for POSERA for the three-months ended September 30, 2014, whereas revenues and expenses were recorded for the three-months ended September 30, 2015 and June 30, 2015.

Recurring Revenue:

Recurring Revenue Comparisons September 30, 2015, September 30, 2014 and June 30, 2015

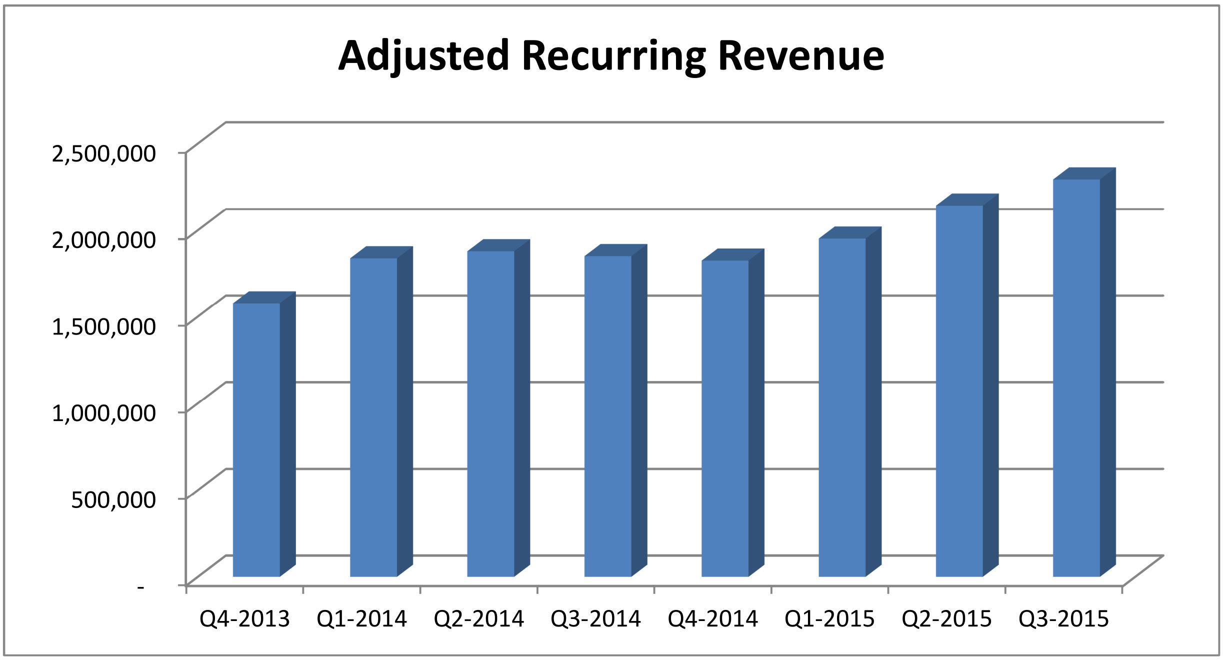
POSERA recognized recurring revenue of $2,297,833 for the three-months ended September 30, 2015 compared to $1,902,244 for the three-months ended September 30, 2014, representing an increase of $395,589 (20.8%), and compared to $2,143,315 for the three-months ended June 30, 2015, representing an increase of $154,518 (7.2%).

During the three-months ended December 31, 2014, there was a one-time adjustment to recurring revenue of $156,629, as a result of a tax assessment. Below the Company has presented a reconciliation of the adjustment applied rateably over the comparable quarters. POSERA recognized adjusted recurring revenue of $2,297,833 for the three-months ended September 30, 2015 compared to $1,850,034 for the three-months ended September 30, 2014, representing an increase of $447,799 (24.2%). Additionally, during the three-months ended September 30, 2015, the adjusted recurring revenue represented 45.6% of the adjusted total revenue for the Company, whereas during the three-months ended September 30, 2014, recurring revenue represented only 39.4% of adjusted total revenue. This has resulted in an increase of adjusted recurring revenue as a percentage of adjusted total revenue by 14.9%, which displays a higher quality of earning being generated by the Company as a proportion of total revenue.



Total Recurring Revenue Reconciliation	For the quarters ended		
	September 30, 2015	September 30, 2014	June 30, 2015
Total Recurring Revenue	**$ 2,297,833**	**$ 1,902,244**	**$ 2,143,315**
Less: One-time revenue adjustment(1)	-	(52,210)	-
Adjusted Total Recurring Revenue	**$ 2,297,833**	**$ 1,850,034**	**$ 2,143,315**

(1) During the three-months ended December 31, 2014, the Company incurred a one-time adjustment in recurring revenue, as a result of tax assessment, which transpired in the fourth quarter of 2014. The adjustment in recurring revenue resulted in a one-time decrease in recurring revenue of $156,629 for the three-months ended December 31, 2014. The Company applied the $156,629 rateably to the 2014 quarters to calculate the adjusted recurring revenue.



The Company continues to build on its recurring revenue model of stable, predictable recurring revenue streams. Recurring revenue will continue to benefit the Company as we focus on enhancing and growing these revenue streams. Recurring revenue is a Non-GAAP financial metric which includes payment processing revenue and certain components of POS revenues as disclosed on the statement of operations. These include POS support and maintenance contracts, POS referral revenue sharing arrangements and other recurring revenue agreements.

Revenue:

Revenue Comparisons September 30, 2015, September 30, 2014 and June 30, 2015

POSERA recognized total revenue of $5,072,822 for the three-months ended September 30, 2015 compared to $4,693,705 for the three-months ended September 30, 2014, representing an increase of $379,117 (8.1%), and compared to $5,284,556 for the three-months ended June 30, 2015, representing a decrease of $211,734 (4.0%). Below the Company has presented a reconciliation of the adjustment applied rateably over the comparable quarters.

Total Revenue Reconciliation	For the quarters ended		
	September 30, 2015	September 30, 2014	June 30, 2015
Total Revenue	**$ 5,072,822**	**$ 4,693,705**	**$ 5,284,556**
Less: One-time revenue adjustment(1)	-	(52,210)	-
Adjusted Total Revenue	**$ 5,072,822**	**$ 4,641,495**	**$ 5,284,556**

(1) During the three-months ended December 31, 2014, the Company incurred a one-time adjustment in revenue, as a result of tax assessment, which transpired in the fourth quarter of 2014. The adjustment in revenue resulted in a one-time decrease in revenue of $156,629 for the three-months ended December 31, 2014. The Company applied the $156,629 rateably to the 2014 quarters to calculate the adjusted total revenue.

Total revenue is comprised of two separate components, POS revenue and payment processing revenue.

Point-of-sale ("POS") revenue

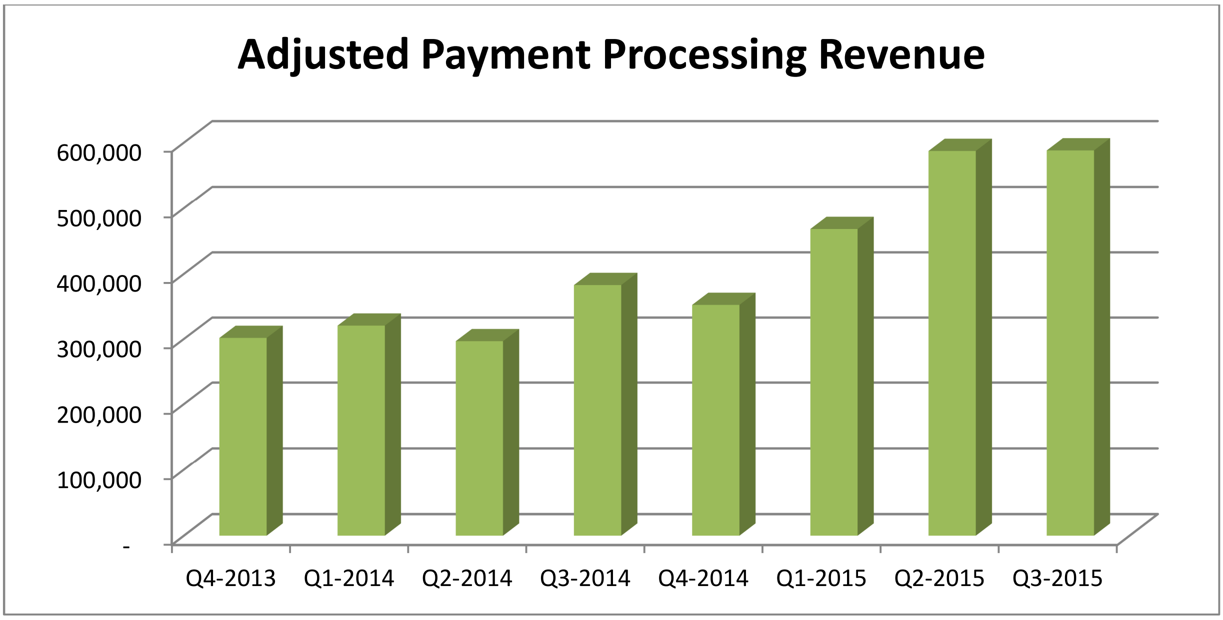
POS revenue for the three-months ended September 30, 2015 was $4,484,605, an increase of $226,151 (5.3%) and a decrease of $212,545 (4.5%) compared to the POS revenue for the three-months ended September 30, 2014 and June 30, 2015 of $4,258,454 and $4,697,150 respectively. The increase in POS revenues during the three-months ended September 30, 2015 compared to the three-months ended September 30, 2014 resulted primarily from increased sales of Maitre'D licenses and a growth in the sales of ancillary products through the direct and indirect sales channels. The decrease in POS revenues during the three-months ended September 30, 2015 compared to the three-months ended June 30, 2015 is primarily a seasonal fluctuation, where the seasonal results of the second quarter tend to be a stronger than the third quarter for the Company. This fluctuation is more pronounced with the Maitre'D POS solution as a result of fewer chain rollouts for the three-months ended September 30, 2015 when compared to the three-months ended June 30, 2015.

Payment processing revenue

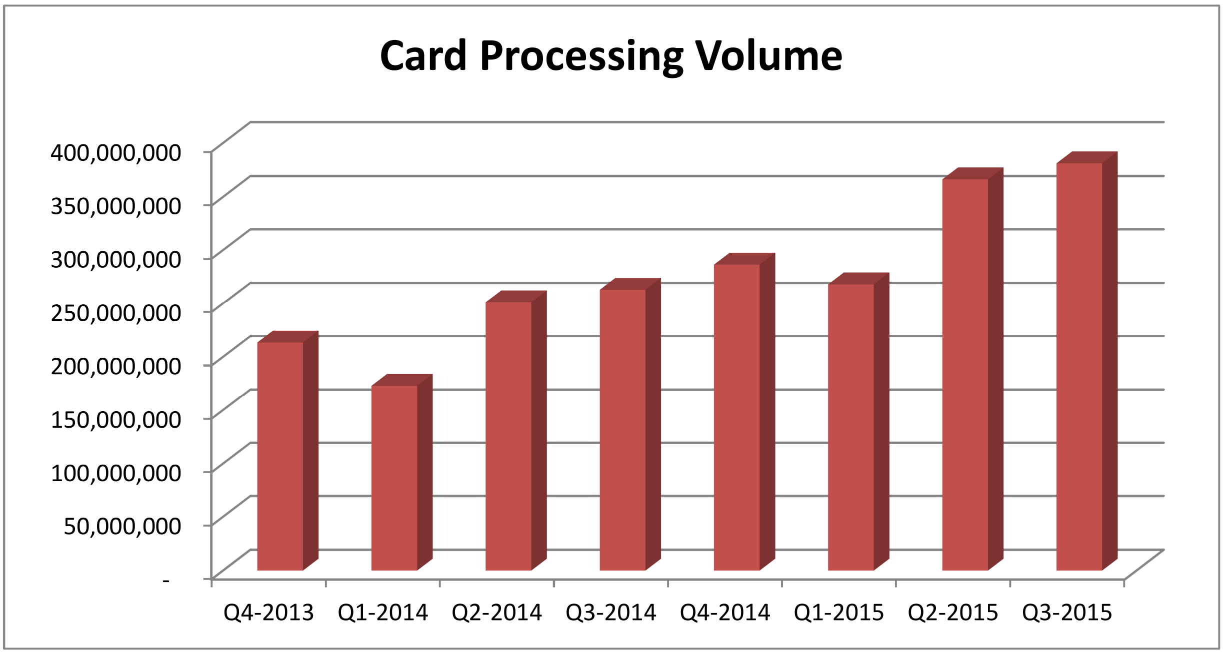
The Company recognized adjusted payment processing revenue for the three-months ended September 30, 2015 of $588,217, an increase of $152,966 (35.1%) and an increase of $811 (0.1%) compared to the adjusted payment processing revenue of $383,041 and $587,406 for the three-months ended September 30, 2014 and June 30, 2015 respectively. Below the Company has presented a reconciliation of the adjustment applied ratably over the comparable quarters.

Payment Processing Revenue Reconciliation	For the quarters ended		
	September 30, 2015	September 30, 2014	June 30, 2015
Total Payment Processing Revenue	**$ 588,217**	**$ 435,251**	**$ 587,406**
Less: One-time revenue adjustment(1)	-	(52,210)	-
Adjusted Payment Processing Revenue	**$ 588,217**	**$ 383,041**	**$ 587,406**

(1) During the three-months ended December 31, 2014, the Company incurred a one-time adjustment in revenue, as a result of tax assessment, which transpired in the fourth quarter of 2014. The adjustment in revenue resulted in a one-time decrease in revenue of $156,629 for the three-months ended December 31, 2014. The Company applied the $156,629 rateably to the 2014 quarters to calculate the adjusted total revenue.



The Company's merchant portfolio processed $381,130,443 in transactions for the three-months ended September 30, 2015 an increase of $118,168,749 (44.9%) and an increase of $14,884,102 (4.1%) compared to the three-months ended September 30, 2014 and June 30, 2015 respectively. The Company and its sales agent's continue to target higher volume customers during the three-months ended September 30, 2015 and June 30, 2015, which has resulted in the processing volumes increasing.



Additionally, the processing revenue per merchant for the three-months ended September 30, 2015 was $171.49 compared to $139.24 and $178.91 for the three-months ended September 30, 2014 and June

30, 2015 respectively, representing an increase of $32.25 (23.2%) and a decrease of $7.42 (4.1%) per merchant during the comparable periods. Aside from the increase in fees paid to sales agents, the increase in processing revenue per merchant will result in increased margins for the Company, as the costs associated with servicing each merchant is relatively fixed.

Finally, during the latter half of fiscal 2014, the Company's processing partner became a first market mover in the processing industry to require merchants to adhere to Payment Card Industry ("PCI") security standards. As a result the payment processing division and its agents spent a significant amount of time training up existing merchants to allow them to become PCI compliant. As a result the sales agents focus for a period of time was on customer support rather than new customer acquisitions. Additionally, certain smaller merchants chose to change providers so as to avoid the PCI requirements until mandated by other processors in the industry, which will likely take place in fiscal 2015 and 2016. Therefore new merchant acquisitions continues to grow consistently with past growth, whereas merchant attrition for the three-months ended March 31, 2015 was higher than in the past as a result of PCI. The Company noticed that during the three-months ended June 30, 2015 and September 30, 2015, which the attrition of merchants due to PCI has not persisted to any great extent and is not expected to do so in the future. Additionally, when PCI becomes the industry standard in Canada, the Company believes that with already requiring its merchant portfolio to adhere to PCI standards, that this knowledge and experience can be leveraged to transition many potential new merchants through the PCI compliance process.

Cost of Sales:

Cost of Sales Comparisons September 30, 2015, September 30, 2014 and June 30, 2015

POSERA recognized cost of inventory of $984,118 (19.4% of total revenues) for the three-months ended September 30, 2015, compared to $925,047 (19.7% of total revenues) for the three-months ended September 30, 2014 and $1,165,291 (22.1% of total revenues) for the three-months ended June 30, 2015. The changes in the cost of inventory as a percentage of revenue is a result of a change in product mix between the respective periods. The cost of sales as a percentage of revenue was relatively consisted for the three-months ended September 30, 2015, September 30, 2014 and June 30, 2015.

Technology expense

Technology expenses in the three-months ended September 30, 2015 were $550,040, an increase of $244,428 (80.0%) from $305,612 in the three-months ended September 30, 2014 and a decrease of $39,743 (7.8%) from $510,297 in the three-months ended June 30, 2015.

Technology Expense Reconciliation	**For the quarters ended**		
	September 30, 2015	**September 30, 2014**	**June 30, 2015**
Technology expense	**$ 550,040**	**$ 305,612**	**$ 510,297**
Less: Amortization of intangible assets	121,958	94,108	115,972
Adjusted technology expense	**$ 428,082**	**$ 211,504**	**$ 394,325**

Included in the technology expense for the three-months ended September 30, 2015, September 30, 2014 and June 30, 2015 is amortization of technology intangible assets, totaling $121,958, $94,108 and $115,972 respectively. Excluding the non-cash intangible asset amortization, POSERA`s technology expenses for the three-months ended September 30, 2015, September 30, 2014 and June 30, 2015 would have been $428,082, $211,504, and $394,325 respectively.

The adjusted technology expense remained relatively consistent during the three-months ended September 30, 2015 compared to the three-months ended June 30, 2015, as a result of no significant changes in headcount or other key technology expense factors.

The adjusted technology expense increased during the three-months ended September 30, 2015 compared to the three-months ended September 30, 2014, as a result of the additional developers that the Company acquired through the TMC acquisition, which closed on December 31, 2014. Therefore, TMC’s development costs were not included in the comparable three-months ended September 30, 2014, where they were included for the three-months ended September 30, 2015 and June 30, 2015. During the three-months ended September 30, 2015 and June 30, 2015 the Company had fewer projects which qualified for refundable Scientific Research and Experimental Development (“SR&ED”) credits, when compared to the three-months ended September 30, 2014. These two changes represent the balance of the recorded change between the comparable reporting periods.

Operations and support expense

Operations and support expenses were $1,398,867 in the three-months ended September 30, 2015; an increase of $38,879 (2.9%) from $1,359,988 in the three-months ended September 30, 2014, and a decrease of $348 (0.0%) from $1,399,215 in the three-months ended June 30, 2015. The operations and support expenses remained relatively consistent as the employee headcount and other operations and support expenditures remained relatively consistent between all of the comparable quarters after normalizing for the Terminal Management Concepts Ltd. (“TMC”) transaction that was completed in December, 2014.

Operating Expenditures:

POSERA recognized operating expenditures of $2,840,816 for the three-months ended September 30, 2015 compared to $2,400,530 for the three-months ended September 30, 2014, and $2,737,577 for the three-months ended June 30, 2015.

Included in operating expenses for the three-months ended September 30, 2015, September 30, 2014 and June 30, 2015 are one-time expenditures relating to corporate and acquisition related legal expenses, acquisition search firms, valuation work performed and additional accounting, tax and audit related costs, totaling $87,957, ($100,683) and $42,554 respectively. Excluding these one-time expenditures, POSERA`s operating expenditures for the three-months ended September 30, 2015, September 30, 2014 and June 30, 2015, would have been $2,752,859, $2,501,213, and $2,695,023 respectively.

Sales and marketing expense

Sales and marketing expenses were $1,427,815 in the three-months ended September 30, 2015 an increase of $233,076 (19.5%) from $1,194,739 in the three-months ended September 30, 2014, and an increase of $86,346 (6.4%) from $1,341,469 in the three-months ended June 30, 2015. The sales and marketing expense has been adjusted below for the amortization of intangible assets for each of the comparative periods.

Sales and Marketing Expense Reconciliation			
	September 30, 2015	**September 30, 2014**	**June 30, 2015**
Sales and marketing expense	**$ 1,427,815**	**$ 1,194,739**	**$ 1,341,469**
Less: Amortization of intangible assets	164,799	143,746	169,612
Adjusted sales and marketing expense	**$ 1,263,016**	**$ 1,050,993**	**$ 1,171,857**

The adjusted sales and marketing expenses increased for the three-months ended September 30, 2015 compared to the three-months ended September 30, 2014 due to an increased amount of fees paid to agents which has resulted from the 35.1% increase in payment process revenues. Additionally, the Company has hired additional sales representatives to stimulate more growth for POSERA. The adjusted sales and marketing expenses increased for the three-months ended September 30, 2015 compared to the three-months ended June 30, 2015 due to higher proportion of commissions paid to sales agents, specifically for the sale of payments terminals. The amount of fees paid to agents remained relatively consistent between the three-month ended September 30, 2015 and June 30, 2015 comparable periods.

General and administrative expense

General and administrative expenses were $1,413,001 in the three-months ended September 30, 2015; a decrease of $207,210 (17.2%) from $1,205,791 in the three-months ended September 30, 2014, and a decrease of $16,893 (1.2%) from $1,396,108 in the three-months ended June 30, 2015.

General and Administrative Expense Reconciliation			
	September 30, 2015	**September 30, 2014**	**June 30, 2015**
General and administrative expense	**$ 1,413,001**	**$ 1,205,791**	**$ 1,396,108**
Less: Stock-based compensation expense	5,436	35,608	5,436
Less: Amortization of intangible assets and PP&E	46,338	43,795	69,206
Less: One-time expenditures	87,957	(100,683)	42,554
Adjusted general and administrative expense	**$ 1,273,270**	**$ 1,227,071**	**$ 1,278,912**

Included in general and administrative expenses for the three-months ended September 30, 2015, September 30, 2014 and June 30, 2015 was non-cash stock-based compensation expense and amortization of intangible assets and PP&E of $51,774, $79,403 and $74,642 respectively. Additionally, included in general and administrative expenses for the three-months ended September 30, 2015, September 30, 2014 and June 30, 2015 are one-time expenditures of $87,957, ($100,683) and $42,554 respectively. Excluding these non-cash expenses and the one-time expenditures above, POSERA's adjusted general and administrative expenses for the three-months ended September 30, 2015, September 30, 2014 and June 30, 2015, would have been $1,273,270, $1,227,071 and $1,278,912 respectively.

After normalizing for the additional expenditures incurred by TMC in relation to general and administrative expenditures, the adjusted general and administrative expenditures for the three-months ended September 30, 2015, September 30, 2014 and June 30, 2015 the reporting periods were relatively consistent.

Other Expense and Income:

Interest expense is comprised primarily of interest expense incurred on long-term obligations, including the convertible debentures issued as part of the Posera Inc. 2010 acquisition and a financing completed in January, 2014. Interest expense for the three-months ended September 30, 2015 was $107,714 an increase of $12,645 (13.3%) and $3,927 (3.8%) from $95,069 and $103,787 for the three-months ended September 30, 2014 and June 30, 2015 respectively. The interest expense between all of the comparable three-month ended periods are relatively consistent, as the Company continues to pay off the principal balance in the debt obligations on the balance sheet which incur interest expense.

Realized and unrealized (gain) loss on foreign exchange is comprised primarily of the loss(gain) ~~loss~~ on the foreign denominated convertible debenture and net assets denominated in foreign currencies. As a result of the decrease in the CAD, relative to the USD, the carrying amount of the convertible debenture liability (in CAD) has increased, resulting in a loss during the three-months ended September 30, 2015.

Additionally, the net assets denominated in foreign currencies incurred a gain during the three-months ended September 30, 2015 as a result of a increase of the value of the source currency when translated into the functional currency. The fluctuations in the realized and unrealized (gain) loss on foreign exchange has impacted the three comparable reporting periods, September 30, 2015, September 30, 2014 and June 30, 2015. The impact to income is predicated on the foreign exchange movements in net assets denominated in a currency other than the functional currency and the revelation of the convertible debenture from USD to CAD.

Interest and other income is comprised primarily of interest earned from the investing of POSERA's corporate funds. The interest earned remained relatively consistent between the three-months ended September 30, 2015, September 30, 2014 and June 30, 2015, as the interest rates earned, and balances deposited remained relatively consistent.

Segment Analysis

Operating Segments			
	Revenue for the three-months ended		
	September 30, 2015	September 30, 2014	June 30, 2015
POS	$ 4,019,962	$ 3,809,907	$ 4,273,622
Payment processing	1,053,585	885,636	1,011,938
Intersegment	(725)	(1,838)	(1,005)
Total revenue	**$ 5,072,822**	**$ 4,693,705**	**$ 5,284,556**
	Operating profit for the three-months ended (1)		
	September 30, 2015	September 30, 2014	June 30, 2015
POS	$ (67,517)	$ 63,621	$ 40,439
Payment processing	(77,257)	(44,102)	(18,596)
Intersegment	-	-	-
Total profit	**$ (139,774)**	**$ 19,519**	**$ 21,843**

(1) Operating profit is earnings before corporate headquarters operating expenditures, interest earnings and expense, taxes, amortization, foreign exchanges losses and gains and realized currency translation gains and losses.

<u>Revenue</u>

For the three-months ended September 30, 2015, POS revenue increased $210,055 (5.5%) and decreased $253,660 (5.9%) when compared to the three-months ended September 30, 2014 and June 30, 2015 respectively. POS revenues increased marginally compared to the three-months ended September 30, 2014, primarily due to increased sales of Maitre'D licenses and a growth in the sales of ancillary products through the direct and indirect sales channels. POS revenues decreased compared to the three-months ended June 30, 2015, as a result of the seasonal fluctuation, where the seasonal results of the second quarter tend to be a stronger than the third quarter for the Company. This fluctuation is more pronounced with the Maitre'D POS solution as a result of fewer chain rollouts for the three-months ended September 30, 2015 when compared to the three-months ended June 30, 2015.

For the three-months ended September 30, 2015, payment processing revenue increased $167,949 (19.0%) and increased $41,647 (4.1%) when compared to the three-months ended September 30, 2014 and June 30, 2015 respectively. Payment processing revenues for the three-months ended September 30, 2015 increased compared to the three-months ended September 30, 2014 and June 30, 2015, as a result of the Zomaron business unit continuing to grow their merchant base resulting in an increased number of payment processing transactions and the dollar value of transactions being processed.

<u>Operating Profit</u>

For the three-months ended September 30, 2015, POS operating profit decreased $131,138 (206.1%) and decreased $107,956 (267.0%) when compared to the three-months ended September 30, 2014 and June 30, 2015 respectively. For the three-months ended September 30, 2015, payment processing operating profit decreased $33,155 (75.2%) and decreased $58,661 (315.4%) compared to the three months ended September 30, 2014 and June 30, 2015 respectively.

Summary of Unaudited Quarterly Results

The following table sets forth unaudited statements of operations data for the eight most recent quarters ended September 30, 2015 as prepared in accordance with IFRS and certain Non-IFRS measurements. The information has been derived from our unaudited quarterly financial statements that, in management's opinion, have been prepared on a basis consistent with the audited financial statements for the years ended December 31, 2014 and 2013 and include all adjustments necessary for a fair presentation of information presented. The Earnings (Loss) Per Share – Basic and Diluted per quarter may not aggregate to the Earnings (Loss) Per Share – Basic and Diluted in the annual financial statements due to rounding.

	2015			2014
	Q3	Q2	Q1	Q4
Total revenue	$ 5,072,822	$ 5,284,556	$ 4,746,061	$ 5,364,531
Recurring revenue	$ 2,297,833	$ 2,143,315	$ 1,951,564	$ 1,824,257
POS revenue	$ 4,484,605	$ 4,697,150	$ 4,277,878	$ 5,169,119
Payment processing revenue	$ 588,217	$ 587,406	$ 468,183	$ 195,412
EBITDA(1)	$ (367,925)	$ (172,033)	$ (648,020)	$(441,076)
Normalized EBITDA(1)	$ (274,532)	$ (125,043)	$ (563,221)	$ 65,014
Net Income (Loss)	$ (838,406)	$ (645,911)	$ (1,118,878)	$ (593,788)
Comprehensive Income (Loss)	$ (553,865)	$ (688,041)	$ (800,209)	$ (482,212)
Earnings (Loss) Per Share Basic	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.01)
Earnings (Loss) Per Share Diluted	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.01)

	2014			2013
	Q3	Q2	Q1	Q4
Total revenue	$ 4,693,705	$ 5,334,590	$ 4,721,624	$ 5,940,741,
Recurring revenue	$ 1,850,034	$ 1,878,292	$ 1,837,473	$ 1,577,380
POS revenue	$ 4,258,454	$ 4,933,515	$ 4,348,770	$ 5,787,056
Payment processing revenue	$ 435,251	$ 401,075	$ 372,854	$ 153,685
EBITDA(1)	$ (15,823)	$ (177,086)	$ (154,340)	$ 650,683
Normalized EBITDA(1)	$ (170,889)	$ 393,246	$ (209,841)	$ 657,029
Net Income (Loss)	$ (200,176)	$ (627,569)	$ (438,985)	$ 360,773
Comprehensive Income (Loss)	$ (42,993)	$ (607,547)	$ (450,624)	$ 363,540
Earnings (Loss) Per Share Basic	$ (0.00)	$ (0.01)	$ (0.01)	$ 0.01
Earnings (Loss) Per Share Diluted	$ (0.00)	$ (0.01)	$ (0.01)	$ 0.01

(1) See EBITDA and Normalized EBITDA reporting measures (as outlined on Pages 20 – 22 of this MD&A)

Reconciliation of Unaudited Non-IFRS measures to Closest IFRS Equivalent

Net Loss to EBITDA and Normalized EBITDA	**2015**			**2014**
	Q3	Q2	Q1	Q4
Net Loss	**$ (838,406)**	**$ (645,911)**	**$ (1,118,878)**	**$ (593,788)**
Interest expense	107,714	103,787	93,137	118,917
Exchange loss (gain)	22,967	(2,568)	(11,946)	27,578
Interest and other income	(5,498)	(6,840)	(2,795)	(4,341)
Amortization of equipment	23,513	21,692	24,658	23,495
Amortization of intangible assets	309,581	333,099	317,998	263,627
Tax provision (recovery)	12,204	23,7048	49,806	(276,564)
EBITDA	**$ (367,925)**	**$ (173,033)**	**$ (648,020)**	**$ (441,076)**
One-time non-recurring expenditures and (recoveries)	87,957	42,554	79,363	187,409
One-time revenue adjustment[2]	-	-	-	156,629
Stock-based compensation expense	5,436	5,436	5,436	15,871
Investment tax credits receivable – reassessment[1]	-	-	-	146,181
Normalized EBITDA[3]	**$ (274,532)**	**$ (125,043)**	**$ (563,221)**	**$ 65,014**

(1) During the three-months ended December 31, 2014, the Company incurred a one-time change in estimate of the Company's investment tax credits receivable, which transpired as a result of a review of the projects eligible for investment tax credits during the 2014 fiscal year. The change in estimate resulted in an increased one-time expenditure to the technology expense of $166,181 for the three-months ended December 31, 2014. The Company applied the $166,181 rateably to the 2013 quarters to calculate the Normalized EBITDA.

(2) During the three-months ended December 31, 2014, the Company incurred a one-time adjustment in revenue, as a result of tax assessment, which transpired in the fourth quarter of 2014. The adjustment in revenue resulted in a one-time decrease in revenue of $156,629 for the three-months ended December 31, 2014. The Company applied the $156,629 rateably to the 2014 quarters to calculate the adjusted total revenue.

(3) Comparative figures for the Normalized EBTIDA have been restated to conform to changes in estimates applied during fiscal 2014 and 2015, which has resulted in adjustments in the quarterly results in the fiscal periods of 2015 and 2014. These adjustments have been disclosed in the one-time expenditure adjustments throughout this MD&A.

Reconciliation of Unaudited Non-IFRS measures to Closest IFRS Equivalent (continued)

Net Loss to EBITDA and Normalized EBITDA	**2014**			**2013**
	Q2	Q2	Q1	Q4
Net Loss	**$ (200,176)**	**$ (627,569)**	**$ (438,985)**	**$ 360,773**
Interest expense	95,069	96,396	106,185	67,739
Exchange loss (gain)	2,779	179,389	(189,266)	(124,982)
Interest and other income	(4,144)	(5,525)	(4,086)	(2,919)
Gain on held for trading financial instruments	-	-	-	-
Amortization of equipment	23,071	22,927	22,722	17,581
Amortization of intangible assets	258,578	259,583	260,924	237,067
Tax provision (recovery)	(191,000)	(102,287)	88,166	164,208
Impairment of assets	-	-	-	(68,784)
EBITDA	**$ (15,823)**	**$ (177,086)**	**$ (154,340)**	**$ 650,683**
One-time non-recurring expenditures and (recoveries)	(100,683)	134,614	31,912	2,169
One-time revenue adjustment[4]	(52,210)	(52,210)	(52,210)	-
Stock-based compensation expense[3]	35,608	219,218	2,578	4,177
Investment tax credits receivable – reassessment[1], [2]	(37,781)	178,719	(37,781)	-
Normalized EBITDA[5]	**$ (170,889)**	**$ 303,255**	**$ (209,841)**	**$ 657,029**

(1) During the three-months ended June 30, 2014, the Company incurred a one-time change in estimate of the Company's investment tax credits receivable, which transpired as a result of a review of the projects eligible for investment tax credits during the 2013 fiscal year. The change in estimate resulted in an increased one-time expenditure to the technology expense of $216,500 for the three- months ended June 30, 2014. The Company applied the $216,500 rateably to the 2013 quarters to calculate the Normalized EBITDA.

(2) During the three-months ended December 31, 2014, the Company incurred a one-time change in estimate of the Company's investment tax credits receivable, which transpired as a result of a review of the projects eligible for investment tax credits during the 2014 fiscal year. The change in estimate resulted in an increased one-time expenditure to the technology expense of $166,181 for the three-months ended December 31, 2014. The Company applied the $166,181 rateably to the 2013 quarters to calculate the Normalized EBITDA.

(3) The Company incurred a stock-based compensation expense of $219,218, which has been adjusted to calculate the Normalized EBITDA for the three-months ended June 30, 2014. Of the $219,218 stock-based compensation expense booked for the three-months ended June 30, 2014, $163,750 of said expense was accrued by the Company on a straight-line basis of $32,750 per quarter for the five quarters commencing in the first quarter of 2013 to the first quarter 2014. These quarterly accrued expenses were not factored into the Normalized EBITDA for the prior quarters, as the settlement through the issuance of stock-based compensation had not been determined, and the Company had not yet granted the stock-based compensation.

(4) During the three-months ended December 31, 2014, the Company incurred a one-time adjustment in revenue, as a result of tax assessment, which transpired in the fourth quarter of 2014. The adjustment in revenue resulted in a one-time decrease in revenue of $156,629 for the three-months ended December 31, 2014. The Company applied the $156,629 rateably to the 2014 quarters to calculate the adjusted total revenue.

(5) Comparative figures for the Normalized EBTIDA have been restated to conform to changes in estimates applied during fiscal 2014, which has resulted in adjustments in the quarterly results in fiscal 2014 and fiscal 2013. These adjustments have been disclosed in the one-time expenditure adjustments throughout this MD&A.

Reconciliation of Unaudited Non-IFRS measures to Closest IFRS Equivalent (continued)

Equity to Working Capital			
	September 30, 2015	September 30, 2014	June 30, 2015
Equity	**$ 11,741,621**	**$ 10,602,756**	**$ 12,291,665**
Add: Long-term portion of notes payable	1,509,460	1,334,134	1,460,407
Add: Long-term portion of vehicle loans	96,512	154,877	109,428
Add: Future income tax liability	342,885	589,021	433,834
Less: Goodwill	(7,904,851)	(6,754,631)	(7,657,565)
Less: Intangible assets	(2,866,683)	(3,112,549)	(3,101,829)
Less: Long-term portion of investment tax credits receivable	(878,982)	(1,067,101)	(966,463)
Less: Long-term portion of lease receivable	(20,306)	(36,382)	(24,498)
Less: Deposit on leased premises	(39,581)	(39,580)	(39,583)
Less: Equipment	(222,240)	(298,224)	(238,417)
Working Capital	**$ 1,757,835**	**$ 1,372,321**	**$ 2,266,979**

Liquidity and Financial Resources

As at September 30, 2015, POSERA had cash and cash equivalents totaling $2,596,178 (September 30, 2014 - $1,893,092).

For the quarter-ended September 30, 2015 and 2014, provided by / (used in) operating activities was ($676,078) and ($387,122) respectively. Cash used in operations for the quarter-ended September 30, 2015 resulted from a net loss, changes in non-cash working capital items, deferred income tax recovery, which was offset by changes in non-cash working capital items, and by items not affecting cash such as amortization, interest accretion and stock-based compensation and unrealized gain / loss on foreign exchange. Cash used in operations for the quarter-ended September 30, 2014 resulted from a net loss, deferred income tax recovery and changes in non-cash working capital items, which was partially offset by items not affecting cash such as amortization, interest accretion and stock-based compensation.

For the quarters-ended September 30, 2015 and 2014, cash provided by / (used in) financing activities were ($279,240) and $21,694 respectively. Cash used in financing activities for the three-months ended September 30, 2015 resulted primarily from the repayments notes payable, vehicle loans and capital leases. Cash provided by financing activities for the three-months ended September 30, 2014 was a result of POSERA issuing a vehicle loan and proceeds received from the exercise of stock options, which was offset by repayments of the vehicle loans and capital leases.

For the quarters-ended September 30, 2015 and 2014, cash used in investing activities was $6,774 and $49,726 respectively. The cash used in investing activities during the three-months ended September 30, 2015 and September 30, 2014 relates to the acquisition of property plant and equipment.

Working capital at September 30, 2015 and 2014 and June 30, 2015 was $1,757,835, $1,372,321 and $2,266,979, respectively.

Capital Structure

The Company's objective when managing capital is to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may issue new shares, sell assets to reduce debt or issue new debt.

The Company monitors capital on the basis of the debt to equity ratio. This ratio is calculated as total debt divided by total equity. Total debt is calculated as the sum of bank indebtedness, and current and long-term notes payable and vehicle loans as shown in the Consolidated Statement of Financial Position. Total equity is the equity of the Company in the consolidated statements of financial position. As disclosed in Note 7 of the accompanying financial statements for the three-months ended September 30, 2015, the Company is subject to certain externally imposed capital covenants related to bank indebtedness.

The debt to equity ratios as at September 30, 2015, September 30, 2014 and June 30, 2015 were as follows:

	September 30, 2015	September 30, 2014	June 30, 2015
Total Debt			
Notes payable	$ 1,852,232	$ 2,402,602	$ 2,028,465
Vehicle loans	153,084	208,601	167,349
Bank indebtedness	239,999	207,097	240,010
Total Debt	**$ 2,245,315**	**$ 2,818,300**	**$ 2,435,824**
Total Equity	**$ 11,741,621**	**$ 10,602,756**	**$ 12,291,665**
Debt to Equity Ratio	**19.12%**	**26.58%**	**19.8%**

The Company has arrangements in place that allow us to access the additional debt financing for funding when required through various lines of credit. The Company's credit capacity as at September 30, 2015 was $500,000 (September 30, 2014 - $531,035), of which the Company had utilized $239,999 (September 30, 2014 - $207,097). As at September 30, 2015, POSERA was in compliance with all restrictive covenants. The Company feels that it is adequately capitalized in order to meeting its obligations going forward.

Summary of Contractual Obligations

During the three-months ended September 30, 2015 the Company negotiated a lease extension for its Montreal, Quebec office. The extension is for 24 months commencing December 1st, 2015 and the total commitment for the extension is approximately $21,000 per month.

Capital Resources

Except as otherwise disclosed, the Company does not expect to make material capital expenditures in the near future. POSERA has invested in and developed an information systems infrastructure that will scale to meet the majority its anticipated market requirements. POSERA continues to pursue selective acquisitions which the Company expects will be primarily focused on POS services companies that can be acquired at attractive multiples.

Financial arrangements not presented in the consolidated statements of financial position

The Company does not have any financial arrangements not presented in the consolidated statements of financial position arrangements that would ordinarily be considered 'off balance sheet' financing.

Transactions with Related Parties

On September 25, 2015 Mr. Paul K. Howell stepped down as CEO of POSERA. Mr. Howell remains on the Company's Board of Directors.

POSERA recognized revenue from a company controlled by POSERAs former Chief Executive Officer ("CEO") and current director, during the three and nine-months ended September 30, 2015, in the amounts of $7,936 and $34,344 (2014 - $10,113 and $30,176) respectively. Additionally, POSERA recognized operating expenses and purchased products of $80,437 and $182,442 during the three and nine-months ended September 30, 2015 (2014 - $70,290 and $222,793) from a company controlled by the former Chief Executive Officer and current director. All transaction were agreed upon by the parties and were completed at the exchange amount. As at September 30, 2015, POSERA has a receivable position of $19,926 (December 31, 2014 - $30,896), and a payable of $125,555 (December 31, 2014 - $97,299), which will be settled between the related parties in the normal course of business.

During the three and nine-months ended September 30, 2015, the Company received legal fees and disbursement invoices totaling $21,479 and $91,786, (2014 - $24,998 and $55,682) respectively, from a law firm, which a director of POSERA is also a partner. As at September 30, 2015, the Company has a payable position of $21,479 (December 31, 2014 - $112,075) which will be settled between the related parties in the normal course of business. Previously, this director was a partner of another law firm. As the director no longer has an equity interest in that law firm, POSERA has not included the payables to the former law firm as they were not a related party at September 30, 2015, but POSERA has included expenditures incurred for the three and nine-months ended September 30, 2015 for both firms.

Compensation awarded to key management includes the Company's directors, and members of the Executive team, which include the Chief Executive Officer, President, Chief Financial Officer, Chief Operating Officer and Senior Vice-President of Corporate Development, is as follows:

	Three-months ended September 30, 2015	**Nine-months ended September 30, 2015**	**Three-months ended September 30, 2014**	**Nine-months ended September 30, 2014**
Salaries and short-term employee benefits	$ 265,495	$ 837,708	$ 252,180	$ 796,678
Share-based payments	-	-	29,160	236,054
Total	**$ 265,495**	**$ 837,708**	**$ 281,340**	**$ 1,032,732**

Share Capital

As at September 30, 2015, POSERA had issued and outstanding 75,837,706 Class A voting common shares, and 4,498,024 options, of which 4,361,524 were exercisable at an exercise price to purchase common shares ranging from $0.25 to $0.50. As at November 13, 2015 POSERA had issued and outstanding 75,837,706 Class A voting common shares and 4,498,024 options, of which 4,498,024 were exercisable at an exercise price to purchase common shares ranging from $0.25 to $0.50. As at September 30, 2015 and November 14, 2015 the convertible debenture could have been converted into 3,333,333 and 3,333,333 Common Shares respectively.

Share Capital Issuance during the Second Quarter of 2015

On April 27, 2015, the Company issued a total of 14,316,000 Common Shares at a price of $0.25 / per share for gross proceeds of $3,579,000 (the “Offering”). POSERA paid a finder’s fee equal to 7.0% on $3,191,000 of the Offering’s gross proceeds, together with finders’ warrants to acquire 893,480 Common Shares in the Company. The finders’ warrants are exercisable for a period of two years at an exercise price of $0.40 per Common Share.

Disclosure Controls and Procedures (“DC&P”) and Internal Controls Over Financial Reporting

The Company’s management, including the Chief Executive Office (“CEO”) and the Chief Financial Officer (“CFO”), are responsible for establishing and maintaining disclosure controls and procedures for the Company. As such, the Company maintains a set of disclosure controls and procedures designed to ensure that the information required to be disclosed in filings is recorded, process, summarized and reported with the time periods specified in the Canadian Securities Administrators rules and forms. An evaluation of the design of and operating effectiveness of the Company’s disclosure controls and procedures was conducted during the fiscal year-ended December 31, 2014 under the supervision of the CEO and CFO as required by Canadian Securities Administrators Multilateral National Instrument 52-109, *Certification of Disclosure in Issues’ Annual and Interim Filings.* The evaluation included review, enquiries and other procedures considered appropriate in the circumstances. Based on that evaluation, the CEO and CFO have concluded that such disclosure controls and procedures are effective.

The CEO and CFO are responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company’s management, under the supervision of the CEO and CFO have evaluated whether there were changes to the Company’s internal controls over financial reporting during the year-ended December 31, 2014 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting. Throughout 2015, the Company aims to continue to improve process documentation to highlight the controls in place which are addressing the key risks, in addition to developing more formal documentation surrounding management’s analysis of monthly and quarterly financial reports.

Recent changes identified relate to the following;

i) The Company completed the acquisition of Zomaron Inc. (“Zomaron”) on December 9th, 2013. During fiscal 2014 the Company completed of integrating this business under the Company’s current reporting processes, procedures and consolidated accounting system, the Company anticipates further integration to be completed during fiscal 2015 and 2016; and

ii) The Company completed the acquisition of Terminal Management Concepts Ltd. (“TMC”) on December 31st, 2014. During fiscal 2015 the Company has completed the integration of this business under the Company’s current reporting processes, procedures and consolidated accounting system.

No other changes were identified through management's evaluation of the controls over financial reporting. Throughout the remainder of 2015 and 2016 the Company aims to improve;

- process documentation to highlight the controls in place which are addressing the key risks;
- developing more formal documentation surrounding management's analysis of monthly and quarterly financial reports;
- deployment of a customer relationship management ("CRM") system throughout the entire Company;
- formalize a process for foreign tax and HST / QST reporting; and
- integrating all of the previous and future acquired entities onto one accounting system platform.

Management of the Company believes in and are committed to establishing rigorous DC&P and ICFR. Our management team will continue to evaluate the effectiveness of our overall control environment and will continue to refine existing controls as they, in conjunction with the Audit Committee, Board of Directors, CEO and CFO, deem necessary. It should be noted that the control deficiencies identified by the Company did not result in adjustment to our annual audited Consolidated Financial Statements for the year ended December 31, 2014.

Period-end Financial Reporting Process

The Company did not maintain consistently and effective controls over the period-end financial reporting process throughout the year, specifically:

- Although controls are performed, adequate evidence does not always exist demonstrating the performance of controls such as review of account reconciliations, spreadsheets and significant account balances requiring the use of accounting estimates.

Limitation of Control Procedures

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 future conditions. A control system is subject to inherent limitations and, no matter how well designed and operated, can only provide reasonable, not absolute assurance that the control system objectives will be met. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple error or mistakes. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by unauthorized override of the controls. The design of any system of controls also is based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions. Accordingly, because of the inherent limitations in a cost effective control system, misstatements due to error or fraud may occur and not be detected.

Risks and Uncertainties

The Company is exposed to a variety of risks in the normal course of operations. In the Annual Information Form of the Company which was filed on March 31, 2015, it provided a detailed review of the risks that could affect its financial condition, results of operation or business that could cause actual results to differ materially from those expressed in our forward-looking statements. In management's opinion, there has been no material change in the nature or magnitude of the risks faced by the Company.

Additional Information

Additional information related to the Company can be found on SEDAR at www.sedar.com and www.posera.com.

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