POSERA-HDX LTD.

(formerly POSERA-HDX INC.)

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

FOR THE THREE-MONTHS ENDED SEPTEMBER 30, 2012

The following is the management discussion and analysis ("MD&A") of the condensed consolidated interim statements of financial position, results of operations and comprehensive loss and cash flows of Posera-HDX Ltd. (formerly Posera - HDX Inc.) for the three-months ended September 30, 2012 and should be read in conjunction with the financial statements for such periods and the accompanying notes thereto. This MD&A discusses the three-months ending September 30, 2012, compared to June 30, 2012 and September 30, 2011. For an analysis of the nine-months ending September 30, 2012 compared to September 30, 2011, please read this MD&A in conjunction with the MD&A for the three-months ending March 31, 2012 and June 30, 2012. The effective date of this MD&A is November 12, 2012.

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-HDX", "HDX", "Hosted Data Transaction Solutions", "the Company", "we" and "our" mean Posera-HDX Ltd.

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 29, 2012 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, or Working Capital, 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-HDX reports EBITDA, Normalized EBITDA, and Working Capital 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-HDX may not be comparable in all instances to EBITDA as reported by other companies.

Non-IFRS reporting definitions:

EBITDA: Posera-HDX'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-HDX'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-HDX's management defines Working Capital as its current assets less current liabilities excluding the conversion option value.

Reconciliation to Net Loss Attributable to Owners of the Parent: 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".

Comparative Figures:

Certain prior period comparative figures have been restated to conform to the consolidated financial statements presentation adopted under IFRS.

CEO’s Overview

While fourth quarter business activity has improved drastically, the third quarter of 2012 was a difficult period. There were fewer new restaurants opened because of the worldwide economy. There we're also fewer restaurant renovations and technology refreshes. The lack of available third party lease funding for clients resulted in fewer restaurants being approved for technology financing, the reseller community experienced lower than expected software sales and a major vendor to Posera-HDX had significant inventory availability issues. These factors have resulted in slower than expected sales activity in the third quarter of 2012. Sales and service revenues for the three-months ended September 30, 2012 were $4,032,574 representing a decrease of 11.2% from $4,541,336 from the three-months ended September 30, 2011.

Excluding the Company’s investment in the payment processing division, one-time expenses and non-cash costs associated with the amortization of acquired intangible assets, property plant and equipment and stock-based compensation, the Company would have recognized normalized EBITDA profit of $140,401 for the three-months ended September 30, 2012.

The Company experienced a normalized EBITDA loss of ($32,206) for the three-months ended September 30, 2012 of which, $172,607 is due to the ongoing expenses related to the Company’s investment strategy for our payment processing division. Additionally, the Company incurred $107,964 of one-time expenditures during the three-months ended September 30, 2012.

Company-wide non-cash amortization of intangible assets and property plant and equipment was $365,470 and stock-based compensation was $87,239, for the three-months ended September 30, 2012. HDX Payment Processing Ltd. (“HDXPP”) (the acquired Cash N Go Ltd. payments processing division) experienced a loss of $194,551 and Posera-HDX Scheduler Inc. (the acquired assets of 2020 Hyperscheduler / Hypervison) experienced a loss of $38,959. The Company expects to continue to make significant investments in these divisions into the foreseeable future and will strive to increase revenue for these divisions and products as quickly as possible.

Posera-HDX Ltd. continues to invest and focus on developing significant new revenue opportunities that are complimentary to the Company’s current operational foundation and synergistic with the Company’s intellectual property assets. New software as a service (“SaaS”) products and business modules with recurring revenue are under construction. This will allow the Company to deliver an enhanced range of services to the Company’s current client base and will bolster the Company’s ability to attract new customers.

Following the acquisition of HDXPP in December 2011, and following the announcement on June 14th, 2012 that the Company has been approved for membership to the Interac Association as an Indirect Connector to perform the functions of an Acquirer in the Shared Cash Dispensing (“SCD”) Service, Posera-HDX continues to make significant investments to enhance systems, facilities, and operating procedures in order to secure the necessary approvals to operate a payment processing switch and an ATM transaction processing switch. Through HDXPP, Posera - HDX owns and operates a Postillion payment switch developed by S1 Corporation. In addition, to the provision of SCD services, Posera-HDX plans to expand the payment switch to facilitate the processing of Point-of-Sale transactions for its merchant client base. HDXPP has retained team members and contractors with the appropriate industry expertise to allow the Company to further develop the payment processing division with an eye toward monetizing the Company’s investment in this division as quickly as possible. To take advantage of the convergence in retail technologies currently underway, the Company continues to pursue merger and acquisition opportunities with complimentary organizations although none are specifically named at this time.

Highlights and Summary - Three-months ended September 30, 2012 (Unaudited)

(This section acts merely as a summary; the detailed analysis is discussed in the "Comparison of the Unaudited three-months ended September 30, 2012, September 30, 2011 and June 30, 2012".)

- Net loss for the three-months ended September 30, 2012 was a loss of $679,992, an increase of $459,356 from a loss of $220,636 for the three-months ended September 30, 2011, and an increase of $238,966 from a loss of $441,026 for the three-months ended June 30, 2012;
- EBITDA for the three-months ended September 30, 2012, was ($227,409), a decrease of $372,926 from $145,517 for the three-months ended September 30, 2011, and a decrease of $93,166 from ($134,243) for the three-months ended June 30, 2012;
- Normalized EBITDA for the three-months ended September 30, 2012 was ($32,206), a decrease of $416,620 from $384,414 for the three-months ended September 30, 2011, and a decrease of $32,963 from $757 for the three-months ended June 30, 2012;
- Total revenue was $4,032,574 for the three-months ended September 30, 2012, down $508,762 (11.2%) from $4,541,336 for the three-months ended September 30, 2011 and down $213,386 (5.0%) from $4,245,960 for the three-months ended June 30, 2012;
- Gross profit was $1,503,360 for the three-months ended September 30, 2012, down $409,992 (21.4%) from $1,913,352 for the three-months ended September 30, 2011, and down $50,558 (3.3%) from $1,553,918 for the three-months ended June 30, 2012;
- Operating expenses were $2,096,239 for the three-months ended September 30, 2012, up $10,540 (0.5%) from $2,085,699 for the three-months ended September 30, 2011, and up $38,234 (1.9%) from $2,058,005 for the three-months ended June 30, 2012;
- Included in cost of sales and operating expenses for the three-months ended September 30, 2012, September 30, 2011 and June 30, 2012 were certain one-time non-recurring expenditures and non-cash stock-based compensation expense (recovery) totaling $195,203, $238,897 and $135,000 respectively as referenced on pages 18-19 of this MD&A;
- Posera-HDX's cash and cash equivalents totaled $671,341 as at September 30, 2012, an increase of $237,482 (54.7%) from $433,859 as at September 30, 2011, and a decrease of $780,861 (53.8%) from $1,452,212 as at June 30, 2012. Bank indebtedness was $236,060 as at September 30, 2012, an increase of $43,510 (22.6%) compared to $192,550 as at September 30, 2011, and an increase of $401 (0.2%) compared to $235,659 as at June 30, 2012; and
- Posera-HDX's working capital totaled $1,506,701 as at September 30, 2012, an increase of $302,680 (25.1%) from $1,204,021 as at September 30, 2011, and a decrease of $503,848 (25.1%) from $2,010,549 as at June 30, 2012.

Posera-HDX's Business

The Company is in the business of managing merchant transactions with consumers and facilitating payment emphasizing transaction speed, simplicity, and accuracy. Posera-HDX develops and deploys touch-screen point of sale ("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. Through the acquisition of Posera, the Company immediately acquired access to Posera's worldwide dealership network of approximately 112 resellers in 25 countries with approximately 1,100 representatives selling, supporting and installing its software. Posera's main software product, known as Maître 'D, has been deployed in approximately 20,000 locations worldwide in eight different languages.

Posera-HDX's has licensed a prepaid payment solutions allow customers to pay for items quickly and conveniently with either: RFID (radio frequency identification) tags, magnetic stripe cards, or UPC bar-coded cards. The solution can be private branded for a specific merchant. A private branded web interface further extends the offering to allow for convenient reload and other account management options. Posera-HDX payment solutions are especially well suited for corporate and institutional cafeteria environments where hundreds of customers purchase and pay for meals in compressed periods throughout the business day.

The Company's Common Shares are listed on the Toronto Stock Exchange under the symbol "HDX".

Revenues and Expenses

Posera-HDX's revenue model contemplates revenues primarily from the following sources:

- **Transaction fees from merchants.** Merchants pay fees for the processing and reporting of stored value payment transactions. The transaction fees are paid directly to HDX.
- **Income from the sale of HDX POS equipment.** Merchant licensees may purchase POS equipment from HDX for installation at merchant.
- **Revenue from data and application hosting fees.** Merchants or other application service providers may contract with HDX for data and application hosting services.
- **Services revenue from the delivery of consulting and system integration services.** Merchant licensees and merchants may hire HDX to install and manage POS equipment, terminals and readers at merchant locations and provide other services as required.
- **Revenue from software license agreements.** POS Software licensees and resellers may contract with Posera-HDX for the use of proprietary POS software.

Posera-HDX'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-HDX for resale, 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-HDX 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-HDX business, including the Dexit® Service, fixed hosting costs, merchant implementation costs and certain consumer and merchant support costs.

Posera-HDX operating costs are broken down into the following two categories: sales and marketing; and general and 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 Posera-HDX'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-HDX corporate funds consists primarily of interest income related to its invested cash and short-term investments. Posera-HDX'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 primarily related 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-HDX has completed. On the date of acquisition, Posera-HDX fair-valued the notes payable acquired or issued, and as a result part of the interest expense includes accretion of the fair-value increment of the notes payable acquired or issued.

Growth Strategy and Future Outlook

Posera-HDX offers "turnkey" solutions including custom software development, integration of our software with appropriate industry specific hardware solutions, deployment and training of our integrated solutions, and providing the ongoing software support and hardware support of deployed solutions. Management's strategy is focused on growing the business organically by:

- Continuing to identify vertical market segments and specific customer groupings that are ideal customers for HDX's technology, assigning direct sales force personnel to communicate with prospective clients and client groupings.

- Marketing HDX products to merchant sites associated with restaurant chains that have pre-approved the deployment of HDX technology.

- Identifying jurisdictional technology and reporting requirements, developing tools to meet those requirements and marketing to businesses within said jurisdiction.

- Increasing incremental recurring revenue by developing new technology and enhancing existing technology features in order to increase existing HDX clients' return on investment resulting in existing HDX clients' purchasing additional HDX products, and Expanding the HDX reseller network and marketing additional related products and technology through this reseller network.

- The HDX Payment Processing platform will give the Company the ability to provide payment processing alternatives to our customers, and The Scheduler software will provide a product to the Company's customers to allow them to maintain a quality of service while managing a part-time workforce with a high turnover, which is an excellent addition to the Company's current POS Solutions.

Posera-HDX continues to pursue selective acquisitions which the Company expects will be primarily focused on POS services companies that can be acquired at attractive multiples, and whose products or customer base complements or extends that of the Company currently. In the Company's fourth quarter of 2011, the Company completed the acquisitions of HDX Payment Processing Ltd. (formerly Cash N Go Ltd.) and certain Hospitality assets of 2020 ITS Inc. ("2020").

Acquisitions and Divestitures During the Three and Nine-Months Ended June 30, 2012

There were no transactions completed by the Company during the first, second and third quarters of 2012.

Acquisitions and Divestitures During the Year-Ended December 31, 2011

Divestiture of Dexit Inc.(formerly Posera – HDX Inc.) ("Dexit")

On October 28, 2011 Posera-HDX Ltd. completed the divestiture of all the issued and outstanding shares of Dexit which was formed as a result of the reorganization disclosed in Note 2 to the December 31, 2011 annual consolidated financial statements. The sale price was an aggregate of $2,031,571 in cash, subject to certain post-closing adjustments. Of the $2,031,571 sale price, $1,831,571 was received on closing, with a $200,000 holdback as disclosed in Note 6 to the December 31, 2011 annual consolidated financial statements.

The Company incurred net deal costs on the reorganization of Dexit and sale in the amount of $nil (2011 - $93,981), net of a recovery from the purchaser of $nil (2011 - $125,000), which were included in General and Administrative Operating Expenditures as incurred.

As part of the divestiture of Dexit Inc. the Company entered into a standard indemnification regarding the pre-closing liabilities of Dexit, under which the Company believes that an outflow of resources will be remote. The results of Dexit's operations have been included in the financial statements until the divestiture on October 28, 2011.

The carrying value of Dexit's net assets on October 28, 2011 was as follows:

	$
Cash	5,790
Restricted Cash	20,454
Other Current Assets	27,073
Deferred Income Tax Assets	2,000,000
Current liabilities	(21,746)
Net assets divested	**2,031,571**

Consideration:	
Cash consideration	1,831,571
Holdback receivable on the sale of Dexit Inc.	200,000
Total consideration	**2,031,571**

HDX Payment Processing Ltd. (formerly Cash N Go Ltd.) ("Cash N Go")

On December 15, 2011 Posera-HDX completed the acquisition of all the issued and outstanding shares of Cash N Go. The purchase price was an aggregate of $397,571, comprised of $157,571 in cash and 1,000,000 common shares of Posera-HDX, with a hold-period that were not freely tradable until December 15, 2013, with a fair-value of $240,000. The acquisition provided the Company with a payment switch solution to market to its customer base.

The Company incurred deal costs on the transaction of $945 (2011 - $33,434), which were included in General and Administrative Operating Expenditures as incurred.

The results of Cash N Go's operations have been included in the annual consolidated financial statements since December 15, 2011. The acquisition of Cash N Go is accounted for using the acquisition method. HDX is identified as the acquirer. The following table summarizes the fair value of the assets acquired and liabilities assumed and consideration paid at the date of the acquisition. The cost of the intangible assets acquired includes Computer Software of $224,481. Goodwill represented the excess earning capacity as a result of synergistic revenue opportunities and cost reductions.

The identifiable net assets of Cash N Go that were acquired at fair value as at December 15, 2011 are as follows:

	$
Cash	9,846
Current assets excluding cash	9,243
Property, plant and equipment	182,371
Intangible assets	224,481
Current liabilities	(35,800)
Deferred Income Tax Liability	(68,904)
Goodwill acquired in business combination	76,334
Net assets acquired	**397,571**

Consideration:	
Cash consideration	157,571
Share consideration	240,000
Total consideration	**397,571**

<u>Acquisition of certain Hospitality assets of 2020 ITS Inc. ("2020")</u>

On December 30, 2011, Posera-HDX completed the acquisition of certain hospitality assets of 2020, through a wholly owned subsidiary Posera – HDX Scheduler Inc. The purchase price was an aggregate of $999,385, comprised of $285,000 in cash, 1,045,488 common shares of Posera-HDX, which had a hold-period, and were not freely tradable until February 1, 2013, with a fair-value of $243,076, and a royalty payable on future sales of a certain technology acquired, whose fair-value was estimated at $471,309 on the date of acquisition. The acquisition of 2020 provided the Company with a complementary technology product suite to its existing products, and customer relationships to market the Company's products.

The Company incurred deal costs on the transaction in the amount of $3,664 (2011 - $29,099) for the year-ended December 31, 2011, which was expensed in the Statement of Operations as incurred.

The results of 2020's operations have been included in the annual consolidated financial statements since December 30, 2011. The acquisition of 2020 is accounted for using the acquisition method. Posera-HDX is identified as the acquirer. The following table summarizes the fair value of the assets acquired and liabilities assumed and consideration paid at the date of the acquisition. The cost of the intangible assets acquired includes Customer Relationships $164,000 and Technology $489,000. Goodwill represented the excess earning capacity as a result of synergistic revenue opportunities and cost reductions, and the assembled workforce.

The identifiable net hospitality assets of 2020 that were acquired at fair value as at December 30, 2011 are as follows:

	$
Current assets excluding cash	20,000
Current liabilities	(5,000)
Property, plant and equipment	10,000
Deferred tax assets	72,500
Intangible assets	653,000
Goodwill acquired in business combination	248,885
Net assets acquired	**999,385**

Consideration:	
Cash consideration	285,000
Share consideration	243,076
Royalty consideration	471,309
Total consideration	**999,385**

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, 2011 and 2010, including the notes thereto, in particular Note 2. Posera-HDX'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 year-ended December 31, 2011 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:

<u>Cash-generating units ("CGU"s)</u>

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, 2011 and 2010 for a complete listing of the Company's critical accounting estimates.

a. *Intangible asset – September 30, 2012 - $5,156,840 (September 30, 2011 - $5,590,399, June 30, 2012 - $5,580,663) and Goodwill – September 30, 2012 - $6,549,526 (September 30, 2011 - $6,372,679, June 30, 2012 - $6,644,678)*
    - Critical estimates relate to the valuation of intangible assets and goodwill acquired in business combinations and the potential 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, 2011 annual consolidated financial statements and MD&A.

b. *Royalty payable – September 30, 2012 - $508,886 (September 30, 2011 - $Nil June 30, 2012- $496,447)*
    - See the detailed disclosure surrounding the estimates used and sensitivity thereon in the December 31, 2011 annual consolidated financial statements and MD&A.

c. *Conversion option – September 30, 2012 - $nil (September 30, 2011 - $59,791, June 30, 2012- $nil)*
    - The following key assumptions were used in determining the fair-value at the respective dates:

	September 30, 2012	September 30, 2011	June 30, 2012
Fair value of Common Shares	N/A	$ 0.36	N/A
Volatility	N/A	101.42%	N/A
Risk free rate	N/A	1.58%	N/A

- See the detailed disclosure surrounding the estimates used and sensitivity thereon in the December 31, 2011 annual consolidated financial statements and MD&A.

d. *Investment Tax Credits Receivable – non-refundable – September 30,2012 - $1,199,523 (September 30, 2011 - $921,392 June 30, 2012 - $1,137,661)*
    - 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 to the accompanying quarterly consolidated financial statements.
    - See the detailed disclosure surrounding the estimates used and sensitivity thereon in the December 31, 2011 annual consolidated financial statements and MD&A.

Comparison of the Unaudited Three-Months Ended

The table below sets out the unaudited statements of operations for the three-months ended September 30, 2012, September 30, 2011 and June 30, 2012.

Analysis of the Unaudited Quarterly Results	Q3-2012 (unaudited) $	Q3-2011 (unaudited) $	Q2-2012 (unaudited) $	Q3-2012 vs. Q3-2011 $	%	Q3-2012 vs. Q2-2012 $	%
Revenue	4,032,574	4,541,336	4,245,960	(508,762)	(11.2%)	(213,386)	(5.0%)
Cost of Sales							
Cost of inventory	905,019	1,253,954	935,227	(348,935)	(27.8%)	(30,208)	(3.2%)
Technology	482,762	280,113	566,978	202,649	72.3%	(84,216)	(14.9%)
Operations and Support	1,141,433	1,093,917	1,189,837	47,516	4.3%	(48,404)	(4.1%)
Total Cost of Sales	**2,529,214**	**2,627,984**	**2,692,042**	**(98,770)**	**(3.8%)**	**(162,828)**	**(6.0%)**
Gross Profit	1,503,360	1,913,352	1,553,918	(409,992)	(21.4%)	(50,558)	(3.3%)
Gross Profit Percentage	37.3%	42.1%	36.6%		(4.8%)		0.7%
Operating Expenditures							
Sales and marketing	749,829	754,215	847,176	(4.386)	(0.6%)	(97,347)	(11.5%)
General and administrative	1,346,410	1,331,484	1,210,829	14,926	(1.1%)	135,581	11.2%
Total Operating Expenditures	**2,096,239**	**2,085,699**	**2,058,005**	**(10,540)**	**(0.5%)**	**38,234**	**1.9%**
	(592,879)	**(172,347)**	**(504,087)**	**(420,532)**	**(244.0%)**	**(88,792)**	**(17.6%)**
Other expenses (income)							
Interest expense	65,895	85,570	69,260	(19,675)	(23.0%)	(3,365)	(4.9%)
Realized and unrealized loss on foreign exchange	102,421	(107,335)	(104,417)	209,756	195.4%	206,838	(198.1%)
Interest and other income	(2,582)	(2,330)	(5,913)	(252)	10.8%	3,331	(56.3%)
Gain on held for trading financial instruments	-	(101,266)	(1,027)	101,266	100.0%	1,027	100.0%
	165,734	**(125,361)**	**(42,097)**	**291,095**	**(262.2%)**	**207,831**	**(493.7%)**
Net loss before income taxes	**(758,613)**	**(46,986)**	**(461,990)**	**(711,627)**	**(1,514.6%)**	**(296,623)**	**(64.2%)**
Current	14,964	114,608	6,140	(99,644)	(86.9%)	8,824	143.7%
Future	(93,585)	59,042	(27,104)	(152,627)	(258.5%)	(66,481)	(245.3%)
Net income (loss) attributable to owners of the parent	**(679,992)**	**(220,636)**	**(441,026)**	**(459,356)**	**(208.2%)**	**(238,966)**	**(54.2%)**
Other comprehensive income	(45,303)	124,960	11,716	(170,263)	(136.3%)	(57,019)	(486.7%)
Comprehensive income (loss), attributable to owners of the parent	**(725,295)**	**(95,676)**	**(429,310)**	**(629,619)**	**(658.1%)**	**(295,985)**	**(68.9%)**
Non-IFRS reporting measures(as outlined on Pages 18– 20 of this MD&A):	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
EBITDA	**(227,409)**	**145,517**	**(134,243)**	**(372,926)**	**(256.3%)**	**(93,166)**	**69.4%**
Normalized EBITDA	**(32,206)**	**384,414**	**757**	**(416,620)**	**(108.4%)**	**(32,963)**	**(4,354.4%)**

The presentation of the below of Selected Financial Data is for the purposes of this management discussion and analysis. The 2012 and 2011 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, 2012**	**September 30, 2011**	**June 30, 2012**
Revenue	$ 4,032,574	$ 4,541,336	$ 4,245,960
Net income (loss), attributable to the owners of the parent	(679,992)	(220,636)	(441,026)
Income (loss) per share – basic and diluted	(0.01)	(0.00)	(0.01)
Weighted average number of shares outstanding (000's) – basic and diluted	48,434	46,288	48,434
Cash and cash equivalents	671,341	626,409	1,452,212
Bank indebtedness	236,060	192,550	235,659
Working capital (as outlined on Page 19 of this MD&A)	1,506,701	1,204,021	2,010,549
Total assets	19,379,503	19,465,509	20,477,781
Long-term liabilities	2,377,767	2,614,830	2,568,138
Total shareholders' equity	12,406,062	11,825,187	13,044,118

Comparison of the unaudited quarters ended September 30, 2012 and 2011 and June 30, 2012

Revenue:

Revenue Comparisons September 30, 2012, September 30, 2011 and June 30, 2012

Posera-HDX recognized revenue of $4,032,574 for the three-months ended September 30, 2012 compared to $4,541,336 for the three-months ended September 30, 2011, a decrease of $508,762 (11.2%) and $4,245,960 for the three-months ended June 30, 2012, a decrease of $213,386 (5.0%). The decrease in revenue during the three-months ended September 30, 2012 compared to June 30, 2012 is primarily a seasonal fluctuation, where the seasonal results of the third quarter tends to be the second weakest quarter of the year, as a result of slow summer installations and restaurant builds. The decrease in the revenue generated for the three-months ended September 30, 2012 compared to September 30, 2011 was primarily a result of the completion of the revenue's earned in the province of Quebec in 2011 as a similar project did not reoccur in 2012.

Cost of Sales:

Cost of Sales Comparisons September 30, 2012, September 30, 2011 and June 30, 2012

Posera-HDX recognized cost of sales excluding Technology and Operations and Support of $905,019 (22.4% of revenues) for the three-months ended September 30, 2012, compared to $1,253,954 (27.6% of revenues) for the three-months ended September 30, 2011 and $935,227 (22.0% of revenues) for the three-months ended June 30, 2012. The changes in the cost of sales as a percentage of revenue is a result of a change in product mix between the respective periods. For example the Company earned a higher proportion of revenue related to service contracts in the three-months ended September 30, 2012 than in the three-months ended September 30, 2011 as a result of lower overall sales. This resulted in a lower percentage of cost of sales as a proportion of revenues during the three-months ended September 30, 2012 as the total contract revenue was relatively consistent between the reporting periods.

Technology expenses in the three-months ended September 30, 2012 were $482,762, an increase of $202,649 (72.3%) from $280,113 in the three-months ended September 30, 2011 and a decrease of $84,216 (14.9%) from $566,978 in the three-months ended June 30, 2012.

Included in the technology expense for the three-months ended September 30, 2012, September 30, 2011 and June 30, 2012 is amortization of intangible assets and property plant and equipment, totaling $127,285, $79,368 and $142,751 respectively. Excluding these one-time expenditures and intangible asset amortization, Posera-HDX`s technology expenses for the three-months ended September 30, 2012, September 30, 2011 and June 30, 2012 would have been $355,477, $200,745, and $424,227 respectively. During the three-months ended June 30, 2012 the Company completed a reassessment of is investment tax credits receivable, which are refundable and as a result increased the technology expense in the second quarter of 2012 by $85,905. The three-months ended September 30, 2012 did not have a similar reassessment. Adjusting for a tax reassessment, results in the technology expense being consistent between the three-months ended September 30, 2012 and June 30, 2012. The increase in technology expense between the three-months ended September 30, 2012 and September 30, 2011 is a result of the inclusion of technology expenses from the acquisitions of HDX Payment Processing Ltd. and the Hospitality assets of 2020 ITS Inc., which both closed in the fourth quarter of 2011.

Technology Expense Reconciliation	**For the quarters ended**		
	September 30, 2012	**September 30, 2011**	**June 30, 2012**
Technology expense	**$ 482,762**	**$ 280,113**	**$ 566,978**
Less: Amortization	127,285	79,368	142,751
Adjusted technology expense	**$ 355,477**	**$ 200,745**	**$ 424,227**

Operations and support expenses were $1,141,433 in the three-months ended September 30, 2012; an increase of $47,516 (4.3%) from $1,093,917 in the three-months ended September 30, 2011, and a decrease of $48,404 (4.1%) from $1,189,837 in the three-months ended June 30, 2012. The operations and support expenses remained relatively consistent as the employee headcount and other operations and support expenses remained relatively consistent between all of the comparable quarters.

Operating Expenditures:

Posera-HDX recognized operating expenditures of $2,096,239 for the three-months ended September 30, 2012 compared to $2,085,699 for the three-months ended September 30, 2011, and $2,058,005 for the three-months ended June 30, 2012.

Overall operating expense, which is comprised of sales and marketing and general and administration expenses, for the three-months ended September 30, 2012, September 30, 2011 and June 30, 2011 had one-time expenditures relating to the various acquisitions during 2011, an office move, closing rental adjustment, the 2011 corporate reorganization, and legal expenses totaling $107,964, $125,784 and $27,498 respectively. Excluding these one-time expenditures, Posera-HDX`s overall operating expenditures for the three-months ended September 30, 2012, September 30, 2011 and June 30, 2012, would have been $1,988,275, $1,959,915, and $2,030,507 respectively.

Sales and marketing expenses were $749,829 in the three-months ended September 30, 2012 a decrease of $4,386 (0.6%) from $754,215 in the three-months ended September 30, 2011, and a decrease of $97,347 (11.5%) from $847,176 in the three-months ended June 30, 2012. Included in the sales and marketing expense for the three-months ended September 30, 2012, September 30, 2011 and June 30, 2012 is amortization of intangible assets, totaling $191,344, $189,580 and $192,510 respectively. The sales and marketing expenses was relatively consistent for the three-months ended September 30, 2012 compared to September 30, 2011. For the three-months ended September 30, 2012 compared to June 30, 2012 the Company had a reduction in headcount, travel and other marketing activities in the third quarter of 2012 compared to the second quarter of 2012.

Sales and Marketing Expense Reconciliation			
	September 30, 2012	**September 30, 2011**	**June 30, 2012**
Sales and marketing expense	**$ 749,829**	**$ 754,215**	**$ 847,176**
Less: Amortization of intangible assets	191,344	189,580	192,510
Adjusted sales and marketing expense	**$ 558,485**	**$ 564,635**	**$ 654,666**

General and administrative expenses were $1,346,410 in the three-months ended September 30, 2012; a decrease of $14,926 (1.1%) from $1,331,484 in the three-months ended September 30, 2011, and an increase of $135,581 (11.2%) from $1,210,829 in the three-months ended June 30, 2012. Included in general and administrative expenses for the three-months ended September 30, 2012, September 30, 2011 and June 30, 2012 is stock-based compensation expense of $87,239, $147,513 and $107,502 respectively. Additionally, included in general and administrative expenses for the three-months ended September 30, 2012, September 30, 2011 and June 30, 2012 are one-time expenditures of $107,964, $125,784 and $27,498 respectively. Finally, included in general and administrative expenses for the three-months ended September 30, 2012, September 30, 2011 and June 30, 2012 is amortization of intangible assets and property, plant and equipment of $44,037, $107,291 and $83,632 respectively.

After factoring these amounts, the adjusted general and administrative expenditures the increase in the third quarter of 2012 relates primarily an increase in general and administrative expenses related to the HDX Payment Processing division that did not transpire at all in the three-months ended September 30, 2011 or to the same extent in the three-months ended June 30, 2012. See the table below for a summary:

General and Administrative Expense Reconciliation			
	September 30, 2012	**September 30, 2011**	**June 30, 2012**
General and administrative expense	**$ 1,346,410**	**$ 1,331,484**	**$ 1,210,829**
Less: Stock-based compensation expense	87,239	147,513	107,502
Less: Amortization	44,037	107,291	83,632
Less: One-time expenditures	107,964	125,784	27,498
Adjusted general and administrative expense	**$ 1,107,170**	**$ 950,896**	**$ 992,197**

Other Expense and Income:

Interest expense is comprised primarily of interest expense incurred on long-term obligations, including the convertible debenture issued as a result of the Posera acquisition. Interest expense for the three-months ended September 30, 2012 of $65,895 decreased $19,675 and $3,365 from $85,570 and $69,260 for the three-months ended September 30, 2011 and June 30, 2012 respectively as a result of reductions in the outstanding interest-bearing debts through regularly scheduled repayments.

Realized and unrealized (gain) loss on foreign exchange is comprised primarily of the (gain) loss on the foreign denominated convertible debenture and net assets denominated in foreign currencies. As a result of the increase in the CAD, relative to the USD, the carrying amount of the convertible debenture liability (in CAD) has decreased, resulting in a gain during the three-months ended September 30, 2012.

Additionally, the net assets denominated in foreign currencies incurred a loss during the three-months ended September 30, 2012 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, 2012, September 30, 2011 and June 30, 2012. 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 HDX's corporate funds. The interest earned remained relatively consistent between the three-months ended September 30, 2012, September 30, 2011 and June 30, 2012, as the interest rates earned, and balances deposited remained relatively consistent.

The (gain) loss on held for trading financial instruments is comprised entirely of the (gain) loss on the conversion option of the convertible debenture and revaluation of closing consideration. There was no gain or loss during three-months ended September 30, 2012 as the conversion option expired during the second quarter of 2012. The change in the fair-value of the conversion option experienced during the three-months ended September 30, 2011 and June 30, 2012 was largely the result of the reduction in the time to expiry of the conversion option, which expired on May 5, 2012 of ($101,266) and ($1,027) respectively.

Segment Analysis

Operating Segments			
	Revenue for the three-months ended		
	September 30, 2012	**September 30, 2011**	**June 30, 2012**
Direct POS	$ 2,083,702	$ 2,388,372	$ 2,137,883
POS Software	1,962,977	2,169,005	2,137,389
Other	6,308	-	-
Intersegment - POS Software	(20,413)	(16,041)	(29,312)
Total	**$ 4,032,574**	**$ 4,541,336**	**$ 4,245,960**
	Operating profit for the three-months ended (1)		
	September 30, 2012	**September 30, 2011**	**June 30, 2012**
Direct POS	$ 185,944	$ 80,493	$ 102,557
POS Software	99,612	425,195	145,536
Other	(172,607)	-	(111,844)
Total	**$ 112,949**	**$ 505,688**	**$ 136,249**

(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.

Revenue

For the three-months ended September 30, 2012, Direct POS revenue decreased $304,670 (12.8%) and decreased $54,181 (2.5%) when compared to the three-months ended September 30, 2011 and June 30, 2012 respectively. Additionally, for the three-months ended September 30, 2012, Indirect POS revenue decreased $206,028 (9.5%) and decreased $174,412 (8.2%) when compared to the three-months ended September 30, 2011 and June 30, 2012 respectively. Direct POS revenues decreased for the three-months ended September 30, 2012 compared to the three-months ended September 30, 2011 primarily due to a seasonal fluctuation, where the seasonal results of the third quarter tends to be the second weakest quarter of the year, as a result of slow summer installations and restaurant builds. The decrease in the revenue generated for the three-months ended September 30, 2012 compared to September 30, 2011 was primarily a result of the completion of the revenue's earned in the province of Quebec in 2011 as a similar project did not reoccur in 2012.

Operating Profit

For the three-months ended September 30, 2012, Direct POS operating profit increased $105,451 (131.0%) and increased $83,387 (81.3%) when compared to the three-months ended September 30, 2011 and June 30, 2012 respectively. For the three-months ended September 30, 2012, POS Software operating profit decreased $325,583 (76.6%) and $45,924 (31.6%) compared to the three months ended September 30, 2011 and June 30, 2012 respectively. Finally, for the three-months ended September 30, 2012, the Other segments operating profit decreased $172,607 (100.0%) and decreased $60,763 (54.3%) compared to the three-months ended September 30, 2011 and June 30, 2012 respectively. The Company expects to continue to make significant investments in these divisions into the foreseeable future and will strive to increase revenues and operating profits for these divisions and products as quickly as possible.

Summary of Unaudited Quarterly Results

The following table sets forth unaudited statements of operations data for the eight most recent quarters ended September 30, 2012 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, 2011 and 2010 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. The following numbers differ from those previously reported as a result of certain IFRS adjustments discussed previously.

	2012			**2011**
	Q3	**Q2**	**Q1**	**Q4**
Revenues	$ 4,032,574	$ 4,245,960	$ 3,630,044	$ 4,812,109
EBITDA	$ (227,409)	$ (134,243)	$ (326,615)	$ 261,258
Normalized EBITDA	$ (32,206)	$ 757	$ (322,113)	$ 286,415
Net Income (Loss) Attributable to the Owners of the Parent	$ (679,992)	$ (441,026)	$ (775,317)	$ 1,917,627
Comprehensive Income (Loss), Attributable to the Owners of the Parent	$ (725,295)	$ (429,310)	$ (803,701)	$ 1,856,905
Earnings (Loss) Per Share Basic	$ (0.01)	$ (0.01)	$ (0.02)	$ 0.03
Earnings (Loss) Per Share Diluted	$ (0.01)	$ (0.01)	$ (0.02)	$ 0.03
	2011			**2010**
	Q3	**Q2**	**Q1**	**Q4**
Revenues	$ 4,541,336	$ 4,215,178	$ 4,131,148	$ 5,219,357
EBITDA	$ 145,517	$ 199,900	$ 270,697	$ 287,262
Normalized EBITDA	$ 384,414	$ 233,513	$ 301,681	$ 519,533
Net Income (Loss), Attributable to Owners of the Parent	$ (220,636)	$ (95,394)	$ (115,701)	$ (41,285)
Comprehensive Loss, Attributable to Owners of the Parent	$ (95,676)	$ (104,249)	$ (161,569)	$ (132,312)
Earnings (Loss) Per Share Basic	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)
Earnings (Loss) Per Share Diluted	$ (0.00)	$ (0.00)	$ (0.00)	$ (0.00)

Reconciliation of Unaudited Non-IFRS measures to Closest IFRS Equivalent

Net Loss Attributable to Owners of the Parent to EBITDA and Normalized EBITDA	**2012**			**2011**
	Q3	Q2	Q1	Q4
Net Loss Attributable to the Owners of the Parent	**$ (679,992)**	**$ (441,026)**	**$ (775,317)**	**$ 1,917,627**
Interest expense	65,895	69,260	72,275	79,431
Exchange loss (gain)	102,421	(104,417)	32,512	37,792
Interest and other income	(2,582)	(5,913)	(1,942)	(3,960)
Gain on held for trading financial instruments	-	(1,027)	(34,529)	(21,235)
Amortization of equipment	7,691	49,049	47,036	26,354
Amortization of intangible assets	357,779	320,795	320,407	284,967
Tax provision (recovery)	(78,621)	(20,964)	12,943	(2,059,718)
EBITDA	**$ (227,409)**	**$ (134,243)**	**$ (326,615)**	**$ 261,258**
One-time non-recurring expenditures and (recoveries)	107,964	27,498	-	25,201
Stock-based compensation expense	87,239	107,502	4,502	(44)
Normalized EBITDA	**$ (32,206)**	**$ 757**	**$ (322,113)**	**$ 286,415**

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

Net Loss Attributable to Owners of the Parent to EBITDA and Normalized EBITDA	**2011**			**2010**
	Q3	Q2	Q1	Q4
Net Income (Loss) Attributable to the Owners of the Parent	**$ (220,636)**	**$ (95,394)**	**$ (115,701)**	**$ (41,284)**
Interest expense	85,570	97,766	81,656	112,434
Exchange loss (gain)	(107,335)	29,120	35,404	(96,504)
Interest and other income	(2,330)	(2,516)	(2,132)	(2,751)
Gain on held for trading financial instruments	(101,266)	(6,001)	(56,308)	(139,152)
Amortization of equipment	40,208	40,726	41,052	47,717
Amortization of intangible assets	277,656	292,408	323,066	451,774
Tax provision (recovery)	173,650	(156,209)	(36,350)	(44,972)
EBITDA	**$ 145,517**	**$ 199,900**	**$ 270,697**	**$ 287,262**
One-time non-recurring expenditures	125,784	(102,691)	35,809	69,709
Stock-based compensation expense	147,513	14,500	14,500	181,888
Investment tax reassessment by tax authorities[(1)]	(34,400)	121,804	(19,326)	(19,326)
Normalized EBITDA	**$ 384,414**	**$ 233,513**	**$ 301,681**	**$ 519,533**

(1) 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 performed by the relevant income tax authorities during the three-months ended June 30, 2011. The change in estimate resulted in an increased one-time expenditure to the technology expense of $121,804 for the three- months ended June 30, 2011. Of the $121,804 adjustment, $50,943 relates to a date of acquisition revaluation and $70,861 relates to investment tax credits receivable booked post acquisition. The Company applied the $70,861 ratably to quarters post-acquisition to calculate the Normalized EBITDA.

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

Equity Attributable to Owners of the Parent to Working Capital			
	September 30, 2012	June 30, 2012	September 30, 2011
Equity Attributable To Owners of the Parent	**$ 12,406,062**	**$ 13,044,118**	**$ 11,825,187**
Add: Long-term portion of notes payable	558,625	649,901	1,126,112
Add: Long-term portion of vehicle loans	22,342	24,922	46,587
Add: Long-term portion of royalty payable	496,090	486,183	-
Add: Conversion option	-	-	56,791
Add: Future income tax liability	1,300,710	1,407,132	1,442,131
Less: Goodwill	(6,549,526)	(6,644,678)	(6,372,679)
Less: Intangible assets	(5,156,840)	(5,580,663)	(5,590,399)
Less: Long-term portion of investment tax credits receivable	(1,199,523)	(1,137,661)	(921,392)
Less: Long-term portion of lease receivable	(31,658)	(28,776)	(43,298)
Less: Deposit on leased premises	(34,411)	(34,411)	(34,412)
Less: Equipment	(205,170)	(175,518)	(197,746)
Less: Deposit on pending acquisitions	(100,000)	-	(132,861)
Working Capital	**$ 1,506,701**	**$ 2,010,549**	**$ 1,204,021**

Liquidity and Financial Resources

As at September 30, 2012, HDX had cash and cash equivalents totaling $671,341 (September 30, 2011 - $626,409).

For the quarter-ended September 30, 2012 and 2011, provided by / (used in) operating activities was ($519,907) and $436,806 respectively. Cash used in operations for the quarter-ended September 30, 2012 resulted from a net loss and changes in non-cash working capital items, which was partially offset by items not affecting cash such as amortization, interest accretion, unrealized gain / (loss) on foreign exchange and stock-based compensation. Cash provided by operations for the quarter-ended September 30, 2011 resulted from a net loss, a gain on the fair valuing of financial instruments and the unrealized gain on foreign exchange, which was partially offset by a deferred income tax recovery, changes in non-cash working capital items, amortization, interest accretion and stock-based compensation.

For the quarters-ended September 30, 2012 and 2011, cash used in financing activities were $112,884 and $87,561 respectively. Cash used in financing activities for the three-months ended September 30, 2012 resulted primarily from the repayments of the notes payable and vehicle loan payments. Cash used in financing activities for the three-months ended September 30, 2011 was a result of the repayments of the notes payable and vehicle loan payments, which was partially offset by the exercise of stock options. HDX expects to continue to make acquisitions in the future and therefore may complete additional financings in the equity markets.

For the quarters-ended September 30, 2012 and 2011, cash used in investing activities was $137,649 and $101,752 respectively. The cash used in investing activities during the three-months ended September 30, 2012 relates to the acquisition of property plant and equipment. The cash used in investing activities during the three-months ended September 30, 2011 relates to the acquisition of property plant and equipment and a deposit on a pending acquisition.

Working capital at September 30, 2012 and 2011 and June 30, 2012 was $1,506,701, $1,204,021 and $2,010,549 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 attributable to owners of the Company plus the conversion option in the Consolidated Statement of Financial Position.

The debt to equity ratios as at September 30, 2012, September 30, 2011 and June 30, 2012 were as follows:

	September 30, 2012	September 30, 2011	June 30, 2012
Total Debt			
Notes payable	$ 1,018,859	$ 1,484,178	$ 1,130,673
Vehicle loans	33,261	75,390	38,885
Bank indebtedness	236,060	192,550	235,659
Total Debt	**$ 1,288,180**	**$ 1,752,118**	**$ 1,405,217**
Equity			
Equity attributable to owners of the Company	$ 12,406,062	$ 11,825,187	$ 13,044,118
Conversion Option	-	56,791	-
Total Equity	**$ 12,406,062**	**$ 11,881,978**	**$ 13,044,118**
Debt to Equity Ratio	**10.38%**	**14.75%**	**10.77%**

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, 2012 was $253,000 (December 31, 2011 - $260,516), of which the Company had utilized $236,050 (December 31, 2011 - $181,746). The Company feels that it is adequately capitalized in order to meeting its obligations going forward.

Summary of Contractual Obligations

	Payments Due by Period				
Contractual Obligations	Total	2012	2013 – 2014	2015 - 2016	2017 and beyond
Operating Leases	$ 868,837	$ 110,258	$ 547,313	$ 211,266	$ -
Long-Term Debt including interest	1,260,037	121,443	975,254	163,340	-
Vehicle Loans	38,694	5,572	22,288	10,834	-
Total Contractual Obligations	$ 2,167,568	$ 237,273	$ 1,544,855	$ 385,440	$ -

Capital Resources

Except as otherwise disclosed, the Company does not expect to make significant capital expenditures in the near future. HDX has invested in and developed an information systems infrastructure that will scale to meet the majority its anticipated market requirements. Posera-HDX 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

The Company recognized revenue from a company controlled by the CEO, who is also a director of the company, during the three and nine-months ended September 30, 2012, based on amounts agreed upon by the parties, in the amounts of $8,014 and $46,995 (2011 - $15,811 and $51,373) respectively. The Company recognized operating expenses and purchased products of $97,059 and $283,492 during the three-months ended September 30, 2012 (2011 - $104,278 and $361,360) from a Company controlled by the CEO at the exchange amount. As at September 30, 2012, the Company has a receivable position of $6,425 (December 31, 2011 - $21,066), and a payable of $40,035 (December 31, 2011 - $44,255), which will be settled between the related parties in the normal course of business.

During the three and nine-months ended September 30, 2012, the company recognized stock-based compensation expense, included in Note 10(b), to certain directors and executives in the amount of $58,594 and $166,096 (2011 - $147,513 and $176,513) respectively.

During the three and nine-months ended September 30, 2012, the Company received legal fees and disbursement invoices totaling $12,964 and $39,023, (2011 - $200,000 and $304.343) respectively, from a law firm, a partner of which is a director of the Company. As at September 30, 2012, the Company has a payable position of $39,023 (December 31, 2011 - $277,747) which will be settled between the related parties in the normal course of business.

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, 2012	Nine-months ended September 30, 2012	Three-months ended September 30, 2011	Nine-months ended September 30, 2011
Salaries and short-term employee benefits	$ 232,287	$ 737,302	$ 225,772	$ 656,628
Share-based payments	58,594	156,848	141,513	170,513
Total	**$ 290,881**	**$ 894,150**	**$ 367,285**	**$ 827,141**

Share Capital

As at September 30, 2012, Posera-HDX had issued and outstanding 48,434,422 Class A voting common shares, and 4,631,584 options, of which 3,756,216 were exercisable at an exercise price to purchase common shares ranging from $0.25 to $2.70. As at November 14, 2012 Posera-HDX had issued and outstanding 48,434,422 Class A voting common shares and 4,631,584 options, of which 3,756,216 were exercisable at an exercise price to purchase common shares ranging from $0.25 to $2.70. As at May 5, 2012 the conversion option on the convertible debenture expired and therefore cannot be converted into Common Shares. Additionally, the 5,526,546 warrants outstanding as at March 31, 2012 expired on April 27, 2012 and are no longer exercisable.

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, 2011 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 interim period ended September 30, 2012 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting. Throughout 2012, 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 acquisitions of Cash N Go and 2020 late in the fourth quarter of 2011. The Company is in the process of integrating these businesses under the Company's current reporting processes and procedures; and

ii) The Company completed the transition to IFRS as of January 1, 2011 and issued its first statements under IFRS for the three months ended March 31, 2011. The conversion to IFRS impacted other key elements of the business outside of the accounting and finance function.

   a. The Company assessed there to be minimal impact to the Company's information technology systems, as the Company had only identified minimal adjustments that required posting and tracking relating to the transition to IFRS.

   b. The Company ensured that the key IFRS conversion team members had been adequately trained in order to be able to lead the implementation to IFRS. These employees received ongoing training post conversion to ensure that the Company remains knowledgeable of changes to IFRS.

   c. The Company's had assessed that the control environment surrounding the internal controls over financial reporting ("ICFR") and disclosure controls and procedures ("DC&P") would be impacted as a result of a transition to IFRS. The Company ensured that the key IFRS team members had received adequate training and the Company is striving to continuously improve ICFR and DC&P, and specifically incorporate IFRS in this continuous improvement analysis.

No other changes were identified through management's evaluation of the controls over financial reporting. Throughout the remainder of 2012 the Company aims to achieve continuous improvement with respect to;

- 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; and
- integrating all of the 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, 2011.

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 by 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 29, 2012, 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.

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