POSERA-HDX LTD.

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

FOR THE YEAR AND THREE-MONTHS ENDED DECEMBER 31, 2014

The following is the management discussion and analysis ("MD&A") of the consolidated statements of financial position, results of operations and cash flows of Posera-HDX Ltd. for the year and three-months ended December 31, 2014 and should be read in conjunction with the financial statements for such periods and the accompanying notes thereto. This MD&A discusses the year-ended December 31, 2014 compared to December 31, 2013. Additionally, this MD&A discusses the three-months ended December 31, 2014, compared to September 30, 2014 and December 31, 2013. Please read this MD&A in conjunction with the MD&A for the three-months ended March 31, 2014, June 30, 2014 and September 30, 2014. The effective date of this MD&A is March 31, 2015.

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 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, Debt to Equity Ratio, Gross Payment Processing Fees or Adjusted Total Revenue 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, Working Capital, Debt to Equity Ratio, Gross Payment Processing Fees and Adjusted Total Revenue 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.

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

Gross Payment Processing Fees: Posera-HDX management defines gross payment processing fees as the total payment processing fees that are earned by Zomaron's third party processors, of which Zomaron receives a percentage of these fees.

Adjusted Total Revenue: Posera-HDX management defines adjusted total revenue, as the removal of payment processing revenue and the inclusion of gross payment processing fees.

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".

Comparative Figures:

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

Overview

Three-months ended December 31, 2014 (Unaudited) - Highlights and Summary

(This section acts merely as a summary; the detailed analysis is discussed in the "Comparison of the Unaudited three-months ended December 31, 2014, December 31, 2013 and September 30, 2014".)

- Revenues and earnings for the combined entity for the three months-ended December 31, 2013 includes twenty-two days of operating results for the acquired entity Zomaron Inc. ("Zomaron") which was acquired on December 9, 2013, whereas revenues and earnings for the three-months ended December 31, 2014 and September 30, 2014 includes the operations for the full quarterly reporting period for Zomaron;

- Net income (loss) for the three-months ended December 31, 2014 was a loss of ($593,788), down $954,561 from income of $360,773, for the three-months ended December 31, 2013, and down $393,612 from a loss of ($200,176) for the three-months ended September 30, 2014;

- EBITDA profit / (loss) for the three-months ended December 31, 2014, was a loss of $(441,076), down $1,091,759 from income of $650,683 for the three-months ended December 31, 2013, and down $(425,253) from an EBITDA loss of ($15,823) for the three-months ended September 30, 2014;

- Normalized EBITDA profit / (loss) for the three-months ended December 31, 2014 was $65,014, a decrease of $592,015 from $657,029 for the three-months ended December 31, 2013, and an increase of $235,903 from ($170,889) for the three-months ended September 30, 2014;

- Total revenue was $5,364,531 for the three-months ended December 31, 2014, down $576,210 (9.7%) from $5,940,741 for the three-months ended December 31, 2013 and up $670,826 (14.3%) from $4,693,705 for the three-months ended September 30, 2014;

- Gross profit was $2,124,805 for the three-months ended December 31, 2014, down $560,779 (20.9%) from $2,685,584 for the three-months ended December 31, 2013, and up $21,747 (1.0%) from $2,103,058 for the three-months ended September 30, 2014;

- Operating expenses were $2,853,003 for the three-months ended December 31, 2014, up $632,238 (28.5%) from $2,220,765 for the three-months ended December 31, 2013, and up $452,473 (18.9%) from $2,400,530 for the three-months ended September 30, 2014;

- Included in cost of sales and operating expenses for the three-months ended December 31, 2014, December 31, 2013 and September 30, 2014 were certain one-time non-recurring expenditures, non-cash amortization of intangible assets and property plant and equipment, non-cash stock-based compensation expense and non-cash impairment to assets totaling $793,212, $260,994 and $126,583 respectively;

- Posera-HDX's cash and cash equivalents totaled $1,442,686 as at December 31, 2014, a decrease of $1,511,429 (51.2%) from $2,954,115 as at December 31, 2013, and a decrease of $450,406 (23.8%) from $1,893,092 as at September 30, 2014. Bank indebtedness was $207,103 as at December 31, 2014, an increase of $2 (0.0%) compared to $207,101 as at December 31, 2013, and an increase of $6 (0.0%) compared to $207,097 as at September 30, 2014.

- Posera-HDX's working capital totaled $266,728 as at December 31, 2014, a decrease of $328,765 (55.2%) from $595,493 as at December 31, 2013, and a decrease of $1,105,593 (80.6%) from $1,372,321 as at September 30, 2014.

Year-ended December 31, 2014 - Highlights and Summary

(*This section acts merely as a summary; the detailed analysis is discussed in the "Comparison of the years ended December 31, 2014 and 2013".)*

- Revenues and earnings for the combined entity for the year-ended December 31, 2013 includes twenty-two days of operating results for Zomaron Inc. ("Zomaron") whom was acquired on December 9, 2013, whereas revenues and earnings for the year-ended December 31, 2014 include a full twelve months of operations for Zomaron;
- Net Income(loss) for the year-ended December 31, 2014 was a loss of $(1,860,518), down $868,080 from a loss of $(992,438) for the year-ended December 31, 2013;
- EBITDA profit / (loss) for the year-ended December 31, 2014 was $(788,325), down $1,731,921 from a profit of $943,596 for the year-ended December 31, 2013;
- Normalized EBITDA profit / (loss) for the year-ended December 31, 2014 was $(12,460), a decrease of $556,423 from $543,963 for the year- ended December 31, 2013;
- Total revenue was $20,114,450 for the year-ended December 31, 2014, up $603,038 3.1% from $19,511,412 for the year-ended December 31, 2013;
- Total point-of-sale revenue was $18,709,858 for the year-ended December 31, 2014, down $640,938 (3.3%) from $19,350,796 for the year-ended December 31, 2013;
- Total payment processing revenue was $1,404,592 for the year-ended December 31, 2014, up $1,243,976 (774.5%) from $160,616 for the year-ended December 31, 2013;
- Total gross payment processing fees was $15,336,661 for the year-ended December 31, 2014, up $14,614,150 (2,022.7%) from $722,511 for the year-ended December 31, 2013;
- Gross profit was $8,674,864 for the year-ended December 31, 2014, up $741,312 (9.3%) from $7,933,552 for the year-ended December 31, 2013;
- Operating expenses were $10,598,116 for the year-ended December 31, 2014, up $1,932,052 (22.3%) from $8,666,064 for the year-ended December 31, 2013; and
- Operating expenses net of the impairment of assets were $10,598,116 for the year-ended December 31, 2014, up $2,194,327 (26.1%) from $8,403,789 for the year-ended December 31, 2013.

Posera-HDX's Business

The Company is in the business of managing merchant transactions with consumers and facilitating payment with an emphasis on 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 87 resellers in 25 countries with approximately 550 representatives selling, supporting and installing its software. Posera's main software product, known as Maître 'D, has been deployed in over 20,000 locations worldwide in eight different languages.

ATM products and services are a logical extension of the Company's core offerings. During the three-months ended December 31, 2013 the Company entered into an agreement to be an Independent Sales Organization ("ISO") with TNS Smart Network Inc. to provide ATM transactional services. Acting as an ISO, HDX is now positioned very well to efficiently grow an ATM business throughout Canada via its existing team of direct sales professionals, newly acquired Zomaron sales agents and its network of sub-ISO's and reseller distribution channels.

Through the acquisition of Zomaron Inc. ("Zomaron") the Company acquired a registered reseller of Debit and Credit Card merchant services. Zomaron, an Ontario based sales organization, rounds out the Company's suite of services to include Debit and Credit Card merchant services. Founded in 2008, Zomaron provides credit and debit card processing solutions to Canadian merchants nationwide. Based in London, Ontario, Zomaron has offices in Edmonton AB, Toronto ON, and Montreal QC. Through its nation-wide network of sales representatives and strategic partnerships, Zomaron has experienced rapid growth, doubling its sales annually. Zomaron's exponential growth led it to be ranked on PROFIT magazine's 13th and 14th annual PROFIT HOT 50 issues in October 2012 and 2013 respectively. Zomaron's solutions and services can also be marketed and deployed in the United States. With each pin-pad sold, a percentage of each transaction, for the term of the agreement, is earned by Zomaron Inc. This share of Debit and Credit Card processing revenues, the Company expects, will become a significant recurring revenue stream in the future.

In 2014, the Company completed the acquisition of Terminal Management Concepts Ltd. ("TMC"). TMC provides wireless EMV chip and PIN "pay-at-the-table" credit and debit card processing software and hardware solutions to Canadian merchants nationwide. Based in Markham, Ontario, TMC has deployed its payment software solutions through direct sales and strategic partnerships with the world's largest payment terminal manufacturers. TMC's solutions and services integrate directly with most of the leading restaurant POS applications world-wide. Because TMC's middle-ware product is POS solution agnostic, payment processing relationships can be achieved regardless of the POS solution deployed by a particular restaurant. TMC's solutions can be marketed and deployed in the United States where the requirement for "pay-at-the-table" solutions is becoming a necessary part of restaurant operations due to the introduction of EMV chip and PIN requirements and the credit card / merchant liability shift due to take place in October of 2015.

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

Revenues and Expenses

Posera-HDX's revenue model includes 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.
- **Revenue 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.
- **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 software development.** Merchants may hire HDX to develop software applications required for the POS and payment requirements.

The Company has disclosed Gross Payment Processing Fees related to its Payment Processing Revenues. Gross Payment Processing Fees represent the total amount of Payment Processing Fees underlying the processing of debit and credit card payments transactions. The transaction fees are paid by merchants to a third party processor, who then remits a residual to the Company based upon certain metrics. The Company does not have a direct relationship with the merchant to process the transactions, and is not the primary obligator of the payment processing transaction. As a result, the Company records the residual received as revenue. Although the Company records the residual received as revenue, the Company has disclosed the Gross Payment Processing Fees underlying the transactions, as it may be relevant information to benchmark the Company against others in the payment processing industry who may have dissimilar contractual arrangements between the merchants and payment processors.

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, 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. In addition, the Company also earns interest income from investing the consumers' prepaid funds.

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-HDX has completed or as a result of a term promissory note. On the date of acquisition or issuance of the notes payable, Posera-HDX 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-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.

On December 9th, 2013 the Company completed the acquisition of Zomaron Inc. ("Zomaron"). The acquisition of Zomaron, a rapidly growing company with a successful and accomplished management team and over 140 sales agents, will be instrumental in the Company's growth strategy and lays the groundwork for significant sales growth in 2014 and beyond.

The acquisition of Terminal Management Concepts ("TMC") in December, 2014 has served to augment the company's payments-related offerings by providing the ability for full integration with not only our POS solutions but those of our competitors as well. This is a key differentiator in our space, one that greatly strengthens the value proposition for our clients while significantly expanding the market growth opportunities for HDX. TMC's fully integrated payments offering, coupled with wireless payment terminals, also allows the Company to deploy "pay-at-the-table" solutions, a highly desired capability and a unique opportunity for the Company. This opportunity is significant in the short-term, especially given the shift to EMV for debit and credit payments in the United States which is mandatory by October, 2015. TMC's software, in conjunction with HDX's intellectual property and services, provides merchants with a unique one-stop-shop opportunity that covers POS software, hardware, payments, digital video security, training, and help desk support.

Posera-HDX continues to pursue selective acquisitions which the Company expects will be primarily focused on POS or Payment Processing services companies that can be acquired at attractive multiples, and whose products or customer base complements or extends that of the Company currently.

Acquisitions and Divestitures During the Year- Ended December 31, 2014

On December 31, 2014 Posera-HDX Ltd. completed the acquisition of all the issued and outstanding shares of TMC. The purchase price was comprised of a non-interest bearing notes payable (Note 15) and Common Shares of Posera-HDX Ltd. having a hold-period that the shares are not freely tradable until December 31, 2016 (Note 18). The acquisition provides the Company with technology to facilitate the integration of multiple payment processing providers to many POS solutions, and an established customer base.

Since the acquisition of TMC was completed on December 31, 2014, there are no results of operations from TMC included in these consolidated financial statements.

The acquisition of TMC is accounted for using the acquisition method whereby HDX is identified as the acquirer. The net assets acquired of TMC were primarily attributed to intangible assets and goodwill (Notes 9 and 10). Goodwill represents the excess earning capacity as a result of synergistic revenue opportunities, future growth, pre-assembled workforce and cost reductions. The consideration has yet to be finalized at the time of filing these financial statements as the final adjustments for closing have yet to be negotiated and agreed upon by the parties in relation to the working capital requirement as part of the share purchase agreement.

The presentation of the TMC business acquisition is provisional as the Company expects a potential future adjustment to consideration, goodwill and working capital.

Critical Accounting Estimates and Judgements

This MD&A should be read in conjunction with the Company's audited Consolidated Financial Statements for the years-ended December 31, 2013 and 2012, including the notes thereto, in particular Note 2. Posera-HDX's financial statements are prepared in accordance with International Financial Reporting Standards ("**IFRS**"). The Consolidated Financial Statements for the years-ended December 31, 2014 and 2013 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 the Annual Consolidated Financial Statement for the years-ended December 31, 2013 and 2012 in Note 2 for a complete listing of the Company’s critical accounting estimates.

a. *Intangible asset – December 31, 2014 - $3,658,176 (December 31, 2013 - $3,825,790) and Goodwill – December 31, 2014 - $7,422,911 (December 31, 2013 - $6,600,883), and related Goodwill and Intangible assets impairments for the periods ended December 31, 2014 - $nil and $nil respectively (December 31, 2013 - $76,334 and $162,278 respectively) in the Direct POS and POS Software segments*

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.

During the year ended December 31, 2013, the Company assessed an impairment of $262,275 related to the goodwill, intangible assets and property, plant and equipment allocated to the HDX Payment Processing CGU in the Payment Processing Segment, because of the deterioration in the higher of the value-in-use and fair-value less costs to sell. The impairments recorded reflect value-in-use as it was higher than the fair-value less costs to sell. This was primarily the result of a reduction in the Years 1 – 5 earnings growth rate, primarily as a result of the downward revision to the forecasted sales of certain payment processing products. The key assumptions utilized to calculate the higher of value-in-use and fair-value less costs to sell are detailed below. This impairment is included in the operating expenditures in the consolidated statements of operations.

The following key assumptions were used in calculating the higher of value-in-use and fair-value less costs to sell by CGU as at December 31, 2014, the date of the Company's impairment testing:

	POS CGU	Zomaron	TMC
Years 1 – 5 earnings average growth rate (i)	14%	N/A	170%
Terminal earnings growth rate (ii)	1%	N/A	2%
After-tax discount rate (iii)	14%	N/A	13%
Residual multiple (iv)	N/A	30 months	N/A

(i) Earnings growth was projected based on past experience, actual operating results, and a market participant's expected view of the 5 year forecasts of the CGUs.

(ii) Earnings were extrapolated further using a constant growth rate, which does not exceed the long-term average growth rate for the industry.

(iii) The discount rate was estimated based upon industry average after-tax weighted cost of capital, adjusted for the specific risks of the CGU.

(iv) Residual multiple was estimated based upon an assessment of marketability and condition of the residuals.

For the Zomaron CGU, the higher of value-in-use and fair-value less costs to sell exceeded the carrying value by $365,000. See below for the resultant impairment by CGU, if any, as a result of the specified change to the key assumptions above, in isolation.

Change	POS CGU	Zomaron	TMC
Reduction of 2.5% (i)	$nil	N/A	$5,000
Reduction of 1% (ii)	$nil	N/A	$100,000
Increase of 1% (iii)	$nil	N/A	$250,000
Decrease of 25% (iv)	N/A	$370,000	N/A

b. *Valuation of shares issued in business combinations – December 31, 2014 - $330,734 (December 31, 2013 - $840,000)*

- Certain Common Shares issued in business-combinations as disclosed in Note 3 had 2-year hold-periods and were not freely tradable, which required the Company to estimate the fair-value on the date of acquisition. The Company utilized the market price of a freely tradable share on the date of acquisition, and applied a discount of 30% (2013 – 30%) to estimate the fair-value of the Common Shares with a 2-year hold-period. A 5 percentage point decrease in the discount applied would increase equity and goodwill values by $25,000 (2013 - $60,000).

c. *Useful life and amortization of intangible assets*

- See detailed disclosure of intangible asset useful lives in Note 2 above. A decrease of the average useful lives of intangible assets by 1 year, would increase amortization by $150,000 (2013 - $210,000)

d. *Investment Tax Credits Receivable – non-refundable – December 31, 2014 - $1,056,042 (December 31, 2013 - $1,217,686) and related investment tax recovery for the periods ended December 31, 2014 $(63,225) (December 31, 2013 - $327,757) in the POS Software segment*

- 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 6. 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.

e. *Provision for income tax and information return penalties – December 31, 2014 - $207,224 (December 31, 2013 - $210,000) and related expenditures for the years ended December 31, 2014 - $nil (December 31, 2013 - $nil) in the POS Software segment*

- During the year-ended December 31, 2012, the Company became aware that certain income tax and information returns were past-due, which may be subject to certain penalties provided by legislation, the amount and timing of which is not certain. The Company has filed a formal request for abatement; however, the outcome of that request is not certain.

Comparison of the Years Ended

The table below sets out the audited statements of operations for the years-ended December 31, 2014 and December 31, 2013, and certain unaudited Non-IFRS reporting measures.

Analysis of the Annual Results	**2014 $**	**2013 $**		**Variance $**	**Variance %**
Revenue					
Point-of-sale	18,709,858	19,350,796		(640,938)	(3.3)%
Payment processing	1,404,592	160,616		1,243,976	774.5%
Total Revenue	**20,114,450**	**19,511,412**		**603,038**	**3.1%**
Cost of Sales					
Cost of inventory	4,330,495	5,001,125		(670,630)	(13.4)%
Technology	1,721,069	1,791,176		(70,107)	(3.9)%
Operations and Support	5,388,022	4,785,559		602,463	12.6%
Total Cost of Sales	**11,439,586**	**11,577,860**		**(138,274)**	**(1.2)%**
Gross Profit	**8,674,864**	**7,933,552**		**741,312**	**9.3%**
Gross Profit Percentage	43.1%	40.7%			5.9%
Operating Expenditures					
Sales and marketing	5,069,083	3,337,638		1,731,445	51.9%
General and administrative	5,529,033	5,066,151		462,882	9.1%
Impairment of assets	-	262,275		(262,275)	(100.0)%
Total Operating Expenditures	**10,598,116**	**8,666,064**		**1,932,052**	**22.3%**
	(1,923,252)	**(732,512)**		**(1,190,740)**	**162.6%**
Other expenses (income)					
Interest expense	416,567	228,514		188,053	82.3%
Realized and unrealized loss on foreign exchange	20,480	(198,586)		219,066	(110.3)%
Interest and other income	(18,096)	(10,262)		(7,834)	76.3%
Gain on held for trading financial instruments	-	98,786		(98,786)	(100.0)%
	418,951	**118,452**		**300,499**	**253.7%**
Net loss before income taxes	**(2,342,203)**	**(850,964)**		**(1,491,239)**	**175.2%**
Current	(262,022)	542,666		(804,688)	(148.3)%
Future	(219,663)	(401,192)		181,529	(45.2)%
Net loss	**(1,860,518)**	**(992,438)**		**(868,080)**	**87.5%**
Other comprehensive income	277,142	36,193		240,949	665.7%
Net comprehensive loss	**(1,583,376)**	**(956,245)**		**(627,131)**	**65.6%**
Non-IFRS reporting measures (as outlined on Pages 30 – 31 of this MD&A):					
	(unaudited)	(unaudited)		(unaudited)	(unaudited)
EBITDA	**(788,325)**	**943,596**		**(1,731,921)**	**(183.5)%**
Normalized EBITDA[1]	**(12,460)**	**543,963**		**(556,423)**	**(102.3)%**

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

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

Selected Financial Data for the three-years ended	**2014**	**2013**	**2012**
Total revenue	$ 20,114,450	$ 19,511,412	$ 16,446,106
Point-of-sale revenue	18,709,858	19,350,796	16,343,375
Payment processing revenue	1,404,592	160,616	11,731
Net income (loss)	(1,860,518)	(992,438)	(4,819,465)
Income (loss) per share – basic and diluted	(0.03)	(0.02)	(0.10)
Weighted average number of shares outstanding (000's) - basic	59,361	48,962	48,434
Weighted average number of shares outstanding (000's) – diluted	59,361	48,962	48,434
Cash and cash equivalents	1,442,686	2,954,115	1,050,441
Bank indebtedness	207,103	207,101	256,784
Working capital (as outlined on Page 28 of this MD&A)	266,728	595,493	551,357
Total assets	19,100,741	20,433,953	17,244,125
Long-term liabilities	2,373,062	1,302,795	1,586,919
Total shareholders' equity	10,462,356	11,348,788	9,487,018

Comparison of the years ended December 31, 2014 and 2013

On December 9, 2013 the Company began reporting revenue relating to the acquired business of Zomaron Inc. As a result, the year ended December 31, 2013 results only includes twenty-two days of revenues and expenses for this acquisition, whereas the year-ended December 31, 2014 includes both revenue and expenses for the entire reporting period.

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-HDX Ltd. for both the fiscal years ended December 31st, 2014 and 2013, as revenues and expenses will be recorded commencing January, 1st, 2015.

Revenue:

Posera-HDX recognized total revenue of $20,114,450 for the year-ended 2014 compared to $19,511,412 for the year-ended ended December 31, 2013, an increase of $603,038 (3.1%). The total revenue is comprised of two separate components, point-of-sale revenue and payment processing revenue.

<u>Point-of-sale revenue</u>

Point-of-sale revenue for the year-ended December 31, 2014 was $18,709,858, a decrease of $640,938 (3.3%) compared to the point-of-sale revenue for the year-ended December 31, 2013 of $19,350,796. The decrease in revenue during the year-ended December 31, 2014 compared to December 31, 2013 was primarily a result of the completion of a large rollout project one of the Company's large customers during the year-ended December 31, 2013. The Company did not have a similar rollout transpire during the year-ended December 31, 2014.

Additionally, the Company had hoped to begin marketing and deploying Electronic Cash Registers ("ECR's") through its team of approximately 175 sales agents at the end of the second quarter of 2014 and thereby experience sales revenue growth during the third quarter of 2014. However, due to difficulties and product line changes at a major technology partner, the Company was forced to identify a new ECR product manufacturer, secure a distribution agreement, re-stock inventory, re-train technical staff, develop marketing materials, and schedule a new marketing road show. The Company announced a North American distribution agreement with Casio America Inc. and expects to experience additional revenues from this new arrangement into the future.

Payment processing revenue

The Company recognized payment processing revenue of $1,404,592 for the year-ended December 31, 2014, compared to $160,616 for the year-ended December 31, 2013. The following is an analysis of the Processing Revenue.

	For the years ended			
	December 31, 2014	**December 31, 2013**(1)	**December 31, 2014 vs. December 31, 2013**	**% Change**
Processing Revenue	1,404,592	857,645	546,947	63.8%
Increase / (decrease) as a result of Number of Merchants			321,859	37.5%
Increase / (decrease) as a result of Revenue per Merchant			225,088	26.2%
Number of Active Merchants	3,038	2,209	829	37.5%
Processing Revenue per Merchant	462.34	388.25	74.09	19.1%
Merchant Portfolio Processing Volume	973,622,112	616,458,450	357,163,662	57.9%
Merchant Portfolio Processing Volume per Merchant	320,481	279,067	41,414	14.8%
Gross processing fees(2)	15,336,661	8,164,519	7,172,142	87.8%
Gross processing fees per Merchant(2)	5,048.27	3,696.02	1,352.25	36.6%

(1) Information presented for the year-ended December 31, 2013 primarily all related to the period prior to the Company's acquisition of Zomaron. The Company has presented this historical information as if Zomaron were part of the Company for this period for informational purposes.

(2) For Zomaron, gross payment processing fess represents the total payment processing fees that are earned by Zomaron's third party processors, of which Zomaron receives a percentage of these fees. The Company believes that gross payment processing fees is a relevant metric to disclose, in order to allow users of the financial statements to be able to benchmark Zomaron's payment processing portfolio against similar payments and processing companies which may have different processing relationship.

The processing of debit and credit card transactions is somewhat seasonally based, as a result of the demographics of Zomaron's merchant base. Additionally the Company and its sales agent's targeted higher volume customers for the year-ended December 31, 2014 when compared to the year-ended December 31, 2013, which has resulted in the processing volume increasing, and processing revenue per merchant increasing.

Adjusted total revenue

As previously discussed, the Company acquired the payment processing entity Zomaron, in December, 2013, and recorded payment processing revenue of $1,404,592 for the year-ended December 31, 2014, compared to $160,615 for the year-ended December 31, 2013, representing an increase of $1,243,976 (774.5%). For Zomaron, gross payment processing fess represents the total payment processing fees that are earned by Zomaron's third party processors, of which Zomaron receives a percentage of these fees. The Company is endeavouring to meet criteria to recognize the gross payment processing fees as payments processing revenue through future acquisitions. Had the Company recorded the gross payment processing fees as payment processing revenue the Company would have achieved adjusted total revenue of $34,046,519 for the year-ended December 31, 2014 compared to $20,073,307 for the year-ended December 31, 2013, representing an increase of $13,973,212 (69.6%)[(A)].

Adjusted Total Revenue Reconciliation	**For the years ended**	
	December 31, 2014	**December 31, 2013**
Total revenue	**$ 20,114,450**	**$ 19,511,412**
Less: Payment processing revenue	(1,404,592)	(160,616)
Add: Gross payment processing fees	15,336,661	722,511
Adjusted total revenue	**$ 34,046,519**	**$ 20,073,307**

(A) The Company's ability to recognize the gross payment processing fees as payment process revenue for the calculation of adjusted total revenue, would have resulted in a similar increase in the Company's costs of sales resulting in a minimal impact to earnings for the comparative periods.

Cost of Sales:

As a result of the acquisition discussed above, the cost of sales for the year-ended December 31, 2013 includes only twenty-two days of expenses for Zomaron Inc.; whereas the year-ended December 31, 2014 includes a full year of cost of sales related to the Zomaron acquisition.

Cost of inventory

Posera-HDX recognized cost of inventory of $4,330,495 (23.1% of point-of-sale revenues) for the year-ended December 31, 2014 compared to $5,001,125 (25.8% of point-of-sale revenues) for the year-ended December 31, 2013. The reason for the decrease in the cost of inventory percentage as it relates to revenues from the year-ended December 31, 2014 to December 31, 2013 is due to the fact that there was a lower proportion of revenue generated from point-of-sale hardware in 2014 compared to 2013. The remainder of point-of-sale revenues are derived from recurring support contracts, which requires significantly less inventory inputs.

Technology expense

Technology expenses for the year-ended December 31, 2014 were $1,721,069 compared to $1,791,176 for the year-ended December 31, 2013, a decrease of $70,107 (3.9%). The decrease in the adjusted technology expense between the year-ended December 31, 2014 and December 31, 2013, per the table below, is due to the Company's decision in fiscal 2013 to reduce un-necessary monthly expenditures as it related to the HDX Payment Processing Ltd. ("HDXPP") division. As a result, during the year-ended December 31, 2013 the Company was still incurring technology related expenditures for the HDXPP division, where during the year-ended December 31, 2014 the HDXPP expenditures were not significant.

Technology Expense Reconciliation	**For the years ended**	
	December 31, 2014	**December 31, 2013**
Technology expense -	**$ 1,721,069**	**$ 1,791,176**
Less: Amortization of intangible assets and PP&E	381,111	660,250
Less: One-time expenditures	269,337	(249,337)
Adjusted Technology expense	**$ 1,070,621**	**$ 1,380,263**

Operations and support expense

For the year-ended December 31, 2014 operations and support expenses were $5,388,022 compared to $4,785,559 for the year-ended December 31, 2013, an increase of $602,463 (12.6%). The operations and support expenses increased from 2014 to 2013, as a result of the inclusion of operations and support expenses from the acquisition of Zomaron Inc., otherwise the operating and support expenses were relatively consistent year-over-year.

Operations and Support Expense Reconciliation	For the years ended	
	December 31, 2014	December 31, 2013
Operations and Support expense -	**$ 5,388,022**	**$ 4,785,559**
Less: One-time expenditures	-	65,038
Adjusted Operations and Support expense	**$ 5,388,022**	**$ 4,720,521**

Operating Expenditures:

HDX recognized operating expenditures of $10,598,116 for the year-ended December 31, 2014 compared to $8,666,064 for the year-ended December 31, 2013. Included in operating expenses for the year-ended December 31, 2014 and December 31, 2013 are one-time expenditures and (recoveries) relating to legal expenses, acquisition search firms, valuation work performed, recovery from a settlement and severance expenses, totaling ($233,253) and $97,889 respectively. Excluding these one-time expenditures, HDX`s operating expenditures for the year-ended December 31, 2014 and December 31, 2013, would have been $10,364,863 and $8,568,175, respectively.

<u>Sales and marketing expenses</u>

Sales and marketing expenses were $5,069,083 for the years-ended December 31, 2014 an increase of $1,731,445 (51.9%) from $3,337,638 for the year-ended December 31, 2013.

Sales and Marketing Expense Reconciliation	For the years ended	
	December 31, 2014	December 31, 2013
Sales and Marketing expense	**$ 5,069,083**	**$ 3,337,638**
Less: Amortization of intangible assets	578,312	628,776
Adjusted Sales and Marketing expense	**$ 4,490,771**	**$ 2,708,862**

The adjusted sales and marketing expenses has increased for the year-ended December 31, 2014 compared to the year-ended December 31, 2013, as a result of an increase in headcount and agent expenses related to the Zomaron transaction which was completed in the fourth quarter of 2013. This increase was partially offset by the minor decrease in the direct sales force headcount by the Company during the year-ended December 31, 2014 compared to the year-ended December 31, 2013.

General and administrative expense

General and administrative expenses were $5,529,033 for the year-ended December 31, 2014; an increase of $462,882 (9.1%) from $5,066,151 for the year-ended December 31, 2013.

General and Administrative Expense Reconciliation	For the years ended	
	December 31, 2014	December 31, 2013
General and administrative expense	**$ 5,529,033**	**$ 5,066,151**
Less: Stock-based compensation expense(1)	273,275	28,169
Less: Amortization of intangible assets and PP&E	175,504	124,807
Less: One-time expenditures	233,253	97,889
Adjusted General and Administrative expense	**$ 4,847,001**	**$ 4,815,286**

(1) Incremental stock-based compensation expensed during the year-ended December 31, 2014 beyond what had been accrued on a straight-line basis in prior periods. For further discussion on this amount, please see the discussion on Page 30 of this MD&A.

Included in general and administrative expenses for the years-ended December 31, 2014 and December 31, 2013 was non-cash stock-based compensation expense of $273,275 and $28,169 respectively. Additionally, included in general and administrative expenses for the years-ended December 31, 2014 and December 31, 2013 are one-time expenditures / (recovery) of $233,253 and $97,889 respectively. Finally, included in general and administrative expenses for the year-ended December 31, 2014 is $175,504 of amortization of intangible assets and property, plant and equipment compared to $124,807 for the year-ended December 31, 2013. Excluding these non-cash stock compensation expenses, the one-time expenditures and non-cash amortization above, HDX's general and administrative expenditures for the years-ended December 31, 2014 and December 31, 2013, would have been $4,847,001 and $4,815,286 respectively.

After factoring out the previously discussed normalizing items and the expenditures incurred by Zomaron in fiscal 2014 in relation to general and administrative expenditures, the adjusted general and administrative expenditures for the years-ended December 31, 2014 and December 31, 2013 decreased by approximately 10% as a result of cost cutting measures and efficiencies employed by the Company in fiscal 2014.

During the year ended December 31, 2013, the Company assessed an impairment of $262,275 related to the goodwill, intangible assets and property, plant and equipment allocated to the HDX Payment Processing CGU in the Payment Processing Segment, because of the deterioration in the higher of the value-in-use and fair-value less costs to sell. The impairments recorded reflect value-in-use as it was higher than the fair-value less costs to sell. This was primarily the result of a reduction in the Years 1 – 5 earnings growth rate, primarily as a result of the downward revision to the forecasted sales of certain payment processing products. This impairment is included in the operating expenditures in the consolidated statements of operations.

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 2010 Posera acquisition and a financing completed in January, 2014. The increase in interest expense for the year-ended December 31, 2014 compared to the year-ended December 31, 2013 was a result of the new convertible debenture that was undertaken by the Company in January, 2014.

Realized and unrealized loss / (gain) on foreign exchange is comprised primarily of the loss / (gain) on the foreign denominated convertible debenture and other 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 year-ended December 31, 2014. This is partially offset by the other net assets denominated in foreign currencies incurring a gain during the year-ended December 31, 2014 as a result of an increase of the value of the source currency when translated into the functional currency. The fluctuations in the realized and unrealized loss / (gain) on foreign exchange has impacted the comparable reporting periods December 31, 2014 and December 31, 2013. The impact to income is predicated on the foreign exchange movements in other net assets denominated in a currency other than the functional currency and the revelation of the convertible debenture from USD to CAD. During the year-ended December 31, 2014 the Company re-evaluated certain intercompany balances, resulting in the intercompany balances being part of the net investment in foreign subsidiaries. As such any foreign exchange loss / (gain) on these intercompany balances after July 1, 2014 is now included in Other Comprehensive Income, where it was previously included in the Realized and Unrealized Loss / (Gain) on foreign exchange.

Interest and other income is comprised primarily of interest earned from the investing of HDX's corporate funds and interest earned on lease receivables. The interest earned remained relatively consistent between the year-ended December 31, 2014 and 2013 as the interest rates earned, and balances deposited remained relatively consistent.

Segment Analysis

Operating Segments	Revenue for the year ended		Operating profit (loss) for the year ended (1)	
	December 31 2014	December 31 2013	December 31 2014	December 31 2013
POS	$ 16,744,439	$ 19,350,796	$ 397,731	$ 2,330,173
Payment Processing	3,370,011	160,616	(274,783)	(429,125)
Total	**$ 20,114,450**	**$ 19,511,412**	**$ 122,948**	**$ 1,901,048**

(1) Operating profit (loss) 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.

For the year-ended December 31, 2014 POS revenue and operating profit (loss) decreased $2,606,357 (13.5%) and decreased $1,932,442 (82.9%) respectively when compared to the year-ended December 31, 2013. POS revenue decreased from the year-ended December 31, 2014 compared to the year-ended December 31, 2013 primarily as a result of a completion of a large rollout project for one of the Company's largest customers during the year-ended December 31, 2013. The Company did not have a similar one-time large project transpire during the year-ended December 31, 2014. Additionally, the Company had a one-time software license sale for the year-ended December 31, 2014 totalling $nil, (2013 - $341,392). The decrease in the operating profit for the year-ended December 31, 2014 compared to 2013 is directly attributable to the completion of the large rollout project for a large customer of the Company. Additionally, operating profit was impacted as the Company achieved lower gross margins on POS related sales during the year-ended December 31, 2014 when compared to the year-ended December 31, 2013.

For the year-ended December 31, 2014 Payment Processing revenue and operating profit (loss) increased $3,209,395 (1,998.2%) and improved by $154,342 (36.0%) respectively when compared to the year-ended December 31, 2013. The Payment Processing revenues increased during the year-ended December 31, 2014 compared to 2013 as a result of the Zomaron acquisition completed on December 9th, 2013 for which the Company recorded twenty-two days of revenue for the year-ended December 31, 2013 compared to $nil for the year-ended December 31, 2014. The operating loss improved as a result of a the increase in revenue and due to cost reductions through the Company's decision to outsource certain activities related to the Payment Processing segment during the year-ended December 31, 2013.

Comparison of the Unaudited Three-Months Ended

The table below sets out the unaudited statements of operations for the three-months ended December 31, 2014, December 31, 2013 and September 30, 2014.

Analysis of the Unaudited Quarterly Results	Q4-2014 (unaudited) $	Q4-2013 (unaudited) $	Q3-2014 (unaudited) $	Q4-2014 vs. Q4-2013 $	%	Q4-2014 vs. Q3-2014 $	%
Revenue							
POS	5,169,119	5,780,125	4,258,454	(611,006)	(10.6) %	910,665	21.4%
Payment processing	195,412	160,616	435,251	34,796	21.7%	(239,839)	(55.1)%
Total Revenue	**5,364,531**	**5,940,741**	**4,693,705**	**(576,210)**	**(9.7)%**	**670,826**	**14.3%**
Cost of Sales							
Cost of inventory	1,356,346	1,773,444	925,047	(417,098)	(23.5)%	431,299	46.6%
Technology	550,113	240,091	305,612	310,022	129.1%	244,501	80.0%
Operations and support	1,333,267	1,241,622	1,359,988	91,645	7.4%	(26,721)	(2.0)%
Total Cost of Sales	**3,239,726**	**3,255,157**	**2,590,647**	**(15,431)**	**(0.5)%**	**649,079**	**25.1%**
Gross Profit	2,124,805	2,685,584	2,103,058	(560,779)	(20.9)%	21,747	1.0%
Gross Profit Percentage	39.6%	45.2%	44.8%		(12.4)%		(11.6) %
Operating Expenditures							
Sales and marketing	1,277,480	857,442	1,194,739	420,038	49.0%	82,741	6.9%
General and administrative	1,575,523	1,432,107	1,205,791	143,416	10.0%	369,732	30.7%
Impairment of assets	-	(68,784)	-	68,784	(100.0)%	-	-%
Total Operating Expenditures	**2,853,003**	**2,220,765**	**2,400,530**	**632,238**	**28.5%**	**452,473**	**18.8%**
	(728,198)	**464,819**	**(297,472)**	**(1,193,017)**	**(256.7)%**	**(430,726)**	**144.8%**
Other expenses (income)							
Interest expense	118,917	67,739	95,069	51,178	75.6%	23,848	25.1%
Realized and unrealized loss on foreign exchange	27,578	(124,982)	2,779	152,560	(122.1)%	24,799	892.4%
Interest and other income	(4,341)	(2,919)	(4,144)	(1,422)	48.7%	(197)	4.8%
Gain on held for trading financial instruments	-	-	-	-	-%	-	-%
	142,154	**(60,162)**	**93,704**	**202,316**	**(336.3)%**	**48,450**	**51.7%**
Net income (loss) before income taxes	**(870,352)**	**524,981**	**(391,176)**	**(1,395,333)**	**(265.8)%**	**(479,176)**	**122.5%**
Current	(177,521)	298,112	17,516	(475,633)	(159.6)%	(195,037)	(1,113.5)%
Future	(99,043)	(133,904)	(208,516)	34,861	(26.0)%	109,473	(52.5)%
Net loss	**(593,788)**	**360,773**	**(200,176)**	**(954,561)**	**(264.6)%**	**(393,612)**	**196.6%**
Other comprehensive income	111,576	2,767	157,183	108,809	3,932.4%	(45,607)	(29.0)%
Net comprehensive loss	**(482,212)**	**363,540**	**(42,993)**	**(845,752)**	**(232.6)%**	**(439,219)**	**1,021.6%**
Non-IFRS reporting measures(as outlined on Pages 30 – 31 of this MD&A):	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)	(unaudited)
EBITDA	**(441,076)**	**650,683**	**(15,823)**	**(1,091,759)**	**(167.8%)**	**(425,253)**	**2,687.6%**
Normalized EBITDA[(1)]	**65,014**	**657,029**	**(170,889)**	**(592,015)**	**(90.1%)**	**235,903**	**138.0%**

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

Comparison of the unaudited quarters ended December 31, 2014 and 2013 and September 30, 2014

On December 9, 2013 the Company began reporting revenue relating to the acquired businesses of Zomaron Inc. As a result, the three-months ended December 31, 2014 and September 30, 2014 results both include a full quarter of revenues and expenses for this acquisition, whereas the results displayed for the three-months ended December 31, 2013, only records twenty-two days of operating activity.

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-HDX Ltd. for both the fiscal years ended December 31st, 2014 and 2013, as revenues and expenses will be recorded commencing January, 1st, 2015.

Revenue:

Revenue Comparisons December 31, 2014, September 30, 2014 and December 31, 2013

HDX recognized total revenue of $5,364,531 for the three-months ended December 31, 2014 compared to $5,940,741 for the three-months ended December 31, 2013, a decrease of $576,210 (9.7%) and $4,693,705 for the three-months ended September 30, 2014, an increase of $670,826 (14.3%). During the three-months ended December 31, 2014, there was a one-time adjustment to total 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.

Total Revenue Reconciliation	**For the quarters ended**		
	December 31, 2014	**December 31, 2013**	**September 30, 2014**
Total Revenue	**$ 5,364,531**	**$ 5,940,741**	**$ 4,693,705**
Less: One-time revenue adjustment(1)	156,629	-	(52,210)
Adjusted Total Revenue	**$ 5,521,160**	**$ 5,940,741**	**$ 4,641,495**

(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 total revenue is comprised of two separate components, point-of-sale revenue and payment processing revenue.

<u>Point-of-sale ("POS") revenue</u>

POS revenue for the three-months ended December 31, 2014 was $5,169,119, a decrease of $611,006 (10.6%) and an increase of $910,665 (21.4%) compared to the point-of-sale revenue for the three-months ended December 31, 2013 and September 30, 2014 of $5,780,125 and $4,258,454 respectively. The increase in POS revenues during the three-months ended December 31, 2014 compared to September 30, 2014 is primarily a seasonal fluctuation, where the seasonal results of the fourth quarter tends to be the strongest quarter of the year for the Company, whereas the third quarter is somewhat slower due to a slower summer installations schedule for restaurant builds. Additionally, the Company and its sales agents have been targeting higher volume customers during as the year has progressed, resulting in lower POS revenues each period, but has the positive impact of increased recurring payment processing revenues. The decrease in POS revenues for the three-months ended December 31, 2014 compared to the three-months ended December 31, 2014 was primarily a result of the completion of a large rollout project for one of the Company's large customers during the three-months ended September 30, 2014. The Company did not have a similar project during the three-months ended September 30, 2014.

The Company had hoped to begin marketing and deploying Electronic Cash Registers ("ECR's") through its team of approximately 175 sales agents at the end of the second quarter of 2014 and thereby experience sales revenue growth during the third and fourth quarter of 2014. However, due to difficulties and product line changes at a major technology partner, the Company was forced to identify a new ECR product manufacturer, secure a distribution agreement, re-stock inventory, re-train technical staff, develop marketing materials, and schedule a new marketing road show. The Company announced a North American distribution agreement with Casio America Inc. and has experienced some additional revenues from this new arrangement during the three-months ended December 31, 2014, and this is expected to grow throughout fiscal 2015.

Payment processing revenue

The Company recognized payment processing revenue of $195,412 for the three-months ended December 31, 2014, compared to $160,616 for the three-months ended December 31, 2013 and $435,251 for the three-months ended September 30, 2014. During the three-months ended December 31, 2014, there was a one-time adjustment to payment processing revenue of $156,629, as a result of a tax assessment. Below the Company has presented a reconciliation of the adjustment applied ratably over the comparable quarters.

Payment Processing Revenue Reconciliation	**For the quarters ended**		
	December 31, 2014	**December 31, 2013**	**September 30, 2014**
Total Payment Processing Revenue	**$ 195,412**	**$ 160,616**	**$ 435,251**
Less: One-time adjustment(1)	156,629	-	(52,210)
Adjusted Payment Processing Revenue	**$ 352,041**	**$ 160,616**	**$ 383,041**

(1) During the three-months ended December 31, 2014, the Company incurred a one-time adjustment in payment processing revenue, as a result of tax assessment, which transpired in the fourth quarter of 2014. The adjustment in payment processing 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.

	For the quarters ended			
	December 31, 2014	**December 31, 2013(1)**	**December 31, 2014 vs. December 31, 2013**	**% Change**
Adjusted Payment Processing Revenue	352,041	301,563	50,478	16.7%
Increase / (decrease) as a result of Number of Merchants			113,172	37.5%
Increase / (decrease) as a result of Revenue per Merchant			-62,694	(20.8%)
Number of Active Merchants	3,038	2,209	829	37.5%
Processing Revenue per Merchant	115.88	154.26	(38.38)	(24.9%)
Merchant Portfolio Processing Volume	286,428,301	213,366,670	73,061,631	34.2%
Merchant Portfolio Processing Volume per Merchant	94,282	96,590	(2,308)	(2.4%)
Gross processing fees(2)	4,551,362	2,814,455	1,736,907	61.7%
Gross processing fees per Merchant(2)	1,498.14	1,274.09	224	17.6%

(1) Information presented for the three-months ended December 31, 2013 represents twenty-two days of operations for the Company's acquisition of Zomaron. The Company has presented the full quarter of Zomaron's historical information as if Zomaron were part of the Company for full quarterly reporting period merely for informational purposes.

(2) For Zomaron, gross payment processing fess represents the total payment processing fees that are earned by Zomaron's third party processors, of which Zomaron receives a percentage of these fees. The Company believes that gross payment processing fees is a relevant metric to disclose, in order to allow users of the financial statements to be able to benchmark Zomaron's payment processing portfolio against similar payments and processing companies which may have different processing relationship.

	For the quarters ended			
	December 31, 2014	September 30, 2014	December 31, 2014 vs. September 30, 2014	% Change
Adjusted Payment Processing Revenue	352,041	383,041	(31,000)	(8.1%)
Increase / (decrease) as a result of Number of Merchants			24,981	6.5%
Increase / (decrease) as a result of Revenue per Merchant			(55,981)	(14.6%)
Number of Active Merchants	3,038	2,852	186	6.5%
Processing Revenue per Merchant	115.88	134.31	(18.43)	(13.7%)
Merchant Portfolio Processing Volume	286,428,301	262,961,695	23,466,606	8.9%
Merchant Portfolio Processing Volume per Merchant	94,282	92,203	2,079	2.3%
Gross processing fees(2)	4,551,362	4,128,416	422,946	10.2%
Gross processing fees per Merchant(2)	1,498.14	1,447.55	50.59	3.5%

(2) For Zomaron, gross payment processing fess represents the total payment processing fees that are earned by Zomaron's third party processors, of which Zomaron receives a percentage of these fees. The Company believes that gross payment processing fees is a relevant metric to disclose, in order to allow users of the financial statements to be able to benchmark Zomaron's payment processing portfolio against similar payments and processing companies which may have different processing relationship.

The processing of debit and credit card transactions is somewhat seasonally based, as a result of the demographics of Zomaron's merchant base. Additionally the Company and its sales agent's targeted higher volume customers during the three-months ended December 31, 2014 and September 30, 2014, which has resulted in the processing volume increasing, and processing revenue per merchant increasing.

Cost of Sales:

Cost of Sales Comparisons December 31, 2014, September 30, 2014 and December 31, 2013

Cost of inventory

Posera-HDX recognized cost of inventory of $1,356,346 (26.2% of POS revenues) for the three-months ended December 31, 2014, compared to $925,047 (21.7% of POS revenues) for the three-months ended September 30, 2014 and $1,773,444 (30.7% of POS revenues) for the three-months ended December 31, 2013. The changes in the cost of inventory as a percentage of revenue is a result of a small change in product mix between the respective periods. The reason for the change of the cost of inventory percentage as it relates to POS revenues for each of the comparable quarter is due to the fact that there was a lower proportion of POS revenue generated from POS hardware for the three-months ended September 30, 2014 compared to the three-months ended December 31, 2014 and 2013. The remainder of POS revenues are derived from recurring support contracts, which consumes significantly less inventory inputs.

Technology expense

Technology expenses in the three-months ended December 31, 2014 were $550,113, an increase of $310,022 (129.1%) from $240,091 in the three-months ended December 31, 2013 and an increase of $244,501 (80.0%) from $305,612 in the three-months ended September 30, 2014.

Technology Expense Reconciliation	For the quarters ended		
	December 31, 2014	**December 31, 2013**	**September 30, 2014**
Technology expense	**$ 550,113**	**$ 240,091**	**$ 305,612**
Less: Amortization of intangible assets	98,135	90,403	94,108
Less: One-time expenditures	166,181	(62,334)	(37,781)
Adjusted Technology expense	**$ 285,797**	**$ 212,022**	**$ 249,285**

(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 2014 quarters to calculate the Normalized EBITDA.

Included in the technology expense for the three-months ended December 31, 2014, December 31, 2013 and September 30, 2014 are the non-cash amortization of technology intangible assets, totaling $98,135, $90,403and $94,108 respectively. Excluding this non-cash intangible asset amortization, Posera-HDX`s technology expenses for the three-months ended December 31, 2014, December 31, 2013 and September 30, 2014, would have been $285,797, $212,022, and $249,285 respectively.

The technology expense increased during the three-months ended December 31, 2014 compared to the three-months ended December 31, 2014 and September 30, 2014, as a result of additional development efforts undertaken by the Company, otherwise the technology expenses was consistent between the comparable periods.

Operations and support expense

Operations and support expenses were $1,333,267 in the three-months ended December 31, 2014; an increase of $91,645 (7.4%) from $1,241,622 in the three-months ended December 31, 2013, and a decrease of $26,721 (2.0%) from $1,359,988 in the three-months ended September 30, 2014.

Operations and Support Expense Reconciliation	For the quarters ended		
	December 31, 2014	**December 31, 2013**	**September 30, 2014**
Operations and Support Expense	**$ 1,333,267**	**$ 1,241,622**	**$ 1,359,988**
Less: One-time expenditures	-	33,676	-
Adjusted Operating and Support expense	**$ 1,333,267**	**$ 1,207,946**	**$ 1,359,988**

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. The minor increase for the three-months ended December 31, 2014 compared to the three-months ended December 31, 2013 is attributable to the Zomaron acquisition, whereby only twenty-two days of operations and support expenses were incurred during the three-months ended December 31, 2013.

Operating Expenses:

Posera-HDX recognized operating expenditures of $2,853,003 for the three-months ended December 31, 2014 compared to $2,220,765 for the three-months ended December 31, 2013, and $2,400,530 for the three-months ended September 30, 2014.

Included in operating expenses for the three-months ended December 31, 2014, December 31, 2013 and September 30, 2014 are one-time expenditures and (recoveries) relating to legal expenses, acquisition search firms, valuation work performed, a recovery from a settlement and severance expenses, totaling $167,409, $64,504 and ($100,683) respectively. Excluding these one-time expenditures, Posera-HDX`s operating expenditures for the three-months ended December 31, 2013, December 31, 2012 and September 30, 2013, would have been $2,685,594, $2,156,261, and $2,501,213 respectively.

Sales and marketing expense

Sales and marketing expenses were $1,277,480 in the three-months ended December 31, 2014 an increase of $420,038 (49.0%) from $857,442 in the three-months ended December 31, 2013, and an increase of $82,741 (6.9%) from $1,194,739 in the three-months ended September 30, 2014.

Sales and Marketing Expense Reconciliation			
	December 31, 2014	**December 31, 2013**	**September 30, 2014**
Sales and marketing expense	**$ 1,277,480**	**$ 857,442**	**$ 1,194,739**
Less: Amortization of intangible assets	144,999	134,764	143,746
Adjusted sales and marketing expense	**$ 1,132,481**	**$ 722,678**	**$ 1,050,993**

The adjusted sales and marketing expenses has increased for the three-months ended December 31, 2014 compared to the three-months ended December 31, 2013, as a result of an increase in headcount and agent expenses related to the Zomaron transaction which only twenty-two days of Zomaron sales and marketing expenses have been recorded in the fourth quarter of 2013. The adjusted sales and marketing expenses has increased for the three-months ended December 31, 2014 compared to the three-months ended September 30, 2014, as a result of increase agent expenses as a result of additional payment terminal installations being completed during the three-months ended December 31, 2014 compared to the three-months ended September 30, 2014.

General and administrative expense

General and administrative expenses were $1,575,523 in the three-months ended December 31, 2014; an increase of $143,416 (10.0%) from $1,432,107 in the three-months ended December 31, 2013, and an increase of $369,732 (30.7%) from $1,205,791 in the three-months ended September 30, 2014.

General and Administrative Expense Reconciliation			
	December 31, 2014	**December 31, 2013**	**September 30, 2014**
General and administrative expense	**$ 1,575,523**	**$ 1,432,107**	**$ 1,205,791**
Less: Stock-based compensation expense(1)	15,871	4,177	35,608
Less: Amortization of intangible assets and PP&E	66,711	29,480	43,795
Less: One-time expenditures	167,409	30,828	(100,683)
Adjusted general and administrative expense	**$ 1,325,532**	**$ 1,367,622**	**$ 1,227,071**

(1) Incremental stock-based compensation expensed during the three-months ended December 31, 2014 and September 30, 2014 beyond what the Company had previously accrued on a straight-line basis in prior periods. For further discussion on this amount, please see the discussion on Page 30 of this MD&A.

Included in general and administrative expenses for the three-months ended December 31, 2014, December 31, 2013 and September 30, 2014 was non-cash stock-based compensation expense of $15,871, $4,177 and $35,608 respectively. Additionally, included in general and administrative expenses for the three-months ended December 31, 2014, December 31, 2013 and September 30, 2014 are one-time expenditures of $167,409, $30,828 and ($100,683) respectively. Finally, included in general and administrative expenses for the three-months ended December 31, 2014, December 31, 2013 and September 30, 2014 is amortization of intangible assets and property, plant and equipment of $66,711, $29,480 and $43,795 respectively.

After normalizing for the additional expenditures incurred by Zomaron in relation to general and administrative expenditures, the adjusted general and administrative expenditures for the three-months ended December 31, 2014 and December 31, 2013 the reporting periods were relatively consistent. Additionally, after factoring the previously discussed normalized amounts in relation to general and administrative expenditures, the adjusted general and administrative expenditures for the three-months ended December 31, 2014 and September 30, 2014 were also 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 2010 acquisition and a financing completed in January, 2014. Interest expense for the three-months ended December 31. 2014 was $118,917 an increase of $51,178 from $67,739 for the three-months ended December 31, 2013 and an increase of $23,848 from $95,069 for the three-months ended September 30, 2014. The increase compared to the three-months ended December 31, 2013 was a result of the new convertible debenture that was undertaken by the Company in January, 2014. Interest expense was relatively consistent between the three-months ended December 31, 2014 and September 30, 2014.

Realized and unrealized loss / (gain) on foreign exchange is comprised primarily of the loss / (gain) on the foreign denominated convertible debenture and other 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 December 31, 2014. This is partially offset by the other net assets denominated in foreign currencies incurring a gain during the three-months ended December 31, 2014 as a result of an increase of the value of the source currency when translated into the functional currency. The fluctuations in the realized and unrealized loss / (gain) on foreign exchange has impacted the three comparable reporting periods, December 31, 2014, December 31, 2013 and September 30, 2014. The impact to income is predicated on the foreign exchange movements in other net assets denominated in a currency other than the functional currency and the revelation of the convertible debenture from USD to CAD. During the three-months ended December 31, 2014 the Company re-evaluated certain intercompany balances, resulting in the intercompany balances being part of the net investment in foreign subsidiaries. As such any foreign exchange loss / (gain) on these intercompany balances after July 1, 2014 is now included in Other Comprehensive Income, where it was previously included in the Realized and Unrealized Loss / (Gain) on foreign exchange.

Interest and other income is comprised primarily of interest earned from the investing of HDX's corporate funds and interest earned on lease receivables. The interest earned remained relatively consistent between the three-months ended December 31, 2014, December 31, 2013 and September 30, 2014, as the interest rates earned, and balances deposited remained relatively consistent.

For the three-months ended December 31, 2013, the gain on the held for trading financial instruments was $nil compared to ($399,491) and $98,786 for the three-months ended December 31, 2012 and September 30, 2013. The gain on the held for trading financial instruments is a result of the revaluation of the Royalty Payable. For the three-months ended December 31, 2012, the $399,491 gain is a result of the revaluation of the Royalty Payable. In the third quarter of 2012, the Company completed the integration of the Scheduler product with the MaitreD' software package. With the completion of the integration the Company has experienced challenges in both direct and indirect sales of Scheduler product. This evaluation has led to reduced expected royalty payments and the resulting gain on revaluation. During the three-months ended September 30, 2013 the Company completed a transaction resulting in a one-time sale of a software license that was related to the previously discussed Royalty Payable. As a result during the three-months ended September 30, 2013, the Company recorded a loss on the held for trading financial instruments as a result of the one-time sale.

Convertible Debenture entered into during the fiscal year-ended 2014

On January 15, 2014, the Company issued a total of $1.5 million (principal amount) of unsecured convertible subordinated debentures, and repaid the term promissory note maturing January 24, 2014. The unsecured convertible subordinated debentures will mature with the principal amount repayable on January 15, 2017 and will pay interest at a nominal rate of 10.25% per annum, payable monthly. Each Convertible Debenture will be convertible into HDX Common Shares at $0.45 per HDX Common Share until January 15, 2016 and at $0.60 per HDX Common Share thereafter until maturity. The offering price of each Convertible Debenture was $900 per $1,000 principal amount resulting in gross proceeds to HDX of $1.35 million. HDX paid a finder's fee equal to 5.0% of the gross proceeds, being $67,500, of the Offering, and incurred issuance costs of $38,413, both of which will be amortized over the life of the debentures. As a result of the conversion option, issuance discount, commission and issuance costs, the unsecured convertible subordinated debentures have a resulting effective interest rate of 22.87%.

Segment Analysis

Operating Segments			
	Revenue for the three-months ended		
	December 31, 2014	September 30, 2014	December 31, 2013
POS	$ 4,527,068	$ 3,809,907	$ 5,787,056
Payment processing	834,458	885,636	153,685
Intersegment	3,005	(1,838)	
Total revenue	**$ 5,364,531**	**$ 4,693,705**	**$ 5,940,741**
	Operating profit for the three-months ended (1)		
	December 31, 2014	September 30, 2014	December 31, 2013
POS	$ 49,629	$ 63,621	$ 997,653
Payment processing	(202,158)	(44,102)	15,337
Total profit	**$ (152,529)**	**$ 19,519**	**$ 1,012,990**

(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 December 31, 2014, point-of-sale ("POS") revenue increased $717,161 (18.8%) and decreased $1,259,988 (21.8%) when compared to the three-months ended September 30, 2014 and December 31, 2013 respectively. POS revenues increased compared to the three-months ended September 30, 2014 as a result of organic growth, largely due to the increase in the number of new system installations completed and due to seasonality fluctuations between the periods. POS revenue decreased during the three-months ended December 31, 2014 compared to the three-months ended December 31, 2013, primarily as a result of a completion of a large rollout project for one of the Company's largest customers during the year-ended December 31, 2013. The Company did not have a similar one-time large project transpire during the year-ended December 31, 2014.

For the three-months ended December 31, 2014, payment processing revenue decreased $51,178 (5.8%) and increased $680,773 (443.0%) when compared to the three-months ended September 30, 2014 and

December 31, 2013 respectively. Payment processing revenues increased compared to the three-months ended December 31, 2013, as a result of the Zomaron acquisition that was completed by the Company on December 9th, 2013 as the Company only recorded only twenty-two days of payment processing revenues related to Zomaron for the three-months ended December 31, 2013 whereas the Company recorded payment processing revenues for the entire three-months ended December 31, 2014. Payment processing revenue decreased for the three-months ended December 31, 2014 compared to the three-months ended September 30, 2014 as a result of seasonal processing volumes being higher in the third quarter of the year compared to the fourth quarter as a result of the Company's processing customers' seasonal activity.

Operating Profit

For the three-months ended December 31, 2014, POS operating profit decreased $948,024 (95.0%) and decreased $13,992 (22.0%) when compared to the three-months ended December 31, 2013 and September 30, 2014 respectively as a result of fewer POS system installations completed during the three-months ended December 31, 2014 when evaluated against the other comparative period December 31, 2013 period. The operating profit results are relatively consistent between the three-months ended December 31, 2014 and September 30, 2014. Payment processing operating profit decreased $158,056 (358.4%) as a result of a one-time adjustment in revenue, as a result of a tax assessment, which transpired during the three-months ended December 31, 2014 in the amount of $156,629. The application of this adjustment between the periods would have resulted in consistent operating profit being generated. Payment processing operating profit declined $201,495 (1,418.1%) for the three-months ended December 31, 2014 when compared to the three months ended December 31, 2013 due the revenue adjustment previously discussed and due to the fact that the Company was still incurring expenditures related to the HDX Payment Processing cash generating unit. During fiscal 2013 the Company impaired these assets and there are minimal costs being incurred for HDX Payment Processing during the three-months ended December 31, 2014.

Summary of Unaudited Quarterly Results ,

The following table sets forth unaudited statements of operations data for the eight most recent quarters ended December 31, 2014 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. The following numbers differ from those previously reported as a result of certain IFRS adjustments discussed previously.

				2014	
	Fiscal 2014	Q4	Q3	Q2	Q1
Total revenues	$ 20,114,450	$ 5,364,531	$ 4,693,705	$ 5,334,590	$ 4,721,624
Point-of-sale revenue	$ 18,709,858	$ 5,169,119	$ 4,258,454	$ 4,933,515	$ 4,348,770
Payment processing revenue	$ 1,404,592	$ 195,412	$ 435,251	$ 401,075	$ 372,854
Gross payment processing fees	$ 15,336,661	$ 4,551,362	$ 4,128,416	$ 3,917,007	$ 2,739,876
EBITDA(1)	$ (788,325)	$(441,076)	$ (15,823)	$ (177,086)	$ (154,340)
Normalized EBITDA(1)	$ (12,460)	$ 65,014	$ (170,889)	$ 303,255	$ (209,841)
Net Income (Loss)	$ (1,860,518)	$ (593,788)	$ (200,176)	$ (627,569)	$ (438,985)
Comprehensive Income (Loss)	$ (1,583,376)	$ (482,212)	$ (42,993)	$ (607,547)	$ (450,624)
Earnings (Loss) Per Share Basic	$ (0.03)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.01)
Earnings (Loss) Per Share Diluted	$ (0.03)	$ (0.01)	$ (0.00)	$ (0.01)	$ (0.01)
				2013	
	Fiscal 2013	Q4	Q3	Q2	Q1
Total revenues	$ 19,511,412	$ 5,940,741,	$ 5,171,555	$ 4,305,530	$ 4,093,586
Point-of-sale revenue	$ 19,350,796	$ 5,787,056	$ 5,169,459	$ 4,302,974	$ 4,091,307
Payment processing revenue	$ 160,616	$ 153,685	$ 2,096	$ 2,556	$ 2,279
Gross payment processing fees	$ 722,511	$ 713,805	$ 2,673	$ 3,127	$ 2,906
EBITDA(1)	$ 943,596	$ 650,683	$ 556,855	$ (101,828)	$ (162,114)
Normalized EBITDA(1)	$ 543,963	$ 657,029	$ 214,112	$ (116,997)	$ (210,181)
Net Loss	$ (992,438)	$ 360,773	$ (401,498)	$ (350,989)	$ (600,724)
Comprehensive Loss	$ (956,245)	$ 363,540	$ (328,337)	$ (390,315)	$ (601,133)
Earnings (Loss) Per Share Basic	$ (0.02)	$ 0.01	$ (0.01)	$ (0.01)	$ (0.01)
Earnings (Loss) Per Share Diluted	$ (0.02)	$ 0.01	$ (0.01)	$ (0.01)	$ (0.01)

(1) See EBITDA and Normalized EBITDA reporting measures (as outlined on Pages 30 – 31 of this MD&A)

Reconciliation of Unaudited Non-IFRS measures to Closest IFRS Equivalent

Net Loss to EBITDA and Normalized EBITDA		**2014**			
	Fiscal 2014	Q4	Q3	Q2	Q1
Net Loss	**$ (1,860,518)**	**$ (593,788)**	**$ (200,176)**	**$ (627,569)**	**$ (438,985)**
Interest expense	416,567	118,917	95,069	96,396	106,185
Exchange loss (gain)	20,480	27,578	2,779	179,389	(189,266)
Interest and other income	(18,096)	(4,341)	(4,144)	(5,525)	(4,086)
Amortization of equipment	92,215	23,495	23,071	22,927	22,722
Amortization of intangible assets	1,042,712	263,627	258,578	259,583	260,924
Tax provision (recovery)	(481,685)	(276,564)	(191,000)	(102,287)	88,166
EBITDA	**$ (788,325)**	**$ (441,076)**	**$ (15,823)**	**$ (177,086)**	**$ (154,340)**
One-time non-recurring expenditures and (recoveries)	253,252	187,409	(100,683)	134,614	31,912
One-time revenue adjustment(4)	-	156,629	(52,210)	(52,210)	(52,210)
Stock-based compensation expense(3)	273,275	15,871	35,608	219,218	2,578
Investment tax credits receivable – reassessment(1), (2)	249,338	146,181	(37,781)	178,719	(37,781)
Normalized EBITDA(5)	**$ (12,460)**	**$ 65,014**	**$ (170,889)**	**$ 303,255**	**$ (209,841)**

(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 ratably 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.

(6) The reconciliation for adjusted total revenue was performed on Page #14-15 of this MD&A.

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

Net Loss to EBITDA and Normalized EBITDA		**2013**			
	Fiscal 2013	Q4	Q3	Q2	Q1
Net Loss	**$ (992,438)**	**$ 360,773**	**$ (401,498)**	**$ (350,989)**	**$ (600,724)**
Interest expense	228,514	67,739	59,923	54,159	46,693
Exchange loss (gain)	(198,586)	(124,982)	118,634	(156,026)	(36,212)
Interest and other income	(10,262)	(2,919)	(2,371)	(2,712)	(2,260)
Gain on held for trading financial instruments	98,786	-	98,786	-	-
Amortization of equipment	111,097	17,581	24,058	32,537	36,921
Amortization of intangible assets	1,302,736	237,067	453,042	286,562	326,065
Tax provision (recovery)	141,474	164,208	(124,778)	34,641	67,403
Impairment of assets	262,275	(68,784)	331,059	-	-
EBITDA	**$ 943,596**	**$ 650,683**	**$ 556,855**	**$ (101,828)**	**$ (162,114)**
One-time non-recurring expenditures and (recoveries)	(427,802)	2,169	(346,921)	(22,784)	(60,266)
Stock-based compensation expense	28,169	4,177	4,178	7,615	12,199
Normalized EBITDA[(1)]	**$ 543,963**	**$ 657,029**	**$ 214,112**	**$ (116,997)**	**$ (210,181)**

(1) 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.

Equity to Working Capital			
	December 31, 2014	**September 30, 2014**	**December 31, 2013**
Equity	**$ 10,462,356**	**$ 10,602,756**	**$ 11,348,788**
Add: Long-term portion of notes payable	1,585,238	1,334,134	396,697
Add: Long-term portion of vehicle Loans	136,899	154,877	165,824
Add: Future income tax liability	650,925	589,021	740,274
Less: Goodwill	(7,422,911)	(6,754,631)	(6,600,883)
Less: Intangible assets	(3,658,176)	(3,112,549)	(3,825,790)
Less: Long-term portion of investment tax credits receivable	(1,056,042)	(1,067,101)	(1,217,686)
Less: Long-term portion of lease receivable	(32,513)	(36,382)	(36,916)
Less: Deposit on leased premises	(39,581)	(39,580)	(39,581)
Less: Equipment	(283,257)	(298,224)	(290,312)
Less: Deferred income tax asset	(76,210)	-	(44,922)
Working Capital	**$ 266,728**	**$ 1,372,321**	**$ 595,493**

Liquidity and Financial Resources

As at December 31, 2014, HDX had cash and cash equivalents totaling $1,442,686 (December 31, 2013 - $2,954,115).

For the years-ended December 31, 2014 and 2013, cash provided by / (used by) operating activities was ($1,004,494) and $600,365 respectively. Cash used by operations for the year-ended December 31, 2014 resulted from a net loss, reduction of notes payable principal, and a deferred income tax recovery, which was offset by items not affective cash such as amortization of property plant and equipment and intangible assets, stock-based compensation and interest accretion. Cash provided by operations for the year-ended December 31, 2013 resulted from a net loss and a deferred tax recovery, which was more than offset by items not affective cash such as amortization and stock-based compensation, an impairment of assets and an changes in non-cash operating items.

For the years-ended December 31, 2014 and 2013, cash provided by / (used in) financing activities were $(450,533) and $3,105,085 respectively. Cash used in financing activities for the year-ended December 31, 2014 resulted primarily from the repayment of the notes payable, issuance costs of the notes payable and vehicle loans, which was offset primarily by the issuance of a note payable, which was offset by repayments of notes payable. Cash provided by financing activities for the year-ended December 31, 2013 resulted primarily from the proceeds from the issuance of shares, the issuance of a note payable which was offset by issuance costs paid for shares, repayments of the notes payable and royalty payable. HDX expects to continue to make acquisitions in the future and therefore may complete additional financings in the equity markets.

In the years-ended December 31, 2014 and 2013, cash provided by / (used in) investing activities was ($120,209) and ($1,783,272) respectively. The cash used in investing activities during the year-ended December 31, 2014 related to the acquisition of Terminal Management Concepts Ltd., property plant and equipment and intangible assets The cash used in investing activities during the year-ended December 31, 2013 relates to the acquisition of Zomaron Inc. in addition to the acquisition of property plant and equipment and intangible assets.

Working capital at December 31, 2014 and 2013 was $266,728 and $595,493 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, which is a non-IFRS measure. 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 statements of financial position. Total equity is the equity of the Company in the consolidated statements of financial position. As disclosed in Note 11 of the accompanying audited financial statements, the Company is subject to certain externally imposed capital covenants related to bank indebtedness.

The debt to equity ratios as at December 31, 2014 and December 31, 2013 were as follows:

	December 31, 2014	December 31, 2013
Total Debt		
Notes payable	$ 2,751,205	$ 2,574,860
Vehicle loans	195,100	217,145
Bank indebtedness	207,103	207,101
Total Debt	**$ 3,153,408**	**$ 2,999,106**
Total Equity	**$ 10,462,356**	**$ 11,348,788**
Debt to Equity Ratio	**30.14%**	**26.43%**

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 December 31, 2014 was $500,000 (2013 - $500,000), of which the Company had utilized $207,103 (2013 - $207,101). 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	2015	2016 – 2017	2018 - 2019	2020 and beyond
Operating Leases	$ 942,860	$ 531,964	$ 410,896	$ -	$ -
Long-Term Debt	3,412,669	1,371,996	2,040,673	-	-
Vehicle Loans	214,330	68,328	131,963	14,039	-
Total Contractual Obligations	$ 4,569,869	$ 1,972,288	$ 2,583,532	$ 14,039	$ -

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 year ended December 31, 2014, based on amounts agreed upon by the parties, in the amounts of $41,346 (2013 - $35,618). The Company recognized operating expenses related to shared office space and employees, and purchased products of $291,253 during the year ended December 31, 2014 (2013 - $367,862) from a Company controlled by the CEO at the exchange amount based on amounts agreed to by the parties. As at December 31, 2014, the Company has a receivable position of $30,896 (2013 - $38,015), and a payable of $97,299 (2013 - $106,764), which will be settled between the related parties in the normal course of business.

During the year ended December 31, 2014, the Company received legal fees and disbursement invoices totaling $135,343 (2013 - $235,743) to a law firm, a partner of which is a director of the Company. As at December 31, 2014, the Company has a payable position of $112,075 (2013 - $117,588) which will be settled between the related parties in the normal course of business.

Compensation of key management

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:

	Year ended December 31, 2014	Year ended December 31, 2013
Salaries and short-term employee benefits	$ 1,051,807	$ 969,114
Share-based payments	248,511	16,710
Total	**$ 1,300,318**	**$ 985,824**

The salaries and short-term employee benefits are expensed as occurred, whereas the share-based payments are recorded at the date of grant and expensed over the vesting period to the Consolidated Statement of Operations and Comprehensive Loss. The Company granted 990,000 options during the year-ended December 31, 2014 (2013 – nil) to directors in place of cash compensation for directors fees earned for fiscal 2014 and 2013.

Share Capital

As at December 31, 2014, Posera-HDX had issued and outstanding 61,521,706 Class A voting common shares, and 4,759,424 options, of which 4,622,924 were exercisable at an exercise price to purchase common shares ranging from $0.25 to $2.70. As at March 31, 2015 Posera-HDX had issued and outstanding 61,521,706 Class A voting common shares and 4,748,024 options, of which 4,611,524 were exercisable at an exercise price to purchase common shares ranging from $0.25 to $0.50. As at December 31, 2014 and March 31, 2015 the convertible debenture could have been converted into nil and 3,333,333 Common Shares respectively.

Disclosure Controls and Procedures ("DC&P") and Internal Controls Over Financial Reporting ("ICFR")

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;

ii) The Company completed the acquisition of Terminal Management Concepts Ltd. ("TMC") on December 31st, 2014. During fiscal 2015 the Company anticipates the completion of integrating this business under the Company's current reporting processes, procedures and consolidated accounting system;

iii) The Company prior acquisition of Posera Inc. brought along a seasoned accounting team. The Company completed a reporting structure and guidelines and procedures for Posera to insure that they were able to adhere to the DC&P and ICFR required by HDX; and

No other changes were identified through management's evaluation of the controls over financial reporting. Throughout the remainder of 2015 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;
- 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.

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