



## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**For the Three and Nine-months ended September 30, 2016**

**Dated: November 14<sup>th</sup>, 2016**

*This Management's Discussion and Analysis ("MD&A") for the year and three-months ended September 30<sup>th</sup>, 2016 (third quarter of fiscal 2016) provides detailed information on the operating activities, performance and financial position of Posera Ltd. ("Posera" or the "Company") (formerly Posera-HDX Ltd.). This discussion should be read in conjunction with the Company's condensed consolidated interim financial statements and accompanying notes for the three and nine-months ended September 30<sup>th</sup>, 2016. The financial statements have been prepared in compliance with International Financial Reporting Standards ("IFRS") and are reported in Canadian dollars. The information contained herein is dated as of November 14<sup>th</sup>, 2016, and is current to that date, unless otherwise stated.*

*This MD&A discusses the three-months ending September 30, 2016, compared to June 30, 2016 and September 30, 2015. For an analysis of the three-months ending September 30, 2016 compared to September 30, 2015 and June 30, 2016, please read this MD&A in conjunction with the MD&A for the three and six-months ending June 30, 2016 and the three and nine-months ending September 30, 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", "the Company", "we" and "our" mean Posera Ltd.*

*Additional information relating to the Company is available on SEDAR at [www.sedar.com](http://www.sedar.com), and on the Company's web-site at [www.posera.com](http://www.posera.com).*

## **FORWARD LOOKING STATEMENTS**

This MD&A includes certain forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with our business and the environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements, including those identified by the expressions “anticipate”, “believe”, “plan”, “estimate”, “expect”, “intend” and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts, but reflect the Company's current expectations regarding future results or events. These forward-looking statements are based on a number of estimates and assumptions, including those which are identified in the “Critical Accounting Estimates and Judgments” section herein, and are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under “Risks and Uncertainties” herein, as well as the risks and uncertainties detailed in our Annual Information Form which was filed on March 30, 2016 with the regulatory authorities.

## **NON-IFRS REPORTING MEASURES**

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

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

### Non-IFRS reporting definitions:

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

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

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

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

*Restructuring Expense:* Posera management defines Restructuring Expense as a one-time expense that has been incurred by the Company as a result of a reorganization.

**NON-IFRS REPORTING MEASURES (continued)**

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

*Recurring Revenue:* Includes payment processing revenue and certain components of POS revenues as disclosed on the statement of operations. These include POS support and maintenance contracts, POS referral revenue sharing arrangements and other recurring revenue agreements. To a minor extent recurring revenues include payment processing revenues and referral fees earned in relation to payments processed by customers.

Comparative Figures:

Certain prior period comparative figures have been re-presented to conform to the consolidated financial statements presentation as a result of the discontinued operations accounting treatment under IFRS.

**Disposition of Zomaron and Discontinued Operations**

During the three-months ended March 31, 2016, the Company decided to divest of its wholly owned subsidiary Zomaron Inc., which is within the Payments Segment following the decision to focus Company resources and capital investment in targeted growth opportunities in the core markets of the Company's Point-of-Sale and SecureTablePay platforms.

On April 29, 2016, the Company completed the sale of Zomaron Inc., to a company established by Zomaron's current operating management team, for an amount totalling \$4.5 million. Consideration for the sale of Zomaron shares comprised of a cash payment of \$2.0 million on closing. Additionally, on closing Posera received a repayment of an existing intercompany debt in the amount of \$1.3 million. Further, the buyers have assumed a secured note payable with an estimated value on the date of disposition of \$1.2 million, \$0.4 million of which is unconditionally due on or before December 31, 2016, and \$0.8 million of which is repayable at an amount that is dependent on certain variables, including Posera's share price.

As at April 29<sup>th</sup>, 2016, the disposal group comprised \$2,365,207 of Net Assets, as detailed below:

	Assets		Liabilities
Cash and cash equivalents	\$ 287,311		
Accounts receivable	472,691		
Prepaid expenses and deposits	10,815	Accounts payable	
Property, plant and equipment	95,149	and other accrued charges	\$ 796,816
Intangible assets	221,864	Vehicle loans	
Goodwill	2,161,813	and capital leases	87,620
<b>Total assets disposed</b>	<b>\$ 3,249,643</b>	<b>Total liabilities disposed</b>	<b>\$ 884,436</b>

**Disposition of Zomaron and Discontinued Operations (continued)**

The Company recorded a gain on the disposal of Zomaron of \$2,134,793. The Company incurred transaction costs related to the disposition of Zomaron of \$nil and \$70,814 during the three and nine-months ended September 30, 2016 respectively, which has been recorded in General and Administrative in the Statement of Operations.

Zomaron has been presented as a discontinued operation, separate from continuing operations, in the Consolidated Statements of Operations and Comprehensive Loss during the period, and has been represented in a format as such in the comparative period.

**Financial Highlights and Summary - Three-months ended September 30, 2016 (Unaudited)**

*(This section acts merely as a summary; the detailed analysis is discussed in the "Comparison of the Unaudited three-months ended September 30, 2016, September 30, 2015 and June 30, 2016".)*

- Recurring revenues<sup>(1)</sup> for the three-months ended September 30, 2016 were \$1,683,774, a decrease of \$25,842 (1.5%) from recurring revenues of \$1,709,616 for the three-months ended September 30, 2015, and a decrease of \$60,376 (3.5%) from recurring revenues of \$1,744,150 for the three-months ended June 30, 2016;
- Net Income (Loss)<sup>(2)</sup> for the three-months ended September 30, 2016 was a loss of \$989,959, a decrease of \$151,553 (18.1%) from a loss of \$838,406 for the three-months ended September 30, 2015, and a decrease of \$2,131,918 (186.7%) from a income of \$1,141,959 for the three-months ended June 30, 2016;
- EBITDA<sup>(2)</sup> loss for the three-months ended September 30, 2016, was \$793,049, an increase in the loss of \$425,124 (115.5%) from a loss of \$367,925 for the three-months ended September 30, 2015, and a decrease in the loss of \$340,489 (75.2%) from a loss of \$452,560 for the three-months ended June 30, 2016;
- Normalized EBITDA<sup>(2)</sup> profit(loss) for the three-months ended September 30, 2016 was a loss of \$416,134, an increase in the loss of \$141,602 (51.6%), from a loss of \$274,532 for the three-months ended September 30, 2015, and an increase in the loss of \$378,533 (1,007%) from a loss of \$37,601 for the three-months ended June 30, 2016;
- Total revenue<sup>(1)</sup> was \$4,168,526 for the three-months ended September 30, 2016, an increase of \$142,643 (3.5%) from \$4,025,883 for the three-months ended September 30, 2015 and a decrease of \$169,389 (3.9%) from \$4,337,915 for the three-months ended June 30, 2016;
- Gross profit<sup>(1)</sup> was \$1,334,009 for the three-months ended September 30, 2016, a decrease of \$56,145 (4.0%) from \$1,390,154 for the three-months ended September 30, 2015, and a decrease of \$302,107 (18.5%) from \$1,636,116 for the three-months ended June 30, 2016;
- Posera's cash and cash equivalents<sup>(2)</sup> totaled \$1,577,834 as at September 30, 2016, a decrease of \$1,018,344 (39.2%) from \$2,596,178 as at September 30, 2015, and a decrease of \$1,932,736 (55.1%) from \$3,510,570 as at June 30, 2016. Bank indebtedness<sup>(2)</sup> was \$nil as at September 30, 2016, a decrease of \$239,999 (100.0%) compared to \$239,999 as at September 30, 2015, and a decrease of \$nil (0.0%) compared to \$nil as at June 30, 2016; and
- Posera's working capital<sup>(2)</sup> totaled \$593,634 as at September 30, 2016, a decrease of \$1,164,201 (66.2%) from \$1,757,835 as at September 30, 2015, and a decrease of \$908,737 (60.5%) from \$1,502,371 as at June 30, 2016.

(1) Amount presented applies the retrospective presentation for discontinued operations for the Zomaron transaction as discussed in this MD&A on Page #3-4.

(2) Presentation of these amounts include the results from discontinued operations as discussed on Page #3-4.

## POSERA's BUSINESS

Posera has been a leading provider of hospitality technology for more than 30 years. It manages merchant transactions with consumers and facilitates all aspects of the payment transaction.

Posera's full service solutions include SecureTablePay, which is an EMV compliant Pay-At-The-Table ("PATT") application. Posera's MaitreD'™ and FingerPrints™ restaurant management systems offer a robust and comprehensive solution including hardware integration services, merchant staff training, system installation services, post-sale software and hardware customer support. Posera's solutions are deployed globally including across the full spectrum of restaurants, from large chains and independent table service restaurants to international quick service chains and its products have been translated into eight languages.

Posera Ltd.'s shares are traded on the Toronto Stock Exchange under the symbol "PAY".

## Composition of Revenues and Expenses

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

- **Revenue from the sale of software license agreements.** POS Software licensees and resellers contract with POSERA for the use of proprietary POS software.
- **Revenue from the sale of POSERA POS hardware.** Merchant licensees may purchase POS equipment from POSERA for installation at merchant.
- **Revenues from the provision of customer service contracts.** Merchants contract with POSERA for ongoing support and maintenance of their installed POS systems and other equipment.
- **Revenue fees from the sale of software development services.** Merchants may hire POSERA to develop software applications to meet their POS and payment requirements.
- **Revenue from data and application hosting and mobile fees.** Merchants or other application service providers may contract with POSERA for data and application hosting services.
- **Services revenue from the delivery of consulting and system integration services.** Merchant licensees and merchants may hire POSERA to install and manage POS equipment, terminals and readers at merchant locations and provide other services as required.

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

Posera's operating costs are broken down into the following three categories: (1) sales and marketing, (2) general and administrative (3) restructuring. 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, other promotional expenses, and amortization on acquired customer relationships. General and administrative fees consist primarily of personnel and related costs associated with the Company's senior management, administrative, legal and finance functions, as well as professional fees, other general corporate expenses and amortization. Restructuring expense relates to one-time expenses that has been incurred by the Company as a result of a reorganization primarily related to severance and external consultants.

**POSERA's BUSINESS (continued)**

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

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

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

**Growth Strategy and Future Outlook**

Posera strives to be the information technology backbone for leading hospitality companies, enabling them to operate faster, better and more efficiently, by providing mission-critical products and services for point of sale, kitchen management and payments.

As a result, Posera will continue to innovate to meet the needs of a rapidly evolving hospitality and technology industry. Above all else, Posera will continue to focus on meeting the requirements of both its existing merchant clients and those of new clients. The Company will continue to improve its core POS offerings in the form of new product releases that are focused on improving the competitive advantage and business success of its clients. Posera will also continue to seek out new peripheral products that broaden its suite of products to further deepen and strengthen the Company's' client relationships.

Today Posera has achieved a significant penetration of the Canadian restaurant management systems ("RMS") landscape through its two leading solution, Maitre'D, whom specializes on the fine dining industry and Fingerprints whose specialty in the quick service restaurant ("QSR") industry. In order to continue to expand its RMS footprint Posera will need to focus expansion internationally to the newly developing regions of the globe. Additionally, Posera needs to leverage its key, preferred vendor relationship as its largest customer is considered the most efficient QSR manufacturer in the world.

Posera will continue to identify vertical market segments and specific client groupings that provide suitable opportunities to expand the adoption of Posera's technology, assigning the appropriate sales force personnel to approach and support prospective clients. Posera will continue to expand its direct sales and reseller network to market its POS and related products and technology.

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

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

### SecureTablePay Opportunity

On April 26, 2016 the Company announced the release of its SecureTablePay application enabling safe, secure and stable "Pay-at-the-Table" capabilities. Posera has many years of Canadian and International success in the EMV Chip and PIN<sup>1</sup> business. SecureTablePay has a unique and leading architecture, provides both convenience and security and is already integrated to most of the leading Point-of-Sale applications. SecureTablePay is:

- (a) **Unique Architecture & Rapid Implementation:** It is the only semi-integrated EMV<sup>1</sup> and Contactless application allowing restaurant wait-staff to totally manage payments, split checks, tips and tables, remotely from a wireless payment terminal. SecureTablePay also incorporates Chip and Signature, PIN based Debit, Gift Cards, Tap and Pay by Phone with end-to-end encryption for the US market. The semi-integrated approach requires less development effort, and a reduced Payment Card Industry ("PCI") scope, enabling a vastly compressed time to market.
- (b) **Secure:** SecureTablePay provides the extraordinary convenience of paying at the table for both restaurant wait-staff and their customers. The card never leaves the Cardholder's hands reducing the risk of fraud for both the merchant and cardholder. It also provides a secure solution to the enormous security challenges and financial risks that merchants now face due to the October 2015 liability shift imposed by the payment processors. This shift transfers the liability to the retail / restaurant merchants for chargebacks relating to fraudulent transactions, where previously chargebacks were a cost incurred by the processor.
- (c) **Market-Ready:** SecureTablePay is integrated to 20 of the largest Restaurant Point-of-Sale applications worldwide and our solution is already installed in several thousand hospitality merchants across Canada.
- (d) **Independent Evolution:** Secure Table Pay allows the POS and Payments Processing to evolve independently in this dynamic industry without the need for re-certification as the US industry evolves through its payment security process.
- (e) **Improved Efficiency and Profitability:** Secure Table Pay improves speed and accuracy in the Restaurant reducing Tip Adjust errors, improving wait-staff efficiency while increasing Table Turn Rates and profits for merchants, leading to a better overall customer experience.

In addition to SecureTablePay, Posera also on April 26, 2016 announced that it had entered into its first non-exclusive distribution agreement with a leading US payment processing company for the SecureTablePay application. Subsequently, on September 8, 2016 Posera announced its second SecureTablePay distribution agreement with another leading US payment processor. While these distribution agreements will generate initial license fee revenues, the platform is based from a recurring revenue license model. The market opportunity for this solution is immense, with over 635,000 fine dining restaurants in the United States that would benefit from the use of the SecureTablePay technology. The Company's objective with SecureTablePay is to become the "standard" for "Pay-at-the-Table" in the United States and we believe that we can achieve significant market penetration with our leading SecureTablePay product and our experienced team for sales and development of "Pay-at-the-Table".

<sup>(1)</sup> **Industry Terminology Explained:** EMV ("Europay, MasterCard and Visa") is a technical standard for smart payment cards, payment terminals and ATM's ("Automated Teller Machines"). Payment cards that comply with the EMV standard are often called Chip and PIN or Chip and Signature cards, depending on the exact authentication methods required to use them. Chip and PIN is the most secure type of technology for credit and debit cards transactions. Rather than physically signing a receipt for identification purposes, the user enters a four-digit Personal Identification Number ("PIN"). This number must correspond to the information that is stored on the Chip. Chip and PIN technology makes it much harder for fraudsters to replicate, therefore if a customer's card is stolen, there will be no fraudulent purchases unless the criminal knows their four-digit PIN.

### The proven impact of EMV adoption on payment card fraud

North America was the continent most affected by data breaches in 2014, accounting for 1,164 or 76 percent of breaches in the world. The United States accounted for 1,107 of those breaches or 72 percent of total breaches in the world. Next in line were the United Kingdom (8%), Canada (4%), Australia (2%), Israel (1%) and China (1%).<sup>1</sup>

Similar to data breaches, most credit and debit card fraud occurs in the United States. In fact, a 2015



research note from Barclays stated that the United States is responsible for 47 percent of the world's credit and debit card fraud despite only accounting for 24 percent of total worldwide credit and debit card volume.<sup>2</sup>

Most experts believe that the reason the United States has a disproportionately high amount of fraud is because it has been slow to adopt EMV, a global standard in which credit cards carry computer chips that cut down on counterfeiting by dynamically authenticating card transactions. Countries that have deployed EMV have enjoyed a decrease in counterfeit fraud, resulting in a 70 decrease in the United Kingdom between 2005 and 2013 as an example.<sup>2</sup>

Countries implementing EMV Chip payments have reported a decrease in card fraud with EMV adoption the consumer gains control and trust by never losing sight or giving up possession of their cards.

Similarly, the national roll-out of EMV in Canada in 2008 had a dramatic impact on fraud. Losses from debit card skimming in Canada fell from \$142 million in 2009 to \$29.5 million in 2013, according to the Interac Association.

**References**

- 1) Gemalto's 2014 Breach Level Index
- 2) Barclays' Security in Payments: A Look into Fraud, Fraud Prevention, & the Future, May 22, 2015

**Critical Accounting Estimates and Judgments**

This MD&A should be read in conjunction with the Company's audited Consolidated Financial Statements for the years-ended December 31, 2015 and 2014, including the notes thereto, in particular Note 2. Posera's consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards, while the condensed consolidated interim financial statements are prepared in accordance with IFRS applicable to the preparation of interim financial statements, including IAS 34, Interim Financial Reporting, collectively referred to as ("**IFRS**"). The Consolidated Financial Statements for the year-ended December 31, 2015 outline the accounting principles and policies used to prepare our financial statements. Accounting policies are critical if they rely on a substantial amount of judgment in their application or if they result from a choice between accounting alternatives and that choice has a material impact on the reported results or financial position.

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

*Critical accounting judgments*

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

Cash-generating units ("CGU"s)

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

Functional currency of consolidated entities.

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

Critical accounting estimates

The following are some of the estimates that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year. Refer to Note 2 of the Annual Consolidated Financial Statement and MD&A for the years-ended December 31, 2015 and 2014 for a complete listing of the Company's critical accounting estimates.

- a. *Intangible assets – September 30, 2016 - \$1,642,009 (September 30, 2015 - \$2,866,683, June 30, 2016 - \$1,812,270) and Goodwill – September 30, 2016 - \$4,105,908 (September 30, 2015 - \$7,904,851, June 30, 2016 - \$4,076,879) and related Goodwill and Intangible assets impairments for the periods ended September 30, 2016 of \$nil (three-months ended December 31, 2015 \$1,562,675 and September 30, 2015 \$nil respectively) in the POS 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.*
  - *See the detailed disclosure surrounding the estimates used in the December 31, 2015 annual consolidated financial statements and MD&A.*
  
- b. *Investment Tax Credits Receivable – non-refundable – September 30, 2016 - \$813,802 (September 30, 2015 - \$878,982; June 30, 2016 - \$832,017).*
  - *Management estimates that the non-refundable Investment Tax Credits receivable will be recoverable before expiry. See detailed disclosure surrounding the expiry dates for non-refundable Investment Tax Credits Receivable in Note 3. An annualized 2.50% decrease in the forecasted taxable income of the entity with the Non-Refundable Investment Tax Credits Receivable would not cause any of the tax credits to expire before use.*
  - *See the detailed disclosure surrounding the estimates used and sensitivity thereon in the December 31, 2015 annual consolidated financial statements and MD&A.*
  
- c. *Provisions – September 30, 2016 - \$609,304 (September 30, 2015 - \$238,376; June 30, 2016 - \$607,214)*
  - *See detailed disclosure surrounding the provision at Note 8.*
  - *See the detailed disclosure surrounding the estimates used and sensitivity thereon in the December 31, 2015 annual consolidated financial statements and MD&A.*

**Comparison of the Unaudited Three-Months Ended**

The table below sets out the unaudited statements of operations for the three-months ended September 30, 2016, September 30, 2015 and June 30, 2016. The information has been re-presented for discontinued operations.

Analysis of the Unaudited Quarterly Results	Q3-2016 (unaudited)	Q3-2015 (unaudited)	Q2-2016 (unaudited)	Q3-2016 vs. Q3-2015		Q3-2016 vs. Q2-2016	
	\$	\$	\$	\$	%	\$	%
<b>Revenue</b>							
POS	4,168,526	4,022,537	4,333,939	145,989	3.6%	(165,413)	(3.8)%
Payment processing	-	3,346	3,976	(3,346)	(100.0)%	(3,976)	(100.0)%
<b>Total Revenue</b>	<b>4,168,526</b>	<b>4,025,883</b>	<b>4,337,915</b>	<b>142,643</b>	<b>3.5%</b>	<b>(169,389)</b>	<b>(3.9)%</b>
<b>Cost of Sales</b>							
Cost of inventory	880,849	774,772	955,509	106,077	13.7%	(74,660)	(7.8)%
Technology	509,090	550,040	433,431	(40,950)	(7.4)%	75,659	17.5%
Operations and Support	1,444,578	1,310,917	1,312,859	133,661	10.2%	131,719	10.0%
<b>Total Cost of Sales</b>	<b>2,834,517</b>	<b>2,635,729</b>	<b>2,701,799</b>	<b>198,788</b>	<b>7.5%</b>	<b>132,718</b>	<b>4.9%</b>
Gross Profit	1,334,009	1,390,154	1,636,116	(56,145)	(4.0)%	(302,107)	(18.5)%
Gross Profit Percentage	32.0%	34.5%	37.7%		(7.2)%		(15.1)%
<b>Operating Expenditures</b>							
Sales and marketing	780,645	785,678	637,814	(5,033)	(0.6)%	142,831	22.4%
General and administrative	1,250,428	1,266,666	1,475,755	(16,238)	(1.3)%	(225,327)	(15.3)%
Restructuring costs	293,458	-	184,443	293,458	100.0%	109,015	59.1%
<b>Total Operating Expenditures</b>	<b>2,324,531</b>	<b>2,052,344</b>	<b>2,298,012</b>	<b>272,187</b>	<b>13.3%</b>	<b>26,519</b>	<b>1.2%</b>
<b>Other expenses (income)</b>	<b>(990,522)</b>	<b>(662,190)</b>	<b>(661,896)</b>	<b>(328,332)</b>	<b>49.6%</b>	<b>(328,626)</b>	<b>49.6%</b>
Interest expense	90,586	105,433	84,933	(14,847)	(14.1)%	5,653	6.7%
Realized and unrealized loss on foreign exchange	7,673	22,967	12,565	(15,294)	(66.6)%	(4,892)	(38.9)%
Interest and other income	(2,552)	(5,498)	(3,465)	2,946	(53.6)%	913	(26.3)%
Loss of revaluation of financial instrument	(131,771)	-	240,000	(131,771)	100.0%	(371,771)	(154.9)%
	<b>(36,064)</b>	<b>122,902</b>	<b>334,033</b>	<b>(158,966)</b>	<b>(129.3)%</b>	<b>(370,097)</b>	<b>(110.8)%</b>
<b>Net loss before income taxes</b>	<b>(954,458)</b>	<b>(785,092)</b>	<b>(995,929)</b>	<b>(169,366)</b>	<b>21.6%</b>	<b>41,471</b>	<b>(4.2)%</b>
Current	74,054	124,368	31,615	(50,314)	(40.5)%	42,439	134.2%
Future	(38,553)	(112,164)	(26,230)	73,611	(65.6)%	(12,323)	47.0%
<b>Net loss from Continuing Operations</b>	<b>(989,959)</b>	<b>(797,296)</b>	<b>(1,001,314)</b>	<b>(192,663)</b>	<b>24.2%</b>	<b>11,355</b>	<b>(1.1)%</b>
Gain on disposal of subsidiary	-	-	2,134,794	-	0.0%	(2,134,794)	(100.0)%
Profit (Loss) from Discontinued Operations (net of tax)	-	(41,110)	8,479	41,110	(100.0)%	(8,479)	(100.0)%
<b>Net Income (Loss)</b>	<b>(989,959)</b>	<b>(838,406)</b>	<b>1,141,959</b>	<b>(151,553)</b>	<b>18.1%</b>	<b>(2,131,918)</b>	<b>(186.7)%</b>
Other comprehensive income (loss)	35,450	284,541	(24,527)	(249,091)	(87.5)%	59,977	(244.5)%
<b>Comprehensive Income (Loss)</b>	<b>(954,509)</b>	<b>(553,865)</b>	<b>1,117,432</b>	<b>(400,644)</b>	<b>72.3%</b>	<b>(2,071,941)</b>	<b>(185.4)%</b>

**Comparison of the Unaudited Three-Months Ended (continued)**

Non-IFRS reporting measures(as outlined on Pages 23 – 24 of this MD&A):	Q3-2016	Q3-2015	Q2-2016	Q3-2016 vs. Q3-2015		Q3-2016 vs. Q3-2015	
	(unaudited) \$	(unaudited) \$	(unaudited) \$	\$	%	\$	%
Recurring Revenue	1,683,774	1,709,616	1,744,150	(25,842)	(1.5)%	(60,376)	(3.5)%
EBITDA	(793,049)	(367,925)	(452,560)	(425,124)	115.5%	(340,489)	75.2%
Normalized EBITDA	(416,134)	(274,532)	(37,601)	(141,602)	51.6%	(378,533)	1,006.7%

The presentation of the below of Selected Unaudited Quarterly Financial Data is for the purposes of this management discussion and analysis. The 2016 and 2015 financial data below have been prepared and presented in accordance with International Financial Reporting Standards.

Selected Financial Data for the three months ended	September 30, 2016	September 30, 2015	September 30, 2015	June 30, 2016
Total revenue	\$ 4,168,526	\$ 4,025,883		\$ 4,337,915
Recurring revenue	1,683,774	1,709,616		1,744,150
POS revenue	4,168,526	4,022,537		4,333,939
Payment processing revenue	-	3,346		3,976
Net Income (Loss)	(989,959)	(838,406)		1,141,959
Income (Loss) per share – basic and diluted	(0.01)	(0.01)		0.02
Weighted average number of shares outstanding (000's) - basic	75,838	75,838		75,838
Weighted average number of shares outstanding (000's) – diluted	75,838	75,838		75,838
Cash and cash equivalents	1,577,834	2,596,178		3,510,570
Bank indebtedness	-	239,999		-
Working capital (as outlined on Page 25 of this MD&A)	593,634	1,757,835		1,502,371
Total assets	14,411,034	19,618,850		15,397,932
Long-term liabilities	37,356	1,948,857		110,842
Total shareholders' equity	7,470,942	11,741,621		8,363,388

**Comparison of the unaudited quarters ended September 30, 2016 and 2015 and June 30, 2016**

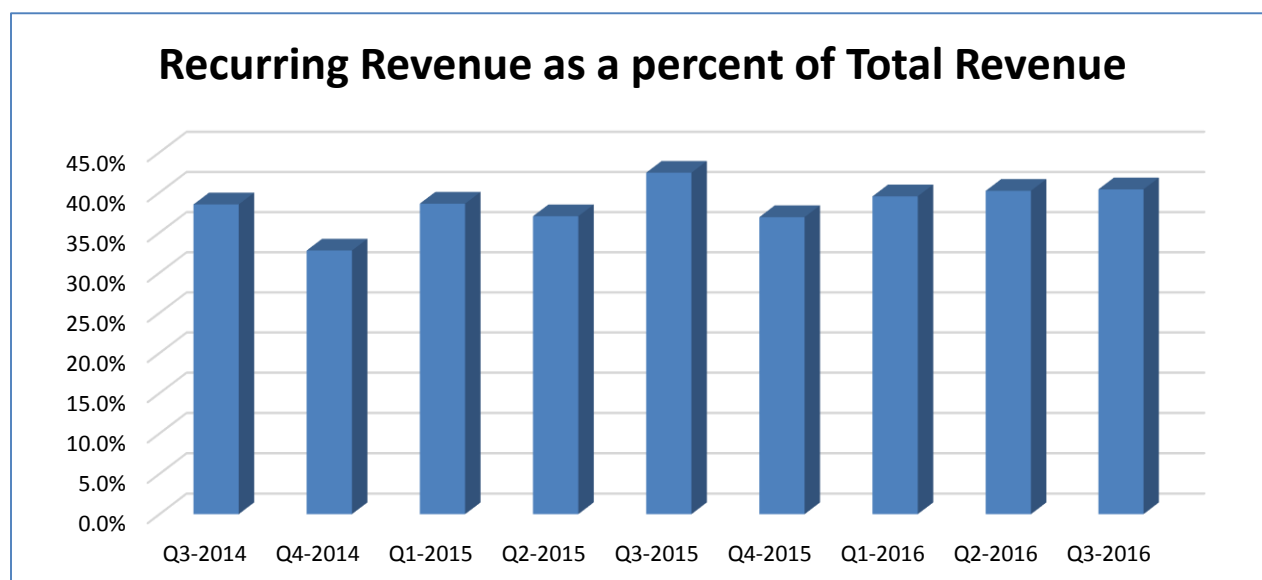
The Zomaron entity was recognized as a discontinued operation as at March 31, 2016 and as a result the following discussion and analysis has removed the Zomaron results for the period ended September 30, 2016 and the comparative periods, September 30, 2015 and June 30, 2016. Further discussion on the treatment of Zomaron as a discontinued operation is documented on Page 3 - 4 of this MD&A.

**Recurring Revenue:**

*Recurring Revenue Comparisons September 30, 2016, September 30, 2015 and June 30, 2016*

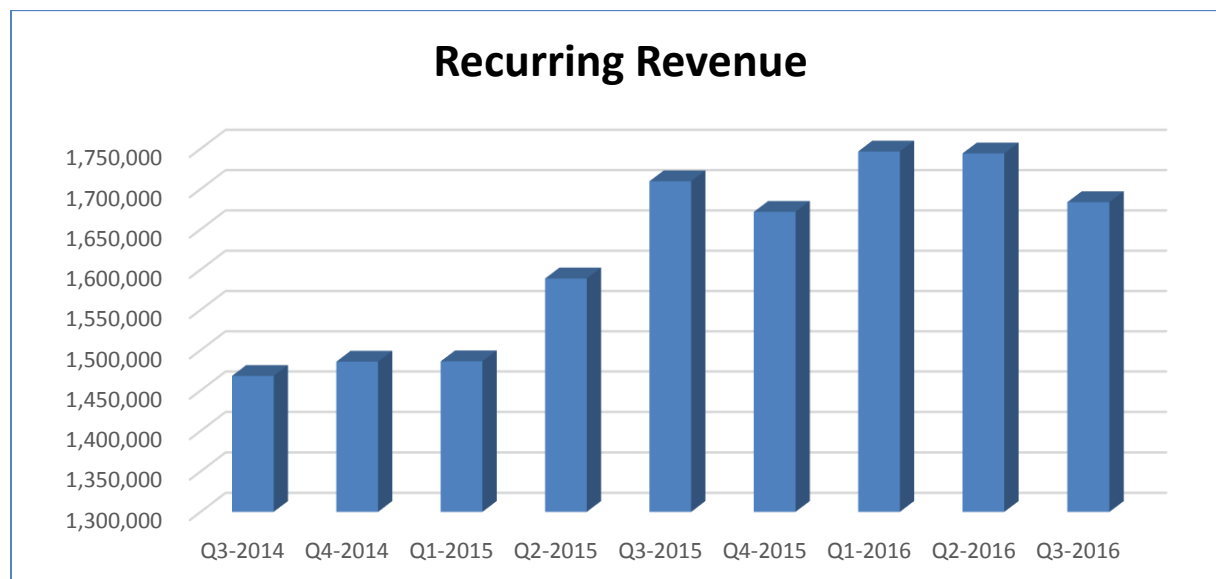
Total Recurring Revenue Reconciliation	For the quarters ended		
	September 30, 2016	September 30, 2015	June 30, 2016
<b>Total Recurring Revenue Otherwise Reportable<sup>(1)</sup></b>	<b>\$ 1,683,774</b>	<b>\$ 2,297,833</b>	<b>\$ 1,970,781</b>
Less: Recurring Revenue reclassified to discontinued operations	-	(588,217)	(226,631)
<b>Total Recurring Revenue</b>	<b>\$ 1,683,774</b>	<b>\$ 1,709,616</b>	<b>\$ 1,744,150</b>

(1) Total recurring revenue assuming no application of the discontinued operations for the Zomaron transaction as previously discussed in this MD&A on Page #3-4.



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

To date the balance of Posera's recurring revenue is generated from the Company's pre-existing POS brands, Fingerprints and MaitreD'. The Company as of September 30<sup>th</sup>, 2016 was in the process of completing the technical certification required by the large payment processors in the United States for the SecureTablePay solution. Upon the completion of certification SecureTablePay will move to pilot testing and then Posera and our US Payment Processing partners will work toward sell through of the solution to hospitality merchants. Posera will not recognize significant revenues from this platform until technical certification, pilot testing and sell through is achieved. The SecureTablePay platform is primarily a recurring revenue model.



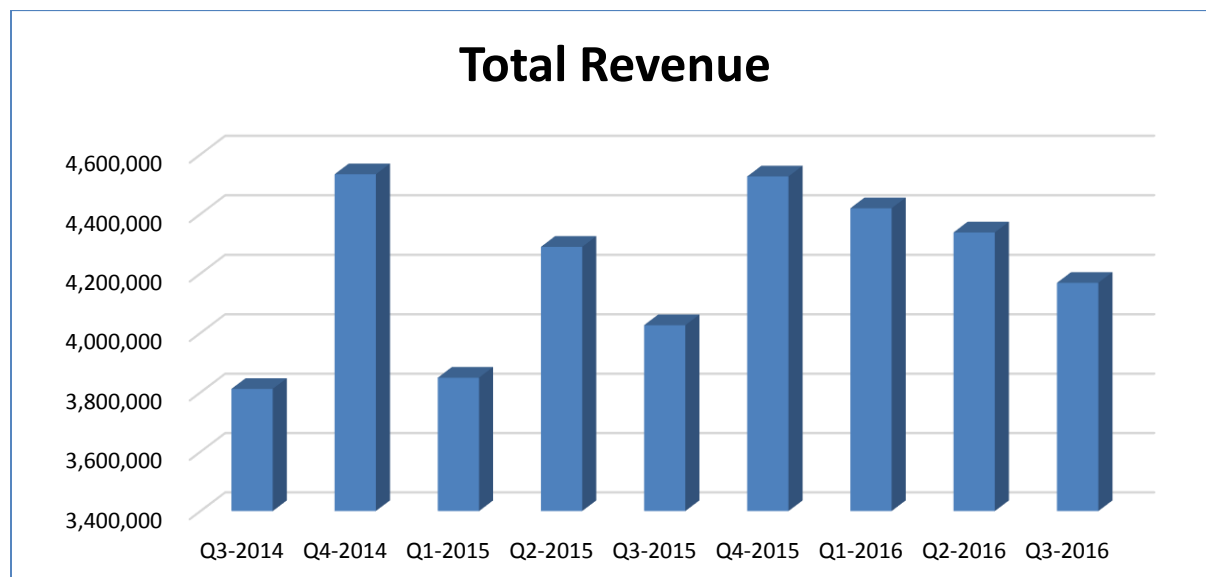
**Revenue:**

*Revenue Comparisons September 30, 2016, September 30, 2015 and June 30, 2016*

Total Revenue Reconciliation	For the quarters ended		
	September 30, 2016	September 30, 2015	June 30, 2016
<b>Total Revenue Otherwise Reportable<sup>(1)</sup></b>	<b>\$ 4,168,526</b>	<b>\$ 5,072,822</b>	<b>\$ 4,696,754</b>
Less: Revenue reclassified to discontinued operations	-	(1,046,939)	(358,839)
<b>Total Revenue</b>	<b>\$ 4,168,526</b>	<b>\$ 4,025,883</b>	<b>\$ 4,337,915</b>

(1) Total Revenue assuming no application of the discontinued operations for the Zomaron transaction as previously discussed in this MD&A on Page #3-4.

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



Point-of-Sale ("POS") Revenue

Total POS Revenue Reconciliation	For the quarters ended		
	September 30, 2016	September 30, 2015	June 30, 2016
<b>Total POS Revenue Otherwise Reportable<sup>(1)</sup></b>	<b>\$ 4,168,526</b>	<b>\$ 4,484,605</b>	<b>\$ 4,466,147</b>
Less: POS Revenue reclassified to discontinued operations	-	(462,068)	(132,208)
<b>Total POS Revenue</b>	<b>\$ 4,168,526</b>	<b>\$ 4,022,537</b>	<b>\$ 4,333,939</b>

(1) Total POS Revenue assuming no application of the discontinued operations for the Zomaron transaction as previously discussed in this MD&A on Page #3-4.

For the three-months ended September 30, 2016, POS revenue increased \$145,989 (3.6%) and decreased \$165,413 (3.8%) when compared to the three-months ended September 30, 2015 and June 30, 2016 respectively. POS revenues for the three-months ended September 30, 2016 increased and decreased marginally when compared to the three-months ended September 30, 2015 and June 30, 2016 respectively, but in effect the business was relatively consistent between the comparable periods. During the comparable periods there was a minimal revenue impact from the previously instituted refresh program.

The Company anticipates initiating a second refresh program throughout its customer install base. The impact of refreshing customer hardware is twofold. First, the refresh will increase the probability that a customer will secure future service and support contracts, which will maintain stability in Posera's recurring revenue. Secondly, the cost to service our existing customers, as the new hardware tends to result in fewer support related calls and visits to customer sites.

Payment Processing Revenue

<b>Payment Processing Revenue Reconciliation</b>	<b>For the quarters ended</b>		
	<b>September 30, 2016</b>	<b>September 30, 2015</b>	<b>June 30, 2016</b>
<b>Total Payments Revenue Otherwise Reportable<sup>(1)</sup></b>	<b>\$ -</b>	<b>\$ 588,217</b>	<b>\$ 230,607</b>
Less: Payments revenue reclassified to discontinued operations	-	(584,871)	(226,631)
<b>Total Payments Revenue</b>	<b>\$ -</b>	<b>\$ 3,346</b>	<b>\$ 3,976</b>

(1) Total Payments Revenue assuming no application of the discontinued operations for the Zomaron transaction as previously discussed in this MD&A on Page #3-4.

Posera during the three-months ended September 30, 2016, Posera fully exited the Payment Processing business through the divestiture of Zomaron during the three-months ended June 30, 2016 and the sale of the Company's ATM customer base to an independent third party during the three-months ended September 30, 2016.

Cost of Sales:

*Cost of Sales Comparisons September 30, 2016, September 30, 2015 and June 30, 2016*

Cost of Inventory

<b>Cost of Inventory Reconciliation</b>	<b>For the quarters ended</b>		
	<b>September 30, 2016</b>	<b>September 30, 2015</b>	<b>June 30, 2016</b>
<b>Cost of Inventory Otherwise Reportable<sup>(1)</sup></b>	<b>\$ 880,849</b>	<b>\$ 984,118</b>	<b>\$ 1,024,783</b>
Less: Cost of Inventory reclassified to discontinued operations	-	(209,346)	(69,274)
<b>Cost of Inventory</b>	<b>\$ 880,849</b>	<b>\$ 774,772</b>	<b>\$ 955,509</b>

(1) Total Cost of Inventory assuming no application of the discontinued operations for the Zomaron transaction as previously discussed in this MD&A on Page #3-4.

Posera recognized cost of inventory of \$880,849 (21.1% of total revenues) for the three-months ended September 30, 2016, compared to \$774,772 (19.2% of total revenues) for the three-months ended September 30, 2015 and \$955,509 (22.0 % of total revenues) for the three-months ended June 30, 2016. The changes in the cost of inventory as a percentage of revenue is a result of a change in product mix between the respective periods. The cost of sales as a percentage of revenue was relatively consisted for the three-months ended September 30, 2016, September 30, 2015 and June 30, 2016.

Technology Expense

<b>Technology Expense Reconciliation<sup>(1)</sup></b>	<b>For the quarters ended</b>		
	<b>September 30, 2016</b>	<b>September 30, 2015</b>	<b>June 30, 2016</b>
<b>Technology expense</b>	<b>\$ 509,090</b>	<b>\$ 550,040</b>	<b>\$ 433,431</b>
Less: Amortization of intangible assets	24,312	121,958	24,312
<b>Adjusted technology expense</b>	<b>\$ 484,778</b>	<b>\$ 428,082</b>	<b>\$ 409,119</b>

(1) The Zomaron entity for which discontinued operations accounting has been applied does not incur Technology Expense, resulting in no re-presentation of the comparative periods.



The adjusted technology expense increased during the three-months ended September 30, 2016 compared to the three-months ended September 30, 2015 and June 30, 2016, as a result of additional external consultants being utilized to assist Posera with development projects for both of the Company's POS brands. Additionally, during the three-months ended September 30, 2016, the Company made adjustments to compensation for some technology related employees, some of which was a retroactive salary change that was not made or expensed until the current reporting period. A proportion of the salary change will continue prospectively. Upon adjusting for these factors, the adjusted technology expense was relatively consistent between the comparable periods.

Operations and Support Expense

Operations and Support Expense Reconciliation	For the quarters ended		
	September 30, 2016	September 30, 2015	June 30, 2016
<b>Operations and Support Expense Otherwise Reportable<sup>(1)</sup></b>	<b>\$ 1,444,578</b>	<b>\$ 1,398,867</b>	<b>\$ 1,343,982</b>
Less: Operations and Support expense reclassified to discontinued operations	-	(87,950)	(31,123)
<b>Adjusted operations and support expense</b>	<b>\$ 1,444,578</b>	<b>\$ 1,310,917</b>	<b>\$ 1,312,859</b>

(1) Total Operations and Support Expense assuming no application of the discontinued operations for the Zomaron transaction as previously discussed in this MD&A on Page #3-4.

Operations and support expenses were \$1,444,578 in the three-months ended September 30, 2016; an increase of \$133,661 (10.2%) from \$1,310,917 in the three-months ended September 30, 2015 and increase by \$131,719 (10.0%) from \$1,312,859 in the three-months ended June 30, 2016. During the three-months ended September 30, 2016, the Company made adjustments to compensation for some operations and support related employees, some of which was a retroactive salary change that was not made or expensed until the current reporting period. A proportion of the salary change will continue prospectively. Upon adjusting for these factors, the adjusted operations and support expense was relatively consistent between the comparable periods.

**Operating Expenditures:**

Operating Expenditures	For the quarters ended		
	September 30, 2016	September 30, 2015	June 30, 2016
<b>Operating Expenditures Otherwise Reportable<sup>(1)</sup></b>	<b>\$ 2,324,531</b>	<b>\$ 2,840,816</b>	<b>\$ 2,547,418</b>
Less: Operating Expenditures reclassified to discontinued operations	-	(788,472)	(249,406)
<b>Operating Expenditures</b>	<b>\$ 2,324,531</b>	<b>\$ 2,052,344</b>	<b>\$ 2,298,012</b>
Less: Amortization of intangible assets and PP&E	173,161	179,547	173,116
Less: Restructuring charges	293,458	-	184,443
Less: Other One-time expenditures	21,393	87,957	138,813
Less: Stock-based compensation <sup>(2)</sup>	62,064	5,436	91,703
<b>Adjusted Operating Expenditures</b>	<b>\$ 1,774,455</b>	<b>\$ 1,779,404</b>	<b>\$ 1,709,937</b>

1) Total Operating Expenditures assuming no application of the discontinued operations for the Zomaron transaction as previously discussed in this MD&A on Page #3-4.

(2) The stock-based compensation expense during the three-months ended June 30, 2016 was reduced by \$82,564 as this amount of expense had already been accrued, but the options had not yet been granted. Upon the date of the grant, which was June 15, 2016 the Company recognized the stock-based compensation expense of \$174,267 as per the Consolidated Statement of Cash Flows.

Included in operating expenditures for the three-months ended September 30, 2016 are restructuring costs of \$293,458, which were \$nil for the three-months ended September 30, 2015 and were \$184,443 for the three-months ended June 30, 2016.

The restructuring expenses incurred by the Company during the three-months ended September 30, 2016 and June 30, 2016, are one-time expenditures that are not expected to endure into perpetuity and were incurred by the Company as a result of a reorganization. The restructuring expenses will cost the Company in the short-term, but are expected to reduce expenditures, increase overall efficiency and financial performance of the Company in the long-term. Restructuring expenses are related primarily to operational consultants and reducing overall employee headcount through terminations. The Company expects to incur further restructuring expenditures throughout the balance of fiscal 2016, but anticipates that these costs will be operational expenses and no longer separately classified as restructuring expenses subsequently.

Included in operating expenses for the three-months ended September 30, 2016, September 30, 2015 and June 30, 2016 are one-time expenditures excluding restructuring relating to corporate and acquisition related legal expenses, acquisition search firms, valuation work performed and additional accounting expenditures, tax and audit related costs.

Sales and Marketing Expense

Sales and Marketing Expense Reconciliation	For the quarters ended		
	September 30, 2016	September 30, 2015	June 30, 2016
<b>Sales and Marketing Expense Otherwise Reportable<sup>(1)</sup></b>	<b>\$ 780,645</b>	<b>\$ 1,427,815</b>	<b>\$ 842,510</b>
Less: Sales and Marketing expense reclassified to discontinued operations	-	(642,137)	(204,696)
<b>Sales and marketing expense</b>	<b>\$ 780,645</b>	<b>\$ 785,678</b>	<b>\$ 637,814</b>
Less: Amortization of intangible assets	141,714	154,745	143,116
<b>Adjusted Sales and Marketing expense</b>	<b>\$ 638,931</b>	<b>\$ 630,933</b>	<b>\$ 494,698</b>

(1) Total Sales and Marketing Expense assuming no application of the discontinued operations for the Zomaron transaction as previously discussed in this MD&A on Page #3-4.

The adjusted sales and marketing expenses increased \$7,998 (1.3%) during the three-months ended September 30, 2016 compared to the three-months ended September 30, 2015, which is relatively consistent between the comparable periods. The adjusted sales and marketing expenses also increased \$144,233 (29.2%) during the three-months ended September 30, 2016 compared to the three-months ended June 30, 2016, as the June 30, 2016 includes a recovery due to a reassessment of the bonus accrual which had previously been accrued for the sales team. The Company's will continue to attend tradeshowes and undertake advertising as Posera believes they are investments made to stimulate visibility of our products and eventually lead to future sales being generated for Posera and specifically the Fingerprints and MaitreD' POS brands as well as the SecureTablePay platform.

General and Administrative ("G&A") Expense

General and Administrative ("G&A") Expense Reconciliation	For the quarters ended		
	September 30, 2016	September 30, 2015	June 30, 2016
<b>G&amp;A Expense Otherwise Reportable<sup>(1)</sup></b>	<b>\$ 1,250,428</b>	<b>\$ 1,413,001</b>	<b>\$ 1,520,465</b>
Less: G&A expense reclassified to discontinued operations	-	(146,335)	(44,710)
<b>G&amp;A expense</b>	<b>\$ 1,250,428</b>	<b>\$ 1,266,666</b>	<b>\$ 1,475,755</b>
Less: Stock-based compensation expense <sup>(3)</sup>	62,064	5,436	91,703
Less: Amortization of intangible assets and PP&E	31,447	24,802	29,999
Less: One-time expenditures <sup>(2)</sup>	21,393	87,957	138,813
<b>Adjusted G&amp;A expense</b>	<b>\$ 1,135,524</b>	<b>\$ 1,148,471</b>	<b>\$ 1,215,240</b>

(1) Total G&A Expense assuming no application of the discontinued operations for the Zomaron transaction as previously discussed in this MD&A on Page #3-4.

(2) One-time expenditures net of restructuring costs which are classified as a separate line item on the Consolidated Statements of Operations and Comprehensive Loss which totaled \$293,458 for the three-months ended September 30, 2016, \$nil for the three-months ended September 30, 2015 and \$184,443 for the three-months ended June 30, 2016.

(3) The stock-based compensation expense during the three-months ended June 30, 2016 was reduced by \$82,564 as this amount of expense had already been accrued, but the options had not yet been granted. Upon the date of the grant, which was June 15, 2016 the Company recognized the stock-based compensation expense of \$174,267 as per the Consolidated Statement of Cash Flows.

The adjusted general and administrative expenditures for the three-months ended September 30, 2016 decreased \$12,947 (1.1%) and decreased \$79,716 (6.6%), when compared to the three-months ended September 30, 2015 and June 30, 2016 respectively. The three-months ended September 30, 2016 adjusted general and administrative expenditures decreased marginally as a result of a reduction of headcount, otherwise the expenditures between the comparable periods were relatively consistent.

**Other Expense and Income:**

Interest expense is comprised primarily of interest expense incurred on long-term obligations, including the convertible debentures issued as part of the Posera Inc. acquisition in 2010 and a financing completed in January, 2014. During the three-months ended September 30, 2016 the Company completed its final payments on the convertible debenture issued as part of the Posera Inc., acquisition in 2010, which had a monthly obligation of \$33,633 USD. Interest expense for the three-months ended September 30, 2016 was \$90,586 a decrease of \$14,847 (14.1%) and an increase of \$5,653 (6.7%) from \$105,433 and \$84,933 for the three-months ended September 30, 2016 and June 30, 2016 respectively. The interest expense between all of the comparable three-month ended periods are relatively consistent, as the Company continues to pay off the principal balance on the debt obligations on the balance sheet will decrease as will the interest expense incurred.

Realized and unrealized (gain) loss on foreign exchange is comprised primarily of the (gain) loss on the foreign denominated convertible debenture and net assets denominated in foreign currencies. As a result of the increase in the CAD, relative to the USD, the carrying amount of the convertible debenture liability (in CAD) has decreased, resulting in a gain during the three-months ended September 30, 2016. Additionally, the net assets denominated in foreign currencies incurred a loss during the three-months ended September 30, 2016 as a result of an decrease of the value of the source currency when translated into the functional currency. The fluctuations in the realized and unrealized (gain) loss on foreign exchange has impacted the three comparable reporting periods, September 30, 2016, September 30, 2015 and June 30, 2016. The impact to income is predicated on the foreign exchange movements in net assets

denominated in a currency other than the functional currency and the revaluation of the convertible debenture from USD to CAD.

Interest and other income is comprised primarily of interest earned from the investing of Posera's corporate funds. The interest earned remained relatively consistent between the three-months ended September 30, 2016, September 30, 2015 and June 30, 2016, as the interest rates earned, and balances deposited remained relatively consistent.

The Company incurred a gain on the revaluation of a financial instrument during the three-months ended September 30, 2016 of \$131,771 an improvement of \$131,771 (100.0%) and \$371,771 (154.9%) compared to \$nil and a loss of \$240,000 for the three-months ended September 30, 2015 and June 30, 2016 respectively. The loss resulted from the revaluation of the note receivable held by Posera, as a result of the Zomaron transaction. The value of the note receivable was established on the disposition date, April 29, 2016 and will be revalued by the Company at each subsequent period end until the note receivable is settled.

**Segment Analysis**

Operating Segments <sup>(2)</sup>	Revenue for the three-months ended		
	September 30, 2016	September 30, 2015	June 30, 2016
POS	\$ 4,168,526	\$ 4,022,537	\$ 4,333,939
Payments	-	3,346	3,976
<b>Total revenue</b>	<b>\$ 4,168,526</b>	<b>\$ 4,025,883</b>	<b>\$ 4,337,915</b>
	Operating profit (loss) for the three-months ended <sup>(1)</sup>		
	September 30, 2016	September 30, 2015	June 30, 2016
POS	\$ (261,585)	\$ (67,517)	\$ 132,406
Payments	-	(65,017)	(150)
<b>Total profit</b>	<b>\$ (261,585)</b>	<b>\$ (132,534)</b>	<b>\$ 132,256</b>

- (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.
- (2) The Operating Segments analysis includes the application of the discontinued operations accounting treatment for the Zomaron transaction as previously discussed in this MD&A on Page #3-4. Therefore, the results for Zomaron are not included in this analysis.

**Revenue**

For the three-months ended September 30, 2016, POS revenue increased \$145,989 (3.6%) and decreased \$165,413 (3.8%) when compared to the three-months ended September 30, 2015 and June 30, 2016 respectively. POS revenues for the three-months ended September 30, 2016 increased and decreased marginally when compared to the three-months ended September 30, 2015 and June 30, 2016 respectively, but in effect the business was relatively consistent between the comparable periods. During the comparable periods there was a minimal revenue impact from the previously instituted refresh program. The Company anticipates initiating a second refresh program throughout its large install base.

**Operating Profit**

For the three-months ended September 30, 2016, POS operating profit decreased \$194,068 (287.4%) and decreased \$393,991 (297.6%) when compared to the three-months ended September 30, 2015 and June 30, 2016 respectively. The decrease in the POS operating profit resulting from the Company making adjustments to compensation for some employees and investing the human capital of the Company by the hiring of experience team members. The change is partially isolated to the three-months ended September 30, 2016, while the other portion will continue as an expense prospectively. Upon adjusting for these factors, the adjusted operation profit was relatively consistent between the comparable periods. For the payments segment, during the three-months ended September 30, 2016, Posera fully exited the Payment Processing business through the previous divestiture of Zomaron, during the three-months ended June 30, 2016 and the sale of the Company's ATM customer base to an independent third party during the three-months ended September 30, 2016.

**Summary of Unaudited Quarterly Results**

The following table sets forth unaudited statements of operations data for the eight most recent quarters ended September 30, 2016 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, 2015 and 2014 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.

	20162016			2015
	Q3	Q2	Q1	Q4
Total revenue	\$ 4,168,526	\$ 4,337,915	\$ 4,419,134	\$ 4,526,389
Recurring revenue	\$ 1,683,774	\$ 1,744,150	\$ 1,746,609	\$ 1,671,663
POS revenue	\$ 4,168,526	\$ 4,333,939	\$ 4,414,873	\$ 4,523,088
Payments revenue	\$ -	\$ 3,976	\$ 4,261	\$ 3,301
EBITDA <sup>(1,2)</sup>	\$ (793,049)	\$ (452,560)	\$ (1,233,970)	\$ (931,485)
Normalized EBITDA <sup>(1,2)</sup>	\$ (416,134)	\$ (37,601)	\$ (546,197)	\$ (212,250)
Net Income (Loss) <sup>(2)</sup>	\$ (989,959)	\$ 1,141,959	\$ (1,549,124)	\$ (2,963,984)
Comprehensive Income (Loss) <sup>(2)</sup>	\$ (954,509)	\$ 1,117,432	\$ (1,838,678)	\$ (2,833,127)
Earnings (Loss) Per Share Basic	\$ (0.01)	\$ 0.02	\$ (0.02)	\$ (0.04)
Earnings (Loss) Per Share Diluted	\$ (0.01)	\$ 0.02	\$ (0.02)	\$ (0.04)
	2015			2014
	Q3	Q2	Q1	Q4
Total revenue	\$ 4,025,883	\$ 4,289,541	\$ 3,849,359	\$ 4,533,488
Recurring revenue	\$ 1,709,616	\$ 1,558,984	\$ 1,486,156	\$ 1,485,757
POS revenue	\$ 4,022,537	\$ 4,286,466	\$ 3,846,583	\$ 4,946,551
Payments revenue	\$ 3,346	\$ 3,075	\$ 2,776	\$ (413,063)
EBITDA <sup>(1,2)</sup>	\$ (367,925)	\$ (172,033)	\$ (648,020)	\$ (441,076)
Normalized EBITDA <sup>(1,2)</sup>	\$ (274,532)	\$ (125,043)	\$ (563,221)	\$ 65,014
Net Income (Loss) <sup>(2)</sup>	\$ (838,406)	\$ (645,911)	\$ (1,118,878)	\$ (593,788)
Comprehensive Income (Loss) <sup>(2)</sup>	\$ (553,865)	\$ (689,041)	\$ (800,209)	\$ (482,212)
Earnings (Loss) Per Share Basic	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)
Earnings (Loss) Per Share Diluted	\$ (0.01)	\$ (0.01)	\$ (0.02)	\$ (0.01)

(1) See EBITDA and Normalized EBITDA reporting measures (as outlined on Pages 23 – 24 of this MD&A)

(2) Presentation of EBITDA, Normalized EBITDA, Net Income (Loss) and Comprehensive Income / Loss include the results from discontinued operations of Zomaron as previously discussed on Page #3-4.

**Reconciliation of Unaudited Non-IFRS measures to Closest IFRS Equivalent**

Net Loss to EBITDA and Normalized EBITDA <sup>(1)</sup>	2016			2015
	Q3	Q2	Q1	Q4
<b>Net Income (Loss)<sup>(1)</sup></b>	<b>\$ (989,959)</b>	<b>\$ 1,141,959</b>	<b>\$ (1,549,124)</b>	<b>\$ (2,963,984)</b>
Interest expense	90,586	84,933	93,628	103,260
Exchange loss (gain)	7,673	12,565	15,299	(18,855)
Interest and other income	(2,552)	(3,465)	(3,945)	(16,800)
Loss on revaluation of financial instrument	(131,771)	240,000	-	-
Amortization of equipment	21,466	19,497	25,195	23,062
Amortization of intangible assets	176,007	181,360	192,631	412,534
Gain on disposition of subsidiary	-	(2,134,794)	-	-
Impairment of assets	-	-	-	1,562,675
Tax provision (recovery)	35,501	5,385	(7,654)	(33,377)
<b>EBITDA<sup>(1)</sup></b>	<b>\$ (793,049)</b>	<b>\$ (452,560)</b>	<b>\$ (1,233,970)</b>	<b>\$ (931,485)</b>
One-time non-recurring expenditures and (recoveries)	314,851	323,256	687,773	717,363
Stock-based compensation expense <sup>(2)</sup>	62,064	91,703	-	1,872
<b>Normalized EBITDA<sup>(1)</sup></b>	<b>\$ (416,134)</b>	<b>\$ (37,601)</b>	<b>\$ (546,197)</b>	<b>\$ (212,250)</b>

(1) Presentation of the EBITDA and Normalized EBITDA include the results from discontinued operations of Zomaron as previously discussed on Page #3-4.

(2) The stock-based compensation expense during the three-months ended June 30, 2016 was reduced by \$82,564 as this amount of expense had already been accrued, but the options had not yet been granted. Upon the date of the grant, which was June 15, 2016 the Company recognized the stock-based compensation expense of \$174,267 as per the Consolidated Statement of Cash Flows.

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

Net Loss to EBITDA and Normalized EBITDA <sup>(1)</sup>	2015			2014
	Q3	Q2	Q1	Q4
<b>Net Income (Loss)<sup>(1)</sup></b>	<b>\$ (838,406)</b>	<b>\$ (645,911)</b>	<b>\$ (1,118,878)</b>	<b>\$ (593,788)</b>
Interest expense	107,714	103,787	93,137	118,917
Exchange loss (gain)	22,967	(2,568)	(11,946)	27,578
Interest and other income	(5,498)	(6,840)	(2,795)	(4,341)
Amortization of equipment	23,513	21,692	24,658	23,495
Amortization of intangible assets	309,581	333,099	317,998	263,627
Tax provision (recovery)	12,204	23,708	49,806	(276,564)
<b>EBITDA<sup>(1)</sup></b>	<b>\$ (367,925)</b>	<b>\$ (173,033)</b>	<b>\$ (648,020)</b>	<b>\$ (441,076)</b>
One-time non-recurring expenditures and (recoveries)	87,957	42,554	79,363	187,409
One-time revenue adjustment <sup>(3)</sup>	-	-	-	156,629
Stock-based compensation expense	5,436	5,436	5,436	15,871
Investment tax credits receivable – reassessment <sup>(2)</sup>	-	-	-	146,181
<b>Normalized EBITDA<sup>(1)</sup></b>	<b>\$ (274,532)</b>	<b>\$ (125,043)</b>	<b>\$ (563,221)</b>	<b>\$ 65,014</b>

(1) Presentation of the EBITDA and Normalized EBITDA include the results from discontinued operations of Zomaron as previously discussed on Page #3-4.

(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) 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.



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

	September 30, 2016	September 30, 2015	June 30, 2016
<b>Equity</b>	<b>\$ 7,470,942</b>	<b>\$ 11,741,621</b>	<b>\$ 8,363,388</b>
Add: Long-term portion of notes payable	-	1,509,460	-
Add: Long-term portion of vehicle loans	39,113	96,512	44,074
Add: Future income tax liability	28,243	342,885	66,768
Less: Goodwill	(4,105,908)	(7,904,851)	(4,076,879)
Less: Intangible assets	(1,642,009)	(2,866,683)	(1,812,270)
Less: Long-term portion of investment tax credits receivable	(813,802)	(878,982)	(832,017)
Less: Long-term portion of lease receivable	(76,645)	(20,306)	(11,315)
Less: Deposit on leased premises	(39,583)	(39,581)	(39,581)
Less: Equipment	(266,717)	(222,240)	(199,797)
<b>Working Capital<sup>(1)</sup></b>	<b>\$ 593,634</b>	<b>\$ 1,757,835</b>	<b>\$ 1,502,371</b>

(1) Presentation of these amounts include the amounts classified as held for sale as discussed on Page #3-4.

**Liquidity and Financial Resources**

As at September 30, 2016, Posera had cash and cash equivalents totaling \$1,577,834 (September 30, 2015 - \$2,596,178).

For the three-months ended September 30, 2016 and 2015, cash provided by / (used by) operating activities was (\$1,677,795) and (\$676,078) respectively. Cash used in operations for the quarter-ended September 30, 2016 resulted primarily from the net loss and changes in working capital, which was offset by items not affecting cash such as amortization, interest accretion and stock-based compensation. Cash used in operations for the quarter-ended September 30, 2015 resulted from a net loss, changes in non-cash working capital items, deferred income tax recovery, which was offset by changes in non-cash working capital items, and by items not affecting cash such as amortization, interest accretion and stock-based compensation and unrealized gain / loss on foreign exchange.

For the three-months ended September 30, 2016 and 2015, cash provided by / (used in) financing activities were (\$167,764) and (\$279,240) respectively. Cash used in financing activities for the three-months ended September 30, 2016 and 2015 resulted primarily from the repayments notes payable, vehicle loans and capital leases.

For the three-months ended September 30, 2016 and 2015, cash provided by / (used in) investing activities was (\$88,472) and (\$6,774) respectively. The cash used in investing activities during the three-months ended September 30, 2016 and 2015 relates to the acquisition of property plant and equipment.

Working capital at September 30, 2016 and 2015 was \$593,634 and \$1,757,835 respectively.

## Capital Structure

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

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

The Company monitors capital on the basis of the debt to equity ratio. This ratio is calculated as total debt divided by total equity. Total debt is calculated as the sum of bank indebtedness, and current and long-term notes payable and vehicle loans as shown in the Consolidated Statement of Financial Position. Total equity is the equity of the Company in the consolidated statements of financial position. As disclosed in Note 7 of the accompanying financial statements for the three-months ended September 30, 2016, the Company is subject to certain externally imposed capital covenants related to bank indebtedness.

The debt to equity ratios as at September 30, 2016, September 30, 2015 and June 30, 2015 were as follows:

	September 30, 2016	September 30, 2015	June 30, 2016
<i>Total Debt</i>			
Notes payable	\$ 1,455,874	\$ 1,852,232	\$ 1,592,667
Vehicle loans	57,954	153,084	62,915
Bank indebtedness	-	239,999	-
<b>Total Debt</b>	<b>\$ 1,513,828</b>	<b>\$ 2,245,315</b>	<b>\$ 1,655,582</b>
<b>Total Equity</b>	<b>\$ 7,470,942</b>	<b>\$ 11,741,621</b>	<b>\$ 8,363,388</b>
<b>Debt to Equity Ratio</b>	<b>20.3%</b>	<b>19.1%</b>	<b>19.8%</b>

The Company has arrangements in place that allow it to access the additional debt financing for funding when required through various lines of credit. The Company's credit capacity as at September 30, 2016 was \$200,000 (2015 - \$500,000), of which the Company had utilized \$nil (2015 - \$239,999). The Company believes that it is adequately capitalized in order to meeting its obligations going forward.

## Summary of Contractual Obligations

During the three-months ended September 30, 2016, the Company didn't enter into any material contracts.

## Capital Resources

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

**Financial arrangements not presented in the consolidated statements of financial position**

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

**Transactions with Related Parties**

Posera conducts business with a company controlled by a director whom resigned from his directorship on May 24, 2016 and ceased to be a related party at that time. During the three and nine-months ended September 30, 2016, for the period that the director was still a related party until May 24, 2016, the Company recognized revenue in the amount of \$nil and \$47,395 respectively, compared to \$7,936 and \$34,344 for the three and nine-months ended September 30, 2015 respectively. Additionally, Posera recognized operating expenses and purchased products of \$nil and \$26,097 during the three and nine-months ended September 30, 2016 respectively, for the period that the director was still a related party until May 24, 2016, compared to \$80,437 and \$182,442 for the three and nine-months ended September 30, 2015 respectively. All transactions were agreed upon by the parties and were completed at the exchange amount.

During the three and nine-months ended September 30, 2016, the Company received legal fees and disbursement invoices totaling \$3,133 and \$9,961 (2015 - \$21,479 and \$91,786), from law firms, which a director of Posera is and/or was a partner. As at September 30, 2016, the Company has a payable position of \$1,157 (December 31, 2015 - \$52,115) which will be settled between the related parties in the normal course of business.

This director is a partner at a law firm Posera utilizes and previously, this director was a partner of another law firm that Posera also utilizes. As the director no longer has an equity interest in the previous law firm, Posera has not included the payables to the former law firm as at September 30, 2016, June 30, 2016, March 31, 2016 or December 31, 2015, but Posera has included expenditures incurred for the period that the director was a partner at each respective firm.

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, Chief Operating Officer, Chief Financial Officer, Senior Vice-President, Integration and Administration, Senior Vice-President, Special Projects and Infrastructure and Vice-President, Business Development, is as follows:

:

	Three-months ended September 30, 2016	Three-months ended September 30, 2015	Nine-months ended September 30, 2016	Nine-months ended September 30, 2015
Salaries and short-term employee benefits	\$ 341,411	\$ 265,495	\$ 936,612	\$ 837,708
Share-based payments	40,053	-	111,750	-
Terminations	100,000	-	100,000	-
<b>Total</b>	<b>\$ 481,464</b>	<b>\$ 265,495</b>	<b>\$ 1,148,362</b>	<b>\$ 837,708</b>

The salaries, severance 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 Statements of Operations and Comprehensive Loss.

### **Share Capital**

As at September 30, 2016, Posera had issued and outstanding 75,837,705 common shares, and 6,693,156 options, of which 4,715,156 were exercisable at an exercise price to purchase common shares ranging from \$0.125 to \$0.32. As at November 14, 2016 Posera had issued and outstanding 75,837,705 Class A voting common shares and 6,793,156 options, of which 4,815,156 were exercisable at an exercise price to purchase common shares ranging from \$0.125 to \$0.32. As at September 30, 2016 and November 14, 2016 the convertible debenture could have been converted into 2,500,000 and 2,500,000 Common Shares respectively.

### **Subsequent Events**

1. On November 11, 2016, the Company entered into an agreement with the Unsecured Convertible Subordinated Debenture holders in order to extend the payment terms of the principal amount, totalling \$1,500,000, from January 15, 2017 to January 15, 2019 with the nominal interest rate remaining at 10.25%.
2. On November 11, 2016, the Company negotiated a \$1,500,000 stand-by operating facility, which may be drawn upon by the Company at any time with 5 business days' notice to the accredited lender. The interest rate on any funds drawn is 10% per annum and the stand-by charge is 2.5%. The stand-by operating facility expires December 31, 2018 and can be cancelled by the Company at anytime with 30-days notice to the lender at no additional cost.

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

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

The CEO and CFO are responsible for establishing and maintaining adequate internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's management, under the supervision of the CEO and CFO have evaluated whether there were changes to the Company's internal controls over financial reporting during the year-ended December 31, 2015 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting. Throughout 2016, 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.

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

Recent changes identified relate to the following;

- i) The Company, from 2008 has acquired multiple entities which are all wholly owned subsidiaries. The Company historically has maintained the pre-existing account systems for each of these entities and consolidated each at the end of each quarter. As a result of the multiple accounting systems the consolidation is a very manual process. The Company throughout 2015 commenced a project to migrate all entities of the Group to one accounting system, which will streamline reporting and eliminate the manual preparation of the consolidation. This project is expected to be completed in fiscal 2016; and
- ii) The Company completed the acquisition of Terminal Management Concepts Ltd. (“TMC”) on December 31<sup>st</sup>, 2014. During fiscal 2015 the Company has completed the integration of this business under the Company’s current reporting processes, procedures and consolidated accounting system.

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

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

Management of the Company believes in and are committed to establishing rigorous DC&P and ICFR. Our management team will continue to evaluate the effectiveness of our overall control environment and will continue to refine existing controls as they, in conjunction with the Audit Committee, Board of Directors, CEO and CFO, deem necessary. It should be noted that the control deficiencies identified by the Company did not result in adjustment to our annual audited Consolidated Financial Statements for the year ended December 31, 2015.

*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 30, 2016, 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](http://www.sedar.com) and [www.posera.com](http://www.posera.com).

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