MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Three and Nine-months ended September 30, 2017
Dated: November 14th, 2017

This Management's Discussion and Analysis ("MD&A") for three and nine-months ended September 30th, 2017 (third quarter of fiscal 2017) 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 30th, 2017. The financial statements have been prepared in compliance with International Financial Reporting Standards applicable to the preparation of interim financial statements ("IFRS") and are reported in Canadian dollars. The information contained herein is dated as of November 14th, 2017, and is current to that date, unless otherwise stated.

This MD&A discusses the three and nine-months ended September 30, 2017, compared to June 30, 2017 and September 30, 2016. For an analysis of the three-months ended September 30, 2017 compared to September 30, 2016 and June 30, 2017, please read this MD&A in conjunction with the MD&A for the three-months ended March 31, 2016, the three and six-months ended June 30, 2016 and the three and nine-months ended September 30, 2016.

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.

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, and on the Company's web-site at www.posera.com.

FORWARD LOOKING STATEMENTS

This MD&A includes certain forward-looking statements that are based upon current expectations, which involve risks and uncertainties associated with our business and the environment in which the business operates. Any statements contained herein that are not statements of historical facts may be deemed to be forward-looking statements, including those identified by the expressions "anticipate", "believe", "plan", "estimate", "expect", "intend" and similar expressions to the extent they relate to the Company or its management. The forward-looking statements are not historical facts, but reflect the Company's current expectations regarding future results or events. These forward-looking statements are based on a number of estimates and assumptions, including those which are identified in the "Critical Accounting Estimates and Judgments" section herein, and are subject to a number of risks and uncertainties that could cause actual results or events to differ materially from current expectations, including the matters discussed under "Risks and Uncertainties" herein, as well as the risks and uncertainties detailed in our Annual Information Form which was filed on March 31, 2017 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. CPA Canada Canadian Performance Reporting Board has issued guidelines that define standardized earnings before interest, taxes, depreciation and amortization ("EBITDA").

EBITDA adjusted for discontinued operations, Normalized EBITDA adjusted for discontinued operations, Net Operating Working Capital and Debt to Equity Ratio are not calculations which are not based on IFRS. EBITDA adjusted for discontinued operations 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 adjusted for discontinued operations, Normalized EBITDA adjusted for discontinued operations, Net Operating 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 adjusted for discontinued operations 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 adjusted for discontinued operations 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 adjusted for discontinued operations as reported by Posera may not be comparable in all instances to EBITDA adjusted for discontinued operations as reported by other companies.

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

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

Normalized EBITDA adjusted for Discontinued Operations: Posera's management defines Normalized EBITDA adjusted for discontinued operations as EBITDA adjusted for discontinued operations above less certain one-time non-recurring expenditures, and non-cash stock-based compensation expense;

Net Operating Working Capital: Posera's management previously reported Working Capital as its primary metric for operating liquidity. During the second quarter of 2017, the Company concluded that Net Operating Working Capital would allow users of the management discussion and analysis to better assess the Company's overall operating liquidity. The Company defines Net Operating Working Capital as current

NON-IFRS REPORTING MEASURES (continued)

assets less current liabilities, the value of the conversion option, deferred revenue and the current note payables. The change from Working Capital to Net Operating Working Capital is the exclusion of deferred revenue and the current note payables from the calculation. The Company prospectively will utilize Net Operating Working Capital in the management discussion and analysis.

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.

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.

See below for a reconciliation of the Note Receivable Balance issued as part of the Zomaron Disposition:

		Note Receivable
Balance – March 31, 2016	$	Nil
Zomaron Disposition		1,200,000
Payments received		(400,000)
Revaluation		(320,000)
Balance – September 30, 2016	**$**	**480,000**

Disposition of Zomaron and Discontinued Operations (continued)

As at April 29th, 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	
operty, 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
Total assets disposed	**$ 3,249,643**	**Total liabilities disposed**	**$ 884,436**

The Company recorded a gain on the disposal of Zomaron of $1,959,794, being a gain of $2,134,794 less tax of $175,000. 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, 2017 and 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 re-presented in a format as such in the comparative period.

Disposition of FingerPrints and Discontinued Operations

During the period ended September 30, 2017, the Company sold its FingerPrints business, which allows the Company to focus its resources and capital investment on its Maitre'D, Kitchen Display Systems ("KDS") and SecureTablePay product offerings.

As at August 10, 2017 the FingerPrints assets were recorded as a discontinued operation being held for sale. On September 14, 2017, the Company completed the sale of FingerPrints, to SICOM Systems Canada Inc. ("SICOM"). Consideration for the sale of FingerPrints comprised of a cash payment of $12.2 million, to be adjusted by a post-closing working capital adjustment. The total acquired net assets and the post-closing working capital adjustments are expected to be finalized in the fourth quarter of 2017. These post-closing adjustments may result in changes to the gain on sale, which will be recorded and disclosed when they occur. The proceeds of sale exceeded the carrying amount of the related net assets, and, accordingly, no impairment losses were recognized on the reclassification of FingerPrints as held for sale.

Disposition of FingerPrints and Discontinued Operations (continued)

As at September 14, 2017, the date of disposition, the disposal group comprised $406,077 of Net Assets, as detailed below:

	Assets		Liabilities
Accounts receivable	1,019,518		
Other receivables	15,677		
Inventory	739,221	Accounts payable and	
Deposits on leased premises	11,870	accrued liabilities	453,767
Property plant and equipment	81,951	Deferred revenue	1,096,035
Intangible assets	169,737	Vehicle loans	82,095
Total assets disposed	**$ 2,037,974**	**Total liabilities disposed**	**$ 1,631,897**

During the period-ended September 30, 2017 the Company recorded a gain on the disposal of FingerPrints of $11,237,620 which includes the gain on the reversal of a previous impairment. The gain on the disposal is net of tax of $nil and net of costs related to the transaction of $781,867. FingerPrints has been presented as a discontinued operation, separate from continuing operations, in the Consolidated Statements of Operations and Comprehensive Loss during the three-months ended September 30, 2017, the nine-months ended September 30, 2017 and the respective 2016 comparative periods.

During the three-months ended September 30, 2017, the Company assessed a reversal of impairment of $88,527 related to Intangible assets of the Fingerprints business. The reversal occurred as the assets had previously been impaired due to downward revisions to the recoverable amount of these assets. As the Company disposed of the assets of the Fingerprints business for a gain, a revision to the recoverable amount was applied to reverse the impairment of Fingerprints intangible assets that was previously recognized. The reversal of the impairment was limited to the carrying amount for the assets that would have been recorded had no impairment previously been recognized.

Financial Highlights and Summary - Three-months ended September 30, 2017 (Unaudited)

(*This section acts merely as a summary; the detailed analysis is discussed in the "Comparison of the Unaudited three-months ended September 30, 2017, September 30, 2016 and June 30, 2017".)*

- Recurring revenues[(1)] for the three-months ended September 30, 2017 were $699,120, relatively unchanged from recurring revenues of $711,637 for the three-months ended September 30, 2016, and increased slightly from recurring revenues of $680,852 for the three-months ended June 30, 2017;
- Net income (loss) for the three-months ended September 30, 2017 was income of $9,857,645, compared to a loss of $989,959 for the three-months ended September 30, 2016, and compared to a loss of $924,709 for the three-months ended June 30, 2017.
- During the three-months ended September 30, 2017 the Company recorded a $11,237,620 gain on the disposition of FingerPrints and other minor assets, and a loss on discontinued operations of $855,349. Normalizing for the gain on the disposal and the results of the discontinued operations of FingerPrints during the three-months ended September 30, 2017, the Company experienced a loss from continuing operations of $524,626 and a loss of $950,816 for the three-months ended September 30, 2016 and compared to a loss of $375,708 for the three-months ended June 30, 2017;
- EBITDA[(1)] adjusted for discontinued operations for the three-months ended September 30, 2017, was a loss of $475,995, an improvement of $277,911 compared to the loss of $753,906 for the three-months ended September 30, 2016, and an increase in the loss of $383,350 compared to the loss of $92,645, for the three-months ended June 30, 2017;
- Normalized EBITDA[(1)] adjusted for discontinued operations profit (loss) for the three-months ended September 30, 2017 was a loss of $356,839, which was a decrease in the loss of $376,991 for the three-months ended September 30, 2016, and an increase in the loss from a gain of $102,832 for the three-months ended June 30, 2017;
- Total revenue[(1)] was $2,258,166 for the three-months ended September 30, 2017, a decrease of $192,972 (7.9%) from $2,451,138 for the three-months ended September 30, 2016 and a decrease of $696,737 (23.6%) from $2,954,903 for the three-months ended June 30, 2017;
- Gross profit[(1)] was $714,239 for the three-months ended September 30, 2017, a decrease of $123,181 (14.7%) from $837,420 for the three-months ended September 30, 2016, and a decrease of $863,389 (54.7%) from $1,577,628 for the three-months ended June 30, 2017;
- Posera's cash and cash equivalents totaled $13,859,491 as at September 30, 2017, an increase of $12,281,657 from $1,577,834 as at September 30, 2016, and an increase of $12,941,025 from $918,466 as at June 30, 2017. Bank indebtedness was $nil as at September 30, 2017, a decrease of $nil and $nil compared to $nil and $nil as at September 30, 2016 and June 30, 2017 respectively; and
- Posera's net operating working capital totaled $14,390,762 as at September 30, 2017, an increase of $10,341,713 from $4,049,049 as at September 30, 2016, and an increase of $12,093,644 from $2,297,118 as at June 30, 2017.

(1) Amount presented applies the retrospective presentation for discontinued operations for the Zomaron and FingerPrints transaction as discussed in this MD&A on Pages #3-5.

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 Maitre'D™ restaurant management systems / point-of-sale 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 expenses relate to one-time expenses that have been incurred by the Company as a result of a reorganization primarily related to severance and external consultant fees. Approximately September 30, 2016 the Company had completed a year of restructuring efforts and at that time assessed that the balance of the restructuring had been completed and any costs associated with consultants were reflective of operating the business day to day rather than purely restructuring in nature.

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, interest owing on outstanding tax obligations 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 has been a leading provider of hospitality technology for more than 30 years. Throughout that time, the company has continuously innovated to meet the needs of a rapidly changing industry. With a vision to be the information technology backbone for leading hospitality companies, Posera delivers mission-critical products and services to the hospitality industry for point-of-sale (POS), kitchen management and payments. These solutions enable clients to operate with greater speed, quality, and efficiency. Hospitality companies count on Posera to operate reliably and efficiently at the store level while providing real-time revenue and operations data for corporate reporting.

As hospitality merchants face digital and other disruptive trends affecting consumer behaviors and preferences, Posera remains committed to meeting the requirements of existing clients while also delivering the innovation new clients are seeking, including enhancing Posera's core POS offerings to support mobile payments, kiosks and tablets. At the same time, Posera continues to seek new products and services to broaden its product suite and further deepen and strengthen client relationships.

In recent years Posera has gone through a transformation, making major strategic changes and infusing the company with new senior management and leadership. In addition, Posera has divested assets (Zomaron payment solutions in August 2016 and FingerPrints quick-service POS in September 2017), all leading to a more focused strategy on three core products: Maitre'D (POS software), KDS (kitchen display system) and SecureTablePay (pay-at-the-table solution).

The Maitre'D POS solution is very well known throughout the hospitality industry, having been around for 20 years, it performs well in any hospitality environment – wherever food and beverages are served. Over time, Maitre'D has achieved a significant penetration within the international restaurant management systems (RMS) landscape, with considerable success in a range of restaurant formats, including quick service, fast casual, fine dining as well as many others.

One of the many strengths of the Maitre'D offering is its advanced suite of third-party integrations. These integrations cover everything from payments, gift and loyalty applications to advanced integrations with hotel property management systems that deliver detailed food and beverage reporting to room folios. This strength and versatility of the Maitre'D solution has enabled Maitre'D to outperform other RMS offerings in non-traditional-restaurant hospitality sectors such as hotels, casinos, assisted care living, etc. As a result of its earlier success in these sectors, Posera has now created a new separate and discreet strategy focusing specifically on non-restaurant hospitality, in addition to its growth strategy for the restaurant market. Posera expects much of its future growth, particularly internationally, to come from casinos, hotels, assisted living, resorts, school cafeterias and other similar establishments.

Recently the company capitalized on another opportunity: offering KDS as a standalone product, that is, unbundled from the Maitre'D POS. KDS enables paperless kitchens for improved order visibility/tracking and prioritization, superior customer service as well as cost savings through the dramatic reduction in paper. Offering KDS as a standalone product is enabling Posera to sell it to a broader base of customers, including merchants with other POS systems. To date KDS has delivered much success in integrating with third-party proprietary POS systems, and within months of the launch of KDS as a separate product, Posera has received tremendous demand and already scheduled hundreds of new KDS installations.

Posera will continue to identify vertical market segments and specific client groupings that provide suitable opportunities to expand adoption of its technology. The company will continue assigning appropriate sales force personnel to engage and support prospective clients. Additionally, Posera will continue to expand its direct sales and reseller network to market its POS and related products and technology. Doing so will further strengthen the company’s model of recurring revenue streams that are stable and predictable.

Reflecting its long-term commitment to market leadership, in 2015 Posera acquired SecureTablePay, a pay-at-the-table (PATT) middleware. SecureTablePay enables mobile handheld payment terminals to interact with RMSs. With SecureTablePay, the payment terminals, that would otherwise be ‘dumb pinpads’ become ‘smart terminals’ that pull the transaction information directly from the RMS, perform transaction closing tasks that are normally performed by the RMS, such as bill splitting, and then communicate directly with a payment processor, all point-to-point encrypted, making it possible to complete all transaction closing and payment functions directly at the table in a secure and efficient manner. SecureTablePay is the leading PATT solution in Canada with several thousand installations across the country.

PATT capability has existed in Europe, Canada, and other markets for many years but had not previously existed in the US as the US had not adopted EMV standards (chip-based payment cards). That changed in October 2015, when the US banks were mandated to adopt EMV standards, and consequently, all payment cards in the US will need to become chip-based. As a result, all merchants will need to be able to accept these chip-based cards, meaning more than 600,000 restaurants across the US will now need to install payment terminals that can accept chip-based cards, which will necessitate the adoption of PATT table solutions.

EMV-enabled PATT solutions give hospitality customers the peace of mind of added security as the payment device is brought to them at the point of service. Customers can safely and easily use their chip-based cards, with a PIN or signature, right from their tables, embracing the core principle of EMV card security: never relinquish possession of your payment card, even temporarily. Wireless terminals combine powerful security with faster, more convenient checkouts, making paying at the table with wireless terminals the ideal approach to satisfy hospitality customers. Posera believes SecureTablePay will lead in the US because it is:

Secure
People, cards, identities, data: all are more secure with SecureTablePay. A customer’s privacy is protected: their cards never leave their hands so there is no chance of identity theft. Bringing EMV to the table protects the restaurant, reducing chargebacks and potential fraud. It’s also safer for everyone. Since the transaction is processed between the SecureTablePay pin pad and the host processor, the sensitive and at-risk data that demands rigorous levels of PCI compliance never touches the POS.

Efficient
SecureTablePay delivers not just increased security but increased efficiency as well - the perfect combination. When steps are eliminated by completing the payment transaction directly at the table, time is reduced along with cost and risk. That means greater convenience for the customer and greater productivity for the server.

Universal
SecureTablePay works with more than 20 top restaurant management systems and it works with most leading payment processors, ensuring secure and accurate transaction processing.

Now certified with Vantiv, Heartland and First Data, Posera is also working with four other large payment processors to certify SecureTablePay. Posera will be announcing several of these new certifications in the coming weeks and months. The goal is to make SecureTablePay universal so that any hospitality merchant across the US, regardless of their RMS or processor, can use SecureTablePay to allow their customers to pay securely at the table. SecureTablePay is currently in pilot in several locations across the US, with all three of the processors with whom certification has been completed, and will be fully launched in the coming weeks.

Although SecureTablePay is already the leading product in terms of functionality, Posera is continuously working on new features. For example, in Canada it is chip and pin, but Posera has added chip and sign as well as the ability to accept gift cards for the US market. The company continually works to make the PATT experience better. Recent examples include a new joint venture with DLT Labs, a leading Blockchain technology company, which will make it possible for Posera's PATT solution to accept cryptocurrency as well as transmit and store transaction data real-time in a secure and permission-based manner using Blockchain technology.

With an eye to fortifying market position and augmenting growth, Posera will continue to assess select acquisition or divestiture opportunities. The company will evaluate opportunities against four core criteria: the ability to bring synergies in technology or services that extend Posera's core capabilities; complementary customer base; compatible corporate culture; and, above all, ability to increase the value of the business.

Hospitality companies are operating in a challenging environment with growing competition and ever-increasing customer expectations. To succeed, they cannot stand still. They need a technology partner that not only keeps up but helps set the pace. Posera is committed to being such a provider, delivering continuous innovation and unparalleled support. Strategic shifts and acquisitions in recent years underscore that commitment and set the table for continued growth and profitable expansion in the years ahead.

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, 2016 and 2015, including the notes thereto, in particular Note 2. Posera's consolidated annual financial statements are prepared in accordance with International Financial Reporting Standards, collectively referred to as ("IFRS"), 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. The Consolidated Financial Statements for the year-ended December 31, 2016 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, 2016 and 2015 for a complete listing of the Company's critical accounting estimates.

a. *Intangible assets – September 30, 2017 - $893,165 (September 30, 2016 - $1,642,009, June 30, 2017 - $1,123,951) and Goodwill – September 30, 2017 - $3,917,141 (September 30, 2016 - $4,105,908, June 30, 2017 - $4,068,278).*
   - *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, useful lives and amortization policy used by the Company in Note 2 of the December 31, 2016 annual consolidated financial statements.*
   - *See the detailed disclosure of the discontinued operations impact to Intangible Assets and Goodwill in Note 16 of the September 30, 2017 three and nine-month consolidated financial statements.*

b. *Investment Tax Credits Receivable – non-refundable – September 30, 2017 - $744,853 (September 30, 2016 - $813,802; June 30, 2017 - $739,292).*
   - *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.*
   - *See the detailed disclosure surrounding the estimates used and sensitivity thereon in the December 31, 2016 annual consolidated financial statements.*

c. *Provisions – September 30, 2017 - $nil (September 30, 2016 - $609,304; June 30, 2017 - $413,931)*
   - *See detailed disclosure surrounding the provision in Note 8.*
   - *See the detailed disclosure surrounding the estimates used and sensitivity thereon in the December 31, 2016 annual consolidated financial statements.*

Comparison of the Unaudited Three-Months Ended

The table below sets out the unaudited statements of operations for the three-months ended September 30, 2017, September 30, 2016 and June 30, 2017. The information has been re-presented to exclude discontinued operations.

Analysis of the Unaudited Quarterly Results	Q3-2017 (unaudited) $	Q3-2016 (unaudited) $	Q2-2017 (unaudited) $	Q3-2017 vs. Q3-2016 $	%	Q3-2017 vs. Q2-2017 $	%
Revenue							
POS	2,258,166	2,451,138	2,954,903	(192,972)	(7.9)%	(696,737)	(23.6)%
Payment processing	-	-	-	-	-%	-	-%
Total Revenue	**2,258,166**	**2,451,238**	**2,954,903**	**(192,972)**	**(7.9)%**	**(696,737)**	**(27.6)%**
Cost of Sales							
Cost of inventory	547,679	508,028	353,558	39,651	7.8%	194,121	54.9%
Technology	379,872	459,129	314,299	(79,257)	(17.3)%	65,573	20.9%
Operations and Support	616,377	646,561	709,417	(30,184)	(4.7)%	(93,040)	(13.1)%
Total Cost of Sales	**1,543,927**	**1,613,561**	**1,377,275**	**(69,634)**	**(4.3)%**	**166,652**	**12.1%**
Gross Profit	714,239	837,420	1,577,628	(123,181)	(14.7)%	(863,389)	(54.7)%
Gross Profit Percentage	31.6%	34.2%	53.4%		(7.6)%		(40.8)%
Operating Expenditures							
Sales and marketing	586,194	492,019	594,885	94,175	19.1%	(8,691)	(1.5)%
General and administrative	1,144,725	1,075,222	1,298,434	69,503	6.5%	(153,709)	(11.8)%
Restructuring costs	(375,000)	221,558	(28,862)	(596,558)	(269.3)%	(346,138)	1,199.3%
Total Operating Expenditures	**1,355,619**	**1,788,799**	**1,864,457**	**(433,180)**	**(24.2)%**	**(508,838)**	**(27.3)%**
	(641,380)	**(915,315)**	**(286,829)**	**273,935**	**(29.9)%**	**(354,551)**	**123.6%**
Other expenses (income)							
Interest expense	60,298	90,586	(218,231)	(30,288)	(33.4)%	278,529	(127.6)%
Realized and unrealized loss on foreign exchange	62,700	7,673	100,176	55,027	717.2%	(37,476)	(37.4)%
Interest and other income	(2,953)	(2,552)	(3,981)	(401)	15.7%	1,028	(25.8)%
Loss on revaluation of financial instrument	-	(131,771)	-	(131,771)	(100.0)%	-	-%
	120,045	**(36,064)**	**(122,036)**	**156,109**	**(432.9)%**	**242,081**	**(198.4)%**
Net loss before income taxes	**(761,425)**	**(915,315)**	**(164,793)**	**153,890**	**(16.8)%**	**(596,632)**	**362.0%**
Current	37,647	74,054	166,235	(36,407)	(49.2)%	(128,588)	(77.4)%
Future	(274,446)	(38,553)	51,744	(235,893)	611.9%	(326,190)	(630.4)%
Net loss from Continuing Operations	**(524,626)**	**(950,816)**	**(375,708)**	**426,190**	**(44.8)%**	**(148,918)**	**39.6%**
Gain on disposal of subsidiary	11,237,620	-	-	11,237,620	100.0%	11,237,620	100.0%
Loss from discontinued operations (net of tax)	(855,349)	(39,143)	(541,937)	(816,206)	2,085.2%	(313,412)	57.8%
Net Income (Loss)	**9,857,645**	**(989,959)**	**(924,709)**	**10,847,604**	**(1,095.8)%**	**10,782,354**	**(1,166.0)%**
Other comprehensive income	(48,102)	35,450	(64,318)	(83,552)	(235.7)%	16,216	(25.2)%
Comprehensive loss	**9,809,543**	**(954,509)**	**(989,027)**	**10,764,052**	**(1,127.7)%**	**10,798,570**	**(1,091.8)%**

Comparison of the Unaudited Three-Months Ended (continued)

Non-IFRS reporting measures(as outlined on Pages 23 – 24 of this MD&A):	Q3-2017 (unaudited) $	Q3-2016 (unaudited) $	Q2-2017 (unaudited) $	Q3-2017 vs. Q3-2016 $	%	Q3-2017 vs. Q2-2017 $	%
Recurring Revenue	**699,120**	**711,637**	**680,852**	**(12,517)**	**(1.8)%**	**18,268**	**2.7%**
EBITDA adjusted for discontinued operations	**(475,995)**	**(753,906)**	**(92,645)**	**277,911**	**(36.9)%**	**(383,350)**	**413.8%**
Normalized EBITDA adjusted for discontinued operations	**(356,839)**	**(376,991)**	**102,832**	**20,152**	**(5.3)%**	**(456,671)**	**(447.0)%**

(1) Presentation of EBITDA adjusted for discontinue operations, Normalized EBITDA adjusted for discontinued operations, Net Income (Loss) and Comprehensive Income / Loss include the results from discontinued operations of Fingerprints and Zomaron as previously discussed on Pages #3-5.

The presentation of the below of Selected Unaudited Quarterly Financial Data is for the purposes of this management discussion and analysis. The 2017 and 2016 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, 2017	September 30, 2016	June 30, 2017
Total revenue	$ 2,258,166	$ 2,451,138	$ 2,954,903
Recurring revenue	699,120	711,637	680,852
Net income (loss)	9,857,645	(989,959)	(924,709)
Income (loss) per share – basic and diluted	0.10	(0.01)	(0.01)
Weighted average number of shares outstanding (000's) - basic	109,371	75,838	94,737
Weighted average number of shares outstanding (000's) – diluted	109,371	75,838	94,737
Cash and cash equivalents	13,859,491	1,577,834	918,466
Bank indebtedness	-	-	-
Net operating working capital(as outlined on Page 25 of this MD&A)	14,390,762	4,049,049	2,297,118
Total assets	22,961,576	14,411,034	11,818,320
Long-term liabilities	1,515,615	37,356	1,659,397
Total shareholders' equity	17,564,302	7,470,942	4,901,765

Comparison of the unaudited quarters ended September 30, 2017 and 2016 and June 30, 2017

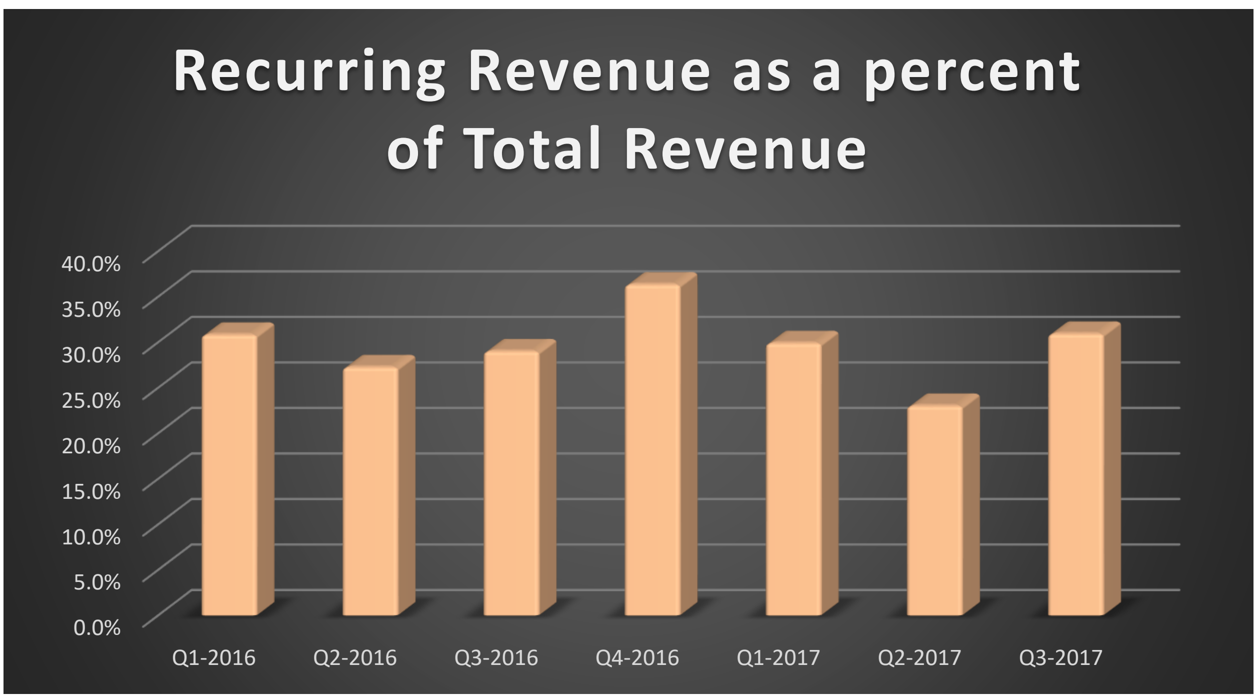
The assets of the FingerPrints business were divested on September 14, 2017 and recorded as discontinued operations during the three-months ended September 30, 2017. For comparability and consistency, the following discussion and analysis considers Posera's prior results excluding those generated by the FingerPrints assets for each of the comparative reporting periods as well. The Company completed an analysis to retrospectively restate its results excluding the Fingerprints business unit, using a consistent approach to restate Posera's results for each of the comparative reporting periods. Due to the nature of certain revenues and expenses, as well as the financial systems in place, it was not possible to separately identify all Fingerprints related revenues and expenses, so this discussion and analysis captures only those items that can reasonably be identified as resulting from the Fingerprints assets. Further discussion regarding the treatment of FingerPrints asset as a discontinued operation is documented on Pages #3 - 5 of this MD&A.

Recurring Revenue:

Recurring Revenue Comparisons September 30, 2017, September 30, 2016 and June 30, 2017

Total Recurring Revenue Reconciliation	**For the quarters ended**		
	September 30, 2017	**September 30, 2016**	**June 30, 2017**
Total Recurring Revenue Otherwise Reportable[1)]	**$ 1,502,926**	**$ 1,683,774**	**$ 1,681,142**
Less: Recurring Revenue reclassified to discontinued operations	803,806	972,137	1,000,290
Total Recurring Revenue	**$ 699,120**	**$ 711,637**	**$ 680,852**

(1) Total recurring revenue excludes the discontinued operations for the Fingerprints transaction as previously discussed in this MD&A on Pages #3-5.



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 lesser extent, recurring revenues are transactional in nature and 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 is in the process of finalizing the technical certifications required by payment processors in the United States for the SecureTablePay solution. For certain customers, certification of SecureTablePay has been completed and Posera has progressed to pilot testing. Upon completion of the pilots Posera and its US Payment Processing partners will commence the sell through of the SecureTablePay solution to hospitality merchants. Furthermore, Posera currently has additional US Payment Processors working through the certifications process. Posera will not recognize significant revenues from this platform until technical certification, pilot testing and sell through have been achieved. The US SecureTablePay platform is primarily a recurring revenue model.

Revenue:

Revenue Comparisons September 30, 2017, September 30, 2016 and June 30, 2017

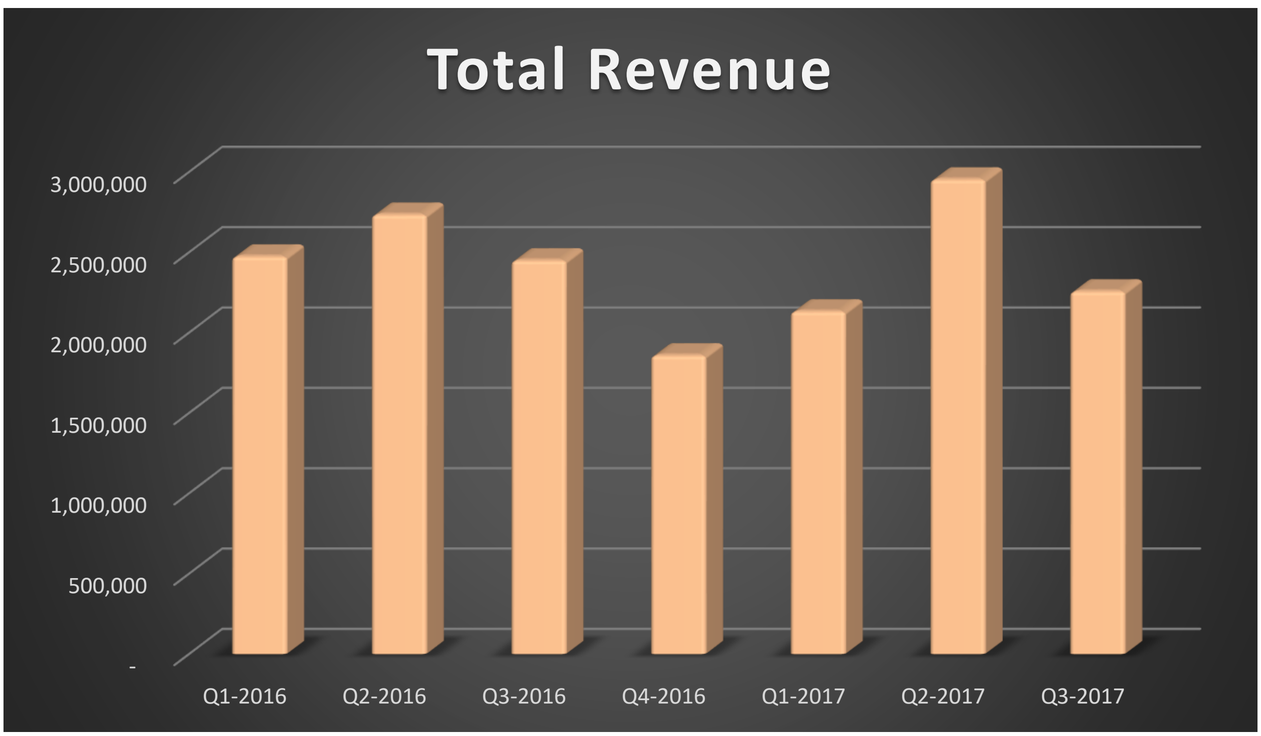
Total Revenue Reconciliation	**For the quarters ended**		
	September 30, 2017	**September 30, 2016**	**June 30, 2017**
Total Revenue Otherwise Reportable(1)	**$ 3,592,847**	**$ 4,168,526**	**$ 4,392,224**
Less: Revenue reclassified to discontinued operations	1,334,681	1,717,388	1,437,321
Adjusted Total Revenue	**$ 2,258,166**	**$ 2,451,138**	**$ 2,954,903**

(1) Total Revenue excludes the discontinued operations for the Fingerprints transaction as previously discussed in this MD&A on Pages #3-5.

Total revenue is comprised of two separate components, POS revenue and payment processing revenue. During the comparable reporting periods the Company did not generate payment processing revenue and as a result of dispositions by the Company, the Company no longer records payment processing revenue as a separate line item on the Consolidated Statement of Operations and Comprehensive Income (Loss).

During the three-months ended September 30, 2017, the Company experienced a decrease of $192,972 (7.9%) and $696,737 (23.6%) in adjusted total revenues when compared to the three-months ended September 30, 2016 and June 30, 2017 respectively. The revenue decreased as a result of fewer Maitre"D licenses being sold, which was partially offset by an increase in KDS revenues generated between the comparable September 30, 2017 and 2016 periods ended. Additionally, the revenues decreased as a result of fewer Maitre"D licenses and ancillary hardware being sold, while the KDS revenue remained relatively consistent between the comparable periods ended September 30, 2017 and June 30, 2017.

During the third quarter Posera also announced the launch of the KDS solution, as a standalone offering from the Maitre'D POS platform, for integration with third-party point-of-sale and restaurant management solutions. Posera is pleased to report it is achieving traction with this strategy and the Company received a significant order from an American customer with installations scheduled to be completed during the fourth quarter of 2017 and the first quarter of 2018. KDS sales are now trending towards an approximate 400% revenue increase on a year-over-year basis (YOY).



Cost of Sales:

Cost of Sales Comparisons September 30, 2017, September 30, 2016 and June 30, 2017

Cost of Inventory

Cost of Inventory Reconciliation	**For the quarters ended**		
	September 30, 2017	**September 30, 2016**	**June 30, 2017**
Cost of Inventory Otherwise Reportable(1)	**$ 1,235,135**	**$ 880,849**	**$ 899,270**
Less: Cost of Inventory reclassified to discontinued operations	687,456	372,821	545,712
Adjusted Cost of Inventory	**$ 564,876**	**$ 508,028**	**$ 353,558**

(1) Total Cost of Inventory excludes the discontinued operations for the Fingerprints transaction as previously discussed in this MD&A on Pages #3-5.

Posera recognized adjusted cost of inventory of $564,876 (25.0% of total revenues) for the three-months ended September 30, 2017, compared to $508,028 (20.7% of total revenues) for the three-months ended September 30, 2016, and $353,558 (11.3% of total revenues) for the three-months ended June 30, 2017. The increase in the cost of inventory as a percentage of revenue reflects additional write-downs that were recognized during the three-months ended September 30, 2017, as the Company exited some of its business units, namely BizPro, Century Cash Register and A&A Point of Sale Systems.

Technology Expense

Technology Expense Reconciliation(1)	**For the quarters ended**		
	September 30, 2017	**September 30, 2016**	**June 30, 2017**
Technology Expense Otherwise Reportable(1)	**$ 533,227**	**$ 509,090**	**$ 461,870**
Less: Technology expense reclassified to discontinued operations	153,355	49,961	147,571
Less: Amortization of intangible assets	7,682	12,143	7,682
Adjusted Technology Expense	**$ 372,190**	**$ 446,986**	**$ 306,617**

(1) Total Technology Expense excludes the discontinued operations for the Fingerprints transaction as previously discussed in this MD&A on Pages #3-5.

The adjusted technology expense decreased during the three-months ended September 30, 2017 compared to the three-months ended September 30, 2016, as a result of headcount reductions between the comparative periods. The adjusted technology expense increased during the three-months ended September 30, 2017 compared to the three-months ended June 30, 2017, as a result of additional compensation payments made to technology related employees.

Operations and Support Expense

Operations and Support Expense Reconciliation	For the quarters ended		
	September 30, 2017	September 30, 2016	June 30, 2017
Operations and Support Expense Otherwise Reportable(1)	**$ 1,325,285**	**$ 1,444,578**	**$ 1,502,905**
Less: Operations and Support expense reclassified to discontinued operations	708,908	798,017	793,488
Less: One-time expenditures	-	-	30,884
Adjusted Operations and Support Expense	**$ 616,377**	**$ 646,561**	**$ 678,533**

(1) Total Operations and Support Expense excludes the discontinued operations for the Fingerprints transaction as previously discussed in this MD&A on Pages #3-5.

The adjusted operations and support expenses were $616,377 in the three-months ended September 30, 2017 which represented a 4.7% improvement compared to the same period in 2016 and a 9.2% improvement over the three-months ended June 30, 2017. The changes in the adjusted operations and support expense between the comparative periods have stemmed from adjustments in headcount between the comparative periods, as the Company continually strives to remove cost from the business, while providing quality service to customers.

Operating Expenditures:

Operating Expenditures excluding restructuring	For the quarters ended		
	September 30, 2017	September 30, 2016	June 30, 2017
Operating Expenditures Otherwise Reportable(1)	**$ 2,459,456**	**$ 2,031,073**	**$ 2,356,945**
Less: Operating Expenditures reclassified to discontinued operations	728,537	463,832	463,626
Operating Expenditures	**$ 1,730,919**	**$ 1,567,241**	**$ 1,893,319**
Less: Amortization of intangible assets and PP&E	126,746	124,644	136,375
Less: Other One-time expenditures	25,858	21,393	75,475
Less: Stock-based compensation	93,298	62,064	89,118
Adjusted Operating Expenditures	**$ 1,485,017**	**$ 1,359,140**	**$ 1,592,351**

(1) Total Operations and Support Expense excludes the discontinued operations for the Fingerprints transaction as previously discussed in this MD&A on Pages #3-5.

In addition to the operating expenditures above the Company incurred for the three-months ended September 30, 2017 restructuring costs of ($375,000) which were $221,558 and ($28,862) for the three-months ended September 30, 2016 and June 30, 2017 respectively. The restructuring expense account was adjusted during the three-months ended September 30, 2017 by $375,000 as a result of a reassessment of the Provisions account on the Balance Sheet. The Company completed an assessment during the three-months ended September 30, 2017 and assessed that there was no further provision related to a provision that was originally recorded during the year-ended December 31, 2015.

The restructuring expenses incurred by the Company during the three-months ended September 30, 2016 were one-time expenditures that are not expected to continue and were incurred by the Company because of a reorganization. The restructuring expenses have been an expense to the Company in the short-term, but were expected to reduce overall 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. Around September 30, 2016, the Company had completed a year of restructuring efforts and at that time assessed that the balance of the restructuring had been completed and any costs associated with consultants were reflective of operating the business day-to-day rather than restructuring in nature.

Sales and Marketing Expense

Sales and Marketing Expense Reconciliation	**For the quarters ended**		
	September 30, 2017	**September 30, 2016**	**June 30, 2017**
Sales and Marketing Expense Otherwise Reportable(1)	**$ 915,746**	**$ 780,645**	**$ 853,672**
Less: Sales and Marketing expense reclassified to discontinued operations	329,552	288,626	258,787
Sales and marketing expense	**$ 586,194**	**$ 492,019**	**$ 594,885**
Less: Amortization of intangible assets	98,192	100,463	102,135
Adjusted Sales and Marketing expense	**$ 488,002**	**$ 391,556**	**$ 492,750**

(1) Total Sales and Marketing Expense excludes the discontinued operations for the Fingerprints transaction as previously discussed in this MD&A on Pages #3-5.

The adjusted sales and marketing expenses increased $96,446 (24.6%) for the three-months ended September 30, 2017 compared to the three-months ended September 30, 2016 as a result of the increased focus and expenditure to sell and promote the SecureTablePay product in the United States. Additionally, the adjusted sales and marketing expenses decreased $4,748 (1.0%) for the three-months ended September 30, 2017 compared to the three-months ended June 30, 2017 which was relatively consistent between the comparative periods.

The Company continues to attend relevant hospitality and restaurant association tradeshows and believes that its advertising expenditures promote the visibility of our products, leading to future sales.

General and Administrative ("G&A") Expense

General and Administrative ("G&A") Expense Reconciliation	For the quarters ended		
	September 30, 2017	September 30, 2016	June 30, 2017
G&A Expense Otherwise Reportable(1)	**$ 1,543,710**	**$ 1,250,428**	**$ 1,503,273**
Less: G&A expense reclassified to discontinued operations	398,985	175,206	204,839
G&A expense	**$ 1,144,725**	**$ 1,075,222**	**$ 1,298,434**
Less: Stock-based compensation expense	93,298	62,064	89,118
Less: Amortization of intangible assets and PP&E	28,554	24,181	34,240
Less: One-time expenditures	25,858	21,393	75,475
Adjusted G&A expense	**$ 997,015**	**$ 967,584**	**$ 1,099,601**

(1) Total G&A Expense excludes the discontinued operations for the Fingerprints transaction as previously discussed in this MD&A on Pages #3-5.

The adjusted general and administrative expenditures for the three-months ended September 30, 2017 increased $29,431 (3.0%) and decreased $102,586 (9.3%), when compared to the three-months ended September 30, 2016 and June 30, 2017 respectively. The changes in the adjusted general and administrative expenditures was relatively minor between the comparative periods.

Other Expense and Income:

Interest expense is comprised primarily of interest expense incurred on long-term obligations, including the $1,500,000 convertible debentures issued in January 2014 in addition to the convertible debentures issued as part of the Posera Inc. acquisition in 2010. The convertible debenture issued as part of the Posera Inc., 2010 acquisition was paid in full by the Company in August 2016, but interest was incurred on the 2010 debenture during the three-months ended September 30, 2016, but not in the other comparable periods. As a result, interest expense for the three-months ended September 30, 2017 was $60,298 a decrease in the expense of $30,288 (33.4%) and an increase in the expense of $278,529 (127.6%) from $90,586 and ($218,231) for the three-months ended September 30, 2016 and June 30, 2017 respectively. The decrease in the interest expense during the three-months ended September 30, 2017 when compared to September 30, 2016 resulted as the 2010 convertible debenture was paid off in 2016 and due to the extension of the $1,500,000 convertible debenture, there was no further interest accretion in 2017. The increase in interest expense during the three-months ended September 30, 2017, when compared to the three-months ended June 30, 2017, resulted from a tax ruling received by the Company during the second quarter of 2017, in relation to previously recorded interest and penalties expense, whereby the tax authorities ruled to abate $254,447 in interest and penalties. The Company did not experience beneficial tax rulings in the September 30, 2017 comparative periods.

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 where there was no impact during the three-months ended September 30, 2017 as the convertible debenture was repaid in full by August 2016. Additionally, the net assets denominated in foreign currencies incurred a loss during the three-months ended September 30, 2017 as a result of a 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, 2017, September 30, 2016 and June 30, 2017. The impact to income is predicated on the foreign exchange movements in net assets denominated in a currency other than the functional currency and the revelation of the convertible debenture from USD to CAD.

Interest and other income is comprised primarily of interest earned from the investing of Posera's corporate funds. The interest earned remained relatively consistent between the three-months ended September 30, 2017, September 30, 2016 and June 30, 2017, 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 where the Company did not have any financial instruments to revalue during the comparative reporting periods. The gain resulted from the revaluation of the note receivable held by Posera, stemming from the Zomaron transaction. The value of the note receivable was established on the disposition date, April 29, 2016 and was revalued by the Company at each subsequent period end until the note receivable was settled in full during the three-months ended March 31, 2017.

Summary of Unaudited Quarterly Results

The following table sets forth unaudited statements of operations data for the eight most recent quarters ended September 30, 2017 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, 2016 and 2015 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.

	Q3-17	Q2-17	Q1-17	Q4-16
Total revenue	$ 2,258,166	$ 2,954,903	$ 2,133,512	$ 1,859,827
Recurring revenue	$ 699,120	$ 680,852	$ 638,633	$ 676,396
EBITDA adjusted for discontinued operations(1,2)	$ (475,995)	$ (92,645)	$ (1,071,734)	$ (1,203,435)
Normalized EBITDA adjusted for discontinued operations(1,2)	$ (356,839)	$ 102,832	$ (750,846)	$ (928,671)
Net Income (Loss)(2)	$ 9,857,645	$ (924,709)	$ (1,797,233)	$ (2,283,824)
Comprehensive Income (Loss)(2)	$ 9,809,543	$ (989,027)	$ (1,811,473)	$ (2,193,870)
Earnings (Loss) Per Share Basic and Diluted	$ 0.10	$ (0.01)	$ (0.02)	$ (0.03)
Earnings (Loss) Per Share Basic and Diluted from Continuing Operations	$ (0.00)	$ (0.00)	$ (0.02)	$ (0.02)
	Q3-16	Q2-16	Q1-16	Q4-15Q4
Total revenue	$ 2,451,138	$ 2,735,763	$ 2,475,406	$ 4,526,389
Recurring revenue	$ 711,637	$ 746,443	$ 763,772	$ 762,545
POS revenue	$ 2,451,138	$ 2,731,787	$ 2,471,145	$ 4,523,088
Payments revenue	$ -	$ 3,976	$ 4,261	$ 3,301
EBITDA adjusted for discontinued operations(1,2)	$ (753,906)	$ (477,649)	$ (1,242,054)	$ (931,485)
Normalized EBITDA adjusted for discontinued operations(1,2)	$ (376,991)	$ (62,690)	$ (554,281)	$ (212,250)
Net Income (Loss)(2)	$ (989,959)	$ 1,141,959	$ (1,549,124)	$ (2,963,984)
Comprehensive Income (Loss)(2)	$ (954,509)	$ 1,117,432	$ (1,838,678)	$ (2,833,127)
Earnings (Loss) Per Share Basic and Diluted	$ (0.01)	$ 0.02	$ (0.02)	$ (0.04)
Earnings (Loss) Per Share Basic and Diluted from Continuing Operations	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.04)

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

(2) Presentation of EBITDA adjusted for discontinued operations, Normalized EBITDA adjusted for discontinued operations, Net Income (Loss) and Comprehensive Income / Loss include the results from discontinued operations of Fingerprints and Zomaron as previously discussed on Pages #3-5 for the periods Q1-2016 to Q3-2017. The Company has not applied discontinued operations accounting treatment to the figures presented above for Q4-2015.

Reconciliation of Unaudited Non-IFRS measures to Closest IFRS Equivalent

Net Income (Loss) to EBITDA and Normalized EBITDA adjusted for discontinued operations[1]		**2017**		**2016**
	Q3	Q2	Q1	Q4
Net Income (Loss)[1]	**$ 9,857,645**	**$ (924,709)**	**$ (1,797,233)**	**$ (2,283,824)**
Interest expense	60,298	(218,231)	63,354	110,017
Exchange loss (gain)	62,700	100,176	23,101	26,965
Interest and other income	(2,953)	(3,981)	(1,800)	(626)
Loss on revaluation of financial instrument	-	-	-	200,000
Amortization of equipment	28,923	28,242	27,224	33,738
Amortization of intangible assets	136,462	165,942	160,137	192,082
(Gains) or losses from discontinued operations	855,349	541,937	415,536	478,906
(Gain) on disposition of subsidiary	(11,237,620)	-	-	-
Tax provision (recovery)	(236,799)	217,979	37,947	39,307
EBITDA adjusted for discontinued operations[1]	**$ (475,995)**	**$ (92,645)**	**$ (1,071,734)**	**$ (1,203,435)**
One-time non-recurring expenditures and (recoveries)	25,858	106,359	182,563	130,429
Stock-based compensation expense	93,298	89,118	138,325	144,335
Normalized EBITDA adjusted for discontinued operations[1]	**$ (356,839)**	**$ 102,832**	**$ (750,846)**	**$ (928,671)**

(1) Presentation of EBITDA adjusted for discontinued operations, Normalized EBITDA adjusted for discontinued operations, Net Income (Loss) and Comprehensive Income / Loss include the results from discontinued operations of Fingerprints and Zomaron as previously discussed on Pages #3-5 for the periods Q1-2016 to Q3-2017. The Company has not applied discontinued operations accounting treatment to the figures presented above for Q4-2015.

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

Net Income (Loss) to EBITDA and Normalized EBITDA adjusted for discontinued operations[1]		**2016**		**2015**
	Q3	Q2	Q1	Q4
Net Income (Loss)[1]	**$ (989,959)**	**$ 1,141,959**	**$ (1,549,124)**	**$ (2,963,984)**
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)
(Gain) 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
(Gains) or losses from discontinued operations	39,143	(25,089)	(8,084)	-
(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)
EBITDA adjusted for discontinued operations[1]	**$ (753,906)**	**$ (477,649)**	**$ (1,242,054)**	**$ (931,485)**
One-time non-recurring expenditures and (recoveries)	314,851	323,256	687,773	717,363
Stock-based compensation expense	62,064	91,703	-	1,872
Normalized EBITDA adjusted for discontinued operations[1]	**$ (376,991)**	**$ (62,690)**	**$ (554,281)**	**$ (212,250)**

(1) Presentation of EBITDA adjusted for discontinued operations, Normalized EBITDA adjusted for discontinued operations, Net Income (Loss) and Comprehensive Income / Loss include the results from discontinued operations of Fingerprints and Zomaron as previously discussed on Pages #3-5 for the periods Q1-2016 to Q3-2017. The Company has not applied discontinued operations accounting treatment to the figures presented above for Q4-2015.

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

	September 30, 2017	September 30, 2016	June 30, 2017
Equity	**$ 17,564,302**	**$ 7,470,942**	**$ 4,901,765**
Add: Long-term portion of notes payable	1,500,000	-	1,500,000
Add: Long-term portion of vehicle loans	15,615	39,113	84,574
Add: Future income tax (asset) liability	(67,436)	28,243	74,823
Add: Deferred revenue(1)	1,160,301	1,999,541	2,016,245
Add: Current portion of notes(1) payable	-	1,455,874	-
Less: Goodwill	(3,917,141)	(4,105,908)	(4,068,278)
Less: Intangible assets	(893,165)	(1,642,009)	(1,123,951)
Less: Long-term portion of investment tax credits receivable	(744,853)	(813,802)	(739,292)
Less: Long-term portion of lease receivable	(6,422)	(76,645)	(16,652)
Less: Deposit on leased premises	(40,702)	(39,583)	(39,581)
Less: Equipment	(179,737)	(266,717)	(292,535)
Net operating working capital	**$ 14,390,762**	**$ 4,049,049**	**$ 2,297,118**

Liquidity and Financial Resources

As at September 30, 2017, Posera had cash and cash equivalents totaling $13,859,491 (December 31, 2016 - $407,044).

For the three-months ended September 30, 2017 and 2016, cash used by operating activities was ($2,093,027) and ($1,677,795) respectively. Cash used by operations for the three-months ended September 30, 2017 resulted from a net loss and due to changes in working capital items, which was partially offset primarily by amortization, stock-based compensation and an unrealized loss on foreign exchange. Cash used by operations for the three-months ended September 30, 2016 resulted 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.

For the three-months ended September 30, 2017 and 2016, cash provided by / (used in) financing activities were $2,722,655 and ($167,764) respectively. Cash provided by financing activities for the three-months September 30, 2017 resulted primarily from the proceeds of an issuance of Common Shares, where the cash used for financing activities for the three-months ended September 30, 2016 resulted from the repayment of both vehicle loans, capital leases and notes payable.

For the three-months ended September 30, 2017 and 2016, cash provided by / (used in) investing activities was $12,276,903 and ($88,472) respectively. Cash used in investing activities during the three-months ended September 30, 2016 relates to the acquisition of property plant and equipment. The cash provided by investing activities during the three-months ended September 30, 2017 relates to the disposition of the FingerPrints assets.

Net operating working capital(1) at September 30, 2017 and 2016 was $14,390,762 and $4,049,049 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, 2017, the Company is subject to certain externally imposed capital covenants related to bank indebtedness.

The debt to equity ratios as at September 30, 2017, September 30, 2016 and June 30, 2017 were as follows:

	September 30, 2017	September 30, 2016	June 30, 2017
Total Debt			
Notes payable	$ 1,500,000	$ 1,455,874	$ 1,500,000
Vehicle loans	25,980	57,954	84,574
Bank indebtedness	-	-	-
Total Debt	**$ 1,525,980**	**$ 1,513,828**	**$ 1,584,574**
Total Equity	**$ 17,564,302**	**$ 7,470,942**	**$ 4,901,765**
Debt to Equity Ratio	**8.7%**	**20.3%**	**32.3%**

The Company has arrangements in place that allow us to access the additional debt financing for funding when required through various lines of credit. The Company's credit capacity as at September 30, 2017 was $200,000 (as at December 31, 2016 - $200,000), of which the Company had utilized $nil (2016 - $nil). The Company had a $1,500,000 stand-by operating facility, which was terminated by the Company on September 15, 2017. The Company could draw upon the stand-by operating facility at any time with 5 business days' notice to the accredited lender. The interest rate on any funds drawn was 10% per annum and the stand-by charge is 2.5%. The stand-by operating facility would have expired on December 31, 2018 and could be cancelled by the Company at any time with 90-days' notice to the lender at no additional cost. During the three and nine months-ended September 30, 2017 the Company accrued or paid $9,375 and $28,125 (2016 - $nil and $nil) respectively in stand-by fees in relation to the stand-by operating facility. As at September 15, 2017, $nil ($nil – December 31, 2016) has been drawn upon this facility. The Company has stand-by interest obligation to the lender during the notice period until December 15, 2017.

Summary of Contractual Obligations

During the three-months ended September 30, 2017, the Company didn't enter into any material contracts other than the Discontinued Operations previously disclosed in this management discussion and analysis.

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 conducted business with a Company controlled by former Chief Executive Officer ("CEO") Paul K. Howell, who stepped down from that role on September 25, 2015 and then subsequently resigned from his directorship on May 24, 2016 and ceased to be a related party at that time. During the period January 1, 2016 to May 24, 2016, when Mr. Howell was a related party the Company recognized revenue in the amount of $47,395. Additionally, Posera recognized operating expenses and purchased products of $26,097 for the period from January 1, 2016 to May 24, 2016. All transactions were agreed upon by the parties and were completed at the exchange amount.

Posera conducted business with a Company controlled by the Executive Chairman of Posera. During the period July 1, 2017 to September 30, 2017 the Company incurred transaction costs related to the sale of the FingerPrints business in the amount of $660,000 (2016 - $nil). The transaction costs that were charged to the Corporation comprised of services including, counterparty identification, negotiation, structuring, financial analytics, facility costs, management oversight and administrative related services. All transactions are reported at the exchange amount. As at September 30, 2017, the Company is in a payable position of $660,000 (December 31, 2016 - $nil) which will be settled between the related parties in the normal course of business.

During the three and nine-months ended September 30, 2017, the Company received legal fees and disbursement invoices totaling $59,443 and $142,975 (2016 - $3,133 and $9,961), from law firms, which a director of Posera is and/or was a partner. As at September 30, 2017, the Company is in a payable position of $141,478 (December 31, 2016 - $613) which will be settled between the related parties in the normal course of business.

Transactions with Related Parties (continued)

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:

	Three-months ended September 30, 2017	Three-months ended September 30, 2016	Nine-months ended September 30, 2017	Nine-months ended September 30, 2016
Salaries and short-term employee benefits – continuing operations	$ 172,157	$ 441,411	$ 491,813	$ 1,036,612
Share-based payments	5,747	40,053	184,342	111,750
Total Presented in Continuing Operations	**$ 177,904**	**$ 481,463**	**$ 676,155**	**$ 1,148,362**
Salaries and short-term employee benefits – discontinued operations	205,000	-	205,000	-
Total	**$ 382,904**	**$ 481,463**	**$ 881,155**	**$ 1,148,362**

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, 2017, Posera had issued and outstanding 118,435,128 common shares, and 10,616,000 options, of which 6,217,075 were exercisable at an exercise price to purchase common shares ranging from \$0.125 to \$0.32. As at November 14th, 2017 Posera had issued and outstanding 118,546,379 voting common shares and 10,496,750 options, of which 6,067,825 were exercisable at an exercise price to purchase common shares ranging from \$0.125 to \$0.32. As at September 30, 2017 and June 30, 2017 the convertible debenture could have been converted into 2,500,000 and 2,500,000 Common Shares respectively.

Subsequent Events

i) On October 4th, 2017, the Company issued notice to redeem the outstanding Series I 2014 Unsecured Convertible Subordinated Debentures, with a principal amount of $1,500,000. The redemption stipulated a 15-day notice period, therefore all Series I 2014 Unsecured Convertible Subordinated Debentures were redeemed by the Company on October 19th, 2017. As at November 14th, 2017 the convertible debenture could have been converted into nil Common Shares.

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

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

during the fiscal year-ended December 31, 2016 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, 2016 that have materially affected, or are reasonably likely to materially affect, its internal control over financial reporting. Throughout the remainder of fiscal 2017, 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, 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 and 2016 completed a project to migrate all entities of the Group to one accounting system, which has streamlined reporting and eliminated many of the manual processes involved in the preparation of the consolidation. This project has in large part been completed during fiscal 2016;

ii) The Company, during fiscal 2016 transitioned the payroll function from the Finance department to a newly created Human Resource department. Through the review and evaluation of the process the previous controls were not effectively implemented upon the transition between departments. The Company has subsequently implemented compensating controls to insure accurate and timely review and reporting is taking place between the finance and human resource departments; and

iii) The assets of the FingerPrints business were divested on September 14, 2017 and recorded as discontinued operations during the three-months ended September 30, 2017. Due to the integrated nature of Fingerprints within the Posera Ltd. legal entity, management completed a manual analysis to retrospectively restate Posera's Consolidated results to exclude the FingerPrints business unit. Due to the manual nature of the exercise risks do exist not all of the relevant FingerPrints revenues and expenses have been captured in the analysis and recorded as discontinued operations.

No other changes were identified through management's evaluation of the controls over financial reporting. Throughout the remainder of 2017 and into fiscal 2018 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;

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

- improving and maintaining consistent controls surrounding the payroll function;
- insure proper communication between the payroll function and finance to allow for accurate recording of incurred payroll expenditures: and
- completing the accounting system migration project to 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, 2016.

iv)

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, 2017, it provided a detailed review of the risks that could affect its financial condition, results of operation or business that could cause actual results to differ materially from those expressed in our forward-looking statements. In management's opinion, there has been no material change in the nature or magnitude of the risks faced by the Company.

Additional Information

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

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