POSERA

MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Three-months ended March 31, 2018
Dated: May 10th, 2018

This Management's Discussion and Analysis ("MD&A") for three-months ended March 31st, 2018 (first quarter of fiscal 2018) provides detailed information on the operating activities, performance and financial position of Posera Ltd. ("Posera" or the "Company"). This discussion should be read in conjunction with the Company's condensed consolidated interim financial statements and accompanying notes for the three-months ended March 31st, 2018. 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 May 10h, 2018, and is current to that date, unless otherwise stated.

This MD&A discusses the three-months ended March 31, 2018, compared to December 31, 2017 and March 31, 2017. For an analysis of the three-months ended March 31, 2018 compared to March 31, 2017 and December 31, 2017, please read this MD&A in conjunction with the MD&A for the three-months ended March 31, 2017 and the year-ended December 31, 2017.

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 28, 2018 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 to exclude discontinued operations, Normalized EBITDA adjusted to exclude discontinued operations, Net Operating Working Capital and Debt to Equity Ratio are not calculations which are not based on IFRS. EBITDA adjusted to exclude 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 to exclude discontinued operations, Normalized EBITDA adjusted to exclude discontinued operations, Net Operating Working Capital and Debt to Equity Ratio because they are key measures that management uses to evaluate the performance of the Company, and because the Company feels that these Non-IFRS measures provide important information about the Company. EBITDA adjusted to exclude 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 to exclude 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 to exclude discontinued operations as reported by Posera may not be comparable in all instances to EBITDA adjusted to exclude discontinued operations as reported by other companies.

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

EBITDA adjusted to exclude 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 to exclude Discontinued Operations: Posera's management defines Normalized EBITDA adjusted to exclude discontinued operations as EBITDA adjusted to exclude discontinued operations as defined 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

NON-IFRS REPORTING MEASURES (continued)

Company's overall operating liquidity. The Company defines Net Operating Working Capital as current assets less current liabilities, the value of the conversion option, deferred revenue and the current note payables. The difference between Working Capital to Net Operating Working Capital represents 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 Income (Loss) to EBITDA and Normalized EBITDA and Net Operating Working Capital: 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 revenues as disclosed in Note 3 to the three-months ended March 31, 2018 and 2017 financial statements. These include support and maintenance contracts, transactional processing and 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.

Adjusted Expenditures: The Company presents in the management discussion and analysis adjusted expenditures which have been adjusted for amortization, one-time expenses, restructuring charges and stock-based compensation. Adjusted expenditures are Non-GAAP reporting measures presented for technology expense, operations and support expense, sales and marketing expense and generation and administration expense and operating expenditures.

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 FingerPrints and Discontinued Operations

During the year-ended December 31, 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, which was adjusted by a working capital deficit adjustment of $110,471 post-closing. The gain on the FingerPrints transaction was $10,912,935, representing the purchase price less an adjustment for working capital $110,471, less the write down on all other non-current assets of $189,737 and less transaction costs of $986,857. 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.

As at September 14, 2017, the date of disposition, the disposal group comprised $192,192 of Net Assets, as detailed below:

	Assets		Liabilities
Accounts receivable	1,028,319		
Other receivables	13,163		
Inventory	648,196	Accounts payable and	
Deposits on leased premises	11,870	accrued liabilities	390,051
Property plant and equipment	82,882	Deferred revenue	1,289,061
Intangible assets	168,969	Vehicle loans	82,095
Total assets disposed	**$ 1,953,399**	**Total liabilities disposed**	**$ 1,761,207**

During the three months-ended March 31, 2018, the Company recorded a loss from the FingerPrints discontinued operations of $nil compared to $415,536 during the three months-ended March 31, 2017. 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 March 31, 2018 and 2017.

Financial Highlights and Summary - Three-months ended March 31, 2018 (Unaudited)

(*This section acts merely as a summary; the detailed analysis is discussed in the "Comparison of the Unaudited three-months ended March 31, 2018, March 31, 2017 and December 31, 2017".)*

- Total revenue(1) for the three-months ended March 31, 2018 increased by $608,825 (28.5%) to $2,742,337 compared to the three-months ended March 31, 2017 but decreased by $585,528 (17.6%) compared to the three-months ended December 31, 2017;
- Recurring revenues(1) for the three-months ended March 31, 2018 were $675,559, an increase of 5.8% compared to the three-months ended March 31, 2017, but a decrease of 1.7% compared to the three-months ended December 31, 2017;
- Gross profit(1) of $1,050,936 for the three-months ended March 31, 2018, was a 79.8% improvement compared to the three-months ended March 31, 2017, but a decrease of 27.2% compared to the three-months ended December 31, 2017;
- Net loss(2) for the three-months ended March 31, 2018 was a loss of $917,082, a 49.0% improvement compared to the three-months ended March 31, 2017, and 4.1% improvement compared to the three-months ended December 31, 2017;
- Net loss for continuing operations for the three-months ended March 31, 2018 was a loss of $917,082, a 33.6% improvement compared to the three-months ended March 31, 2017, and a 63.1% increase in the loss compared to the three-months ended December 31, 2017;
- EBITDA(2) loss for the three-months ended March 31, 2018, was $726,642, a 35.4% improvement compared to the three-months ended March 31, 2017, and a 56.7% increase in the loss compared to the three-months ended December 31, 2017;
- Normalized EBITDA(2) loss for the three-months ended March 31, 2018 was a loss of $547,177, a 36.2% improvement over the three-months ended March 31, 2017, and a 56.4% increase in the loss compared to the three-months ended December 31, 2017;
- Posera's cash and cash equivalents(2) totaled $10,646,130 as at March 31, 2018, an increase of $9,368,859 (733.5%) from March 31, 2017 balances, and a decrease of $1,507,535 (12.4%) from December 31, 2017. Bank indebtedness(2) was $nil as at March 31, 2018, compared to $19,999 and $nil (0.0%) as at March 31, 2017 and December 31, 2017 respectively; and
- Posera's net operating working capital totaled $11,402,097 as at March 31, 2018, an increase of $8,688,204 from $2,713,823 as at March 31, 2017 and a decrease of $589,073 from $11,991,100 as at December 31, 2017.

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

(2) Presentation of these amounts include the results from discontinued operations as discussed on Page #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 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 with an details as to when the Company recognizes revenue based on the performance obligations:

	Nature of Performance Obligations
POS – Software	Access for use of software
POS – Hardware	Upon delivery, shipment or installation of POS hardware
Support and Maintenance	Fulfillment of service and support contract
Professional Services	Fulfillment of professional services
Transactional Processing	Processing of transactions

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, as well as 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, such 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. As of 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 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's products 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 of assets (Zomaron payment solutions in April 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 successfully deployed 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.

The Company believes that 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 been successfully integrated with several third-party proprietary POS systems, and within months of the launch of KDS as a standalone product, Posera has received increased demand and already scheduled hundreds of new KDS installations.

Posera will continue to work 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 expects to continue to expand its direct sales and reseller network to market its POS products and related products and technology. The Company believes that these strategies will further strengthen its recurring revenue streams that are generally 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.

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 US credit card issuers shifted liability for fraudulent transactions to merchants where EMV cards were used, and consequently, all payment cards issued in the US are chip-based. As a result, merchants wanting to avoid the liability shift 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 be a leading PATT solution in the US because it addresses the following:

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 considered a robust solution 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 an announced business relationship with DLT Labs, a leading Blockchain technology company, which is aimed at making it possible for Posera's PATT solution to accept certain cryptocurrencies 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, 2017 and 2016, 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, 2017 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.

Discontinued Operations

Classification as a discontinued operation occurs on disposal or when the operation meets the criteria to be classified as held for sale, if earlier. When an operation is classified as a discontinued operation, the comparative Consolidated Statements of Operations and Comprehensive Income is re-presented in a format as if the operation had been discontinued from the start of the comparative period.

The Company presents the Results from Discontinued Operations as one net amount on the Consolidated Statements of Operations and Comprehensive Income.

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, 2017 and 2016 for a complete listing of the Company's critical accounting estimates.

a. *Intangible assets – March 31, 2018 - $815,438 (March 31, 2017 - $1,293,714, December 31, 2017 - $835,343) and Goodwill – March 31, 2018 - $4,028,420 (March 31, 2017 - $4,161,010, December 31, 2017 - $3,934,613).*
    - *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, 2017 annual consolidated financial statements.*

b. *Investment Tax Credits Receivable – non-refundable – March 31, 2018 - $812,972 (March 31, 2017 - $807,022; December 31, 2017 - $862,469).*
    - *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 4. 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, 2017 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 March 31, 2018, March 31, 2017 and December 31, 2017. The information has been re-presented to exclude discontinued operations and display favourable and (unfavourable) dollar and percentage variances.

Analysis of the Unaudited Quarterly Results	Q1-2018 (unaudited) $	Q1-2017 (unaudited) $	Q4-2017 (unaudited) $	Q1-2018 vs. Q1-2017 $	%	Q1-2018 vs. Q4-2017 $	%
Total Revenue	**2,742,337**	**2,133,512**	**3,327,865**	**608,825**	**28.5%**	**(585,528)**	**(17.6)%**
Cost of Sales							
Cost of inventory	830,791	374,541	897,574	(456,250)	(121.8)%	66,783	7.4%
Technology	261,483	411,244	310,614	149,761	36.4%	49,131	15.8%
Operations and Support	599,127	763,204	676,912	164,077	21.5%	77,785	11.5%
Total Cost of Sales	**1,691,401**	**1,548,989**	**1,885,100**	**(142,412)**	**(9.2)%**	**193,699**	**10.3%**
Gross Profit	1,050,936	584,523	1,442,765	466,413	79.8%	(391,829)	(27.2)%
Gross Profit Percentage	38.3%	27.4%	43.4%		10.9%		(5.1)%
Operating Expenditures							
Sales and marketing	561,318	473,477	696,394	(87,841)	(18.6)%	135,076	19.4%
General and administrative	1,273,365	1,419,409	1,215,344	146,044	10.3%	(58,021)	(4.8)%
Restructuring costs	-	(49,268)	78,131	(49,268)	(100.0)%	78,131	100.0%
Total Operating Expenditures	**1,834,683**	**1,843,618**	**1,989,869**	**8,935**	**0.5%**	**155,186**	**7.8%**
	(783,747)	**(1,259,095)**	**(547,104)**	**475,348**	**37.8%**	**(236,643)**	**(43.3)%**
Other expenses (income)							
Interest expense	18,878	63,354	94,437	44,476	70.2%	75,559	80.0%
Realized and unrealized (gain) loss on foreign exchange	(63,140)	23,101	(8,712)	86,241	373.3%	54,428	624.7%
Interest and other income	(25,187)	(1,800)	(28,980)	23,387	1,299.3%	(3,793)	(13.1)%
Total Other Expenses	**(69,449)**	**84,655**	**56,745**	**154,104**	**182.0%**	**122,950**	**222.4%**
Net loss before income taxes from Continuing Operations	**(714,298)**	**(1,343,750)**	**(603,849)**	**629,452**	**46.8%**	**(110,449)**	**(18.3)%**
Current tax expense (recovery)	198,034	34,620	98,160	(163,414)	(472.0)%	(99,874)	(101.8)%
Future tax expense (recovery)	4,750	3,327	(139,662)	(1,423)	(42.8)%	(144,412)	(103.4)%
Net Loss from Continuing Operations	**(917,082)**	**(1,381,697)**	**(562,347)**	**464,615**	**33.6%**	**(354,735)**	**(63.1)%**
Gain on disposal of subsidiary	-	-	(324,685)	-	-%	324,685	100.0%
Loss from discontinued operations (net of tax)	-	(415,536)	(69,103)	415,536	100.0%	69,103	100.0%
Net Loss	**(917,082)**	**(1,797,233)**	**(956,135)**	**880,151**	**49.0%**	**39,053**	**4.1%**
Other comprehensive income	112,974	(14,240)	16,354	127,214	893.4%	96,620	590.8%
Net Comprehensive Loss	**(804,108)**	**(1,811,473)**	**(939,781)**	**1,007,365**	**55.6%**	**135,673**	**14.4%**

Comparison of the Unaudited Three-Months Ended (continued)

Non-IFRS reporting measures(as outlined on Pages 22 – 24 of this MD&A):	Q1-2018 (unaudited) $	Q1-2017 (unaudited) $	Q4-2017 (unaudited) $		Q1-2018 vs. Q1-2017 $	%	Q1-2018 vs. Q4-2017 $	%
Recurring Revenue	**675,559**	**638,633**	**687,536**		**36,926**	**5.8%**	**(11,977)**	**(1.7)%**
EBITDA adjusted to exclude discontinued operations	**(726,642)**	**(1,123,930)**	**(463,612)**		**397,288**	**35.3%**	**(263,030)**	**(56.7)%**
Normalized EBITDA adjusted to exclude discontinued operations	**(547,177)**	**(857,720)**	**(349,881)**		**310,543**	**36.2%**	**(197,296)**	**(56.4)%**

(1) Presentation of EBITDA adjusted to exclude discontinue operations, Normalized EBITDA adjusted to exclude discontinued operations, Net Income (Loss) and Comprehensive Income / Loss include the results from discontinued operations of FingerPrints as previously discussed on Page #4.

The presentation of the below of Selected Unaudited Quarterly Financial Data is for the purposes of this management discussion and analysis. The 2018 and 2017 financial data below have been prepared and presented in accordance with International Financial Reporting Standards.

Selected Financial Data for the three-months ended	**March 31, 2018**	**March 31, 2017**	**December 31, 2017**
Total revenue	$ 2,742,337	$ 2,133,512	$ 3,327,865
Recurring revenue	675,559	638,633	687,536
Net loss	(917,082)	(1,797,233)	(956,135)
Income (loss) per share – basic and diluted	(0.01)	(0.02)	(0.01)
Weighted average number of shares outstanding (000's) - basic	119,630	90,702	118,520
Weighted average number of shares outstanding (000's) – diluted	119,630	90,702	127,307
Cash and cash equivalents	10,646,130	1,277,271	12,153,665
Bank indebtedness	-	19,999	-
Net operating working capital (as outlined on Page 24 of this MD&A)	11,402,027	2,713,823	11,991,100
Total assets	19,067,011	12,888,260	21,109,873
Long-term liabilities	12,818	1,611,714	14,512
Total shareholders' equity	16,159,630	5,796,980	16,702,278

Comparison of the unaudited quarters ended March 31, 2018 and 2017 and December 31, 2017

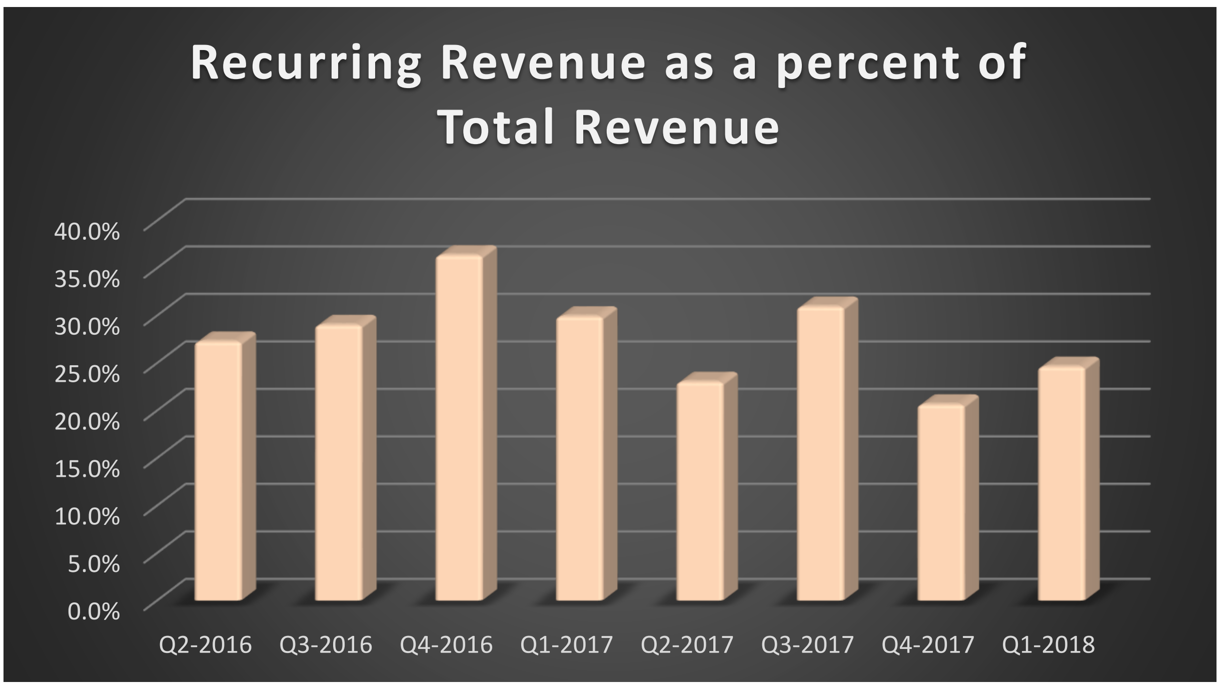
The assets of the FingerPrints business were divested on September 14, 2017 and recorded as discontinued operations during the three-months ended March 31, 2017. For comparability and consistency, the following discussion and analysis considers Posera's prior results excluding those generated by the FingerPrints assets for all reporting periods. 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 Page #4 of this MD&A.

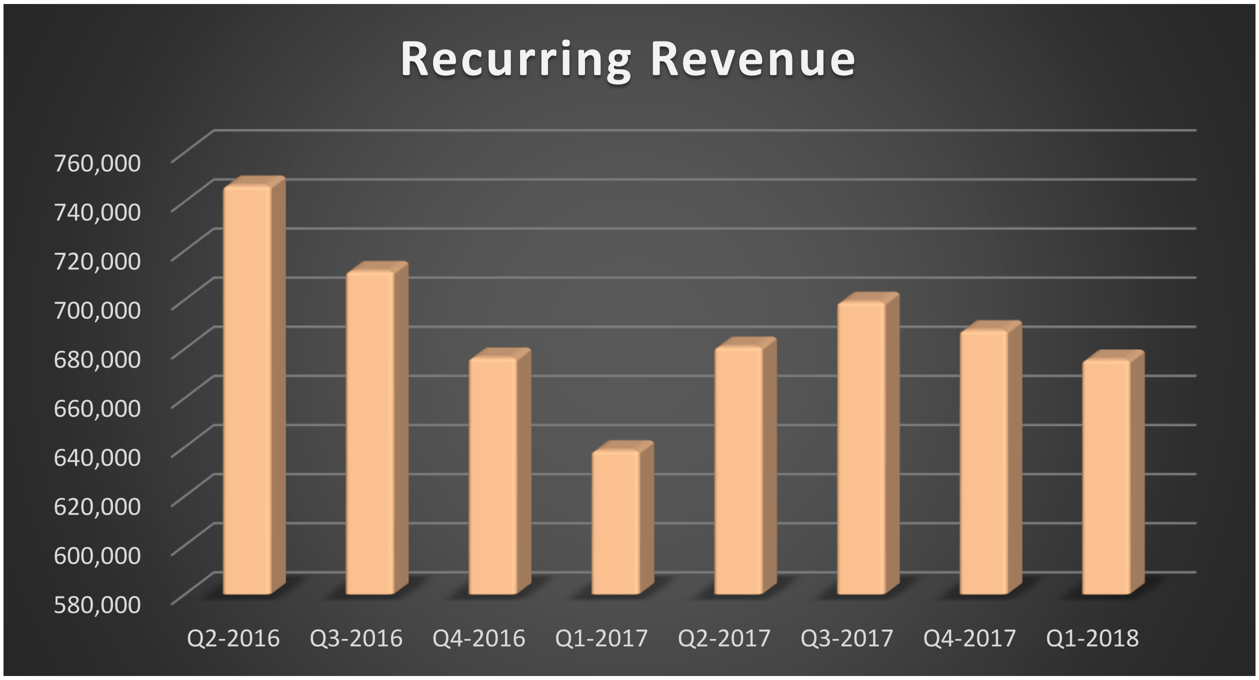
Recurring Revenue:

Recurring Revenue Comparisons March 31, 2018, March 31, 2017 and December 31, 2017

Total Recurring Revenue Reconciliation	**For the quarters ended**		
	March 31, 2018	**March 31, 2017**	**December 31, 2017**
Total Recurring Revenue Otherwise Reportable(1)	**$ 675,559**	**$ 1,661,110**	**$ 687,536**
Less: Recurring Revenue reclassified to discontinued operations	-	1,022,477	-
Total Recurring Revenue	**$ 675,559**	**$ 638,633**	**$ 687,536**

(1) Total recurring revenue excludes the discontinued operations for the FingerPrints transaction as previously discussed in this MD&A on Page #4.





The Company continues to focus 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, transaction processing 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 being generated from the Company's pre-existing POS brand, 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.

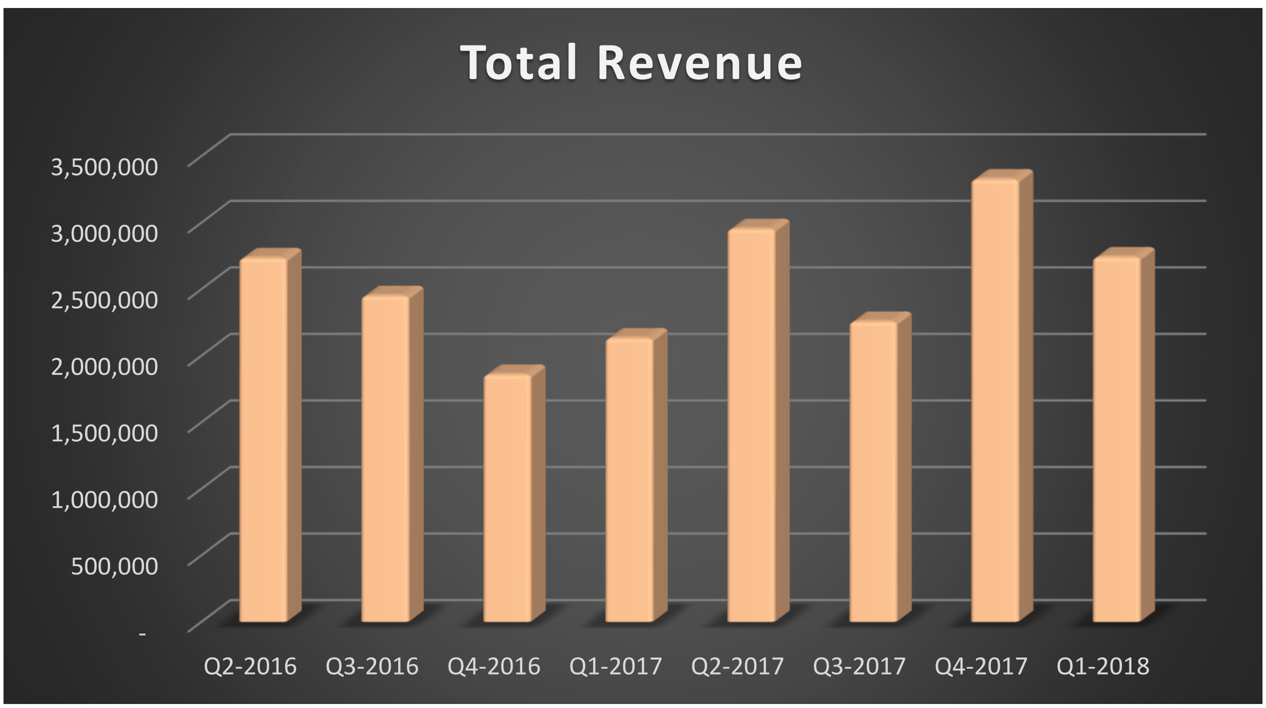
Revenue:

Revenue Comparisons March 31, 2018, March 31, 2017 and December 31, 2017

Total Revenue Reconciliation	For the quarters ended		
	March 31, 2018	March 31, 2017	December 31, 2017
Total Revenue Otherwise Reportable(1)	**$ 2,742,337**	**$ 3,947,807**	**$ 3,327,865**
Less: Revenue reclassified to discontinued operations	-	1,814,295	-
Adjusted Total Revenue	**$ 2,742,337**	**$ 2,133,512**	**$ 3,327,865**

(1) Total Revenue excludes the discontinued operations for the FingerPrints transaction as previously discussed in this MD&A on Page #4.

For the three-months ended March 31, 2018, total adjusted revenues significantly increased by $608,825 (28.5%) when compared to the three-months ended March 31, 2017 and decreased by $585,528 (17.6%) compared to the three-months ended December 31, 2017. Revenues increased between the three-month comparative periods ended March 31st due to the introduction of its Kitchen Display System ("KDS") as a stand-alone product. Previously, KDS had been accessible exclusively as a feature of Posera's Maitre'D POS software package. During the three-months ended March 31, 2018 the Company sold 267 KDS devices, which represents an increase of 178 devices compared to the three months-ended March 31, 2017 but represented a decrease of 1,389 devices compared to the three-months ended December 31, 2017. Posera is pleased to that it has achieved significant traction with the strategy to decouple of the KDS product from Maitre'D and is fulfilling a significant order from a U.S. based customer during the three-months ended March 31, 2018 and December 31, 2017 respectively.



Cost of Sales:

Cost of Sales Comparisons March 31, 2018, March 31, 2017 and December 31, 2017

Cost of Inventory

Cost of Inventory Reconciliation	For the quarters ended		
	March 31, 2018	March 31, 2017	December 31, 2017
Cost of Inventory Otherwise Reportable[(1)]	**$ 830,791**	**$ 969,573**	**$ 926,025**
Less: Cost of Inventory reclassified to discontinued operations	-	595,032	28,451
Adjusted Cost of Inventory	**$ 830,791**	**$ 374,541**	**$ 897,574**

(1) Total Cost of Inventory excludes the discontinued operations for the FingerPrints transaction as previously discussed in this MD&A on Page #4.

Posera recognized adjusted cost of inventory of $830,791 (30.3% of total revenues) for the three-months ended March 31, 2018, compared to $374,541 (17.6% of total revenues) for the three-months ended March 31, 2017, and $897,574 (27.0% of total revenues) for the three-months ended December 31, 2017. The increase in the cost of inventory as a percentage of revenue between the comparative periods was driven by revenue mix. The three-months ended March 31, 2018 and December 31, 2017 include a higher mix of KDS revenues, which carry a higher hardware component than the Maitre'D revenues . Prospectively, the Company expects an increase in the cost of inventory as a percentage of revenue due to the hardware component required for KDS related sales and the increase in KDS sales forecasted prospectively.

Technology Expense

Technology Expense Reconciliation[(1)]	For the quarters ended		
	March 31, 2018	March 31, 2017	December 31, 2017
Technology Expense Otherwise Reportable[(1)]	**$ 261,483**	**$ 557,379**	**$ 310,614**
Less: Technology expense reclassified to discontinued operations	-	146,135	-
Technology Expense	**261,483**	**411,244**	**310,614**
Less: Amortization of intangible assets	12,143	4,321	12,143
Adjusted Technology Expense	**$ 249,340**	**$ 406,923**	**$ 298,471**

(1) Total Technology Expense excludes the discontinued operations for the FingerPrints transaction as previously discussed in this MD&A on Page #4.

The adjusted technology expense decreased during the three-months ended March 31, 2018 compared to the three-months ended March 31, 2017 and December 31, 2017, because of headcount reductions between the comparative periods.

Operations and Support Expense

Operations and Support Expense Reconciliation	For the quarters ended		
	March 31, 2018	March 31, 2017	December 31, 2017
Operations and Support Expense Otherwise Reportable(1)	**$ 599,127**	**$ 1,651,142**	**$ 817,214**
Less: Operations and Support expense reclassified to discontinued operations	-	887,938	140,301
Operations and Support Expense	**599,127**	**763,204**	**676,913**
Less: One-time expenditures	-	24,503	-
Adjusted Operations and Support Expense	**$ 599,127**	**$ 738,701**	**$ 676,913**

(1) Total Operations and Support Expense excludes the discontinued operations for the FingerPrints transaction as previously discussed in this MD&A on Page #4.

The adjusted operations and support expenses were $599,127 in the three-months ended March 31, 2018; a decrease of $139,574 (18.9%) from $738,701 in the three-months ended March 31, 2017 and also decreased by $77,786 (11.5%) from $676,913 in the three-months ended December 31, 2017. The changes in the adjusted operations and support expense between the comparative periods have stemmed from reductions in operations and support headcount between the comparative periods. The Company is continually striving to remove costs from the business, while providing the expected quality of service to our existing and expanding customer base.

Operating Expenditures:

Operating Expenditures	For the quarters ended		
	March 31, 2018	March 31, 2017	December 31, 2017
Operating Expenditures Otherwise Reportable(1)	**$ 1,834,693**	**$ 2,444,344**	**$ 1,967,947**
Less: Operating Expenditures reclassified to discontinued operations	-	600,726	(21,922)
Operating Expenditures	**$ 1,834,693**	**$ 1,843,618**	**$ 1,989,689**
Less: Amortization of intangible assets and PP&E	44,963	130,844	71,346
Less: Restructuring charges	-	-	78,131
Less: Other One-time expenditures	130,118	103,382	52,514
Less: Stock-based compensation	49,347	138,325	61,417
Adjusted Operating Expenditures	**$ 1,610,265**	**$ 1,471,067**	**$ 1,726,461**

(1) Total Operations and Support Expense excludes the discontinued operations for the FingerPrints transaction as previously discussed in this MD&A on Page #4.

Sales and Marketing Expense

Sales and Marketing Expense Reconciliation	**For the quarters ended**		
	March 31, 2018	**March 31, 2017**	**December 31, 2017**
Sales and Marketing Expense Otherwise Reportable(1)	**$ 561,318**	**$ 792,033**	**$ 696,394**
Less: Sales and Marketing expense reclassified to discontinued operations	-	318,556	-
Sales and marketing expense	**$ 561,318**	**$ 473,477**	**$ 696,394**
Less: Amortization of intangible assets	11,827	100,160	40,686
Less: One-time expenditures	-	2,920	-
Adjusted Sales and Marketing expense	**$ 549,491**	**$ 370,397**	**$ 655,708**

(1) Total Sales and Marketing Expense excludes the discontinued operations for the FingerPrints transaction as previously discussed in this MD&A on Page #4.

The adjusted sales and marketing expenses increased by $179,094 (48.4%) for the three-months ended March 31, 2018 compared to the three-months ended March 31, 2017 and decreased by $106,217 (16.2%) compared to the three-months ended December 31, 2017. The adjusted sales and marketing expenses increased for the three-months ended March 31, 2018 compared to the three-months ended March 31, 2017 due to the higher revenues between the comparative periods. The adjusted sales and marketing expenses decreased for the three-months ended March 31, 2018 compared to the three-months ended December 31, 2017, commensurate with the decrease in revenues between the comparative periods. The Company has incurred costs related to tradeshows and promotional activities during all of the comparative periods, and will continue to attend tradeshows and undertake advertising to stimulate visibility of our products. Posera believes these activities will lead to future sales being generated for the Maitre'D and KDS POS products, as well as the SecureTablePay platform.

General and Administrative ("G&A") Expense

General and Administrative ("G&A") Expense Reconciliation	**For the quarters ended**		
	March 31, 2018	**March 31, 2017**	**December 31, 2017**
G&A Expense Otherwise Reportable(1)	**$ 1,273,365**	**$ 1,652,311**	**$ 1,193,422**
Less: G&A expense reclassified to discontinued operations	-	232,902	(21,922)
G&A expense	**$ 1,273,365**	**$ 1,419,409**	**$ 1,215,344**
Less: Stock-based compensation expense	49,347	138,325	61,417
Less: Amortization of intangible assets and PP&E	33,136	30,684	30,660
Less: One-time expenditures	130,118	100,462	52,514
Adjusted G&A expense	**$ 1,060,764**	**$ 1,281,084**	**$ 1,070,753**

(1) Total G&A Expense excludes the discontinued operations for the FingerPrints transaction as previously discussed in this MD&A on Page #4.

The adjusted general and administrative expenditures for the three-months ended March 31, 2018 decreased $220,320 (17.2%) and decreased $9,989 (0.9%), when compared to the three-months ended March 31, 2017 and December 31, 2017 respectively. The decrease between the three-months ended March 31, 2018 and March 31, 2017 resulted from a reduction in the facilities, consulting and other cost rationalizations between the comparable periods. The changes in the adjusted general and administrative expenditures was relatively minor between the three-months ended March 31, 2018 and December 31, 2017 comparative periods.

Included in the general and administrative expenses for the three-months ended March 31, 2018 are one-time expenditures corporate and acquisition related expenses incurred by the Company compared to consulting and severance related costs incurred during the three-months ended March 31, 2017.

Other Expense and Income:

Interest expense for the three-months ended March 31, 2018 was $18,878, a 70.2% decrease in the expense compared to the three-months ended March 31, 2017 and a 80.0% decrease in the expense compared to the three-months ended December 31, 2017. Interest expense incurred during the three-months ended March 31, 2017 and December 31, 2017 related primarily to the interest expense incurred on long-term obligations, primarily the $1,500,000 convertible debenture issued in January 2014. In October 2017 the Company redeemed the entire $1,500,000 convertible debenture, and consequently did not incur interest expense in relation to the convertible debenture during the three-months ended March 31, 2018.

Interest and other income is comprised primarily of interest earned from the investing of Posera's corporate funds. The increase for the comparative periods ended March 31st reflects the increased cash balance.

Realized and unrealized loss / (gain) on foreign exchange is driven primarily by US dollar denominated net assets on the Company's Consolidated Statements of Financial Position for its Canadian subsidiary entities. The Canadian dollar, relative to the US dollar, for the three-months ended March 31, 2018 strengthened by approximately 3%, explaining the majority of the foreign exchange gain recorded in the quarter, whereas during the three-months ended March 31, 2017, it weakened by approximately 1%, which led to a foreign exchange loss in that quarter. For the three-months ended December 31, 2017 the Canadian dollar strengthened by less than 1% relative to the US dollar, resulting in the small foreign exchange gain recorded for the quarter.

Summary of Unaudited Quarterly Results

The following table sets forth unaudited statements of operations data for the eight most recent quarters ended March 31, 2018 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, 2017 and 2016 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.

	2018	2017		
	Q1	Q4	Q3	Q2
Total revenue	$ 2,742,337	$ 3,327,865	$ 2,258,166	$ 2,954,903
Recurring revenue	$ 675,559	$ 687,536	$ 699,120	$ 680,852
EBITDA adjusted to exclude discontinued operations(1,2)	$ (726,642)	$ (463,612)	$ (475,995)	$ (92,645)
Normalized EBITDA adjusted to exclude discontinued operations(1,2)	$ (547,177)	$ (349,881)	$ (356,839)	$ 102,832
Net Income (Loss)(2)	$ (917,082)	$ (956,135)	$ 9,857,645	$ (924,709)
Comprehensive Income (Loss)(2)	$ (804,108)	$ (939,781)	$ 9,809,543	$ (989,027)
Earnings (Loss) Per Share Basic and Diluted	$ (0.01)	$ (0.01)	$ 0.10	$ (0.01)
Earnings (Loss) Per Share Basic and Diluted from Continuing Operations	$ (0.01)	$ (0.01)	$ (0.00)	$ (0.00)
	2017	**2016**		
	Q1	**Q4**	**Q3**	**Q2**
Total revenue	$ 2,133,512	$ 1,859,827	$ 2,451,138	$ 2,735,763
Recurring revenue	$ 638,633	$ 676,396	$ 711,637	$ 746,443
POS revenue	$ 2,133,512	$ 1,859,827	$ 2,451,138	$ 2,731,787
Payments revenue	$ -	$ -	$ -	$ 3,976
EBITDA adjusted to exclude discontinued operations(1,2)	$ (1,123,930)	$ (1,028,435)	$ (753,906)	$ (477,649)
Normalized EBITDA adjusted to exclude discontinued operations(1,2)	$ (857,720)	$ (753,671)	$ (376,991)	$ (62,690)
Net Income (Loss)(2)	$ (1,797,233)	$ (2,283,824)	$ (989,959)	$ 1,141,959
Comprehensive Income (Loss)(2)	$ (1,811,473)	$ (2,193,870)	$ (954,509)	$ 1,117,432
Earnings (Loss) Per Share Basic and Diluted	$ (0.02)	$ (0.03)	$ (0.01)	$ 0.02
Earnings (Loss) Per Share Basic and Diluted from Continuing Operations	$ (0.02)	$ (0.02)	$ (0.01)	$ (0.01)

(1) See EBITDA adjusted to exclude discontinued operations and Normalized EBITDA adjusted to exclude discontinued operations reporting measures (as outlined on Pages #22 – 24 of this MD&A)
(2) Presentation of EBITDA adjusted to exclude discontinued operations, Normalized EBITDA adjusted to exclude discontinued operations, Net Income (Loss) and Comprehensive Income / Loss include the results from discontinued operations of FingerPrints as previously discussed on Page #4 for the periods Q1-2016 to Q4-2017.

Reconciliation of Unaudited Non-IFRS measures to Closest IFRS Equivalent

Net Income (Loss) to EBITDA and Normalized EBITDA adjusted to exclude discontinued operations(1)	2018	2017		
	Q1	Q4	Q3	Q2
Net Income (Loss)(1)	**$ (917,082)**	**$ (956,135)**	**$ 9,857,645**	**$ (924,709)**
Interest expense	18,878	94,437	60,298	(218,231)
Exchange loss (gain)	(63,140)	(8,712)	62,700	100,176
Interest and other income	(25,187)	(28,980)	(2,953)	(3,981)
Amortization of equipment	25,007	21,512	28,923	28,242
Amortization of intangible assets	32,098	61,979	136,462	165,942
(Gains) or losses from discontinued operations	-	69,104	855,349	541,937
(Gain) on disposition of subsidiary	-	324,685	(11,237,620)	-
Tax provision (recovery)	202,784	(41,502)	(236,799)	217,979
EBITDA adjusted to exclude discontinued operations(1)	**$ (726,642)**	**$ (463,612)**	**$ (475,995)**	**$ (92,645)**
One-time non-recurring expenditures and (recoveries)	130,118	52,314	25,858	106,359
Stock-based compensation expense	49,347	61,417	93,298	89,118
Normalized EBITDA adjusted to exclude discontinued operations (1)	**$ (547,177)**	**$ (349,881)**	**$ (356,839)**	**$ 102,832**

(1) Presentation of EBITDA adjusted to exclude discontinued operations, Normalized EBITDA adjusted to exclude discontinued operations, Net Income (Loss) and Comprehensive Income / Loss include the results from discontinued operations of FingerPrints as previously discussed on Page #4 for the periods Q2-2016 to Q4-2017.

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

Net Income (Loss) to EBITDA and Normalized EBITDA adjusted to exclude discontinued operations(1)	**2017**	**2016**		
	Q1	**Q4**	**Q3**	**Q2**
Net Income (Loss)(1)	**$ (1,797,233)**	**$ (2,283,824)**	**$ (989,959)**	**$ 1,141,959**
Interest expense	63,354	110,017	90,586	84,933
Exchange loss (gain)	23,101	26,965	7,673	12,565
Interest and other income	(1,800)	(626)	(2,552)	(3,465)
(Gain) Loss on revaluation of financial instrument	-	200,000	(131,771)	240,000
Amortization of equipment	19,076	33,738	21,466	19,497
Amortization of intangible assets	116,089	192,082	176,007	181,360
(Gains) or losses from discontinued operations	415,536	478,906	39,143	(25,089)
(Gain) on disposition of subsidiary	-	175,000	-	(2,134,794)
Impairment of assets	-	-	-	-
Tax provision (recovery)	37,947	39,307	35,501	5,385
EBITDA adjusted to exclude discontinued operations(1)	**$ (1,123,930)**	**$ (1,028,435)**	**$ (753,906)**	**$ (477,649)**
One-time non-recurring expenditures and (recoveries)	127,885	130,429	314,851	323,256
Stock-based compensation expense	138,325	144,335	62,064	91,703
Normalized EBITDA adjusted to exclude discontinued operations (1)	**$ (857,720)**	**$ (753,671)**	**$ (376,991)**	**$ (62,690)**

(1) Presentation of EBITDA adjusted to exclude discontinued operations, Normalized EBITDA adjusted to exclude discontinued operations, Net Income (Loss) and Comprehensive Income / Loss include the results from discontinued operations of FingerPrints as previously discussed on Page #4 for the periods Q2-2016 to Q4-2017.

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

Summary of Net Operating Working Capital	March 31, 2018	March 31, 2017	December 31, 2017
Equity	**$ 16,159,630**	**$ 5,796,980**	**$ 16,702,278**
Add: Long-term portion of notes payable	-	1,500,000	-
Add: Long-term portion of vehicle loans	12,818	88,902	14,512
Add: Future income tax (asset) liability	-	22,812	-
Add: Deferred revenue	1,117,914	1,952,535	1,158,631
Add: Current portion of notes payable	-	-	-
Less: Goodwill	(4,028,420)	(4,161,010)	(3,934,613)
Less: Intangible assets	(815,438)	(1,293,714)	(835,343)
Less: Long-term portion of investment tax credits receivable	(812,972)	(807,022)	(862,469)
Less: Long-term portion of lease receivable	(700)	(28,872)	(3,011)
Less: Deposit on leased premises	(45,972)	(39,579)	(45,560)
Less: Equipment	(184,833)	(317,209)	(198,031)
Less: Deferred income tax asset	-	-	(5,294)
Net Operating Working Capital(1)	**$ 11,402,027**	**$ 2,713,823**	**$ 11,991,100**

Liquidity and Financial Resources

As at March 31, 2018, Posera had cash and cash equivalents totaling $10,646,130 (December 31, 2017 - $12,153,665).

For the three-months ended March 31, 2018 and 2017, cash used by operating activities was $1,805,590 and $1,764,662 respectively. Cash provided by operations for the three-months ended March 31, 2018 resulted primarily from a net loss and changes in working capital items, which was partially offset by amortization and stock-based compensation. Cash used by operations for the three-months ended March 31, 2017 resulted from a net loss and changes in working capital items, which was partially offset by amortization and stock-based compensation.

For the three-months ended March 31, 2018 and 2017, cash provided by financing activities were $208,435 and $2,206,247 respectively. Cash provided by financing activities for the three-months ended March 31, 2018 resulted primarily from the proceeds received from the exercise of stock options during the period. Cash provided by financing activities for the three-months March 31, 2017 resulted primarily from the Company's completed private placement for common shares.

For the three-months ended March 31, 2018 and 2017, cash provided by / (used in) investing activities was ($10,813) and $385,505 respectively. The cash used in investing activities during the three-months ended March 31, 2018 related primarily to the acquisition of property plant and equipment, where during the three-months ended March 31, 2017 cash provided by investing activities related to receipt of a notes receivable which was partially offset by the acquisition of property plant and equipment.

Net operating working capital at March 31, 2018 and 2017 was $11,402,027 and $2,713,823 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 March 31, 2017, the Company is subject to certain externally imposed capital covenants related to bank indebtedness.

The debt to equity ratios as at March 31, 2018, March 31, 2017 and December 31, 2017 were as follows:

	March 31, 2018	**March 31, 2017**	**December 31, 2017**
Total Debt			
Notes payable	$ -	$ 1,500,000	$ -
Vehicle loans	12,818	88,902	14,512
Bank indebtedness	-	19,999	-
Total Debt	**$ 12,818**	**$ 1,608,901**	**$ 14,512**
Total Equity	**$ 16,159,630**	**$ 5,796,980**	**$ 16,702,278**
Debt to Equity Ratio	**0.01%**	**27.8%**	**0.1%**

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 March 31, 2018 was $200,000 (as at December 31, 2017 - $200,000), of which the Company had utilized $nil (2017 - $nil).

Subsequent Events

On April 27, 2018, the Company entered into a secured bridge credit facility in the maximum principal amount of $1.6 million to DLT Labs Inc. ("DLT"). On May 8th, 2018, DLT made a draw of $800,000 on the facility reflecting the available credit for the months of April and May, 2018. The terms of the credit facility for DLT Labs were negotiated under the supervision of, and reviewed and approved by, an independent special committee of the Board of Directors. After receiving the unanimous recommendation of the special committee, the board of directors of Posera (with Mr. Loudon Owen, Executive Chairman of Posera and a director and shareholder of DLT Labs, recusing himself due to his interest in DLT) approved the credit facility. The $1.6 million credit facility is to be made available to DLT in monthly tranches not to exceed $400,000 at a rate of 8% per annum and is due at the earlier of October 31, 2018 and the closing of any alternative financing for DLT. Posera has the right to participate in any alternative financing of DLT to the extent of its loan commitment. Posera has received a first ranking security interest over all of DLT's present and acquired personal property.

Summary of Contractual Obligations

During the three-months ended March 31, 2018, 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

During the three-months ended March 31, 2018, the Company received legal fees and disbursement invoices totaling $64,218 (2017 - $63,996), from law firms, which a director of Posera is a partner. As at March 31, 2018, the Company has a payable position of $72,488 (December 31, 2017 - $11,046) which will be settled between the related parties in the normal course of business.

Posera conducted business with a Company controlled by the Executive Chairman of Posera. During the three-months ended March 31, 2018, the Company incurred transaction costs related to the sale of the FingerPrints business in the amount of $nil (2017 - $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 have been recorded at the exchange amount. As at March 31, 2018, the Company is in a payable position of $nil (December 31, 2017 - $603,500) which was settled between the related parties in the normal course of business.

<u>Compensation of key management</u>

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

	Three-months ended March 31, 2018	Three-months ended March 31, 2017
Salaries and short-term employee benefits	$ 278,789	$ 169,752
Share-based payments	23,842	95,515
Total	**$ 302,631**	**$ 265,267**

The salaries and short-term employee benefits are expensed as incurred, 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 March 31, 2018, Posera had issued and outstanding 119,796,878 common shares, and 8,497,250 options, of which 5,218,101 were exercisable at an exercise price to purchase common shares ranging from $0.125 to $0.32. As at May 10, 2018, Posera had issued and outstanding 119,796,878 Class A voting common shares and 8,487,250 options, of which 5,861,286 were exercisable at an exercise price to purchase common shares ranging from $0.125 to $0.32.

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, 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 commenced a project to migrate all entities of the Group to one accounting system, which will streamline reporting and eliminate the manual preparaion of the consolidation. This project has in large part been completed during fiscal 2016; and;

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 implemented a control environment to insure accurate and timely review and reporting is taking place between the finance and human resource departments.

No other changes were identified through management’s evaluation of the controls over financial reporting. Throughout the remainder of 2017 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;

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

- formalize a process for foreign tax and HST / QST reporting;
- 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.

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 28, 2018, 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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