Management's Discussion & Analysis

Three months ended December 31, 2016 and 2015

General Information

This Management's Discussion and Analysis ("MD&A") contains important information about our business and our performance for the three months ended December 31, 2016, as well as forward-looking information about future periods. This MD&A should be read in conjunction with our condensed interim consolidated financial statements and notes thereto for the three months ending December 31, 2016, which have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting*, as issued by the International Accounting Standards Board (IASB); our annual MD&A for the year ended September 30, 2016 ("2016 Annual MD&A"); our audited consolidated financial statements for the years ended September 30, 2016 and 2015 and notes thereto ("2016 Annual Audited FS"), which have been prepared in accordance with IFRS as issued by the IASB; our 2016 annual information form ("2016 AIF") for the fiscal year ended September 30, 2016; and our other recent filings with Canadian securities regulatory authorities, which are available on SEDAR at sedar.com.

All dollar amounts within this MD&A are presented in thousands of Canadian dollars unless otherwise stated. All percentage changes are calculated using the rounded numbers as they appear in the tables. This MD&A is current as of February 09, 2017 and was approved by the Audit Committee of our Board of Directors on that date. This MD&A includes forward-looking statements and assumptions. See "About Forward-Looking Information" for more information. We, us, our, BSM and the Company refer to BSM Technologies Inc. and its subsidiaries.

In this MD&A, "this quarter" or "current quarter" refers to the three months ended December 31, 2016, which is the first quarter of our 2017 fiscal year. All results commentary is compared to the equivalent period in fiscal 2016 or as at September 30, 2016, as applicable, unless otherwise indicated (the "Prior Period").

This MD&A contains references to certain non-GAAP financial measures such as EBITDA, Adjusted EBITDA and Recurring Revenue and key performance indicators (KPIs) such as Subscriber, Subscriber Churn and ARPU which do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other issuers. These non-GAAP financial measures and KPIs should be viewed as a supplement to, not as a substitute for, the Company's results of operations reported under IFRS. These measures are identified and defined in the "Non-GAAP Financial Measures and KPIs" section of this MD&A.

BSM is a publicly traded corporation on the Toronto Stock Exchange (TSX: GPS). On October 3, 2016, pursuant to an asset purchase agreement, we acquired substantially all of the assets of Mobi Corp, a privately-held software provider. Following the closing of the acquisition, the Company continues to operate the Mobi business under the Mobi business name ("Mobi"). The Mobi product offering enables its customers to manage operational activities such as planning, scheduling, routing and dispatching and uses available GPS data to provide additional analytics. Details of the acquisition of Mobi are described in the News release dated October 4, 2016 which is available on SEDAR at www.sedar.com. The operating results of the Company for the current quarter are prepared on a consolidated basis and include the operating results of Mobi. The comparable period in fiscal 2016 does not include the operating results of Mobi. The acquisition of Mobi has led to significant changes in our operating results, which should be considered when comparisons to the Prior Period are made.

Summary of Consolidated Financial Results

Statement of Income and Comprehensive Income

	Three months ended December 31			
($ thousands)	**2016**	2015	Change ($)	Change (%)
Revenue	**$ 18,363**	$ 15,701	$ 2,662	17%
Cost of revenue	**7,451**	7,029	422	6%
Gross profit	**10,912**	8,672	2,240	26%
Interest income from finance leases	**63**	50	13	26%
General and administrative expenses	**3,863**	2,827	1,036	37%
Research and development expenses	**3,017**	2,357	660	28%
Sales and marketing expenses	**3,949**	3,279	670	20%
Acquisition, integration and restructuring expenses	**335**	537	(202)	(38%)
Foreign exchange gain	**(400)**	(357)	(43)	12%
Net interest expense	**484**	119	365	307%
Total expenses	**11,248**	8,762	2,486	28%
Net loss before tax	**(273)**	(40)	(233)	583%
Current tax expense	**69**	7	62	886%
Deferred tax expense	**123**	458	(335)	(73%)
Net loss for the period	**(465)**	(505)	40	(8%)
Foreign exchange gain on foreign operations, net of tax	**236**	67	169	252%
Total comprehensive loss for the period	**$ (229)**	$ (438)	$ 209	(48%)
EBITDA[(i)]	**$ 2,344**	$ 1,698	$ 646	38%
Adjusted EBITDA[(i)]	**$ 2,818**	$ 2,114	$ 704	33%

(i) EBITDA and Adjusted EBITDA are non-GAAP financial measures and do not have any standardized meaning under IFRS. Therefore, they are unlikely to be comparable to similar measures presented by other companies. See the "Non-GAAP Financial Measures and KPIs" section of this MD&A for more details, including reconciliations to the most comparable IFRS financial measures.

Revenues by Geographical Location (based upon customer location)

	Three months ended December 31			
($ thousands)	**2016**		2015	
Canada	**$ 5,594**	**30%**	$ 7,288	46%
United States	**12,475**	**68%**	8,050	51%
International	**294**	**2%**	363	3%
Total revenue	**$ 18,363**	**100%**	$ 15,701	100%

Key Changes in Financial Results

	Three months ended December 31			
($ thousands)	**2016**	2015	Change ($)	Change (%)
Revenue				
Hardware revenue	**$ 5,547**	$ 4,829	$ 718	15%
Recurring revenue [i]	**11,561**	9,875	1,686	17%
Service revenue	**1,255**	997	258	26%
Total Revenue	**18,363**	15,701	2,662	17%
Cost of revenue				
Hardware cost of revenue	**3,142**	3,272	(130)	(4%)
Recurring cost of revenue	**3,152**	2,853	299	10%
Service cost of revenue	**1,157**	904	253	28%
Total Cost of Revenue	**7,451**	7,029	422	6%
Gross Profit				
Hardware gross profit	**2,405**	1,557	848	54%
Recurring gross profit	**8,409**	7,022	1,387	20%
Service gross profit	**98**	93	5	5%
Total Gross Profit	**$ 10,912**	$ 8,672	$ 2,240	26%
Gross Profit Margin				
Hardware gross profit margin	**43%**	32%	11%	34%
Recurring gross profit margin	**73%**	71%	2%	3%
Service gross profit margin	**8%**	9%	(1%)	(11%)
Total Gross Profit Margin	**59%**	55%	4%	7%

(i) Recurring revenue does not have any standardized meaning under IFRS. Therefore, it is unlikely to be comparable to similar measure presented by other companies. See the "Non-GAAP Financial Measures and KPIs" section of this MD&A for more details.

Revenue

The Company has identified one operating segment, telematics. Within telematics we have identified hardware revenue, recurring revenue and service revenue as three distinct revenue streams.

Hardware revenue is comprised of revenue recognized for the sale of our proprietary and third party telematics devices. Hardware revenue also includes the hardware portion of multiple element arrangements ("Bundle Sales"). Hardware revenue increased by 15% for the three months ended December 31, 2016 because of increased unit sales of our telematics devices.

Recurring revenue is comprised of monthly application service provider ("ASP") fees. ASP fees are charged to customers for access to our data portal and for the data reported from their monitored assets. Recurring revenue is typically contract in nature. We enter services contracts with our customers, most of which are for durations of 36 months or longer. ASP fees are generally charged to customers on a per asset basis where those assets are vehicles, equipment or other types of stationary and mobile equipment. To the extent that we generate monthly recurring revenue from the monitoring of these customer assets, we defined these assets as "Subscribers" or individually, "a Subscriber". During the quarter, we achieved gross subscriber activations of 4,300, experienced subscriber churn of 3,100 and acquired 15,100 subscribers from the acquisition of Mobi. The number of Subscribers as at December 31, 2016 was 168,400, up from 152,100 as at September 30, 2016. The average monthly revenue per unit this period was $22.97 compared to $21.96 in the Prior Period. For the three months ended December 31, 2016, recurring revenue increased by 17% which was primarily the result of the increase in Subscribers from the acquisition of Mobi.

Service revenue includes installation fees, project management fees, custom development fee revenue and other one-time services provided to our customers. Service revenue increased by 26% which was the result of a higher volume of projects completed during the period when compared to the Prior Period.

Gross Profit and Gross Profit Margin

Gross profit margins vary depending on both the revenue stream mix and the mix of hardware product lines sold in the period. Hardware sales typically generate lower gross margins than recurring revenue. Furthermore, larger volume hardware sales typically generate lower gross margins than smaller volume sales as a result of volume discounts. During the period, hardware revenue increased by 15% and gross profit from hardware sales increased by 54%. The increase in profitability reflects synergies in fixed costs associated with the production of hardware, a higher volume of revenue associated with fixed production costs and a more favourable mix of higher margin hardware products sold in the current period compared to the Prior Period. Recurring revenue gross profit margin increased to 73% in the current quarter, up 2% from 71% in the Prior Period. The increase is attributable to cost synergies attained from combining the Webtech and BSM businesses as well as from the inclusion of revenue from Mobi products which have a higher gross profit margin than experienced historically in the Company's consolidated results. Overall, total gross profit margin increased from 55% in the Prior Period to 59% as a result of higher revenue growth relative to the associated cost of revenue.

General and Administrative Expenses

General and administrative ("G&A") expenses consist of employee salaries related to finance and administration personnel, professional fees (legal, audit, tax and consultants), public company expenses (listing fees, compliance and board of director fees and related expenses) and overhead expenses associated with maintaining the Company's premises. General and administrative expenses increased by 37% compared to the prior period. The current period includes $574 in general and administrative expenses because of the increase in our workforce from the Mobi acquisition. The current period also includes $156 in incremental variable compensation expenses resulting from higher levels of revenue and Adjusted EBITDA when compared to the Prior Period. In aggregate, general and administrative expenses include depreciation, amortization and stock based compensation expenses of $633 for the current quarter, an increase of $343 from the Prior Period.

Research and Development Expenses

Research and development ("R&D") expenses consist of employee salaries and expenses related to product development activities, consultant fees, the amortization of acquired technology assets and other expenses associated with software and hardware development. Research and development expenses increased by $825 following the completion of the acquisition of Mobi which includes $195 in amortization of the technology asset acquired in the Mobi transaction. In aggregate, R&D expenses in the current quarter include $538 of amortization and stock based compensation expenses, an increase of $190 from the Prior Period.

Sales and Marketing Expenses

Sales and marketing expenses include employee costs of our pre-sales team of solutions engineers; the salaries, benefits, travel and commission costs of our direct sales team; advertising and marketing costs; and the amortization of acquired customer contracts and relationships. Sales and marketing expenses increased by $290 from the addition of the Mobi sales and marketing teams and increased further by $356 due to the amortization of Mobi customer contracts and relationships. In aggregate, sales and marketing expenses include $1,418 of amortization of the customer contracts and relationships acquired because of acquisitions we have completed over the past four years, an increase of $292 from the Prior Period.

Foreign Exchange Gain/(Loss)

Foreign exchange gains and losses arise from the translation of assets and liabilities denominated in foreign currencies (primarily US dollar working capital). During the current quarter the weakening Canadian dollar led to a foreign exchange gain included in net income of $400. The increase in the gain on foreign exchange revaluations when compared to the Prior Period is a result of higher average US dollar working capital balances.

Acquisition, Integration and Restructuring Expenses

Acquisition, integration and restructuring expenses include costs we incur to acquire and integrate the businesses we purchase. The $335 of costs incurred this quarter related to costs associated with the acquisition of Mobi.

EBITDA and Adjusted EBITDA

Greater gross profit contribution on increased hardware revenues, as well the EBITDA contribution from the acquisition of Mobi has led to an increase in Adjusted EBITDA of 33% over the Prior Period. Our larger size and scale resulting from recent acquisitions; the impact of cost reductions attained throughout fiscal 2016; and strong hardware revenue in the current period has led to an increase in our Adjusted EBITDA margin to 15.3% from 13.5% in the comparable period.

Summary of Quarterly Data

The following table sets forth certain information for each of the eight most recent quarters, including the current quarter ended December 31, 2016. The quarterly information has been derived from our condensed interim consolidated financial statements which have been prepared on a basis consistent with the annual audited consolidated financial statements (except for any changes in accounting policy and financial presentation in such years) and include all adjustments necessary for the fair presentation of the information presented.

($ thousands, except per share data)	FY 2015			FY 2016				FY 2017
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	**Q1**
Revenue	$ 7,645	$ 7,703	$ 7,486	$ 15,701	$ 15,239	$ 13,902	$ 14,965	**$ 18,363**
Gross profit[1]	4,020	3,937	3,871	8,672	8,508	7,230	8,587	**10,912**
Net income (loss)	843	(523)	479	(505)	(858)	(161)	9,135	**(465)**
EBITDA[1]	1,987	609	201	1,698	1,206	1,894	3,485	**2,344**
Adjusted EBITDA[1]	710	796	494	2,114	2,325	1,882	2,033	**2,818**
EPS - basic	$ 0.019	$ (0.012)	$ 0.011	$ (0.006)	$ (0.010)	$ (0.002)	$ 0.112	**$ (0.006)**
EPS - diluted	$ 0.019	$ (0.012)	$ 0.011	$ (0.006)	$ (0.010)	$ (0.002)	$ 0.112	**$ (0.006)**

[1] Certain comparative amounts have been restated to conform with current period presentation.

Managing our Liquidity and Financial Resources

Statement of Cash Flows - Operating, Investing, and Financing Activities

	Three months ended December 31			
($ thousands)	**2016**	2015	Change ($)	Change (%)
Cash and cash equivalents, beginning of period	**$ 24,900**	$ 23,980	$ 920	4%
Cash and cash equivalents, end of period	**16,547**	29,000	(12,453)	(43%)
Increase (decrease) in cash and cash equivalents	**(8,353)**	5,020	(13,373)	(266%)

Change due to:				
Operating activities	**(495)**	199	(694)	(349%)
Financing activities	**(61)**	5,276	(5,337)	(101%)
Investing activities	**(7,937)**	(607)	(7,330)	1208%
Impact of foreign exchange on cash held in foreign currencies	**140**	152	(12)	(8%)
Total change in cash and cash equivalents	**$ (8,353)**	$ 5,020	$ (13,373)	(266%)

Operating activities: In the three months ended December 31, 2016, $495 in cash was used in operating activities. Operating cash flow before changes in non-cash working capital was $2,390. Negatively impacting operating cash flow was an increase in non-cash working capital resulting from a $1,538 increase in accounts receivable due to higher volume sales in the current period. Deferred revenue as at December 31, 2016 increased by $2,132 as compared to September 30, 2016, however, this included a $3,609 increase on the acquisition of Mobi which is reflected in investing activities in the statement of cash flows. Deferred revenue adjusted for Mobi decreased by $1,361 during the period due to the revenue recognition of a large annual payment for recurring service which had been received as of September 30, 2016 and therefore had a negative impact on operating cash flow.

Investing activities: During the quarter, we paid $7,727 related to the acquisition of Mobi.

Financing activities: There was no material activity as it relates to cash flow used in financing activity in the current period.

NCIB and Share Repurchases

On December 19, 2016, the Company obtained approval for its intention to commence a normal course issuer bid (the "Bid"). Under the terms of the Bid, the Company may acquire up to 7,027,655 common shares from time to time in accordance with TSX procedures, representing approximately 10% of the total public float of common shares. The Bid commenced on December 23, 2016 and will conclude on December 22, 2017, or earlier if the number of common shares sought in the Bid have been purchased. Other than purchases made in compliance with the provisions of the block purchase exemption of the TSX, daily purchases under the Bid will be limited to a maximum of 19,327 Common Shares which represents 25% of the average daily trading volume on the TSX for the period from June 1, 2016 to November 30, 2016.

From time to time, the Company may make purchases under the Bid via an automatic securities repurchase plan (the "Plan") through which the timing for the purchase of common shares, the number of common shares purchased and the price payable for the common shares will be determined by the Company's broker, in its sole discretion. Such purchases are subject to a prescribed maximum price payable having regard to the price limitations and other terms of the Plan and the rules of the TSX. As at December 31, 2016, the Company had a Plan in place with its broker. Given the automatic nature of the Plan, the Company has recognized a share repurchase liability of $689 in the statement of financial position. The share repurchase liability has been recorded at the maximum purchase exposure under the Plan during the period of January 1, 2017 through February 10, 2017 which is the period the Company anticipates being prohibited from cancelling or making amendments to the Plan due to TSX “blackout” restrictions.

During the three months ended December 31, 2016, the Company repurchased and cancelled nil common shares in accordance with the Bid or previous normal course issuer bids (2015 – 53,000).

Credit Facilities

On August 24, 2016, the Company replaced its prior term credit facility with a $20 million revolving credit facility (“Revolver”). The Company may draw on the Revolver in either US dollars or Canadian dollars and as at December 31, 2016, the Company had US$6,110 drawn against the Revolver.

The Revolver is secured by a first ranking security interest over all personal property of the Company. The Revolver also contains certain financial covenants including maximum debt leverage, minimum profitability ratios, and other non-financial covenants with which the Company is required to comply. The Company is in compliance with these covenants as at December 31, 2016. Expected covenant compliance is based on forward looking financial information. Changes in such information or actual performance may necessitate an amendment to the financial covenants or result in a requirement to repay a portion or all of the Company's indebtedness.

Contractual Commitments

In the current quarter, the Company’s contractual commitments increased due to the deferred contingent consideration issued in accordance with the Mobi acquisition. Combined with amounts outstanding for other acquisitions, the Company has a total contractual commitments of $32.3 million for deferred contingent consideration payments for which payments may come due at different milestone dates over the next three years. The conditions of deferred acquisition consideration payments are contingent upon each of the acquired businesses generating specified levels of operating cash flow and therefore the contractual commitments will be funded by a combination of the required increase in cash flow from each respective acquisition, cash on hand as well as available capacity on our revolving credit facility. In addition to contingent consideration, the Company has $5.9 million in contractual commitments for operating leases and supplier purchase commitments. As at December 31, 2016 the Company has $16.5M in cash on hand and $11.8M in cash available on its revolving credit facility for total liquidity of $28.3M. In aggregate, the Company expects to have adequate liquidity to meet its contractual commitments as they come due over future periods.

Overview of Financial Position

Condensed Consolidated Statement of Financial Position

Balance	As at December 31, 2016	As at September 30, 2016	Change ($)	Change (%)	Comments
Assets					
Current assets	**$ 38,678**	$ 44,111	$ (5,433)	(12%)	The largest factors contributing to the decrease was a cash payment of $7,727 for the acquisition of Mobi. This decrease was partially offset by a $1,538 increase in accounts receivable and a $1,269 increase from Mobi acquired current assets.
Long-term assets	**88,993**	72,599	16,394	23%	Increase of long-term assets is attributed to the increase in intangible assets and goodwill recognized in connection with the acquisition of Mobi.
Total assets	**127,671**	116,710	10,961	9%	
Liabilities					
Current liabilities	**17,429**	11,169	6,260	56%	The increase in current liabilities is primarily due to a $2,685 increase in the current portion of contingent consideration and a $2,132 increase in deferred revenue predominantly related to the Mobi acquisition.
Long-term liabilities	**16,852**	11,772	5,080	43%	Increase of long-term liabilities is mainly attributed to the long-term portion of contingent consideration recognized on the Mobi acquisition.
Total liabilities	**34,281**	22,941	11,340	49%	
Shareholders' equity					
Common shares	**85,192**	85,861	(669)	(1%)	
Contributed surplus	**8,465**	7,946	519	7%	

Accumulated other comprehensive income	**662**	426	236	55%	The increase in AOCI is attributable to the USD appreciation on the Company's net investment in foreign operations in the period.
Deficit	**(929)**	(464)	(465)	100%	
Total shareholders' equity	**93,390**	93,769	(379)	(0%)	
Total liabilities and shareholders' equity	**$ 127,671**	$ 116,710	$ 10,961	9%	

Outstanding Share Data

Our authorized share capital consists of an unlimited number of common shares. As at December 31, 2016, there were 82,599,471 issued common shares, including: 54,795 common shares remaining in escrow, the release of which is subject to performance conditions in terms of attaining certain cash flow levels; 699,575 common shares in escrow which are subject to JMM attaining certain revenue and EBITDA targets over the five years from the acquisition date; and 500,000 common shares in escrow subject to the acquired Praxis business attaining certain revenue targets over the six years from the acquisition date.

As at December 31, 2016 there were 2,953,085 outstanding stock options, which have been issued to directors, officers and employees of the Company with a weighted average exercise price of $1.36. As at December 31, 2016 there were 2,124,906 outstanding restricted share units, which have been issued to officers and employees of the Company, and 292,541 outstanding deferred share units, which have been issued to directors of the Company.

Critical Accounting Policies and Estimates

Please see our 2016 Annual MD&A and our 2016 Annual Audited FS for a discussion of the accounting policies and estimates that are critical to the understanding of our business operations and the results of our operations. There were no changes to these policies nor the nature of items requiring accounting estimates in this quarter.

Updates to Risks and Uncertainties

Please see our 2016 Annual MD&A and our 2016 AIF for a discussion of the principal risks and uncertainties and legal proceedings that could have a material adverse effect on our business and financial results as at February 09, 2017, which should be reviewed in conjunction with this interim quarterly MD&A. There have been no material changes to the risk factors or ongoing legal proceedings as at February 09, 2017.

Non-GAAP Financial Measures and KPIs

Identification of Non-GAAP Financial Measures and KPIs

This MD&A contains references to certain financial measures that do not have any standardized meaning prescribed by IFRS and may not be comparable to similar measures presented by other entities. These non-GAAP financial measures should be viewed as a supplement to, and not a substitute for, the Company's results of operations reported under IFRS. These financial measures are identified and defined below:

"Recurring Revenue" includes monthly fees, monthly monitoring fees, and resale of cellular and satellite data. Recurring Revenue is recognized monthly as services are delivered and is derived from the service revenue category within the segmented information note of the Company's consolidated financial statements. We believe that Recurring Revenue provides useful information to our investors because it shows the long-term nature of service revenue.

"EBITDA" and **"Adjusted EBITDA"** are measures of our operating profitability. We believe that EBITDA and Adjusted EBITDA provide useful information to our investors because they exclude transactions not related to the core cash operating business activities, allowing meaningful analysis of the performance of our core cash operations.

EBITDA is an indicator of the financial results generated by our business activities excluding:

- the impact of any financing activities;
- amortization and depreciation of property, equipment and intangible assets; and
- taxes with respect to various jurisdictions.

Adjusted EBITDA is a further refinement of EBITDA to remove the effect of:

- acquisition, integration and restructuring related costs;
- share-based compensation expense;
- writeoff of goodwill or other impairments to any financial and non-financial assets;
- fair value adjustments on contingent consideration;
- costs related to certain legal actions; and
- gains and losses resulting from the translation of non-Canadian dollar working capital balances.

As such, Adjusted EBITDA provides more meaningful continuity with respect to the comparison of our operating results over time. EBITDA and Adjusted EBITDA are derived from the consolidated statements of income and comprehensive income and consolidated statement of cash flows. We believe that using these metrics enhances an overall understanding of the Company's results and we present them for that purpose.

Reconciliation of Non-GAAP Financial Performance Measures

EBITDA and Adjusted EBITDA are calculated from net income as follows:

	Three months ended December 31			
($ thousands)	**2016**	2015	*Change ($)*	*Change (%)*
Net income as reported	**$ (465)**	$ (505)	$ 40	8%
Add (deduct):				
Interest expense, net of interest received	**484**	119	365	307%
Tax expense (recovery)	**192**	465	(273)	(59%)
Amortization	**2,133**	1,619	514	32%
EBITDA	**2,344**	1,698	646	38%
Add (deduct):				
Share-based compensation	**539**	236	303	128%
Foreign exchange (gain)/loss	**(400)**	(357)	(43)	12%
Acquisition, integration and restructuring expenses	**335**	537	(202)	(38%)
Adjusted EBITDA	**$ 2,818**	$ 2,114	$ 704	33%

Key Performance Indicators

In addition to the non-GAAP financial measures previously described, we use a number of key performance indicators (KPIs). We believe these KPIs allow us to appropriately measure our performance against our operating strategy. The following KPIs are not measurements in accordance with GAAP and should not be considered as an alternative to any other measure of performance under GAAP.

A **"Subscriber"** is defined as a customer's individual asset monitored by a telematics device. A Subscriber is an important metric for our investors because it provides an indication of our ability to generate Recurring Revenue from providing recurring service to our customers. Subscriber additions occur when we bill for Recurring Revenue services to a new device not previously in our Subscriber base, and Subscriber churn occurs when we no longer bill the Subscriber for Recurring Revenue services due to cancellation or expiry of the Recurring Revenue services.

“**Average Revenue Per User or Subscriber**” or “**ARPU**” is calculated monthly as Recurring Revenue divided by the average number of Subscribers during the month. We believe ARPU helps to identify trends and to indicate whether we have been successful in attracting and retaining higher value Subscribers.

Off-Balance Sheet Arrangements

As at December 31, 2016 we do not have any off-balance sheet arrangements, other than the lease commitments as disclosed in this MD&A.

Subsequent Events

There are no subsequent events to disclose for the Company.

About Forward-Looking Information

Certain statements in this MD&A may constitute “forward-looking” statements which involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company and its subsidiaries, or the industry in which they operate, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. When used in this report, the words “estimate”, “believe”, “anticipate”, “intend”, “expect”, “plan”, “may”, “should”, “will”, the negative thereof or other variations thereon or comparable terminology are intended to identify forward-looking statements. Such forward-looking statements reflect the current expectations of the management of the Company with respect to future events based on currently available information and are subject to risks and uncertainties that could cause actual results, performance or achievements to differ materially from those expressed or implied by those forward-looking statements, such as significant changes in market conditions, the inability of the Company to close sales and the inability of the Company to attract sufficient financing and including the risk factors summarized above under the heading “Risk Factors” and in documents filed with the securities regulatory authorities. New risk factors may arise from time to time and it is not possible for management of the Company to predict all of those risk factors or the extent to which any factor or combination of factors may cause actual results, performance or achievements of the Company to be materially different from those expressed or implied in such forward-looking statements. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward-looking statements. The forward-looking statements contained in this MD&A speak only as of the date hereof. The Company does not undertake or assume any obligation to release publicly any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events, except as required by law.

Further Information

Additional information relating to the Company, including the Company’s most recent Annual Information Form, is available on the Company’s SEDAR company profile at www.sedar.com and on the Company’s website at www.bsmwireless.com