



Management's Discussion & Analysis

Three and twelve months ended September 30, 2017 and 2016

General Information

This management's discussion and analysis ("MD&A") contains important information about our business and our performance for the three and twelve months ended September 30, 2017, as well as forward-looking information about future periods. This MD&A should be read in conjunction with our consolidated financial statements for the fiscal year ended September 30, 2017 and the notes thereto, which have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board; our Annual Information Form ("AIF") for the fiscal year ended September 30, 2017; and our other recent filings with Canadian securities regulatory authorities, which are available on SEDAR at www.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 December 13, 2017 and was approved by the Board of Directors on that date. This MD&A includes forward-looking statements and assumptions. See the "About Forward-Looking Information" section of this MD&A 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 the "Current Quarter" refers to the three months ended September 30, 2017, which is the fourth quarter of our 2017 fiscal year. All financial performance commentary compared to the three months ended September 30, 2016 is referred to as the "Prior Period". We also disclose the current fiscal year to date performance for fiscal 2017 in this MD&A. All financial performance commentary for the year ended September 30, 2016 is referred to as the "Prior YTD Period". Together, the Prior Period and the Prior YTD Period are collectively referred to as the "Prior Periods".

This MD&A contains references to certain non-GAAP financial measures such as EBITDA; Adjusted EBITDA; Hardware Revenue; Professional Services Revenue; 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 entities. 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 three and twelve months ended September 30, 2017 are prepared on a consolidated basis and include the operating results of Mobi. The comparable Prior Periods do not include the operating results of Mobi. The acquisition of Mobi has led to changes in our operating results, which should be considered when comparisons to the Prior Periods are made.

Description of the Business

BSM is a leading provider of real-time GPS fleet and asset management solutions. As an end-to-end solution provider, BSM offers flexible solutions to its customers from hardware solutions to software solutions. BSM provides real-time, web-based management and tracking of enterprise fleet assets, along with a host of solutions for commercial and government organizations who manage and operate large fleets and who seek to enhance customer service, improve the security of their drivers and vehicles, and lower business costs.

BSM, through its Subsidiaries and affiliates, develops and provides proprietary software-focused solutions to its customers predominantly in Canada and the United States, helping them better manage their assets – both stationary and moving. BSM's customers operate in a broad range of markets, including rail, construction, utility,

transportation, services, oil and gas and government. BSM continues to refine its development and go-to-market efforts around target verticals – with a particular emphasis on the government, service, rail and construction markets. BSM’s software and hardware solutions are designed to provide a key link between the operations of BSM’s customers and the systems these customers use to run their businesses – facilitating cost reduction, improved customer service, greater efficiency, and enhanced security. BSM’s solutions promote safety and facilitate compliance with safety, workplace and environmental regulations. BSM’s services are delivered over a secure network utilizing the Internet.

BSM is an end-to-end solution provider, meaning BSM designs and manufactures portions of its core solutions, including hardware, firmware and software. Customers typically purchase the hardware and installation services upfront, and then enter into long-term contracts for subscriptions to BSM’s software services. BSM sells both its own proprietary hardware and select third-party hardware. BSM sources its components from a number of different suppliers, some of which are local and some offshore. Generally, the Company develops its own software which enables BSM to control its solutions from end-to-end and provide customized solutions to BSM’s customers. Subscription pricing is based upon a fee matrix that includes certain base service levels derived from the number of users and options selected. Base service levels are typically designed to accommodate the perceived needs of a large percentage of the target market, with incremental fees charged for additional services as selected by the customer. Customer subscription pricing can vary depending on a number of factors, including, but not limited to: (i) the service package selected, (ii) the quantity of data transmitted, (iii) the wireless network utilized, and (iv) the number of subscriptions.

BSM relies on acquired, licensed and internally developed technologies to provide its solutions and BSM has several patents and has filed patent applications directed at different aspects of the Company’s end-to-end solutions.

For a further description of the business, including a description of the Company’s products and services, business operations and risk factors, refer to the Company’s 2017 AIF.

Summary of Consolidated Financial Results

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(\$ thousands)	Three months ended September 30				Twelve months ended September 30			
	2017 (\$)	2016 (\$)	Change (\$)	Change (%)	2017 (\$)	2016 (\$)	Change (\$)	Change (%)
Revenue	15,690	14,965	725	5%	66,717	58,997	7,720	13%
Cost of revenue	6,540	6,378	162	3%	27,378	26,000	1,378	5%
Gross profit	9,150	8,587	563	7%	39,339	32,997	6,342	19%
Interest income from finance leases	34	42	(8)	(19%)	214	189	25	13%
General and administrative expenses	3,234	2,679	555	21%	13,128	10,329	2,799	27%
Research and development expenses	3,392	2,204	1,188	54%	12,745	8,641	4,104	47%
Sales and marketing expenses	3,752	3,482	270	8%	15,573	12,894	2,679	21%
Acquisition, integration and restructuring expenses	504	219	285	130%	839	1,151	(312)	(27%)
Fair value adjustments on contingent consideration	(285)	(1,704)	1,419	(83%)	(285)	(1,854)	1,569	(85%)
Foreign exchange (gain) loss	173	(223)	396	(178%)	567	66	501	759%
Net interest expense	124	138	(14)	(10%)	1,297	549	748	136%
Total expenses	10,894	6,795	4,099	60%	43,864	31,776	12,088	38%

Income (loss) before income taxes	(1,710)	1,834	(3,544)	(193%)	(4,311)	1,410	(5,721)	(406%)
Current tax expense (recovery)	(250)	11	(261)	(2373%)	133	62	71	115%
Deferred tax recovery	(242)	(7,312)	7,070	(97%)	(242)	(6,261)	6,019	(96%)
Net income (loss) for the period	(1,218)	9,135	(10,353)	(113%)	(4,202)	7,609	(11,811)	(155%)
Foreign exchange gain (loss) on foreign operations, net of tax	(723)	36	(759)	(2108%)	(861)	(113)	(748)	662%
Total comprehensive income (loss) for the period	(1,941)	9,171	(11,112)	(121%)	(5,063)	7,496	(12,559)	(168%)
EBITDA ⁽ⁱ⁾	343	3,485	(3,142)	(90%)	5,292	8,282	(2,990)	(36%)
Adjusted EBITDA ⁽ⁱ⁾	1,189	2,033	(844)	(42%)	8,324	8,353	(29)	0%

(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 measure.

Revenues by Geographical Location (based on customer location)

(\$ thousands)	Three months ended September 30				Twelve months ended September 30			
	2017		2016		2017		2016	
Canada	\$ 6,047	39%	\$ 5,505	37%	\$ 25,327	38%	\$ 24,855	42%
United States	9,410	60%	9,179	61%	40,306	60%	32,857	56%
International	233	1%	281	2%	1,084	2%	1,285	2%
Total revenue	\$ 15,690	100%	\$ 14,965	100%	\$ 66,717	100%	\$ 58,997	100%

Revenue, Cost of Revenue, Gross Profit and Gross Profit Margin by Revenue Category

(\$ thousands)	Three months ended September 30				Twelve months ended September 30			
	2017 (\$)	2016 (\$)	Change (\$)	Change (%)	2017 (\$)	2016 (\$)	Change (\$)	Change (%)
Revenue								
Hardware revenue ⁽ⁱ⁾	4,183	4,363	(180)	(4%)	17,700	16,268	1,432	9%
Recurring revenue ⁽ⁱ⁾	10,976	9,346	1,630	17%	45,660	38,264	7,396	19%
Professional Services revenue ⁽ⁱ⁾	531	1,256	(725)	(58%)	3,357	4,465	(1,108)	(25%)
Total revenue	15,690	14,965	725	5%	66,717	58,997	7,720	13%
Cost of revenue								
Hardware cost of revenue	2,924	2,890	34	1%	11,506	11,339	167	1%
Recurring cost of revenue	2,855	2,598	257	10%	12,019	10,734	1,285	12%
Professional Services cost of revenue	761	890	(129)	(14%)	3,853	3,927	(74)	(2%)
Total cost of revenue	6,540	6,378	162	3%	27,378	26,000	1,378	5%
Gross profit								
Hardware gross profit	1,259	1,473	(214)	(15%)	6,194	4,929	1,265	26%
Recurring gross profit	8,121	6,748	1,373	20%	33,641	27,530	6,111	22%
Professional Services gross profit	(230)	366	(596)	(163%)	(496)	538	(1,034)	(192%)
Total gross profit	9,150	8,587	563	7%	39,339	32,997	6,342	19%

Gross profit margin ("GP margin")								
Hardware GP margin	30%	34%	(4%)	(12%)	35%	30%	5%	17%
Recurring GP margin	74%	72%	2%	3%	74%	72%	2%	3%
Professional Services GP margin	(43%)	29%	(72%)	(248%)	(15%)	12%	(27%)	(225%)
Total gross profit margin	58%	57%	1%	2%	59%	56%	3%	5%

(i) Recurring Revenue, Hardware Revenue and Professional Services Revenue 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.

Selected Annual Information

In addition to the summarized consolidated financial information shown above, refer to the following table for disclosure of selected annual information for the past three fiscal years.

(\$ thousands, except per share data)	Fiscal year ending September 30		
	2017	2016	2015
Revenue	\$ 66,717	\$ 58,997	\$ 30,690
Income (loss) before income taxes	\$ (4,311)	\$ 1,410	\$ (1,122)
Current tax expense (recovery)	133	62	4
Deferred tax recovery	(242)	(6,261)	(1,143)
Net income (loss) for the period	\$ (4,202)	\$ 7,609	\$ 17
Net income (loss) per share - Basic	\$ (0.052)	\$ 0.091	\$ 0.000
Net income (loss) per share - Diluted	\$ (0.052)	\$ 0.090	\$ 0.000
Total assets	\$ 112,440	116,710	123,035
Current liabilities	\$ 23,478	\$ 11,169	\$ 17,581
Total non-current liabilities	368	11,772	\$ 12,970
Total liabilities	\$ 23,846	\$ 22,941	\$ 30,551

Fiscal 2016 included the operating results of Webtech Wireless Inc. ("Webtech") which was acquired on September 30, 2015. The assets and liabilities from the acquisition of Webtech were included on the statement of financial position as at September 30, 2015 based on the closing date of the transaction. The addition of Webtech led to a significant increase in revenues and expenses as compared to fiscal 2015. Fiscal 2017 includes the operating results generated from the Mobi acquired assets and was the primary driver for an increase in revenues as compared to Fiscal 2016.

Overall Company Performance and Key Changes in Financial Results

The Company has identified one operating segment for its operations. Overall company performance for the Company's reportable segment is discussed throughout this document and in further detail within this section including a focused discussion on revenue, gross profit, gross profit margin, expenses and profitability.

In our market, we continue to see increased competition as our industry grows and the use case for location based data solutions is adopted by a larger market and range of users. Industry growth is also a driver for the continuous evolution of our product offering to meet the needs of our customers which are fueled primarily by business efficiency and compliance-based objectives. We continue to invest in research and development expenditures to evolve the capabilities of our products to meet the needs of our customers.

Increased competition and the evolution of customer needs have led to a broader range of solutions available in the market. In some cases, this has led to pricing pressure for our Company where the customer use case is for a non-sophisticated location based solution only. This has caused the Company to change its go-to market approach to be more flexible and adaptable to allow us to present the best solution for prospective customers, particularly for lower valued solutions. As noted in the description of the business section above, we continue to focus on developing solutions and technologies for customers in the rail, construction, government and service vertical markets to bring higher valued solutions to our customers. We believe that our efforts to build vertically tailored solutions that incorporate data analytics and business intelligence will help to strengthen our product offering in the market.

Period to period variation in Company performance is not materially impacted by seasonality. Generally, customer deployment cycles are not impacted by seasonality, and Recurring Revenue is earned evenly over time. Within the government customer vertical market, a portion of the monitored assets utilizes our winter maintenance solution. This solution will generate a higher revenue per unit during winter months where the solution is active as compared to summer months where these assets are idle and are placed into a standby mode. In aggregate, the impact of this on our aggregate Subscriber base is not significant and variation in ARPU as a result of this seasonality is not material to overall ARPU.

Revenue

The Company has categorized its total revenue into the following revenue categories: Hardware Revenue, Recurring Revenue and Professional Services Revenue. Customers will typically engage with us whereby we earn Hardware, Recurring and Professional Services Revenue over the life of the customer relationship. However, disclosing revenue in these categories helps us to explain period over period changes in financial performance.

Hardware revenue is comprised of revenue recognized for the sale of our proprietary and third-party telematics devices. Hardware revenue also includes the present value of future payments for hardware sold to customers via a leased financing model. Hardware revenue decreased by 4% for the three months ended September 30, 2017 as compared to the Prior Period as relatively few large volume hardware sales were closed in the current quarter. Hardware revenue increased by 9% for the twelve months ended September 30, 2017 as compared to the Prior YTD Period due to an increase in the volume of units shipped in the first three quarters of fiscal 2017.

Professional Services Revenue includes installation fees, project management fees, custom development fee revenue, cancellation fees and other one-time services provided to our customers. Professional Services Revenue decreased by 58% and 25% for the three and twelve months ended September 30, 2017 which was a result of a lower volume of installation projects and general project management services delivered when compared to the Prior Periods. The volume of installation and project management services varies from period to period based on the unique requirements of our customers.

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 collected from their monitored assets. Recurring revenue is typically contractual in nature; we enter into services contracts with our customers, most of which are for a duration 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. These customer assets are defined by us as "Subscribers" or individually, "a Subscriber." Recurring revenue is typically billed monthly and is recognized as the services are delivered.

Recurring Revenue increased by 17% and 19% in the three months and twelve months ended September 30, 2017 as compared to the Prior Periods. The increase is primarily attributable to the inclusion of revenue as a result of the Mobi acquisition.

On October 3, 2016, we added 15,100 Subscribers in relation to the acquisition of Mobi. For the three and twelve months ended September 30, 2017 we achieved gross Subscriber additions of 6,300 and 18,800 and experienced

Subscriber churn of 5,600 and 24,300 resulting in a September 30, 2017 Subscriber base of 161,700 up from 152,100 as at September 30, 2016.

Prior to fiscal 2017, certain wireless carrier partners of BSM announced that they intended to shut down their 2G/CDMA wireless networks in an effort to transition users towards next generation cellular network technology. In the second quarter of fiscal 2017, as a part of these network shutdowns, certain wireless carriers took their 2G/CDMA towers offline. This 2G/CDMA network shutdown affected some BSM Subscribers that had continued to rely on this technology to operate their fleet management devices. Of the 24,300 Subscriber churn in the fiscal year to date period, 9,500 Subscribers churned due to the 2G/CDMA network shutdown. The result of the 2G/CDMA churn has been a decrease in Recurring Revenue in the second, third and fourth quarters of fiscal 2017.

The average monthly revenue per unit or Subscriber ("ARPU") was \$22.67 in the Current Quarter compared to \$20.74 in the quarter ending September 30, 2016. The increase in ARPU is primarily attributable to two factors. The current quarter includes the revenue and Subscribers from the Mobi acquisition and Subscribers to the Mobi software suite have, on average, a higher ARPU when compared to the average BSM subscriber prior to the acquisition of Mobi. Secondly, Subscribers that churned as a result of the 2G/CDMA network shutdown had a lower average revenue per unit than BSM's total fleet average. The removal of these lower ARPU subscribers from the calculation of the average revenue per subscriber resulted in an increase in the calculation of the ARPU of the remaining subscribers.

Gross Profit and Gross Profit Margin

Gross profit margins vary depending on both the mix of hardware product lines sold and the revenue stream mix 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 three months ended September 30, 2017, gross profit on Hardware Revenue decreased by 15% which was primarily due to a 4% decrease in Hardware Revenue. A combination of a lower volume of shipments completed in the Current Quarter and the fixed costs associated with hardware production resulted in the decrease in gross profit on Hardware Revenue. Gross profit on Professional Services Revenue was a negative contribution of \$230 in the Current Quarter and a positive contribution of \$366 in the Prior Period. The negative gross profit contribution in the current period is attributable to lower revenue relative to the fixed cost base associated with our GPS locator installation and project management support teams. Gross profit margin on Recurring Revenue increased by 2% in the Current Quarter compared to the Prior Period, and gross profit from Recurring Revenue increased by \$1,373. These increases are primarily due to the revenue and higher gross profit margin added from the Mobi business. Total gross profit margin increased to 58% in the Current Quarter compared to 57% in the Prior Period which is the result of the weighted impact of a higher percentage of our overall revenue being comprised of higher margin recurring revenue.

Gross profit from Hardware Revenue for the twelve months ended September 30, 2017 was favourably impacted by the high volume of Hardware Revenue generated in the first and third quarters of fiscal 2017. As compared to the Prior YTD Period, gross profit margin increased from 30% to 35%. The increase in profitability reflects 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 YTD Period. Gross profit from Professional Services Revenue negatively contributed to overall gross profit by \$496 in the fiscal year to date period as compared to a positive contribution of \$538 in the Prior YTD Period due to lower total Professional Services Revenue relative to the fixed cost base. Consistent with the Current Quarter, the current fiscal year to date Recurring Revenue gross profit was \$6,111 higher due to the inclusion of the Mobi acquired revenue in the current period.

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 21% and 27% in the three and twelve months ended September 30, 2017 compared to the Prior Periods primarily from the increase in our workforce following the Mobi acquisition. In aggregate, general and administrative expenses in the Current Quarter and Fiscal YTD Period include depreciation, amortization and stock based compensation expenses of \$498 and \$2,140 respectively.

Research and Development Expenses

Research and development (“R&D”) expenses consist of employee salaries and expenses related to product development activities, consultant fees and other expenses associated with software and hardware development. Research and development expenses increased by \$1,188 and \$4,104 in the three and twelve months ended September 30, 2017 compared to the Prior Periods. The increase is attributable to our larger research and development expenditure following the acquisition of Mobi, a portion of which includes amortization of the technology asset recognized in the Mobi transaction. In aggregate, R&D expenses in the Current Quarter and Fiscal YTD Period include \$448 and \$2,108 of amortization and stock based compensation expenses.

Sales and Marketing Expenses

Sales and marketing expenses include the 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 relative to the Prior Periods by \$270 and \$2,679 primarily as a result of the amortization of Mobi customer contracts and relationships recognized on the Mobi acquisition. In aggregate, sales and marketing expenses for the Current Quarter and Fiscal YTD Period include \$1,283 and \$5,610 of non-cash expenses for share based compensation and the amortization of the customer contracts and relationships in relation to acquisitions we have completed over the past four years.

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 US dollar was weakened relative to the Canadian dollar and as a result, the revaluation of foreign denominated balances gave rise to a \$173 foreign exchange loss which was recorded in net loss in the Current Quarter. For the fiscal year to date period, the US dollar also weakened relative to the Canadian dollar leading to a \$567 foreign exchange loss which was recorded in net loss.

Acquisition, Integration and Restructuring Expenses

Acquisition, integration and restructuring expenses include costs we incur to acquire and integrate the businesses we purchase as well as restructuring expenses incurred during the year. Acquisition, integration and restructuring expenses increased by \$504 and \$839 in the three and twelve months ended September 30, 2017 compared to the Prior Periods. The increase relates to costs associated with the acquisition of Mobi as well as termination and severance costs associated with terminated employees.

Net Income (Loss)

In the three months ended September 30, 2017, a net loss of \$1,218 was generated as compared to net income of \$9,135 in the Prior Period. For the twelve months ended September 30, 2017, a net loss of \$4,202 was generated as compared to net income of 7,609 in the Prior YTD Period. For the Prior Periods, net income in three and twelve months ended September 30, 2016 included a tax recovery of \$7,312 and \$6,261 respectively related to the recognition of a deferred tax asset for previously unrecognized net operating losses.

EBITDA and Adjusted EBITDA

Compared to the Prior Periods, in the three and twelve months ended September 30, 2017, EBITDA decreased by 90% and 36% respectively. Adjusted EBITDA decreased by 42% and 0% in the current quarter and fiscal YTD periods respectively. Adjusted EBITDA normalizes operating results for changes in: fair value adjustments; share-based compensation; foreign exchange gains and losses; and, acquisition, integration and restructuring expenses which may not be comparable period over period. The Current Quarter decrease in Adjusted EBITDA is primarily

attributable to lower Hardware and Professional Services revenue volume compared to the corresponding quarter in fiscal 2016. As compared to the Prior YTD Period, Adjusted EBITDA was relatively unchanged as the Adjusted EBITDA increase from the acquisition of Mobi was largely offset by a decrease in gross profit contribution from a lower average number of subscribers as a result of churn from the 2G/CDMA networks shutdowns.

Summary of Quarterly Data

The following table sets forth certain information for each of the eight most recent quarters, including the current quarter ended September 30, 2017. 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 2016				FY 2017			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Revenue	\$ 15,701	\$ 15,239	\$ 13,902	\$ 14,965	\$ 18,363	\$ 16,004	\$ 16,660	\$ 15,690
Gross profit	8,672	8,508	7,230	8,587	10,912	9,458	9,819	9,150
Net income (loss)	(505)	(858)	(161)	9,135	(465)	(1,181)	(1,336)	(1,218)
EBITDA	1,698	1,206	1,894	3,485	2,344	1,557	1,051	343
Adjusted EBITDA	2,114	2,325	1,882	2,033	2,818	2,170	2,150	1,189
EPS - basic	\$ (0.006)	\$ (0.010)	\$ (0.002)	\$ 0.112	\$ (0.006)	\$ (0.015)	\$ (0.017)	\$ (0.014)
EPS - diluted	\$ (0.006)	\$ (0.010)	\$ (0.002)	\$ 0.112	\$ (0.006)	\$ (0.014)	\$ (0.016)	\$ (0.014)

Managing Our Liquidity and Financial Resources

Consolidated Statements of Cash Flows - Operating, Investing, and Financing Activities

(\$ thousands)	Three months ended September 30				Twelve months ended September 30			
	2017 (\$)	2016 (\$)	Change (\$)	Change (%)	2017 (\$)	2016 (\$)	Change (\$)	Change (%)
Cash and cash equivalents, beginning of period	6,472	22,373	(15,901)	(71%)	24,900	23,980	920	4%
Cash and cash equivalents, end of period	8,708	24,900	(16,192)	(65%)	8,708	24,900	(16,192)	(65%)
Increase (decrease) in cash and cash equivalents	2,236	2,527	(291)	(12%)	(16,192)	920	(17,112)	(1860%)
Change due to:								
Operating activities	5,088	104	4,984	4792%	5,646	4,461	1,185	27%
Financing activities	(1,977)	2,646	(4,623)	(175%)	(12,276)	(2,089)	(10,187)	488%
Investing activities	(659)	(233)	(426)	183%	(9,383)	(1,365)	(8,018)	587%
Impact of foreign exchange on cash held in foreign currencies	(216)	10	(226)	(2260%)	(179)	(87)	(92)	106%
Total change in cash and cash equivalents	2,236	2,527	(291)	(12%)	(16,192)	920	(17,112)	(1860%)

Operating activities: In the Current Quarter, \$5,088 in cash was generated from operating activities which was primarily related to cash generated from a change in working capital. Operating cash flow before changes in non-working capital was \$540 and non-cash working capital balances decreased by \$4,548 in the Current Quarter. Working capital in the Current Quarter decreased from the collection of a \$3,256 receivable from an enterprise

customer who pays for their recurring subscription service annually in advance; 92% of which was recorded as deferred revenue and 8% was included in revenue and net income in the Current Quarter. Cash generated from working capital changes in the Current Quarter were also the result of a reduction in inventory and an increase in accounts payable and provisions. For the year ended September 30, 2017, cash flow from operating activities was \$5,646. In the YTD period, operating cash from changes in working capital was a use of \$1,540 to fund an increase in accounts receivable, inventory and to pay down accrued liabilities. Operating cash flow before working capital changes was \$7,186 for the 2017 fiscal year.

The impact of working capital movements on operating cash flow cannot be directly calculated by comparing the statement of financial position balances as at September 30, 2017 and September 30, 2016 due to the impact of Mobi working capital balances recognized on October 1, 2016. The impact on the initial investment in Mobi working capital balances is reflected in the statement of cash flows under investing activities.

Investing activities: In the three and twelve months ended September 30, 2017, \$659 and \$9,383 in cash were used in investing activities. Investing activities in the Current Quarter were mainly limited to investments in GPS locators deployed to our customers and implementation costs associated with our recently implemented ERP system. For the 2017 Fiscal year, \$7,875 of cash was paid in connection with the Mobi acquisition closing.

Financing activities: In the three and twelve months ended September 30, 2017, \$1,977 and \$12,276 in cash were used in financing activities. During the Current Quarter we made a \$1,520 debt repayment against the Company's revolving line of credit to bring the outstanding balance to nil. In the fiscal year ended September 30, 2017, cash used in financing activities primarily related to aggregate debt repayment of \$8,039 and \$3,271 in payments to settle contingent consideration obligations related to the Mobi and Praxis acquisitions.

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 September 30, 2017, 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 \$1,357 in the consolidated statement of financial position. The share repurchase liability has been recorded at the maximum purchase exposure under the Plan during the period of October 1, 2017 through December 15, 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 and twelve months ended September 30, 2017, in accordance with the Bid, the Company repurchased and cancelled 278,727 and 449,127 common shares at a cost of \$421 and \$676, respectively. In the Prior Periods, the Company repurchased and cancelled nil and 7,523,500 common shares under a prior normal course issuer bid with a maximum purchase amount of 8,559,564 common shares. The common shares were at a cost of \$nil and \$7,371, respectively.

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 September 30, 2017, the Company had \$nil 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 September 30, 2017. 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 fiscal year to date period, 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, as at September 30, 2017, the Company has total contractual commitments of US\$21.0 million deferred contingent consideration payments which are contingent upon performance targets in the respective acquisitions. Refer to notes 4 and 21 in the Company's annual consolidated financial statements for the years ending September 30, 2017 and 2016 for further disclosure regarding these commitments and the fair value of the liabilities recorded on the Company's statements of financial position. The commitments may come due at different milestone dates over the next two years. In addition to contingent consideration, the Company has \$8.0 million in contractual commitments for operating leases and supplier purchase commitments, of which \$3.0 are current and due to be paid in the next fiscal year. Contractual commitments will be funded by a cash generated from operations; cash on hand; and available capacity on our revolving credit facility. As at September 30, 2017 the Company has \$8.7 million in cash on hand and \$20.0 million in cash available on its revolving credit facility for total liquidity of \$28.7 million. In aggregate, the Company expects to have adequate liquidity to meet its contractual commitments as they come due over future periods. Refer the following table for a summary of our contractual obligations.

Overview of Financial Position

Condensed Consolidated Statement of Financial Position

Balance	As at September 30, 2017	As at September 30, 2016	Change (\$)	Change (%)	Comments
Assets					
Current assets	\$ 30,379	\$ 44,111	\$ (13,732)	(31%)	Contributing to the decrease were cash payments of \$7,875 on the closing of Mobi and \$2,639 in payments to settle Mobi contingent consideration. Cash further decreased due to \$632 for the payment of Praxis contingent consideration, as well as \$8,039 in debt repayments made on the Company's revolving credit facility. These cash disbursements were partially offset by positive cash from operations. See "Managing Liquidity and Financial Resources" section for further explanation of the change in cash.
Long-term assets	82,061	72,599	9,462	13%	Increase in long-term assets is primarily attributed to the increase in intangible assets and goodwill recognized in connection with the acquisition of Mobi.
Total assets	112,440	116,710	(4,270)	(4%)	

Liabilities					
Current liabilities	23,478	11,169	12,309	110%	Increase in current liabilities is primarily due to recognizing \$5,924 and \$2,966 in Mobi related contingent consideration and deferred revenue. Additionally, a liability of \$1,357 was recognized for the share repurchase commitment related to the automatic securities repurchase plan associated with the Company's NCIB. Current liabilities also increase due to a reclassification of \$2,395 in contingent consideration from long term to short term related to JMM and Lat Lon.
Long-term liabilities	368	11,772	(11,404)	(97%)	Decrease in long-term liabilities is mainly attributed to paydown of the Company's Revolver and a reclassification of contingent consideration from long term to short term as noted above.
Total liabilities	23,846	22,941	905	4%	
Shareholders' equity					
Common shares	83,932	85,861	(1,929)	(2%)	Decrease in common shares is mainly due to NCIB share repurchases and the recognition for the share repurchase commitment noted in the "Current Liabilities" section.
Contributed surplus	9,763	7,946	1,817	23%	Contributed surplus increased in the year to date period due to share-based compensation recognized from the vesting of stock options, RSUs, and DSUs.
Accumulated other comprehensive income	(435)	426	(861)	(202%)	Decrease in AOCI is attributable to the impact of the USD depreciation relative to the CAD dollar on the Company's net USD investment in foreign operations in the year to date period.
Deficit	(4,666)	(464)	(4,202)	906%	
Total shareholders' equity	88,594	93,769	(5,175)	(6%)	
Total liabilities and shareholders' equity	\$ 112,440	\$ 116,710	\$ (4,270)	(4%)	

Outstanding Share Data

Our authorized share capital consists of an unlimited number of common shares. As at September 30, 2017, there were 82,199,280 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 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. With respect to the 54,795 shares in escrow subject to cumulative cash flow performance conditions; during the year ended September 30, 2017, the required cash flow level was attained and the company is working with its share registrar to release the escrowed shares to the beneficiaries.

The Company authorized an unlimited number of First Preferred Shares and Second Preferred Shares, all without par value. As at September 30, 2017, there were no First Preferred Shares and Second Preferred Shares issued and outstanding.

As at September 30, 2017, there were 2,708,195 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 September 30, 2017, there were 2,660,653 outstanding restricted share units, which have been issued to officers and employees of the Company, and 409,740 outstanding deferred share units, which have been issued to directors of the Company.

Critical Accounting Policies and Estimates

This MD&A has been prepared with reference to the annual audited consolidated financial statements for the years ended September 30, 2017 and 2016, and the notes thereto, which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board. There were no significant changes in accounting policies applied by the Company. For further information, refer to note 3 of the Company's annual audited consolidated financial statements for the years ended September 30, 2017 and 2016. The Company has consistently applied its

accounting policies throughout all periods presented. The Audit Committee of the Company's Board of Directors reviews the accounting policies and all quarterly and annual filings and recommends approval of both the condensed interim consolidated financial statements and the annual audited consolidated financial statements to the Board of Directors.

Updates to Risks and Uncertainties

Fair value hierarchy

Under IFRS, fair values determined by Level 1 inputs use quoted prices (unadjusted) in active markets for identical assets or liabilities. Fair values determined by Level 2 inputs use inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly (i.e., prices) or indirectly (i.e., derived from prices). Fair values using Level 3 inputs are inputs for the asset or liability that are not based on observable market data (i.e., unobservable inputs).

The Company's sole financial instrument measured at fair value in the consolidated statements of financial position as at September 30, 2017 and 2016 is the contingent consideration classified as a liability. The fair value of this instrument is determined using Level 3 inputs. The Company has no financial assets or liabilities measured using Level 1 or Level 2 inputs.

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy.

Balance at September 30, 2016	\$ 4,503
Cash payments	(3,271)
Recognized on the acquisition of Mobi	7,053
Accreted interest	977
Fair value adjustments	(285)
Foreign exchange impact	(455)
Balance at September 30, 2017	\$ 8,522
Balance at September 30, 2015	\$ 6,264
Cash payments	(126)
Accreted interest	325
Fair value adjustments	(1,854)
Foreign exchange impact	(106)
Balance at September 30, 2016	\$ 4,503

Re-measurement of the fair value of contingent consideration is performed by the Company at each financial reporting period. Key unobservable inputs comprise management's best estimate of the probability that the acquired businesses will achieve specified revenue and EBITDA targets in the specified timeframes following the acquisitions respectively (see note 21 of the Company's annual audited consolidated financial statements). The estimated fair value of contingent consideration increases as the estimated probability associated with the revenue and EBITDA targets increase and vice versa for decreases in fair value.

Foreign exchange risk

The Company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to US dollars. Foreign exchange risk arises on assets, liabilities, trade receivables and trade payables, which are denominated in a currency other than the entity's functional currency. The Company's objective in managing its foreign currency risk is to minimize its net exposures to foreign currency cash flows. The

Company generated revenues and incurs expenses in currencies other than its functional currency and it manages foreign currency risk with a natural hedge, to the extent practical. In the year ended September 30, 2017, the Company recognized a foreign currency exchange loss in the consolidated statements of income (loss) and comprehensive income (loss) of \$567 (2016 - loss of \$66).

In addition to the foreign exchange risk on assets and liabilities held in a currency other than the entity's functional currency, the Company is exposed to foreign exchange risk arising on its net investment in foreign operations. In the year ended September 30, 2017, within other comprehensive income, the Company recognized a foreign currency exchange loss, net of deferred taxes, of \$861 (2016 - loss of \$113).

If a 10% shift in the Canadian to US dollar foreign currency exchange rates were to occur (and all other variables held constant), the foreign currency exchange gain or loss on the revaluation of assets and liabilities denominated in US dollars would be plus or minus \$118 and this would be recorded in the consolidated statements of income and comprehensive income (2016 - plus or minus \$269).

Interest rate risk

The Company has interest rate risk on its short-term investments and its revolving credit facility ("Revolver"). Under the Revolver, the Company may borrow either at stated rates or LIBOR plus an applicable margin. As at September 30, 2017, the Company was not exposed to fluctuations in LIBOR on its Revolver. As at September 30, 2017, a 100 basis point increase or decrease in the variable interest rates on the short-term investment balances would have resulted in an annualized change in interest earned of approximately \$30 (2016 - \$59).

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The carrying value of cash and cash equivalents, net investment in finance leases and accounts receivable represent the Company's maximum exposure to credit risk. The trade receivables and net investment in finance leases have an exposure to economic downturns. Most of the Company's customers are not independently rated, therefore the quality of the customer is considered by taking into account its financial position, past experience and other factors. The utilization of credit limits is regularly monitored to minimize this risk.

The Company reviews its trade accounts receivable regularly and reduces amounts to their expected realizable values by making an allowance for doubtful receivables, as soon as the accounts are determined not to be fully collectible. As at September 30, 2017, trade accounts receivable of \$3,492 (2016 - \$3,326) were past due but not impaired. These relate to a number of customers for whom there is no recent history of default.

The Company also has credit risk relating to cash and short-term investments. Such risk is managed by maintaining cash and short-term investments at Schedule 1 financial institutions with a minimum credit rating of Aa1.

Liquidity risk

Liquidity risk is the risk the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's objective for liquidity risk management is to maintain sufficient liquid financial resources to fund obligations on the consolidated statements of financial position and to meet commitments and obligations in the most cost-effective manner possible. The Company achieves this by maintaining sufficient cash and cash equivalents and managing working capital. The Company monitors its financial resources and updates its expected use of cash resources based on the latest available data. Surplus cash held over and above balances required for working capital management are invested in interest bearing short-term deposits.

Management forecasts that the Company's existing cash and cash equivalents, cash generated from operations and the undrawn portion of the Revolver will be adequate to meet its financial liabilities and contractual commitments.

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. We believe that Recurring Revenue provides useful information to our investors because it shows the long-term nature of revenue earned from our customer relationships. **"Hardware Revenue"** is comprised of revenue recognized for the sale of our proprietary and third party telematics devices. **"Professional Services Revenue"** includes installation fees, project management fees, custom development fee revenue, cancellation fees and other one-time services provided to our customers. We believe that separately disclosing these revenue categories helps us to explain period over period variation in financial performance. Furthermore, gross profit margin generated by each revenue categories varies and we believe disclosure of these different categories helps our investors to better understand the composition of our total revenue and the impact of relative changes in revenue categories on total gross profit margin. The revenue, cost of revenue, gross profit and gross profit margin by revenue category table disclosed in the summary of consolidated financial results section shows how each of these categories comprise total revenue as disclosed in the Company's financial statements.

"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 and 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;
- write-off 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 statements 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 EBITDA and Adjusted EBITDA to Net Income/(Loss)

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

(\$ thousands)	Three months ended September 30				Twelve months ended September 30			
	2017 (\$)	2016 (\$)	Change (\$)	Change (%)	2017 (\$)	2016 (\$)	Change (%)	Change (%)
Net income as reported	\$ (1,218)	\$ 9,135	\$ (10,353)	(113%)	\$ (4,202)	\$ 7,609	\$ (11,811)	(155%)
Interest expense, net of interest received	123	138	(15)	(11%)	1,297	549	748	136%
Tax recovery	(491)	(7,301)	6,810	(93%)	(109)	(6,199)	6,090	(98%)
Amortization	1,929	1,513	416	27%	8,306	6,323	1,983	31%
EBITDA	343	3,485	(3,142)	(90%)	5,292	8,282	(2,990)	(36%)
Share-based compensation	453	256	197	77%	1,911	708	1,203	170%
Fair value adjustments on contingent consideration	(285)	(1,704)	1,419	(83%)	(285)	(1,854)	1,569	(85%)
Foreign exchange (gain) loss	174	(223)	397	(178%)	567	66	501	759%
Acquisition, integration and restructuring costs	504	219	285	130%	839	1,151	(312)	(27%)
Adjusted EBITDA	\$ 1,189	\$ 2,033	\$ (844)	(42%)	\$ 8,324	\$ 8,353	\$ (29)	0%

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 no longer bill the Subscriber for Recurring Revenue service 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.

Disclosure Controls and Procedures and Internal Control over Financial Reporting

During the fiscal year the Company’s Chief Executive Officer (“CEO”) and Chief Financial Officer (“CFO”) conducted a review of the design of its disclosure controls and procedures (“DC&P”) as well as its internal controls over financial reporting (“ICFR”).

DC&P are implemented to provide reasonable assurance that: (i) material information relating to the Company is made known to the CEO and CFO by others, particularly during the period in which the interim filings are being prepared; and (ii) information required to be disclosed by the Company in its annual filings, interim filings or other reports filed or submitted by it under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation. Under the supervision of the CEO and CFO, the Company has evaluated its disclosure controls and procedures as at September 30, 2017 and has concluded that the DC&P are adequately designed and operating effectively.

Internal controls over financial reporting are implemented to provide reasonable assurance regarding the reliability of the Company’s financial reporting and the preparation of its consolidated financial statements for external purposes in accordance with the Company’s accounting framework, IFRS. Under the supervision of the CEO and CFO,

the Company conducted a review and evaluation of its ICFR as at September 30, 2017, with the conclusion that the Company's system of ICFR as defined under NI 52-109 is adequately designed and operating effectively.

Related Party Transactions

The Company has lease arrangements for office premises owned by certain executives of its acquired subsidiaries. The leases were negotiated at the time of acquisition and represent fair value rents for the leased premises. Such lease payments amounted to \$46 and \$189 for the three and twelve months ended September 30, 2017 (2016 - \$46 and \$189). Related party transactions also include compensation earned by key management and directors as shown in the following table:

(\$ thousands)	Three months ended September 30				Twelve months ended September 30			
	2017	2016	Change \$	Change %	2017	2016	Change \$	Change %
Salaries, wages and benefits	\$ 417	\$ 390	\$ 27	7%	\$ 1,727	\$ 2,201	\$ (474)	(22%)
Stock-based compensation expense	271	95	176	185%	1,126	479	647	135%
Total	\$ 688	\$ 485	\$ 203	42%	\$ 2,853	\$ 2,680	\$ 173	6%

Off-balance Sheet Arrangements

As at September 30, 2017, we do not have any off-balance sheet arrangements, other than operating lease commitments as disclosed in this MD&A.

Subsequent Events

On October 16, 2017, the Company reached an agreement where among other things, the company paid US\$ 4.75 million in lieu of any additional earn-out consideration the seller may have been entitled to under the Mobi purchase agreement. As a result of this agreement and payment, the contingent consideration liability associated with the Mobi acquisition was fully settled.

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 on 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.bsmtechnologies.com.