Condensed Interim Consolidated Financial Statements (Unaudited) of

BSM TECHNOLOGIES INC.

Three and nine months ended June 30, 2018 and 2017

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, Subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The accompanying unaudited consolidated financial statements of BSM Technologies Inc. have been prepared by and are the responsibility of BSM Technologies Inc.'s management. BSM Technologies Inc.'s independent auditor has not performed a review of these interim consolidated financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim consolidated financial statements by an entity's auditor.

BSM TECHNOLOGIES INC.

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Three and nine months ended June 30, 2018 and 2017

BSM TECHNOLOGIES INC.

Interim Consolidated Statement of Financial Position – (Unaudited)

In 000s of Canadian Dollars

	Note	As at June 30, 2018	As at September 30, 2017
Assets			
Current assets:			
Cash and cash equivalents		**$ 2,735**	$ 8,708
Accounts receivable		**12,422**	13,995
Current portion of investment in finance leases		**1,235**	1,464
Inventories		**5,312**	4,886
Prepaid expenses and other assets		**1,055**	1,326
Total current assets		**22,759**	30,379
Property and equipment	*5*	**1,898**	1,701
Long-term investment in finance leases		**978**	1,232
Intangible assets	*5*	**25,410**	30,421
Deferred tax asset	*12*	**21,586**	21,346
Goodwill	*11*	**28,002**	27,361
Total assets		**$ 100,633**	$ 112,440
Liabilities and Shareholders' Equity			
Current liabilities:			
Accounts payable		**$ 3,437**	$ 2,948
Accrued liabilities		**3,859**	3,922
Current portion of provisions	*7*	**994**	1,327
Current portion of finance lease obligation		**295**	173
Current portion of contingent consideration	*10*	**274**	8,320
Deferred revenue		**1,847**	5,431
Share repurchase commitment	*4*	**1,128**	1,357
Total current liabilities		**11,834**	23,478
Long-term debt	*6*	**359**	-
Finance lease obligation		**318**	166
Contingent consideration	*10*	**-**	202
Shareholders' equity:			
Common shares	*4*	**83,374**	83,932
Contributed surplus		**9,931**	9,763
Accumulated other comprehensive income (loss)		**712**	(435)
Deficit		**(5,895)**	(4,666)
Total shareholders' equity		**88,122**	88,594
Total liabilities and shareholders' equity		**$ 100,633**	$ 112,440

See accompanying notes to the condensed interim consolidated financial statements.

‘Andrew Gutman’ - Director *‘Aly Rahemtulla’* - Director

BSM TECHNOLOGIES INC.

Interim Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) – (Unaudited)

In 000s of Canadian Dollars

		Three months ended June 30		Nine months ended June 30	
	Note	**2018**	**2017**	**2018**	**2017**
Revenue	*9*	**$ 15,764**	$ 16,660	**$ 45,476**	$ 51,027
Cost of revenue	*9*	**6,918**	6,841	**19,197**	20,838
Gross profit	*9*	**8,846**	9,819	**26,279**	30,189
Other income:					
Interest income from finance leases		**54**	56	**179**	180
Expenses:					
General and administrative		**2,925**	2,994	**9,339**	9,897
Research and development		**3,568**	3,287	**10,541**	9,350
Sales and marketing		**3,289**	4,040	**9,769**	11,819
Acquisition, integration and restructuring expenses	*7*	**-**	-	**696**	335
Fair value adjustment on contingent consideration		**-**	-	**(2,507)**	-
Foreign exchange (gain)/loss		**(182)**	627	**(419)**	394
Interest expense		**83**	328	**381**	1,188
Interest received		**(3)**	-	**(33)**	(15)
Total expenses		**9,680**	11,276	**27,767**	32,968
Net loss before tax		**(780)**	(1,401)	**(1,309)**	(2,599)
Current tax expense	*12*	**5**	-	**69**	95
Deferred tax expense (recovery)	*12*	**(93)**	(65)	**(149)**	288
Net loss for the period		**(692)**	(1,336)	**(1,229)**	(2,982)
Other comprehensive gain (loss):					
Foreign exchange gain (loss) on foreign operations, net of tax		**319**	(251)	**1,147**	(138)
Total comprehensive loss for the period		**$ (373)**	$ (1,587)	**$ (82)**	$ (3,120)
Loss per share	*4*				
Basic		**$ (0.009)**	$ (0.017)	**$ (0.015)**	$ (0.037)
Diluted		**$ (0.009)**	$ (0.017)	**$ (0.015)**	$ (0.037)
Weighted average number of shares	*4*				
Basic		**80,895,772**	80,455,434	**80,970,140**	81,302,057
Diluted		**80,895,772**	80,455,434	**80,970,140**	81,302,057

See accompanying notes to the condensed interim consolidated financial statements.

BSM TECHNOLOGIES INC.

Interim Consolidated Statements of Changes in Shareholders' Equity – (Unaudited)

In 000s of Canadian Dollars

	Note	**Common shares**	**Contributed surplus**	**Accumulated other comprehensive income / (loss)**	**Deficit**	**Total equity**
Balance September 30, 2017		**$ 83,932**	**$ 9,763**	**$ (435)**	**$ (4,666)**	**$ 88,594**
Share repurchase commitment	*4*	229	-	-	-	229
Shares repurchased and cancelled	*4*	(2,010)	-	-	-	(2,010)
Share-based compensation expense	*4*	-	1,229	-	-	1,229
Options, RSUs, or DSUs exercised	*4*	1,223	(1,061)	-	-	162
Net loss for the period		-	-	-	(1,229)	(1,229)
Foreign exchange gain on foreign operations, net of tax		-	-	1,147	-	1,147
Balance June 30, 2018		**$ 83,374**	**$ 9,931**	**$ 712**	**$ (5,895)**	**$ 88,122**
Balance September 30, 2016		**$ 85,861**	**$ 7,946**	**$ 426**	**$ (464)**	**$ 93,769**
Share repurchase commitment	*4*	(779)	-	-	-	(779)
Shares repurchased and cancelled	*4*	(255)	-	-	-	(255)
Share-based compensation expense	*4*	-	1,457	-	-	1,457
Options, RSUs, or DSUs exercised	*4*	37	(25)	-	-	12
Net loss for the period		-	-	-	(2,982)	(2,982)
Foreign exchange loss on foreign operations, net of tax		-	-	(138)	-	(138)
Balance June 30, 2017		**$ 84,864**	**$ 9,378**	**$ 288**	**$ (3,446)**	**$ 91,084**

See accompanying notes to the condensed interim consolidated financial statements.

BSM TECHNOLOGIES INC.

Interim Consolidated Statements of Cash Flows – (Unaudited)

In 000s of Canadian Dollars

		Nine months ended June 30	
Cash provided by (used in):	*Note*	**2018**	**2017**
Operating activities:			
Net loss for the period		**$ (1,229)**	$ (2,982)
Items not involving cash:			
Amortization of property and equipment		**767**	729
Amortization of intangible assets		**5,829**	5,649
Amortization of financing costs		**41**	56
Unrealized foreign exchange loss		**(582)**	423
Deferred tax recovery (expense)		**(149)**	268
Interest accrued on revolving credit facility	*6*	**202**	139
Accreted interest on contingent consideration	*10*	**83**	908
Fair value adjustments on contingent consideration		**(2,507)**	-
Share-based compensation expense	*4*	**1,229**	1,457
Change in non-cash operating working capital	*8*	**(1,300)**	(6,089)
Net cash provided by/(used in) operating activities		**2,384**	558
Financing activities:			
Drawdown (repayment) of long-term debt	*6*	**119**	(6,519)
Finance lease payments		**(220)**	(254)
Payment of contingent consideration	*10*	**(5,921)**	(3,271)
Options exercised	*4*	**162**	-
Common shares repurchased and cancelled	*4*	**(2,010)**	(255)
Net cash provided by/(used in) financing activities		**(7,870)**	(10,299)
Investing activities:			
Acquisition of subsidiaries net of cash acquired		**-**	(7,727)
Investment in intangible assets	*5*	**(180)**	(422)
Purchase of property and equipment	*5*	**(459)**	(575)
Net cash provided by/(used in) investing activities		**(639)**	(8,724)
Impact of foreign currency revaluation on cash and cash equivalents		**152**	36
Net decrease in cash and cash equivalents during the period		**(5,973)**	(18,429)
Cash and cash equivalents, beginning of period		**8,708**	24,900
Cash and cash equivalents, end of period		**$ 2,735**	$ 6,471

Cash paid for interest expense	**$ 232**	$ 232
Cash paid (received) for income tax	**156**	6

See accompanying notes to the condensed interim consolidated financial statements.

1. General information

BSM Technologies Inc., through its subsidiaries (together "BSM" or the "Company"), is a provider of GPS telematics and Internet of Things (IoT) asset management solutions. The Company offers a variety of product solutions to its customers including both hardware and software technologies. BSM's product solutions provide, among other things, near real-time tracking and management of customer assets through BSM's web-based platform. The Company's product solutions extend beyond basic location tracking and encompass a host of solutions including: driver compliance, asset utilization metrics, real-time dynamic scheduling and routing, and enhanced data reporting capabilities. Customers use our product solutions to, among other things, enhance asset utilization, improve the security of their drivers and vehicles, improve customer service and lower business costs, thereby improving the overall efficiency of their operations. BSM's common shares are publicly traded on the Toronto Stock Exchange (TSX: GPS). The Company is incorporated and domiciled in Canada and the address of its registered office is 75 International Blvd., Suite 100, Toronto, Ontario, Canada M9W 6L9.

These condensed interim consolidated financial statements were authorized for issue by the Company's Board of Directors on August 14th, 2018.

2. Basis of presentation

These condensed interim consolidated financial statements for the three and nine months ended June 30, 2018 and 2017 have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements, including International Accounting Standard 34 ("IAS 34"), *Interim Financial Reporting*. The condensed interim consolidated financial statements should be read in conjunction with the Company's annual consolidated financial statements for the year ended September 30, 2017, which have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB").

These condensed interim consolidated financial statements are presented in thousands of Canadian dollars.

3. Significant accounting policies

The accounting policies applied in these condensed interim consolidated financial statements are consistent with those disclosed in note 3 of the Company's annual consolidated financial statements for the year ended September 30, 2017. In preparing these condensed interim consolidated financial statements, the Company is required to make estimates and assumptions to determine the carrying amount of assets and liabilities reported. The significant areas requiring estimates and assumptions in determining the reported amounts relate to: the recoverable amount of goodwill; the valuation of contingent consideration classified as a liability; the valuation of assets and liabilities acquired in a business combination; the valuation of the Company's warranty obligation; and the recoverability of the Company's deferred tax asset recognized in the financial statements.

In 000s of Canadian Dollars

4. Share capital

a) Common shares:

Authorized: Unlimited common shares (no par value)

	June 30, 2018		June 30, 2017	
	Number	**Amount**	Number	Amount
Issued and outstanding:				
Balance, beginning of period excluding shares to be issued subject to future performance	**80,944,910**	**$ 83,932**	81,319,954	$ 85,861
Shares issued for options exercised	**327,549**	**421**	43,553	37
Shares issued for RSUs vested	**638,346**	**802**	-	-
Shares repurchased and cancelled (i)	**(1,576,869)**	**(2,010)**	(170,400)	(255)
Shares repurchase commitment (i)	**-**	**229**	-	(779)
Shares released from escrow (ii)	**54,795**	**-**	-	-
Balance, excluding shares to be issued subject to future performance	**80,388,731**	**$ 83,374**	81,193,107	$ 84,864
Shares issued in escrow:				
subject to Company's performance (ii)	**-**	**-**	54,795	-
subject to earn-out clause - JMM	**699,575**	**-**	699,575	-
subject to earn-out clause - Praxis	**500,000**	**-**	500,000	-
Balance of issued shares, end of period	**81,588,306**	**$ 83,374**	82,447,477	$ 84,864

(i) On December 20, 2017, 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 7,002,017 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 27, 2017 and will conclude on December 26, 2018, 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 36,399 common shares which represents 25% of the average daily trading volume on the TSX for the period from June 1, 2017 to November 30, 2017.

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 June 30, 2018, 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 $1,128 in the interim consolidated statement of financial position. The share repurchase liability has been recorded at the maximum purchase exposure under the Plan during the period of July 3, 2018 through August 15, 2018 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 nine months ended June 30, 2018, the Company repurchased and cancelled 801,900 and 1,576,869 common shares in accordance with the Bid or previous normal course issuer bids (2017 – 92,200 and 170,400).

In 000s of Canadian Dollars

(ii) During the year ended September 30, 1998, the Company entered into an agreement with the former President of the Company and certain other parties whereby 150,990 common shares were issued in escrow and would only be released if the Company attained certain cumulative cash flow levels. During the year ended September 30, 2001, 2002 and 2003, the Company cancelled 96,208 of these shares pursuant to settlements reached with these parties. During the year, the cumulative operating cash flow conditions were met. As a result, the remaining 54,795 common shares were released from escrow in the current quarter.

b) Preferred shares:

The Company authorized an unlimited number of first preferred shares and second preferred shares, all without par value. The terms allow the Company's directors to issue shares in one or more series and to set the number and the conditions for each series. There are no first preferred shares or second preferred shares issued and outstanding as at June 30, 2018.

The first preferred shares of all series rank on a parity with each other and in priority to all other shares of the Company with respect to payment of dividends and with respect to distribution of assets in the event of liquidation, dissolution or winding up of BSM.

c) Stock options:

A summary of the Company's stock options for the nine months ended June 30, 2018 and 2017 is presented below:

		June 30, 2018		June 30, 2017
	Number of Options	**Weighted average exercise price**	Number of Options	Weighted average exercise price
Balance, beginning of period	**2,708,195**	**$ 1.36**	1,766,824	$ 1.41
Issued	**400,000**	**1.30**	1,250,000	1.27
Exercised	**(477,668)**	**0.79**	(54,985)	0.66
Cancelled	**(35,640)**	**1.46**	-	-
Forfeited	**(333,333)**	**1.27**	-	-
Expired	**(485,500)**	**1.45**	(24,271)	1.22
Balance, end of period	**1,776,054**	**$ 1.48**	2,937,568	$ 1.36

The following table summarizes information about stock options outstanding as at June 30, 2018:

Exercise price	Number Outstanding	Weighted average remaining contractual life (years)
$0.00 - $0.50	183,482	1.43
$0.51 - $1.00	112,572	0.99
$1.01 - $1.50	1,150,000	3.75
$1.51 - $2.00	-	-
$2.01 - $2.50	65,000	0.94
$2.51 - $3.00	-	-
$3.00 - $3.50	265,000	0.52
Balance, end of period	1,776,054	2.75

As at June 30, 2018, 876,054 stock options were exercisable (2017 - 1,626,407).

In 000s of Canadian Dollars

During the three and nine months ended June 30, 2018, the Company granted nil and 400,000 stock options to officers and directors (2017 – nil and nil). The terms of the stock options granted are consistent with the Company's stock option plan where such options vest over a three-year period following the date of grant.

For the three months and nine months ended June 30, 2018, the Company recognized share-based compensation expense of $65 and $163 (2017 – $105 and $314).

d) Restricted share units ("RSUs") and Deferred share units ("DSUs"):

During the three and nine months ended June 30, 2018, the Company granted nil and 628,925 RSUs to employees pursuant to the Company's Restricted Share Unit Plan (2017 - 206,667 and 1,427,947). Each RSU represents the right for the holder to be issued one common share pursuant to vesting conditions over three years.

A summary of the fair value of RSUs granted for the three and nine months ended June 30, 2018 and 2017 is presented below:

	Three months ended June 30		Nine months ended June 30	
Fair value of RSUs	**2018**	2017	**2018**	2017
$1.28	**-**	-	**613,925**	450,000
$1.34	**-**	-	**15,000**	-
$1.44	**-**	-	**-**	641,280
$1.50	**-**	-	**-**	130,000
$1.52	**-**	206,667	**-**	206,667
Total number of RSUs granted	**-**	206,667	**628,925**	1,427,947

Share based compensation expenses of $281 and $873 were recognized in the three and nine months ended June 30, 2018 related to the vesting of RSUs (2017 - $309 and $809). The following is a continuity of the Company's RSUs for the nine months ended June 30, 2018:

	2018	2017
Balance, beginning of period	**2,660,653**	1,599,906
Issued	**628,925**	1,427,947
Settled in common shares	**(638,346)**	-
Canceled	**-**	(67,500)
Forfeited	**(272,977)**	(229,700)
Balance, end of period	**2,378,255**	2,730,653

During the three and nine months ended June 30, 2018, the Company granted 52,284 and 148,322 DSUs to directors of the Company pursuant to the Company's Deferred Share Unit Plan (2017 - 39,146 and 233,853). Each DSU represents the right for the holder to be issued one common share and vest upon grant; however, are not exchangeable for common shares until the holder ceases to be a director of the Company.

A summary of the fair value of DSUs granted for the three and nine months ended June 30, 2018 and 2017 is presented below:

	Three months ended June 30		Nine months ended June 30	
Fair value of DSUs	**2018**	2017	**2018**	2017
$1.27	**52,284**	-	**52,284**	-

In 000s of Canadian Dollars

$1.28	**-**	-	**46,485**	-
$1.34	**-**	-	**49,553**	-
$1.43	**-**	-	**-**	155,041
$1.50	**-**	-	**-**	39,666
$1.52	**-**	39,146	**-**	39,146
Total number of DSUs granted	**52,284**	39,146	**148,322**	233,853

Share-based compensation expense of $66 and $193 was recognized in the three and nine months ended June 30, 2018 related to the vesting of DSUs (2017 - $58 and $334). The following is a continuity of the Company's DSUs for the nine months ended June 30, 2018:

	2018	2017
Balance, beginning of period	**409,740**	137,500
Issued	**148,322**	233,853
Settled in common shares	**-**	-
Balance, end of period	**558,062**	371,353

e) Earnings per share:

The effects of any shares issued in escrow that are subject to performance conditions are not included in the calculation of the weighted average number of common shares outstanding on a diluted basis as they are not expected to have a dilutive impact on earnings per share. Shares released from escrow upon meeting contingent requirements are included in the calculation of basic weighted average number of shares outstanding. The calculation of the diluted weighted average number of common shares outstanding does not include stock options that are not expected to be exercised given their negative intrinsic value and includes vested DSUs which are exchangeable for common shares.

	Three months ended June 30		**Nine months ended June 30**	
	2018	2017	**2018**	2017
Weighted average number of shares – basic	**80,895,772**	80,455,434	**80,970,140**	81,302,057
Dilutive effect of stock options and DSUs	**-**	-	**-**	-
Weighted average number of shares – diluted	**80,895,772**	80,455,434	**80,970,140**	81,302,057

5. Capital assets and intangible assets

Capital assets and intangible asset additions for the three months and nine months ended June 30, 2018 amounted to $466 and $1,115 respectively (2017 - $13,928 and $14,555 of which $13,558 was acquired in the Mobi acquisition). Of these amounts, $675 was primarily for the purchase of servers and general computer equipment, of which, $476 was acquired through a financing lease. Additionally, $180 was attributable to external consultant costs associated with the implementation of the Company's enterprise resource planning and internal software systems.

6. Long-term debt

On August 24, 2016, the Company replaced its prior term credit facility with a $20 million revolving credit facility ("Revolver"). During the three and nine months ended June 30, 2018 the Company incurred interest expense of $68 and $202 which was accrued to the outstanding balance on the Revolver (2017 - $19 and $139). The Company may draw on the Revolver in either US dollars or Canadian dollars and as at June 30, 2018, the Company had CAD$531 drawn against the Revolver (2017 – US$1,294).

In 000s of Canadian Dollars

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 interest coverage, and other non-financial covenants with which the Company is required to comply. The Company is in compliance with these covenants as at June 30, 2018. 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 all or a portion of the Company's indebtedness.

7. Provisions

During the three and nine-month period ending June 30, 2018 the Company recognized $nil and $696 in restructuring expenses associated with termination and severance costs related to an employee restructuring. During the nine months ended June 30, 2018, the Company paid $1,055 to satisfy restructuring obligations which was recorded as a reduction in the restructuring provision. At as June 30, 2018, the balance of restructuring expenses in provisions is $263. The Company expects these amounts to be fully paid by November 2018.

8. Change in non-cash operating working capital

	Nine months ended June 30	
	2018	2017
Accounts receivable	**$ 1,992**	$ (784)
Net investment in finance leases (including long-term portion)	**544**	580
Inventories	**(321)**	(540)
Prepaid expenses and other assets	**285**	(246)
Accounts payable	**369**	(505)
Accrued liabilities	**(104)**	(537)
Provisions (including long-term portion)	**(335)**	(126)
Deferred revenue	**(3,730)**	(3,931)
Total	**$ (1,300)**	$ (6,089)

The change in non-cash operating working capital presented in the Interim Consolidated Statement of Cash Flows is the change in the respective account balances, adjusted for the effect of acquisitions, if any, and foreign exchange revaluation gains and losses. During the nine months ended June 30, 2018, deferred revenue decreased by $3,730 which was attributable to the recognition of revenue in the period for which cash had been received from customers prior to October 1, 2017. The collection of accounts receivable lead to a source of cash of $1,992 and helped to offset the deferred revenue impact on working capital.

9. Segmented information

The Company has identified one operating segment for its operations. The Company’s evaluation of segmentation is based on internal reporting and its organizational structure, taking into account the different risk and income structures of the key products of the Company. Within the reportable segment, selected financial information by geographical location is as follows:

In 000s of Canadian Dollars

(a) Revenue, cost of revenue and gross profit (loss) by category is as follows:

				Three months ended June 30, 2018
	Hardware revenue	**Recurring revenue**	**Services revenue**	**Total**
Revenue	**$ 3,380**	**$ 11,115**	**$ 1,269**	**$ 15,764**
Cost of revenue	**2,628**	**3,332**	**958**	**6,918**
Gross profit	**$ 752**	**$ 7,783**	**$ 311**	**$ 8,846**

				Three months ended June 30, 2017
	Hardware revenue	Recurring revenue	Services revenue	Total
Revenue	$ 4,586	$ 11,356	$ 718	$ 16,660
Cost of revenue	2,988	2,942	911	6,841
Gross profit (loss)	$ 1,598	$ 8,414	$ (193)	$ 9,819

				Nine months ended June 30, 2018
	Hardware revenue	**Recurring revenue**	**Services revenue**	**Total**
Revenue	**$ 8,677**	**$ 33,587**	**$ 3,212**	**$ 45,476**
Cost of revenue	**6,699**	**9,872**	**2,626**	**19,197**
Gross profit	**$ 1,978**	**$ 23,715**	**$ 586**	**$ 26,279**

				Nine months ended June 30, 2017
	Hardware revenue	Recurring revenue	Services revenue	Total
Revenue	$ 13,518	$ 34,684	$ 2,825	$ 51,027
Cost of revenue	8,582	9,165	3,091	20,838
Gross profit (loss)	$ 4,936	$ 25,519	$ (266)	$ 30,189

(b) Revenue by geography, based upon customer location:

	Three months ending June 30		**Nine months ending June 30**	
	2018	2017	**2018**	2017
Canada	**$ 6,036**	$ 5,427	**$ 18,418**	$ 16,679
United States	**9,569**	10,942	**26,519**	33,497
International	**159**	291	**539**	851
Total	**$ 15,764**	$ 16,660	**$ 45,476**	$ 51,027

(c) Non-current assets by geography:

		As at
	June 30, 2018	September 30, 2017
Canada	**$ 50,042**	$ 53,966
United States	**27,832**	28,095
Total	**$ 77,874**	$ 82,061

In 000s of Canadian Dollars

10. Contingent consideration

The Company has recognized contingent consideration classified as a liability within the consolidated statements of financial position. The liability is recorded as the fair value of future deferred consideration associated with companies acquired in prior periods. Fair value is determined based on management's estimate of the present value of the amounts expected to be paid, subject to the contingent performance targets for each respective acquisition.

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 acquired businesses will achieve specified financial targets in specified time frames following the respective acquisitions. The Companys' determination of the estimated probability of the acquired business achieving the specified financial targets includes the review of a number of factors including: the acquired businesses performance and the implied growth rate relative to the earn-out targets; the current sales pipeline; the Company's current operating plan for the acquired business; and the time remaining for the sellers of the acquired business to earn the contingent payment. The estimated fair value of contingent consideration payable increases as the estimated probability associated with the financial targets increase and vice versa for decreases in fair value.

On October 16, 2017, the Company reached an agreement with the Mobi sellers 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.

On April 30, 2018, the earn out agreement associated with the Lat-Lon L.L.C. acquisition expired. No further amounts were earned or paid out under the agreement in the final year of the agreement. In the nine months ended June 30, 2018, the Company recognized a fair value adjustment gain of $2,507 as a result of writing down the fair value of the associated contingent consideration liability to nil.

The following table shows a reconciliation from the beginning balances to the ending balances for the consolidated contingent consideration balance in the nine months ending June 30, 2018.

Balance at September 30, 2017	**$ 8,522**
Cash payments	(5,921)
Accreted interest	83
Fair value adjustments	(2,507)
Foreign exchange revaluation	97
Balance at June 30, 2018	**$ 274**

11. Goodwill

The Company performs its impairment test annually for its sole CGU containing goodwill. The Company has not identified any goodwill impairment during the nine months ended June 30, 2018. The Company's assessment could be impacted by a change in market factors or a change in management's estimate of forecasted financial performance. Reasonably possible changes in key estimates and assumptions would not cause the recoverable amount of goodwill to fall below the carrying amount. The following is a summary of the Company's goodwill:

Balance as at September 30, 2017	**$ 27,361**
Foreign exchange revaluation	641
Balance as at June 30, 2018	**$ 28,002**

12. Income tax

Income tax expense is recognized based on management’s estimate of the weighted average annual income tax rate expected for the full fiscal year. The estimated annual tax rate used for the three and nine months ended June 30, 2018 was 26.3% (2017 - 26.4%). The tax rate used represents management's estimate of the weighted average tax rate expected to be applicable on taxable income in the period. In the three months ended June 30, 2018, current tax expense was $5 (2017 –$nil) and deferred tax recovery was $93 (2017 – $65). In the nine months ended June 30, 2018, current tax expense was $69 (2017 - $95) and deferred tax recovery was $149 (2017 - deferred tax expense of $288). The deferred tax recovery of $149 in the nine months ended June 30, 2018 includes a $615 deferred tax expense recognized from a decrease in the Company’s US-based deferred tax assets for the impact of the US federal tax rate change from 34% to 21% effective January 1, 2018.

13. Subsequent events

There are no subsequent events to disclose for the Company.

14. New Accounting Standards

Certain new accounting standards and interpretations have been published that are not mandatory for adoption for reporting periods beginning on October 1, 2017 and have not been early adopted by the Company. The Company has not yet fully assessed the impact of these new standards and amendments or whether these standards and amendments will be early adopted.

i. IFRS 9, Financial Instruments. In July 2014, the IASB issued the final version of IFRS 9, Financial Instruments, which reflects all phases of the financial instruments project and replaces IAS 39, Financial Instruments - Recognition and Measurement, and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement of financial assets, recognition and measurement for debt instruments, with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments and such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income (loss). Where such equity instruments are measured at fair value through other comprehensive income (loss), dividends are recognized in profit or loss to the extent not clearly representing a return of investment; however, other gains and losses (including impairments) associated with such instruments remain in accumulated comprehensive income (loss) indefinitely. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. The Company is evaluating the impact of this standard on its consolidated financial statements.

ii. IFRS 15, Revenue from Contracts with Customers. In May 2014, the IASB issued IFRS 15, Revenue from Contracts with Customers, which establishes a single comprehensive principles-based model of accounting for revenue arising from contracts with customers that an entity will apply to determine the measurement of revenue and the timing of when it is recognized. The standard also provides guidance on whether revenue should be recognized at a point in time or over time as well as requirements for more informative, relevant disclosures. This standard will replace IAS 18, Revenue, which covers contracts for goods and services and IAS 11, Construction Contracts, which covers revenue from construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer - so the notion of control replaces the existing notion of risks and rewards. The new standard will be effective for fiscal years beginning on or after

January 1, 2018 and earlier application is permitted. Adoption of the standard may have flow-on effects on adopting an entity's business practices regarding systems, processes and controls, compensation and bonus plans, contracts, tax planning and investor communications. Entities will have a choice of full retrospective application, or prospective application with additional disclosures. The Company is evaluating the impact of this standard on its consolidated financial statements.

iii. IFRS 16, Leases. On January 13, 2016, the IASB issued IFRS 16, Leases, which will replace IAS 17, Leases. The new standard will be mandatorily effective for fiscal years beginning on or after January 1, 2019 and earlier application is permitted. Under the new standard, all leases will be recorded on the balance sheet of lessees, except those that meet the limited exception criteria. As the Company has significant contractual obligations in the form of operating leases under the existing standards, there will be a material increase to both assets and liabilities upon adoption of the new standard, and changes to the timing of recognition of expenses associated with the lease arrangements, which could be material. The Company is evaluating the impact of this standard on its consolidated financial statements.

iv. IFRIC 23, Uncertainty over Income Tax Treatments. In June 2017, the IASB issued IFRIC 23, Uncertainty over Income Tax Treatments, with a mandatory effective date of January 1, 2019. The interpretations provide guidance on how to value uncertain income tax positions based on the probability of whether the relevant tax authorities will accept the Company's tax treatments. A company is to assume that a taxation authority with the right to examine any amounts reported to it will examine those amounts and will have full knowledge of all relevant information when doing so. IFRIC 23 is to be applied by recognizing the cumulative effect of initially applying these guidelines in opening retained earnings without adjusting comparative information. The Company is evaluating the impact of this standard on its consolidated financial statements.

v. IFRIC 22, Foreign Currency Transactions and Advance Consideration. In December 2016, the IASB issued IFRIC 22, Foreign Currency Transactions and Advance Consideration, with a mandatory effective date beginning on or after January 1, 2018. The interpretation clarifies the accounting for transactions that include the receipt or payment of advance consideration in a foreign currency. The interpretation covers foreign currency transactions when an entity recognizes a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration before the entity recognizes the related asset, expense or income. On initial application, a company may apply the interpretation either retrospectively or prospectively. The Company is evaluating the impact of this standard on its consolidated financial statements.