

## NexJ Systems Inc.

Condensed Interim Consolidated Statements of Financial Position  
(Expressed in thousands of Canadian dollars)  
(Unaudited)

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
<b>Assets</b>		
	\$	\$
Current assets:		
Cash and cash equivalents	14,122	18,298
Accounts receivable	7,994	7,853
Prepaid expenses and other assets	1,672	1,448
Total current assets	<u>23,788</u>	<u>27,599</u>
Non-current assets:		
Property and equipment	2,155	2,472
Intangible assets	1,074	1,756
Goodwill	2,617	2,617
Other assets	260	260
Total non-current assets	<u>6,106</u>	<u>7,105</u>
Total assets	<u>29,894</u>	<u>34,704</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	4,656	4,619
Deferred revenue	3,901	4,726
Provisions	258	121
Earn-out liability	280	678
Total current liabilities	<u>9,095</u>	<u>10,144</u>
Non-current liabilities:		
Accrued liabilities	543	391
Provisions	386	234
Deferred tax liability	-	16
Deferred revenue	-	238
Total non-current liabilities	<u>929</u>	<u>879</u>
Total liabilities	<u>10,024</u>	<u>11,023</u>
Shareholders' equity:		
Share capital	83,306	83,306
Share purchase loans	(3,622)	(3,622)
Contributed surplus	5,981	5,783
Deficit	(65,795)	(61,786)
Total shareholders' equity	<u>19,870</u>	<u>23,681</u>
Total liabilities and shareholders' equity	<u>29,894</u>	<u>34,704</u>

## NexJ Systems Inc.

Condensed Interim Consolidated Statements of Comprehensive Loss  
(Expressed in thousands of Canadian dollars, except per share amounts)  
(Unaudited)

	Three Months ended June,		Six Months ended June,	
	2015	2014	2015	2014
<b>Revenue:</b>	\$	\$	\$	\$
License and subscription fees	1,400	1,277	2,537	1,568
Professional services	4,661	4,211	8,647	9,713
Maintenance and support	1,292	1,487	2,512	2,999
	<u>7,353</u>	<u>6,975</u>	<u>13,696</u>	<u>14,280</u>
<b>Expenses*:</b>				
Professional services	3,324	3,082	6,205	6,857
Research and development, net	2,180	2,469	4,610	5,144
Sales and marketing	1,625	1,731	3,184	3,291
General and administrative, net	2,442	2,093	4,641	3,569
Earn-out recovery	-	-	(398)	-
	<u>9,571</u>	<u>9,375</u>	<u>18,242</u>	<u>18,861</u>
<b>Loss from operations:</b>	(2,218)	(2,400)	(4,546)	(4,581)
Foreign exchange gain (loss)	(174)	(155)	452	57
Finance income	29	68	69	151
Finance costs	-	(39)	-	(39)
	<u>(145)</u>	<u>(126)</u>	<u>521</u>	<u>169</u>
<b>Loss before income taxes</b>	(2,363)	(2,526)	(4,025)	(4,412)
<b>Income tax recovery</b>				
Current	-	-	-	-
Deferred	16	-	16	-
	<u>-</u>	<u>-</u>	<u>16</u>	<u>-</u>
<b>Net Loss and comprehensive loss</b>	<u>(2,347)</u>	<u>(2,526)</u>	<u>(4,009)</u>	<u>(4,412)</u>
<b>Loss per share:</b>				
Basic and diluted	<u>(0.11)</u>	<u>(0.12)</u>	<u>(0.20)</u>	<u>(0.22)</u>
<b>Weighted average number of common shares outstanding:</b>				
Basic and diluted	<u>20,459</u>	<u>20,415</u>	<u>20,459</u>	<u>20,348</u>
<b>*Share-based payment expense has been included in expenses as follows:</b>				
Professional service	25	36	52	81
Research and development, net	52	(33)	85	17
Sales and marketing	21	23	27	37
General and administrative, net	19	17	34	39
	<u>117</u>	<u>43</u>	<u>198</u>	<u>174</u>

## NexJ Systems Inc.

Condensed Interim Consolidated Statements of Cash Flows  
(Expressed in thousands of Canadian dollars)  
(Unaudited)

Six Months ended June 30, 2015 and 2014

	<u>2015</u>	<u>2014</u>
<b>Cash flows from (used in) operating activities:</b>	<b>\$</b>	<b>\$</b>
Loss for the period:	(4,009)	(4,412)
Adjustments for:		
Depreciation and amortization	1,051	847
Share-based payment expense	198	174
Finance income	(69)	(151)
Finance cost	-	39
Deferred tax recovery	(16)	-
Foreign exchange loss (gain)	(246)	11
Earn-out recovery	(398)	-
Change in non-cash operating working capital:		
Accounts receivable	(141)	1,058
Prepaid expenses and other assets	(224)	319
Accounts payable and accrued liabilities and provisions	439	(1,818)
Deferred revenue	(1,063)	(2,066)
<b>Net cash flows used in operating activities</b>	<b>(4,478)</b>	<b>(5,999)</b>
<b>Cash flows from (used in) financing activities:</b>		
Repurchase of common shares	-	(218)
Repayment of bank indebtedness	-	(66)
Repayment of loan	-	(496)
Interest paid	-	(3)
<b>Net cash flows used in financing activities</b>	<b>-</b>	<b>(783)</b>
<b>Cash flows from (used in) investing activities:</b>		
Purchase of property and equipment	(13)	(63)
Interest received	69	151
<b>Net cash flows from investing activities</b>	<b>56</b>	<b>88</b>
Effects of exchange rates on cash and cash equivalents	246	(11)
Decrease in cash and cash equivalents	(4,176)	(6,705)
<b>Cash and cash equivalents, beginning of period</b>	<b>18,298</b>	<b>29,293</b>
<b>Cash and cash equivalents, end of period</b>	<b>14,122</b>	<b>22,588</b>
<b>Supplemental cash flow information:</b>		
Acquisition of property and equipment not yet paid for	39	193