NEXJ SYSTEMS INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This management's discussion and analysis of financial condition and results of operations (the "MD&A") should be read in conjunction with the audited consolidated financial statements for the years ended December 31, 2015 and 2014, which we prepared in accordance with International Financial Reporting Standards ("IFRS"). As issued by the International Accounting Standards Board ("IASB"). Certain information included herein is forward-looking and based upon assumptions and anticipated results that are subject to uncertainties. Should one or more of these uncertainties materialize or should the underlying assumptions prove incorrect, actual results may vary significantly from those expected. See "Caution Regarding Forward-Looking Statements" and "Risk Factors". The information in this discussion is provided as of, February 18, 2016, unless we indicate otherwise.

Where we say "we", "us", "our", "NexJ" or "the Company", we mean NexJ Systems Inc.

Unless otherwise indicated, all dollar amounts are expressed in thousands of Canadian dollars, except per share amounts and percentages.

Caution Regarding Forward Looking Statements

This MD&A contains forward-looking statements that relate to the Company's current expectations and views of future events.

In some cases, these forward-looking statements can be identified by words or phrases such as "may", "will", "expect", "anticipate", "aim", "estimate", "intend", "plan", "seek", "believe", "potential", "continue", "is/are likely to" or the negative of these terms, or other similar expressions intended to identify forward-looking statements. The Company has based these forward-looking statements on its current expectations and projections about future events and financial trends that it believes may affect its financial condition, results of operations, business strategy and financial needs.

These forward-looking statements include, among other things, statements relating to:

- *the Company's expectations regarding its revenue, expenses and operations;*
- *the Company's anticipated cash needs and its need for additional financing;*
- *the Company's ability to protect, maintain and enforce its intellectual property rights;*
- *third-party claims of infringement or violation of, or other conflicts with, intellectual property rights by the Company;*
- *the Company's plans for and timing of expansion of its solutions and services;*
- *the Company's future growth plans;*
- *the acceptance by the Company's customers and the marketplace of new technologies and solutions;*
- *the Company's ability to attract new customers and develop and maintain existing customers;*
- *the Company's ability to attract and retain personnel;*
- *the Company's expectations with respect to advancement in its technologies;*
- *the Company's competitive position and its expectations regarding competition;*
- *the Company's expectations with respect to the strategic value, synergies, ability to leverage relationships, ability to cross-sell, revenue growth, expenses and liabilities with respect to acquired businesses;*
- *our ability to successfully integrate and manage acquired businesses, offerings and people;*
- *regulatory developments and the regulatory environments in which the Company operates; and*
- *anticipated trends and challenges in the Company's business and the markets in which it operates.*

Forward-looking statements are based on certain assumptions and analysis made by the Company based on its experience and perception of historical trends, current conditions and expected future developments and other factors it believes are appropriate, and are subject to risks and uncertainties. Although we believe that the assumptions underlying these statements are reasonable, they may prove to be incorrect. Given these risks, uncertainties and assumptions, current and prospective investors should not place undue reliance on these forward-looking statements. Whether actual results, performance or achievements will conform to the Company's expectations and predictions is subject to a number of known and unknown risks, uncertainties, assumptions and other factors. These risks, uncertainties, assumptions and other factors could cause the Company's actual results, performance, achievements and experience to differ materially from the Company's expectations, future results, performances or achievements expressed or implied by the forward-looking statements.

The forward-looking statements made in this MD&A relate only to events or information as of the date on which the statements are made in this MD&A. Except as required by law, the Company undertakes no obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or otherwise, after the date on which the statements are made or to reflect the occurrence of unanticipated events.

This MD&A should be viewed in conjunction with the Company's other publicly available filings including the Annual Information Form, copies of which can be obtained electronically on SEDAR at www.sedar.com.

Risks and Uncertainties

A complete description of the risks and uncertainties affecting the Company is included in the most recently filed Annual Information Form. Additional risks and uncertainties not presently known to us or that we currently consider immaterial also may impair our business and operations and cause the price of the common shares to decline. If any of the noted risks actually occur, our business may be harmed and the financial condition and results of operation may suffer significantly. In that event, the trading price of the common shares could decline, and shareholders may lose all or part of their investment.

Non-IFRS Measures

The Company prepares its financial statements in accordance with IFRS. This MD&A also includes certain measures which have not been prepared in accordance with IFRS such as Adjusted EBITDA, Adjusted EBITDA margin and Adjusted EBITDA per share used to evaluate the Company's operating performance as a complement to results provided in accordance with IFRS.

The term "Adjusted EBITDA" refers to net income (loss) before adjusting for share-based payment expense, depreciation and amortization, impairment charge on non-financial assets, lease-exit charges, net, earn-out expense (recovery), foreign exchange gain (loss), finance income, finance costs and income taxes. "Adjusted EBITDA margin" refers to the percentage that Adjusted EBITDA for any period represents as a portion of total revenue for that period.

"Adjusted EBITDA per share" refers to Adjusted EBITDA divided by the weighted average number of common shares outstanding, which we calculate on a basic and diluted basis.

We believe that Adjusted EBITDA, Adjusted EBITDA margin and Adjusted EBITDA per share are useful supplemental information as they provide an indication of the results generated by the Company's main business activities prior to taking into consideration how those activities are financed and taxed and also prior to taking into consideration expenses related to share-based payment expense, impairment charge on non-financial assets, lease-exit charges, net, contingent consideration adjustment, estimated earn-out obligations and the other items listed above. Accordingly, we believe that these measures may also be useful to investors in enhancing their understanding of the Company's operating performance. See "Results of Operations – Adjusted EBITDA".

Adjusted EBITDA, Adjusted EBITDA margin and Adjusted EBITDA per share are not measures recognized by IFRS and do not have standardized meanings prescribed by IFRS. Therefore, Adjusted EBITDA, Adjusted EBITDA margin and Adjusted EBITDA per share may not be comparable to similar measures presented by other issuers. Investors are cautioned that Adjusted EBITDA and Adjusted EBITDA margin should not be construed as an alternative to net income (loss) as determined in accordance with IFRS.

Overview

NexJ provides enterprise customer management solutions to the financial services industry. Our solutions include industry-specific customer relationship management (CRM) for multi-channel engagement and collaboration; customer process management (CPM) for client onboarding and KYC; and customer data management (CDM) to deliver a holistic view of customers across line of business and regional data silos. Our solutions integrate information from multiple systems into a unified view to help firms better understand and share information about their customers to increase loyalty, drive cross-sell and improve the customer experience.

NexJ solutions deliver vertical market functionality to help firms save time and improve service by automating best practices at every stage of the customer lifecycle, sell more by providing the right offer at the right time over the right channel, and be 'one firm' by providing a unified customer experience across all lines of business and channels.

Our revenue consists primarily of software license fees, professional service fees, maintenance and support fees. All NexJ products are licensed either as a one-time purchase (perpetual license) or subscription fee. NexJ's solutions can be deployed on premise, hosted in an external data center and hosted as a managed service. Pricing for NexJ's on-premise solution is based on a perpetual software license model. Professional services revenue in Financial Services consists of fees charged for customization, implementation, integration and ongoing services associated with our software products. Maintenance revenue consists of fees charged for customer support on our software products post-delivery. Maintenance fee arrangements generally include ongoing customer support and rights to certain unspecified product updates. Our customers typically purchase a combination of software, maintenance and professional services, although the type, mix and quantity of each vary by customer.

Professional service costs consist primarily of the costs directly related to revenues including internal costs required to deliver professional services and maintenance.

Research and development expenses include personnel and related costs associated with our research and development efforts.

Sales and marketing expenses consist primarily of personnel and related costs associated with our sales and marketing functions, including commissions, direct marketing campaigns, webinars, public relations and other promotional activities.

General and administrative expenses include personnel and related costs associated with the administration of our business, rental of office space, legal and professional fees and insurance.

Key Performance Indicators

Key performance indicators that we use to manage our business and evaluate our financial results and operating performance include: revenue, expenses, adjusted EBITDA, adjusted EBITDA margin, adjusted EBITDA per share, and net income (loss). We evaluate our performance on these metrics by comparing our actual results to management budgets, forecasts and prior period performance.

Plan of Arrangement – Healthcare Spin-off

On December 10, 2015, the Company and its wholly owned subsidiaries; namely NexJ Health Inc. and NexJ Health Holdings Inc., a newly incorporated company, entered into an Arrangement Agreement, pursuant to which by way of a court-approved plan of arrangement (the "Arrangement"), voted on by the shareholders at the special meeting of the shareholders on January 13, 2016, the Company spun out the Healthcare business to NexJ Health Holdings Inc. in exchange for common shares. The Company then distributed the common shares in NexJ Health Holdings Inc. to the Company's shareholders, such that the Company's shareholders received one common share of NexJ Health Holdings Inc. for every common share held in the Company. The effective date of the distribution was January 25, 2016. The Arrangement contemplated certain agreements that were executed on or prior to the closing date of the transaction. These agreements included:

- A Bill of Sale and Agreement that provided the mechanism by which the Company transferred assets and liabilities and ownership of certain software related to the Healthcare business to NexJ Health Inc. at their carrying value in exchange for 100 common shares of NexJ Health Inc.;

- Source Code License Agreements under which the Company and NexJ Health Inc. granted each other a perpetual, irrevocable, fully paid-up and royalty-free software source code licenses and provide maintenance free of charge for a period of two years;
- A Shared Services Agreement under which the Company will continue to provide services and support functions relating to facilities, human resources, finance and IT services for a monthly fee agreed upon between the parties; and
- An Interim Loan Agreement that provides that the Company will advance funds to NexJ Health Inc. as required from time to time up to a maximum of $1,000; the loan will bear annual interest at prime rate, as published by the Royal Bank of Canada and will be repayable on the date of the closing of the rights offering or other such financing, or such later date agreed by the parties. The closing of the rights offering is expected in the first half of 2016.

Certain employees and key management personnel formerly employed by the Company were transferred to NexJ Health Inc. upon completion of the Arrangement.

Selected Annual Information

The following table sets out selected financial information for the periods indicated. The selected financial information of the Company as at December 31, 2015 and 2014 and for the financial years ended December 31, 2015, 2014 and 2013 has been derived from the Company's audited consolidated financial statements.

	Year ended December 31,		
	2015	2014	2013
	(In thousands of dollars, except per share amounts)		
Statements of Comprehensive Loss			
Revenue	$ 28,580	$ 23,877	$ 25,303
Operating Expenses			
Professional service costs	12,311	11,163	14,245
Research and development, net	6,973	6,369	7,720
Sales and marketing	4,934	4,177	6,520
General and administrative	7,183	6,081	8,553
Impairment charge	—	1,887	—
Total Operating Expenses	31,401	29,677	37,038
Loss from operations	(2,821)	(5,800)	(11,735)
Foreign exchange gain (loss)	947	553	446
Finance income	116	265	418
Loss before income taxes	(1,758)	(4,982)	(10,871)
Income taxes	—	—	—
Loss from continuing operations	(1,758)	(4,982)	$ (10,871)
Loss from discontinued operation	(5,382)	(6,896)	(7,938)
Net loss and comprehensive loss	$ (7,140)	$ (11,878)	(18,809)
Net loss per share			
Basic and diluted from continuing operations	$ (0.09)	$ (0.24)	$ (0.53)
Basic and diluted from discontinued operation	$ (0.26)	$ (0.34)	$ (0.39)
Basic and diluted	$ (0.35)	$ (0.58)	$ (0.92)
Weighted average number of Common Shares outstanding (000's)			
Basic and diluted	20,457	20,403	20,377

Discontinued Operation

With respect to the spin-off of the Healthcare business, management determined and concluded that at December 31, 2015, it was highly probable for the Arrangement to be approved by the Company's shareholders. As a result, the Company has presented the results of operations of the Healthcare business as a discontinued operation in the audited consolidated financial statements for the year ended December 31, 2015. The comparative figures in the consolidated statements of comprehensive loss and cash flows are re-presented as if the operation had been discontinued from the start of the comparative year. The Selected Annual Information table above derived from the audited consolidated financial statements discloses the Healthcare business as a discontinued operation with the net of revenue and expenses from the Healthcare business shown as a one line "Loss from discontinued operation".

Although, the Healthcare business has been presented as a discontinued operation in the audited consolidated financial statements for the year ended December 31, 2015, the Company managed its business operations through its two business units namely Financial Services and Healthcare until the time the Healthcare business was spun off to the Company's shareholders effective January 25, 2016. The discussion on the results of operations including revenue and expenses in this MD&A has been presented for Financial Services and Healthcare business units as that is how the business was managed for the year ended December 31, 2015.

2015 Financial Highlights

Financial Services

- Revenue increased by 26% to $7,891 for the quarter ended December 31, 2015 from $6,257 in the comparative period in 2014. Financial Services revenue increased by 20% to $28,580 in fiscal 2015 from $23,877 in fiscal year 2014.
- Adjusted EBITDA (as defined above) was $487 for the quarter ended December 31, 2015 compared to an Adjusted EBITDA loss of $173 in the comparative period in 2014. Adjusted EBITDA was $573 in fiscal year 2015 compared to an Adjusted EBITDA loss of $1,882 in fiscal year 2014.

Healthcare

- Revenue increased to $186 for the quarter ended December 31, 2015 from $90 in the comparative period in 2014. Healthcare revenue decreased by $1,194 to $771 in fiscal year 2015 from $1,965 in fiscal year 2014.
- Adjusted EBITDA was a loss of $1,317 for the quarter ended December 31, 2015 compared to an Adjusted EBITDA loss of $1,559 in the comparative period in 2014. Adjusted EBITDA was a loss of $4,682 in fiscal year 2015 from $6,598 in fiscal year 2014.

Consolidated

- Revenue increased by 27% to $8,077 for the quarter ended December 31, 2015 from $6,347 in the comparative period in 2014. Revenue increased by 14% to $29,351 in fiscal year 2015 from $25,842 in fiscal year 2014.
- Adjusted EBITDA (as defined above) was a loss of $931, or $0.05 per share (basic and diluted), for the quarter ended December 31, 2015 as compared to a loss of $1,947 or $0.10 per share (basic and diluted) in the comparative period in 2014. Adjusted EBITDA was a loss of $4,979, or $0.24 per share (basic and diluted), for fiscal year 2015 as compared to a loss of $9,320, or $0.46 per share (basic and diluted) in fiscal year 2014.
- Net loss was $1,956 or $0.10 per share (basic and diluted) for the quarter ended December 31, 2015 as compared to a loss of $4,089, or $0.20 per share (basic and diluted), in the comparative period in 2014. Net loss was $7,140 or $0.35 per share (basic and diluted) in fiscal year 2015 as compared to a net loss of $11,878 or $0.58 per share (basic and diluted) in fiscal year 2014.

Summary of Consolidated Financial Results

The following table sets forth a summary of our results of operations for the quarter and fiscal years ended December 31, 2015 and 2014:

(In thousands of dollars, except percentages and per share amounts)

	Quarter ended December 31,		Period-Over-Period Change		Years ended December 31,		Period-Over-Period Change	
	2015	2014	$	%	2015	2014	$	%
Revenue								
Financial Services	$7,891	$6,257	$1,634	26	$28,580	$23,877	$4,703	20
Healthcare	186	90	96	107	771	1,965	(1,194)	(61)
Total Revenue (1)	8,077	6,347	1,730	27	29,351	25,842	3,509	14
Expenses								
Financial Services	7,404	6,430	974	15	28,007	25,759	2,248	9
Healthcare	1,503	1,649	(146)	(9)	5,453	8,563	(3,110)	(36)
Corporate	101	215	(114)	(53)	870	840	30	4
Total Expenses (1), (2)	9,008	8,294	714	9	34,330	35,162	(832)	(2)
Adjusted EBITDA								
Financial Services	487	(173)	660	382	573	(1,882)	2,455	130
Healthcare	(1,317)	(1,559)	242	16	(4,682)	(6,598)	1,916	29
Corporate	(101)	(215)	114	53	(870)	(840)	(30)	(4)
Total Adjusted EBITDA	(931)	(1,947)	1,016	52	(4,979)	(9,320)	4,341	47
Net loss	**($1,956)**	**($4,089)**			**($7,140)**	**($11,878)**		
Weighted average number of common shares outstanding (000's)								
Basic and diluted	20,450	20,459			20,457	20,403		
Net loss per share								
Basic and diluted	$(0.10)	$(0.20)			$(0.35)	$(0.58)		
Adjusted EBITDA per share								
Basic and diluted	$(0.05)	$(0.10)			$(0.24)	$(0.46)		

(1) Total revenue and expenses have been presented for both the business units; Financial Services and Healthcare as compared to the presentation in the audited consolidated statements of comprehensive loss for the year ended December 31, 2015, wherein the total revenue presented relate to Financial Services and the net of revenue and expenses for Healthcare have been presented as part of the loss from discontinued operation.

(2) The total expenses for the quarter and fiscal year ended December 3, 2015 excludes share based payment expense of $202 and $510 (2014 - $20 and $274), depreciation and amortization of $339 and $1,913 (2014 - $357 and $1,714), lease exit charges of $nil and $351 (2014 - $nil and ($625)), impairment charge of $864 (2014 - $1,887) and earn-out recovery of $nil and ($398) (2014 - $nil).

	As at December 31, 2015	As at December 31, 2014
	(In thousands of dollars)	
Selected Statement of Financial Position Data	$	$
Cash and cash equivalents	14,699	18,298
Total assets	29,018	34,704
Deferred revenue	4,686	4,964
Total non-current liabilities	1,186	879
Total liabilities	12,179	11,023
Total shareholders' equity	16,839	23,681

Comparison of the quarter and Fiscal Years ended December 31, 2015 and 2014

Revenue

Total revenue for the quarter ended December 31, 2015 was $8,077, an increase of $1,730, or 27%, compared to $6,437 for the comparative period in 2014. Total revenue for the year ended December 31, 2015 was $29,351, an increase of $3,509 or 14%, compared to $25,842 for the comparative period in 2014. The revenue from license and subscription fees increased due to a new customer arrangement with a major Australian Bank entered into towards the end of the third quarter of 2014 and a new customer arrangement with a major Global Bank entered into in the third quarter of 2015 that will deliver software licenses, services and maintenance revenue to the Company in the coming quarters. These arrangements also contributed to the increase in professional services revenue for the quarter and year ended December 31, 2015 as compared to the comparative periods in 2014. Maintenance and support revenue increased due to the commencement of an annual maintenance and support contract for an additional customer and additional software licenses purchases by the existing customers.

The Company's revenue by geographic region is as follows:

(In thousands of dollars)	Quarter ended December 31, 2015			Quarter ended December 31, 2014		
	Financial Services	Healthcare	Total	Financial Services	Healthcare	Total
United States of America	$3,582	$—	$3,582	$2,571	$—	$2,571
Canada	531	186	717	1,233	90	1,323
Asia Pacific	864	—	864	2,413	—	2,413
Europe	2,914	—	2,914	40	—	40
Total	$7,891	$186	$8,077	$6,257	$90	$6,347

(In thousands of dollars)	Year ended December 31, 2015			Year ended December 31, 2014		
	Financial Services	Healthcare	Total	Financial Services	Healthcare	Total
United States of America	$12,680	$—	$12,680	$12,281	$—	$12,281
Canada	3,128	771	3,899	5,378	1,965	7,343
Asia Pacific	8,020	—	8,020	3,974	—	3,974
Europe	4,752	—	4,752	2,244	—	2,244
Total	$28,580	$771	$29,351	$23,877	$1,965	$25,842

Deferred revenue

Deferred revenue balance at December 31, 2015 was $5,223, comprised of $666 from software license, subscription, and professional services arrangements and $4,557 in annual maintenance and support revenue.

In the fiscal year ended December 31, 2015, we recognized revenue of $4,497 that was deferred at December 31, 2014, comprised of $1,136 from software license, subscriptions, and professional services arrangements and $3,361 from maintenance and support revenue.

Expenses

Total expenses for the quarter ended December 31, 2015 increased by $714, or 9%, to $9,008, compared to $8,294 over the comparative period in 2014. During the fiscal year ended December 31, 2015, expenses decreased by $832, or 2%, to $34,330, compared to $35,162 over the comparative period in 2014. Total expenses include corporate costs which are costs associated with business activities which are not directly attributable to the Company's business segments. The overall decrease in expenses in the current year as compared to the prior year is a result of the Company committing in 2014 to optimizing its cost structure and focusing on reducing costs and driving efficiencies in the business. Our average employee headcount for the business reduced to 207 for the quarter ended

December 31, 2015 from 213 in the comparative period in 2014. Our average employee headcount for the business reduced to 208 for the fiscal year ended December 31, 2015 from 235 in the comparative period in 2014.

Adjusted EBITDA

Total Adjusted EBITDA loss for the quarter ended December 31, 2015 decreased by $1,016 to a loss of $931, or $(0.05) per share (basic and diluted) as compared to a loss of $1,947, or $(0.10) per share (basic and diluted), in the comparative period in 2014. For the fiscal year ended December 31, 2015, total Adjusted EBITDA loss decreased by $4,341 to a loss of $4,979, or $(0.24) per share (basic and diluted) as compared to a loss of $9,320, or $(0.46) per share (basic and diluted), in the comparative period in 2014. As the revenues of the Company grow, we expect that the expenses as a percentage of revenues will decline over time which will favourably impact the Adjusted EBITDA. See "Non-IFRS Measures" for a description of Adjusted EBITDA.

Net loss

We reported net loss of $1,956, or $(0.10) per share (basic and diluted), for the quarter ended December 31, 2015 compared to net loss of $4,089, or $(0.20) per share (basic and diluted), for the comparative period in 2014. For the fiscal year ended December 31, 2015, we reported net loss of $7,140, or $(0.35) per share (basic and diluted), compared to net loss of $11,878, or $(0.58) per share (basic and diluted), for the comparative period in 2014. The decrease in net loss is largely due to the decrease in expenses relative to the growth in revenues for the same periods.

Financial Results of our Business Segments

Financial Services

The following table sets forth a summary of our results of operations according to revenue type and our expenses by category and the changes for the quarters and fiscal years ended December 31, 2015 and 2014:

(In thousands of dollars, except percentages and per share amounts)	Quarter ended December 31,		Period-Over-Period Change		Year ended December 31,		Period-Over-Period Change	
	2015	2014	$	%	2015	2014	$	%
Revenue								
License fees	$1,190	$1,198	($8)	(1%)	$4,889	$3,148	$1,741	55%
Professional services	5,122	3,867	1,255	32	18,290	15,500	2,790	18
Maintenance and support	1,579	1,192	387	32	5,401	5,229	172	3
Total Revenue	7,891	6,257	1,634	26	28,580	23,877	4,703	20
Expenses								
Professional services	3,260	2,638	622	24	12,166	11,030	1,136	10
Research and development, net	1,761	1,609	152	9	6,770	6,313	457	7
Sales and marketing	1,247	1,067	180	17	4,874	4,149	725	17
General and administration	1,136	1,116	20	2	4,197	4,267	(70)	(2)
Total Expenses	7,404	6,430	974	15	28,007	25,759	2,248	9
Adjusted EBITDA	**$487**	**($173)**	**$660**	**382%**	**$573**	**($1,882)**	**$2,455**	**130%**
Adjusted EBITDA margin	**6%**	**(3%)**			**2%**	**(8%)**		

Revenue

For the quarter ended December 31, 2015, total revenue in the financial services segment increased by $1,634, or 26%, to $7,891, from $6,257 for the comparative period in 2014. For the fiscal year ended December 31, 2015, total revenue in the financial services segment increased by $4,703, or 20%, to $28,580, from $23,877 for the comparative period in 2014.

License fees - For the quarter ended December 31, 2015, license fees revenue in the financial services segment decreased by $8, or 1%, to $1,190, from $1,198 for the comparative period in 2014. For the fiscal year ended

December 31, 2015, license fees revenue in the financial services segment increased by $1,741, or 55%, to $4,889, from $3,148 for the comparative period in 2014. The increase for the quarter and year ended December 31, 2015 was due to a new customer arrangement with a major Australian Bank entered towards the end of the third quarter of 2014 for which the deployment was completed in the fourth quarter of 2015. The increase was also attributable to a new customer arrangement with a major Global Bank entered into in the third quarter of 2015 that will deliver software licenses, services and maintenance revenue to the Company in the coming quarters. In addition, in the fiscal year ended December 31, 2015, some of the existing customers of the Company purchased additional software licenses which were recognized into revenue as the initial software deployment had already taken place in prior years.

Professional services - For the quarter ended December 31, 2015, professional services revenue in the financial services segment increased by $1,255, or 32%, to $5,122, from $3,867 for the comparative period in 2014. For the fiscal year ended December 31, 2015, professional services revenue in the financial services segment increased by $2,790, or 18%, to $18,290, from $15,500 for the comparative period in 2014. The Company earned professional services revenue from the customer arrangement with a major Australian bank and from the customer arrangement with a major Global bank. Incremental non-essential or post-software deployment professional services delivered to some of our existing customers also resulted in an increase in revenue. For the fiscal year ended December 31, 2015, the increase in the professional services revenue was partially offset due to decrease in the custom mobile services and data analytics services as in late 2014, the Company shifted its focus to the new data governance product and related services going forward.

Maintenance and support - For the quarter ended December 31, 2015, maintenance and support revenue in the financial services segment increased by $387, or 32%, to $1,579, from $1,192 for the comparative period in 2014. For the fiscal year ended December 31, 2015, maintenance and support revenue in the financial services segment increased by $172, or 3%, to $5,401, from $5,229 for the comparative period in 2014. The increase in maintenance and support revenue for the quarter and year ended December 31, 2015 was due to the commencement of maintenance and support with respect to the customer arrangement with a major Australian bank wherein the software licenses were deployed in the fourth quarter of 2015. The increase was also due to additional software licenses purchases by the existing customers. This was partially offset by decrease in maintenance and support revenue due to a non-renewal by a customer in the second quarter of 2014.

Deferred Revenue

Deferred revenue balance at December 31, 2015 was $4,686, comprised of $138 from software license and professional services arrangements and $4,548 in annual maintenance and support revenue.

In the fiscal year ended December 31, 2015, we recognized revenue of $4,131 that was deferred at December 31, 2014, comprised of $783 from software license and professional services arrangements and $3,348 from maintenance and support revenue.

Expenses

Total expenses for the quarter ended December 31, 2015 increased by $974, or 15%, to $7,404, compared to $6,430 over the comparative period in 2014. During the fiscal year ended December 31, 2015, expenses increased by $2,248, or 9%, to $28,007, compared to $25,759 over the comparative period in 2014. The increase in expenses for the quarter and year ended December 31, 2015 as compared to the prior year is primarily headcount-related and due to the use of contractors. Our average employee count in the Financial Services business increased to 170 for the quarter ended December 31, 2015 from 159 in the comparative period in 2014. Our average employee count in the Financial Services business decreased to 164 for the fiscal year ended December 31, 2015 from 173 in the comparative period in 2014.

Professional services — Professional services costs for the quarter ended December 31, 2015 increased by $622, or 24%, to $3,260, from $2,638 for the comparative period in 2014. For the quarter ended December 31, 2015, the Company had an average headcount devoted to professional services of 71 full time employees as compared to 70 for the comparative period in 2014. During the year ended December 31, 2015, professional services costs increased by $1,136, or 10%, to $12,166, compared to $11,030 over the comparative period in 2014. For the fiscal year ended December 31, 2015, the average headcount devoted to professional services decreased to 71 employees as compared to 77 employees in the comparative period in 2014. The increase in the costs is mainly due to the use of contractors to supplement the full time employees.

Research and development — Research and development expenses for the quarter ended December 31, 2015 increased by $152, or 9%, to $1,761, from $1,609 for the comparative period in 2014. For the quarter ended December 31, 2015, the average headcount devoted to research and development was 63 as compared to 57 for the comparative period in 2014. During the year ended December 31, 2015, research and development expenses increased by $457, or 7%, to $6,770, compared to $6,313 over the comparative period in 2014. For the year ended December 31, 2015, the average headcount devoted to research and development decreased to 59 employees as compared to 64 employees to the comparative period in 2014. The increase in the costs is mainly due to the use of contractors to supplement the full time employees.

Sales and marketing — Sales and marketing expenses for the quarter ended December 31, 2015 increased by $180, or 17%, to $1,247, from $1,067 for the comparative period in 2014. For the quarter ended December 31, 2015, the average headcount devoted to sales and marketing was 20 as compared to 17 for the comparative period in 2014. During the year ended December 31, 2015, sales and marketing expenses increased by $725, or 17%, to $4,874, compared to $4,149 over the comparative period in 2014. For the year ended December 31, 2015, the average headcount devoted to sales and marketing was 18 as compared to 16 for the comparative period in 2014. This resulted in an increase in the expense compared to the same period in the prior year.

General and administrative — General and administrative ("G&A") expenses for the quarter ended December 31, 2015 increased by $20, or 2%, to $1,136, from $1,116 for the comparative period in 2014. For the quarter ended December 31, 2015, the average headcount devoted to G&A was 17 as compared to 16 for the comparative period in 2014. During the year ended December 31, 2015, G&A decreased by $70, or 2%, to $4,197, compared to $4,267 over the comparative period in 2014. For the year ended December 31, 2015, the average headcount devoted to G&A remained flat at 16 employees as compared to the comparative period in 2014. The overall decrease in the expense was due to the reduced rent expense as a result of the sub-lease of space.

Adjusted EBITDA

Adjusted EBITDA was a profit of $487 for the quarter ended December 31, 2015 compared to an Adjusted EBITDA loss of $173 in the comparative period in 2014. Adjusted EBITDA margin was 6% in the current quarter compared to (3%) for the comparative period in 2014. Adjusted EBITDA was a profit of $573 for the fiscal year ended December 31, 2015 compared to an Adjusted EBITDA loss of $1,882 in the comparative period in 2014. Adjusted EBITDA margin was 2% in the fiscal year ended December 31, 2015 compared to (8%) for the comparative period in 2014. As the revenues grow, we expect that the expenses as a percentage of revenues will decline over time which will favourably impact the Adjusted EBITDA. See "Non-IFRS Measures" for a description of Adjusted EBITDA.

Healthcare

The following table sets forth the breakdown of our revenue recognized according to revenue type and our expenses by category and the change for the quarters and fiscal years ended December 31, 2015 and 2014:

(In thousands of dollars, except percentages and per share amounts)	Quarter ended December 31,		Period-Over-Period Change		Year ended December 31,		Period-Over-Period Change	
	2015	**2014**	**$**	**%**	**2015**	**2014**	**$**	**%**
Revenue								
License and subscription fees	$121	$46	$75	163%	$395	$303	$92	30%
Professional services	56	5	51	n/m	336	1,490	(1,154)	(77)
Maintenance and support	9	39	(30)	(77)	40	172	(132)	(77)
Total Revenue	186	90	96	107	771	1,965	(1,194)	(61)
Expenses								
Professional services	139	184	(45)	(24)	635	1,239	(604)	(49)
Research and development, net	537	689	(152)	(22)	2,141	3,465	(1,324)	(38)
Sales and marketing	225	464	(239)	(52)	1,159	2,225	(1,066)	(48)
General and administration	602	312	290	93	1,518	1,634	(116)	(7)
Total Expenses	1,503	1,649	(146)	(9)	5,453	8,563	(3,110)	(36)
Adjusted EBITDA	**(1,317)**	**(1,559)**	**$242**	**16%**	**(4,682)**	**(6,598)**	**1,916**	**29%**
Adjusted EBITDA margin	**n/m**	**n/m**			**n/m**	**n/m**		

n/m — not meaningful

Revenue

Total revenue for the quarter ended December 31, 2015 was $186, an increase of $96 or 107%, compared to $90 for the comparative period in 2014. Total revenue for the fiscal year ended December 31, 2015 was $771, a decrease of $1,194, or 61%, compared to $1,965 for the comparative period in 2014.

License and subscription fees — License and subscription fees for the quarter ended December 31, 2015 increased by $75, to $121, from $46 for the comparative period in 2014. The increase was a result of the new contracts which were signed in prior periods for which revenue was recognized in Q4, 2015. During the fiscal year ended December 31, 2015, license and subscription fees increased by $92, or 30%, to $395, from $303 for the comparative period in 2014. The increase was a result of the new contracts which were signed in prior periods for which revenue was recognized in the period ended December 31, 2015. This was partially offset by decrease in revenue from the Connected Health and Wellness Project funded by the Federal Economic Development Agency for Southern Ontario, which was a two year initiative, which ended March 31, 2014.

In the first half of 2015, the Company contracted with another large pharmaceutical company to develop, review and host infographic content for point of care education through NexJ Health Pro on Chronic Lymphocytic Leukemia cancer and its corresponding treatment. The Company also contracted with a hospital in Ontario to sell NexJ Connected Wellness for care plan coordination for their Health Care Professionals and high needs patients. These new customer arrangements along with the ones executed in Q4, 2014 will deliver subscription and services revenue to the Company 2015 and beyond.

Professional services — Professional services revenue for the quarter ended December 31, 2015 increased by $51, to $56, from $5, for the comparative period in 2014. The increase in the professional services revenue was a result of the new contracts which were signed in prior periods for which revenue was recognized in Q4, 2015. During the fiscal year ended December 31, 2015, professional services decreased by $1,154, or 77%, to $336, from $1,490 for the comparative period in 2014. The decrease was mainly due to the Connected Health and Wellness Project funded by the Federal Economic Development Agency for Southern Ontario, which was a two year initiative, which ended March 31, 2014.

Maintenance and support — Maintenance and support revenues for the quarter ended December 31, 2015 decreased by $30, or 77%, to $9, from $39 in the comparative period in 2014. The decrease in maintenance and support was due to a customer non-renewal. During the fiscal year ended December 31, 2015, maintenance and support revenue decreased by 77% or $132, to $40 from $172 for the comparative period in 2014. The decrease in the maintenance and support revenue was as a result of the completion of the maintenance term for the Connected Health and Wellness Project funded by the Federal Economic Development Agency for Southern Ontario, which was a two year initiative, which ended March 31, 2014.

Deferred Revenue

Deferred revenue balance at December 31, 2015 was $537, comprised of $528 from software subscription and professional services arrangements and $9 in annual maintenance and support revenue.

In the fiscal year ended December 31, 2015, we recognized revenue of $366 that was deferred at December 31, 2014, comprised of $353 from software subscription fees and professional services arrangements and $13 from maintenance and support revenue.

The deferred revenue balance on our audited consolidated balance sheet does not represent the total contract value of the healthcare contracts. Unbilled deferred revenue represents future billings under our healthcare contracts that have not been invoiced and accordingly, are not recorded in deferred revenue. At December 31, 2015, unbilled deferred revenue was approximately $700.

Expenses

Total expenses for the quarter ended December 31, 2015 decreased by $146, or 9%, to $1,503, compared to $1,649 over the comparative period in 2014. During the fiscal year ended December 31, 2015, expenses decreased by $3,110, or 36%, to $5,453 compared to $8,563 over the comparative period in 2014. Our average employee count for the Healthcare segment decreased to 37 for the quarter ended December 31, 2015 from 54 in the comparative period in 2014. Our average employee count for the Healthcare segment decreased to 44 for the fiscal year ended December 31, 2015 from 62 in the comparative period in 2014.

Professional services — Professional services costs for the quarter ended December 31, 2015 decreased by $45, or 24%, to $139, from $184 for the comparative period in 2014. For the quarter ended December 31, 2015, the Healthcare segment had a steady average headcount devoted to professional services of 4 full time employees as compared to the comparative period in 2014. The decrease in the costs was due to the reduction in the use of short term contractors. During the fiscal year ended December 31, 2015, professional services costs decreased by $604, or 49%, to $635, compared to $1,239 over the comparative period in 2014. For fiscal year ended December 31, 2015, the Healthcare segment had an average headcount devoted to professional services of 3 full time employees as compared to 5 for the comparative period in 2014 resulting in the dollar decrease from the same period in the prior year. The decrease in the costs was also due to the significant reduction in the use of short term contractors to supplement the full time employees due to the Connected Health and Wellness Project funded by the Federal Economic Development Agency for Southern Ontario, which was a two year initiative, which ended March 31, 2014.

Research and development — Research and development expenses for the quarter ended December 31, 2015 decreased by $152, or 22%, to $537, from $689 for the comparative period in 2014. For the quarter ended December 31, 2015, the average headcount devoted to research and development was 22 as compared to 31 for the comparative period in 2014. During the fiscal year ended December 31, 2015, research and development expenses decreased by $1,324, or 38%, to $2,141, compared to $3,465 over the comparative period in 2014. For the fiscal year ended December 31, 2015, the average headcount devoted to research and development was 25 as compared to 38 for the comparative period in 2014. In March 2012, the Company teamed with Beth Israel Deaconess Medical Center to digitize the Passport to TRUST program, the duration of the arrangement being two years ended on March 31, 2014. The Company recorded $107 of expenses relating to this agreement for the year ended December 31, 2014 as compared to $nil in the comparative current period in 2015.

Sales and marketing — Sales and marketing expenses for the quarter ended December 31, 2015 decreased by $239, or 52%, to $225, from $464 for the comparative period in 2014. For the quarter ended December 31, 2015, the average headcount devoted to sales and marketing was 7 as compared to 15 for the comparative period in 2014. During the fiscal year ended December 31, 2015, sales and marketing expenses decreased by $1,066, or 48%, to $1,159, compared to $2,225 over the comparative period in 2014. For the year ended December 31, 2015, the average headcount devoted to sales and marketing was 11 as compared to 16 for the comparative period in 2014.

General and administrative — General and administrative ("G&A") expenses for the quarter ended December 31, 2015 increased by $290, or 93%, to $602, from $312 for the comparative period in 2014. For the quarter ended December 31, 2015, the average headcount devoted to G&A stayed steady at 4 employees as compared to the comparative period in 2014. During the fiscal year ended December 31, 2015, G&A decreased by $116, or 7%, to $1,518, compared to $1,634 over the comparative period in 2014. For the fiscal year ended December 31, 2015, the average headcount devoted to G&A was 5 as compared to 4 for the comparative period in 2014. Although the headcount remained relatively flat, the overall decrease in the expense was due to the reduced rent expense as a result of the sub-lease of space.

Adjusted EBITDA

Adjusted EBITDA was a loss of $1,317 for the quarter ended December 31, 2015 compared to an Adjusted EBITDA loss of $1,559 in the comparative period in 2014. Adjusted EBITDA was a loss of $4,682 for the year ended December 31, 2015 compared to an Adjusted EBITDA loss of $6,598 in the comparative period in 2014. As the revenues grow, we expect that the expenses as a percentage of revenues will decline over time which will favourably impact the Adjusted EBITDA. See "Non-IFRS Measures" for a description of Adjusted EBITDA.

Review of Consolidated Performance

This section discusses our consolidated net income (loss), and other expenses that do not form part of segment discussions above.

(In thousands of dollars)

	Quarter ended December 31,		Period-Over-Period Change		Year ended December 31,		Period-Over-Period Change	
	2015	2014	$	%	2015	2014	$	%
Adjusted EBITDA	**($931)**	**($1,947)**	$1,016	52%	**($4,979)**	**($9,320)**	$4,341	47%
Share-based payment expense	202	20	182	n/m	510	274	236	86
Depreciation and amortization	339	357	(18)	(5)	1,913	1,714	199	12
Lease-exit charges, net	—	—	—	—	351	(625)	976	n/m
Foreign exchange gain	(356)	(98)	(258)	263	(947)	(553)	(394)	71
Finance income	(24)	(61)	37	(61)	(116)	(265)	149	(56)
Finance cost	—	37	(37)	n/m	—	126	(126)	n/m
Impairment charge	864	1,887	(1,023)	(54)	864	1,887	(1,023)	(54)
Earn-out recovery	—	—	—	—	(398)	—	(398)	n/m
Income (loss) before income taxes	(1,956)	(4,089)	(2,133)	52	(7,156)	(11,878)	4,722	40
Income taxes	—	—	—	—	(16)	—	(16)	—
Net income (loss)	**($1,956)**	**($4,089)**	**($2,133)**	**52%**	**($7,140)**	**($11,878)**	**$4,738**	**40%**

n/m — not meaningful

Share-based payment expense

For the quarter ended December 31, 2015, we recognized share-based payment expense of $202 compared to $20 recognized in the comparative period of 2014. During the fiscal year ended December 31, 2015, we recognized share-based payment expense of $510 compared to $274 recognized in the comparative period of 2014.

In December 2015, the Company modified its stock options plan to cancel and re-grant of options to existing employees. Accordingly, the Company cancelled 682,146 options issued during the period from 2009 to 2012 ranging in price from $3.50 per share to $9.00 per share and re-granted 781,200 option at an exercise price of $1.47 per share to be recognized over the two-year vesting period with options vested in 8 equal quarterly instalments. This contributed to the increase in the expense for both periods and as a result of the manner in which the estimated fair value of share-based payments are attributed under IFRS, whereby the share-based payment expense is disproportionately attributed to the periods immediately subsequent to the grant-date as each tranche of the award is recognized over the graded vesting period.

Depreciation and amortization

Depreciation of property and equipment and amortization of intangible assets for the quarter ended December 31, 2015 was $339, compared to $357 for the comparative period in 2014. During the fiscal year ended December 31, 2015, depreciation of property and equipment and amortization of intangible assets was $1,913, compared to $1,714 for the comparative period in 2014. The increase is mainly due to the change in the estimated useful life of the intangible assets in the Broadstreet cash generating unit from four years to three years as a result of the impairment charge in the quarter ended December 31, 2014.

Lease-exit charges, net

For the quarter and fiscal year ended December 31, 2015, the Company recorded lease-exit costs of $nil and $351 under general and administrative expenses in the consolidated statements of comprehensive loss, pertaining to the exit of portion of the leased office premises, which occurred in June 2015. During the quarter ended June 30, 2015, the Company negotiated a sub-lease arrangement with a third party and executed an offer to sub-lease effective September 1, 2015, with the legal agreements executed in July 2015. The Company recognized a liability for the discounted future lease payments to which the Company is committed to, less estimated future sublease income, in the amount of $351 which was recorded as a provision as at December 31, 2015.

For the quarter and fiscal year ended December 31, 2014, the Company recorded reversal to the lease-exit costs of $nil and $625 respectively, under general and administrative in profit or loss, pertaining to the exit of portion of the leased office premises which the Company exited in November 2013. During the three months ended March 31, 2014, the Company commenced negotiating a sub-lease arrangement with a third party and executed an offer to sublease in April, 2014, with the legal agreements executed in June, 2014. As a result, in Q1 of 2014, the Company revised its estimates with respect to the vacated office facility and reversed a component of the provision in the amount of $625.

Foreign exchange gain

For the quarter ended December 31, 2015 our foreign exchange gain was $356 compared to a gain of $98 in the comparative period in 2014. For the fiscal year ended December 31, 2015, our foreign exchange gain was $947 versus a gain of $553 for the same period in 2014.

The Company transacts business in multiple currencies, the most significant of which are the U.S. dollar and the Australian dollar. The change in the foreign exchange impact during the quarter ended December 31, 2015 was the result of fluctuations in exchange rates between the Canadian dollar (our functional and reporting currency), the U.S. dollar and the Australian dollar as well as change in the U.S. dollar and Australian dollar denominated monetary assets held by the Company. For the quarter ended December 31, 2015, the U.S. dollar strengthened by approximately 3.7% against the Canadian dollar from C$1.3345 to C$1.3840 as compared to 3.6% from C$1.12 to C$1.1601 for the comparative period in 2014. The foreign exchange gain was further increased by the strengthening of the Australian dollar by approximately 7.2% against the Canadian dollar from C$0.9402 to C$1.0083 in year ended December 31, 2015. For the fiscal year ended December 31, 2015, the US dollar strengthened by 19.3% against the Canadian dollar from C$1.1601 to C$1.3840 as compared to strengthening by 9.1% from C$1.0636 to C$1.1601 for the comparative period in 2014. This was further increased by the strengthening of the Australian dollar by approximately 6.4% against the Canadian dollar from C$0.9479 to C$1.0083 in the fiscal year ended December 31, 2015.

As at December 31, 2015, U.S. dollar denominated net monetary assets were US$7,302 as compared to US$5,563 as at December 31, 2014. As at December 31, 2015, Australian dollar denominated net monetary assets were AU$1,525 as compared to AU$4,442 as at December 31, 2014. As at December 31, 2015, British pound-sterling denominated net monetary assets were £3 as compared to £nil as at December 31, 2014.

Finance income

Finance income was $24 for the quarter ended December 31, 2015 compared to $61 for the comparative period in 2014. During the fiscal year ended December 31, 2015, finance income was $116 as compared to $265 for the comparative period in 2014. The decrease in the quarter and fiscal year ended December 31, 2015 was primarily a result of decreased average cash and cash equivalents. We maintain excess cash in various bank accounts and in highly liquid instruments with low yield and low risk with short-term maturities.

Finance cost

Finance cost was $nil for the quarter ended December 31, 2015 compared to $37 for the comparative period in 2014. During the year ended December 31, 2015, finance cost was $ nil as compared to $126 for the comparative period in 2014. This primarily relates to the accretion of the earn-out liability in relation to the acquisition of Liberate.

Impairment charge

For the quarter and year ended December 31, 2015, the Company recorded an impairment charge of $864 in the healthcare cash generating unit, resulting in a reduction of the allocated goodwill of the healthcare cash generating unit. The goodwill attributable to the operation of the Healthcare business was previously allocated to the Liberate CGU within the Healthcare business. Commencing in the fourth quarter of 2015, the Company sells its Healthcare solutions as an integrated end to end solution and the technology acquired from Liberate has been further augmented and integrated with the Company's Connected Wellness Platform. Management determined that this represented a significant change resulting in the change in the CGU and concluded that the Healthcare business is a single operating unit and is considered a CGU. The impairment charge was determined based on using a value in use methodology with pre-tax discount rates of approximately 36%. The recoverable amount of the healthcare cash generating unit declined as a result of the change in the CGU as well as due to the fact that the healthcare cash generating unit is expected to incur losses until reaching break-even cash flows at the end of 2017.

For the quarter and year ended December 31, 2014, the Company recorded an impairment charge of $1,887 in the Broadstreet cash generating unit, resulting in a reduction of the allocated goodwill of the Broadstreet cash generating unit. The impairment charge was determined based on using a value in use methodology with pre-tax discount rates of approximately 30%. The recoverable amount of the Broadstreet cash generating unit declined due to the decrease in revenues as the Company ceased doing the custom mobile services and shifted its focus to the new data governance product and related services going forward.

Net loss

We reported net loss of $1,956, or $0.10 per share (basic and diluted), for the quarter ended December 31, 2015 compared to a net loss of $4,089, or $0.20 per share (basic and diluted), for the comparative period in 2014. Excluding the impairment charge, the decrease in net loss is largely due to the decrease in expenses relative to the revenues for the same periods. For the fiscal year ended December 31, 2015, we reported a net loss of $7,140, or $0.35 per share (basic and diluted), compared to a net loss of $11,878, or $0.58 per share (basic and diluted), for the comparative period in 2014.

Reconciliation of Adjusted EBITDA

The following table reconciles the consolidated Adjusted EBITDA to net loss:

	Quarter ended December 31,		**Year ended December 31,**	
	2015	**2014**	**2015**	**2014**
	(in thousands of dollars, except percentages)		(in thousands of dollars, except percentages)	
Net income (loss)	**($1,956)**	**($4,089)**	**($7,140)**	**($11,878)**
Adjust for:				
Share-based payment expense	202	20	510	274
Depreciation and amortization	339	357	1,913	1,714
Lease-exit charges, net	—	—	351	(625)
Foreign exchange gain	(356)	(98)	(947)	(553)
Finance income	(24)	(61)	(116)	(265)
Finance cost	—	37	—	126
Impairment charge	864	1,887	864	1,887
Earn-out recovery	—	—	(398)	—
Income tax recovery	—	—	(16)	—
Adjusted EBITDA	**($931)**	**($1,947)**	**($4,979)**	**($9,320)**
Adjusted EBITDA margin	**(12%)**	**(31%)**	**(17%)**	**(36%)**

Summary of Quarterly Results

The following table sets out selected financial information for each of the eight most recent quarters, the latest of which ended December 31, 2015. Our quarterly operating results have historically fluctuated significantly and may continue to fluctuate significantly in the future. Therefore, we believe that past operating results and period-to-period comparisons should not be relied upon as an indication of the Company's future performance.

	Quarters Ended							
	December 31, 2015	September 30, 2015	June 30, 2015	Mar. 31, 2015	Dec. 31, 2014	Sept. 30, 2014	Jun. 30, 2014	Mar. 31, 2014
	(In thousands of dollars, except share figures) (Unaudited)							
Revenue - Financial Services*	$7,891	$7,285	$7, 186	$6,218	$6,257	$5,158	$6,894	$5,568
Revenue - Healthcare*	186	293	167	125	90	57	81	1,737
Total Revenue*	8,077	7,578	7,353	6,343	6,347	5,215	6,975	7,305
Net income (loss) from continuing operations	288	(181)	(1,195)	(670)	(2,483)	(1,086)	(469)	(944)
Net income (loss) from discontinued operation	(2,244)	(994)	(1,152)	(992)	(1,606)	(2,291)	(2,057)	(942)
Weighted average number of shares outstanding (000`s):								
Basic and Diluted	20,450	20,459	20,459	20,459	20,459	20,458	20,415	20,280
Net income (loss) per share from continuing operations:								
Basic	$ 0.01	$ (0.01)	$ (0.06)	$ (0.03)	$ (0.12)	$ (0.05)	$ (0.02)	$ (0.05)
Diluted	$ 0.01	$ (0.01)	$ (0.06)	$ (0.03)	$ (0.12)	$ (0.05)	$ (0.02)	$ (0.05)
Net income (loss) per share from discontinued operation:								
Basic	$ (0.11)	$ (0.05)	$ (0.06)	$ (0.05)	$ (0.08)	$ (0.11)	$ (0.10)	$ (0.05)
Diluted	$ (0.11)	$ (0.05)	$ (0.06)	$ (0.05)	$ (0.08)	$ (0.11)	$ (0.10)	$ (0.05)

**Revenue has been disclosed for Financial Services segment and Healthcare segment as well as the total aggregate revenue to be consistent with the discussion in this MD&A. In the audited consolidated statements of comprehensive loss for the year ended December 31, 2015 and 2014, the revenue for the Healthcare segment has been classified as part of the loss from discontinued operation.*

In periods where a net loss was incurred, stock options and common shares issued pursuant to the share purchase loan and pledge agreements were considered to be anti-dilutive and excluded from the computation of diluted loss per share.

Key factors that account for the fluctuations in quarterly results include the variability in the Company's license revenue and the impact of currency movements against the Canadian dollar. As the timing of executing larger software license arrangements changes from quarter to quarter, the impact on license revenue has been significant. The movement of the Canadian dollar against the U.S. dollar and the Australian dollar has a direct impact on the Company's financial results as certain amount of our revenues are denominated in U.S. dollars and Australian dollars. As a result, in periods where the Canadian dollar strengthens against the U.S. dollar and the Australian dollar, the Company's revenues are negatively impacted.

Liquidity and Capital Resources

As of December 31, 2015, we held cash and cash equivalents of $14,699. We believe that ongoing operations, working capital and associated cash flows in addition to our cash resources provide sufficient liquidity to support our ongoing business operations and satisfy our obligations as they become due.

Below is a summary of our cash flows from (used in) operating, financing, and investing activities for the periods indicated:

(in thousands of dollars)	Year ended December 31,	
	2015*	2014*
Net cash flows from (used in) operating activities	$ 1,042	$ (4,191)
Net cash flows used in discontinued operation	(4,888)	(6,457)
Net cash flows used in financing activities	(44)	(218)
Net cash flows financing activities from discontinued operation	—	(566)
Net cash flows used in investing activities	(190)	(20)
Effect of exchange rate changes on cash and cash equivalents	495	457
Decrease in cash and cash equivalents	(3,585)	(10,995)
Cash and cash equivalents, reclassified to held for distribution	(14)	—
Beginning cash and cash equivalents	18,298	29,293
Ending cash and cash equivalents	14,699	18,298

**The fiscal year 2015 and 2014 figures have been presented for the classification of the Healthcare business as a discontinued operation.*

Net cash from (used in) operating activities

We generated cash of $1,042 from operating activities for the year ended December 31, 2015. Of the cash generated, $1,238 is attributable to movements in non-cash working capital with a significant change arising from the decreases in accounts payable and accrued liabilities and deferred revenue, offset by the decrease in accounts receivable and prepaid expenses and other assets, year over year and the remainder from operating activities.

We used cash of $4,191 in operating activities for the year ended December 31, 2014. Of the cash used $2,190 was attributable to movements in non-cash working capital with a significant change arising from decreases in accounts receivable and increases in accounts payable and accrued liabilities and deferred revenue, offset by a decrease in prepaid expenses and other assets, year over year and the remainder from operating activities.

Net cash used in discontinued operation operating activities

We used additional cash of $4,888 from operating activities of the Healthcare business for the year ended December 31, 2015. Of the cash used, $206 is attributable to movements in non-cash working capital with a significant change arising from the decreases in accounts payable and accrued liabilities and deferred revenue, offset by the decrease in accounts receivable and increase in prepaid expenses and other assets, year over year and the remainder from operating activities.

We used cash of $6,457 in operating activities of the Healthcare business for the year ended December 31, 2014. Of the cash used $141 was attributable to movements in non-cash working capital with a significant change arising from decreases in accounts receivable and prepaid expenses and other assets, increase in deferred revenue, offset by a decrease in accounts payable and accrued liabilities, year over year and the remainder from operating activities.

Net cash flows used in financing activities

For the year ended December 31, 2015, net cash used in financing activities was $44. This consisted of $22 pertaining to the repurchase of the common shares of the Company and $22 relating to the settlement with the selling shareholder of Liberate.

In August, 2015, the Company applied to the Toronto Stock Exchange ("TSX") to undertake a Normal Course Issuer Bid ("NCIB"), which was accepted by the TSX on August 12, 2015, for purchases of its Common Shares

through all available markets and/or alternative trading systems, including the facilities of the TSX. The maximum number of Common Shares which could be purchased until August 23, 2016 pursuant to the NCIB, aggregated to 1,000,000 Common Shares, representing approximately 4.7% of the number of Common Shares issued and outstanding as of August 12, 2015. The actual number of Common Shares purchased and the timing of such purchases were determined by NexJ considering market conditions, stock prices, its cash position, and other factors. During the year ended December 31, 2015, the Company repurchased and cancelled 13,926 of its common shares through trades on TSX for an aggregate purchase price of $22, which was recorded as a reduction of share capital.

For the year ended December 31, 2014, net cash used in financing activities was $218. This wholly pertained to the repurchase of the common shares of the Company.

In December, 2013, the Company applied to the Toronto Stock Exchange ("TSX") to undertake a Normal Course Issuer Bid ("NCIB"), which was accepted by the TSX on December 12, 2013, for purchases of its Common Shares through all available markets and/or alternative trading systems, including the facilities of the TSX. The maximum number of Common Shares which could be purchased until December 15, 2014 pursuant to the NCIB, aggregated to 1,000,000 Common Shares, representing approximately 4.7% of the number of Common Shares issued and outstanding as of December 10, 2013. The actual number of Common Shares purchased and the timing of such purchases were determined by NexJ considering market conditions, stock prices, its cash position, and other factors. During the year ended December 31, 2014, the Company repurchased and cancelled 109,700 of its common shares through trades on TSX for an aggregate purchase price of $218, which was recorded as a reduction of share capital.

Net cash flows used in financing activities from discontinued operation

For the year ended December 31, 2015, net cash used in financing activities was $nil.

For the year ended December 31, 2014, net cash used in financing activities was $566. This consisted of repayment of acquired bank indebtedness of Liberate of $66 and, repayment of $496 of acquired shareholder loan of Liberate and interest paid of $4.

Net cash flows used in investing activities

For the year ended December 31, 2015, net cash used in investing activities was $190, which consisted of interest received of $116, offset by the purchase of property and equipment of $306.

For the year ended December 31, 2014, net cash used in investing activities was $20. This consisted of interest received of $265 which was offset by the purchase of property and equipment of $285.

Capital Management

We define capital as the aggregate of shareholders' equity, which is comprised of issued capital, contributed surplus and deficit.

Our objective in managing capital is to ensure sufficient liquidity to pursue our growth strategy, fund research and development to enhance existing product offerings as well as develop new ones, undertake selective acquisitions and provide sufficient resources to meet day-to-day operating requirements, while at the same time taking a conservative approach towards financial leverage and management of financial risk. In managing the capital structure, we take into consideration various factors, including the growth of the business and related infrastructure and the up-front cost of taking on new customers. Our officers and senior management are responsible for managing the capital and do so through quarterly meetings and regular review of financial information. Our Board of Directors is responsible for overseeing this process. We manage capital to ensure that there are adequate capital resources while maximizing the return to shareholders through the optimization of the cash flows from operations and capital transactions.

We do not have any externally imposed capital requirements.

Contractual Obligations

Our contractual obligations include commitments made with respect to operating leases for office equipment and office premises. The Company executed agreements with two unrelated third parties to sub-lease a portion of its office space in June 2014 and June 2015, respectively. The sub-leases are for the remainder of the Company`s lease term for the office space.

The following table summarizes our outstanding total approximate future minimum annual lease payments for the leased office premises as of December 31, 2015:

	$
Less than 1 year	$1,376
Between 1 and 5 years	1,375
	2,751
Less: future sub-lease income	(650)
Total	$2,101

In addition, the Company is responsible for additional taxes, maintenance and other direct charges with respect to its leased office premises. The additional amount on an annual basis is expected to be approximately $1,604, of which $644 will be received by the Company from the sub-lease.

Off-Balance Sheet Transactions

As a general practice, we have not entered into off-balance sheet financing arrangements. Except for operating leases, all of our liabilities and commitments are reflected as part of our statement of financial position.

Transactions with Related Parties

Our Chief Executive Officer is a director of Canadian Association for People-Centred Health ("CAPCH"), a not-for-profit organization, and is actively involved in planning, directing and controlling the activities of CAPCH. During the year ended December 31, 2015, we expensed $nil (2014 — $34) respectively, under sales and marketing to support the activities of CAPCH.

Financial Risk Management

In the normal course of our business, we engage in operating and financing activities that generate risks in the following primary areas:

Foreign Currency Risk

Foreign currency risk is the risk that fluctuations in foreign exchange rates could impact our results from operations. We are exposed to a significant amount of foreign exchange risk, primarily between the Canadian dollar, the U.S. dollar and the Australian dollar. We transact business in multiple currencies, the most significant of which are the U.S. dollar and the Australian dollar. Currently, we do not enter into foreign exchange contracts to manage this exposure, but may do so in the future. As a result, we have foreign currency exposure with respect to items denominated in foreign currencies.

If a shift in foreign currency exchange rates of 10% were to occur, the foreign exchange gain or loss on our net foreign denominated monetary assets could change by approximately $1,165 due to the fluctuation and this would be recorded in profit or loss.

Credit Risk

Credit risk represents the financial loss that we would experience if a counterparty to a financial instrument, in which we have an amount owing from the counterparty, failed to meet its obligations in accordance with the terms and conditions of its contracts with the Company.

We have credit risk relating to cash and cash equivalents, which we manage by dealing with large chartered Canadian banks and investing in highly liquid investments.

In order to minimize the credit risk on accounts receivables, our extension of credit to customers involves review and approval by senior management, as well as progress payments as contracts are executed and credit checks, where deemed necessary.

The following table summarizes the number of customers that individually comprise greater than 10% of total revenue or total accounts receivable and their aggregate percentage of our total revenue and accounts receivable:

	Revenue	
	Number of customers	% of total*
Quarter ended December 31, 2015	3	66%
Year ended December 31, 2015	4	69%
Quarter ended December 31, 2014	3	63%
Year ended December 31, 2014	3	48%

**Prior year figures have been presented for the classification of the Healthcare segment as a discontinued operation.*

	Accounts receivable	
	Number of customers	% of total*
As at December 31, 2015	3	75%
As at December 31, 2014	3	79%

**Current year figures have been presented for the classification of the Healthcare segment as a discontinued operation.*

We review accounts receivable balances regularly and reduce amounts to their expected realizable values by recognizing an allowance for doubtful accounts in period the account is estimated not to be fully collectible.

Credit reviews take into account the counterparty's financial position, past experience and other factors. The majority of our customers are large financially established organizations and we believe this limits the credit risk relating to customers.

Liquidity Risk

Liquidity risk is the risk that we are not able to meet our financial obligations as they fall due. One of management's primary goals is to manage liquidity risk by continuously monitoring actual and projected cash flows to ensure that we have sufficient liquidity to meet our liabilities when due, under both normal and financially stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The majority of our financial liabilities are comprised of accounts payable and accrued liabilities. Given our available cash resources as compared to the liabilities, we assess the liquidity risk to be low.

We believe that the existing cash and cash equivalents will provide sufficient funding to meet all working capital, contractual commitments and financing needs for at least the next 12 months.

Interest Rate Risk

Interest rate risk arises because of the fluctuation in interest rates. We are, or have been, subject to interest rate risk on our cash and cash equivalents. The impact of change in interest rates has not been, nor is it expected to be, material.

Critical Accounting Policies and Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses and the disclosure of contingent assets and liabilities. These estimates and assumptions are affected by management's application of accounting policies and historical experience, and are believed by management to be reasonable under the circumstances. Such estimates and assumptions are evaluated on an ongoing basis and form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ significantly from these estimates.

Our significant accounting policies are fully described in Note 3 to our consolidated financial statements for the years ended December 31, 2015 and 2014 which are available on SEDAR (www.sedar.com). Certain accounting policies are particularly important to the reporting of our financial position and results of operations, and require the application of significant judgment by our management. An accounting policy is deemed to be critical if it requires

an accounting estimate to be made based on assumptions about matters that are highly uncertain at the time the estimate is made, and if different, estimates that reasonably could have been used, or changes in the accounting estimates that are reasonably likely to occur periodically, could have a material impact on the consolidated financial statements. Management believes the following critical accounting policies reflect the more significant estimates and assumptions used in the preparation of our consolidated financial statements.

The results of the Healthcare segment have been presented as a discontinued operation in the consolidated statements of comprehensive loss for the year ended December 31, 2015 and the comparatives have been restated to show the discontinued operation separately from continuing operations. We believe that there have been no other significant changes in our critical accounting estimates used in the preparation of the financial statements for the years ended December 31, 2015 and 2014.

Revenue recognition

Revenue is derived primarily from licensing of software products under non-cancellable license agreements and the provision of related professional services including installation, integration, and post-contract customer support ("PCS"). Revenue recognition requirements are very complex and are affected by interpretations of the rules and industry practices, both of which are subject to change. We follow specific and detailed guidelines in measuring revenue; however, certain judgments and current interpretations of rules and guidelines affect the application of our revenue recognition policy.

The Company's software license agreements are multiple-element arrangements as they may also include professional services and PCS. The Company also enters into subscription based arrangements which may also include professional services. Multiple-element arrangements are recognized as the revenue for each unit of accounting is earned based on the relative fair value of each unit of accounting as determined by an internal analysis of prices or by using the residual method. A delivered element is considered a separate unit of accounting if it has value to the customer on a standalone basis, and delivery or performance of the undelivered elements is considered probable and substantially under the Company's control. If these criteria are not met, revenue for the arrangement as a whole is accounted for as a single unit of accounting. If services are deemed essential to the functionality of the software, revenue from both the essential services and software is recognized under contract accounting using the percentage-of-completion method to measure the progress to completion, with consideration for customer acceptance provisions, the timing of payments, and the Company's history with similar arrangements. We estimate the percentage-of-completion on contracts utilizing the ratio of incurred labour hours to estimated total labour hours as the measure of its progress to completion on each contract. Recognized revenues are subject to revisions as the contract progresses to completion. The estimated total labour hours are a key estimate which drives our revenue recognition under the percentage of completion method. We monitor the estimated total labour hours on a monthly basis as the contract progresses and adjust earnings in the period a change in estimate or a contract amendment occurs. Revisions in estimates are charged to earnings in the period in which the facts that give rise to the revision become known. It should be noted that a significant amount of our license and professional services revenue are recognized under the percentage of completion method.

Software license revenue, when services are not essential to the functionality of the software, is recognized when the Company has an executed agreement, the software has been delivered, acceptance is probable, the fees are fixed or determinable, and the collection of the related receivable is deemed probable from the outset of the arrangement.

Professional services revenue including implementation and customization of software is recognized by the stage of completion of the transaction at the statements of financial position dates determined using the percentage of completion method noted above. Installation and integration revenue, when not essential to the functionality of the software, is recognized as delivered to the customer, based on the prices charged when these services are sold separately to customers. Out-of-pocket expenditures that are contractually reimbursable from customers are recorded as gross revenue and expenditures.

Maintenance revenue consists of fees charged for customer support on our software products post-delivery, which are determinable based on the price charged for the same or similar post-contract customer support (`PCS`) when sold in stand-alone PCS renewals with customers, as substantiated by contractual renewal rates and the Company's renewal experience. Maintenance fee arrangements include ongoing customer support and rights to certain product updates "if and when available". Customer payments for maintenance are generally received in advance and are non-refundable. Maintenance revenue is deferred and recognized on a straight-line basis over the life of the related period, which is typically one year.

Amounts are generally billable upon reaching certain performance milestones, as defined by individual contracts. Billings rendered in advance of performance under contracts are recorded as deferred revenue.

Goodwill and intangible assets - valuation and impairment testing

We have goodwill and intangible assets valued at $1,753 and $nil respectively as at December 31, 2015.

Goodwill is measured at cost less any subsequent impairment in value. We measure goodwill arising on a business combination as the fair value of the consideration transferred less the fair value of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. Any negative difference is recognized directly in the consolidated statements of comprehensive loss. Intangible assets are measured at cost less accumulated amortization, where applicable, and accumulated impairment losses.

We use the income approach to value acquired customer relationships and non-compete intangible assets, which are the two intangible assets reported in our consolidated financial statements.

The income approach is a valuation technique that calculates the fair value of an intangible asset based on the estimated cash flows that the asset can be expected to generate over its estimated useful life. We utilize the discounted cash flow ("DCF") methodology which is a form of the income approach that begins with a forecast of the annual cash flows that a market participant would expect the intangible asset to generate over a discrete projection period. The forecasted cash flows for each of the years in the discrete projection period are then converted to their present value equivalent using a rate of return appropriate for the risk of achieving the intangible assets' projected cash flows, again, from a market participant's perspective. The present value of the forecasted cash flows, net of tax, are then added to the present value of the residual value of the intangible assets (if any) at the end of the discrete projection period to arrive at a conclusion with respect to the fair value of the intangible assets. The useful lives of intangible assets are assessed as either finite or indefinite. The Company currently does not hold any intangible assets with indefinite lives.

We test for impairment as follows:

The carrying amounts of the Company's non-financial assets, other than deferred income tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested for impairment at least annually even if there is no indication of impairment, and the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets (the "cash-generating unit", or "CGU"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

An impairment loss is recognized if the carrying amount of an asset, or its CGU, exceeds its estimated recoverable amount. Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the unit on a pro rata basis. Impairment losses are recognized in the consolidated statements of comprehensive loss.

An impairment loss in respect of goodwill cannot be reversed. In respect of other non-financial assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the impairment loss has decreased or no longer exists. An impairment loss is reversed only to the extent that the asset or CGU's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

Share-based payments

The Company accounts for all share-based payments using the fair value-based method.

The Company uses the Black-Scholes option pricing model to determine fair value of stock options at the grant date. The grant date fair value of stock options granted to employees is recognized as compensation expense, with a corresponding increase to contributed surplus, over the period that the employees become unconditionally entitled to the options. The expense is adjusted to reflect the estimated number of options expected to vest at the end of the

vesting period. When options are exercised, the proceeds as well as the related amount in contributed surplus are credited to share capital. Measurement inputs include the price of shares on the measurement date, exercise price of the option, expected volatility, weighted average expected life of the option, expected dividends and the risk-free interest rate. This pricing model requires management to make highly subjective assumptions with respect to expected volatility, dividend yield, expected life, and risk free interest rate. Changes in the input assumptions can materially affect the fair value estimate and, therefore, the existing models do not necessarily provide a reliable measure of the fair value of the Company's stock options.

Provisions

The liabilities relating to the lease-exit costs in connection with exiting a portion of the leased office premises are considered a provisions under IFRS. The Company does not have any other significant provisions recorded in the statements of financial position at December 31, 2015 and 2014. A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions also include onerous contracts, which are recognized when the expected benefits to be derived by the Company from a contract are lower than unavoidable cost of meeting its obligations under the contract. Provisions are measured at the estimated future cash flows required to settle the present obligation, based on the most reliable evidence available at the reporting date. The estimated cash flows are discounted at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The amortization of the discount is recognized as finance cost.

Quarterly, we review the status of each significant matter and assess our potential financial exposure. Because of the uncertainties related to these matters, provisions are based only on the best information available at the time. As additional information becomes available, we reassess the potential liability and, if necessary, revise our provisions. Such revisions in the estimates of the potential liabilities could have a material impact on our results of operations and financial position.

Discontinued Operation

A discontinued operation is a component of the Company's business that has either been disposed of or that is classified as held for sale or held for distribution. A component of the Company's business is comprised of operations and cash flows that can be clearly distinguished, operationally and for financial reporting purposes, from the rest of the Company. Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale or held-for-distribution. When an operation is classified as a discontinued operation, the comparative statements of comprehensive loss and cash flows are re-presented as if the operation had been discontinued from the start of the comparative year.

On December 10, 2015, the Company, NexJ Health Inc. and NexJ Health Holdings Inc., a newly incorporated company, entered into an Arrangement Agreement, pursuant to which by way of a court-approved plan of arrangement (the "Arrangement"), voted on by the shareholders at the special meeting of the shareholders on January 13, 2016, the Company spun out the Healthcare business to NexJ Health Holdings Inc. in exchange for shares. The Company then distributed the shares in NexJ Health Holdings Inc. to the Company's shareholders such that the Company's shareholders received one share of NexJ Health Holdings Inc. for every share held in the Company. The effective date of the distribution was January 25, 2016. Management determined and concluded that at December 31, 2015, it was highly probable for the Arrangement to be approved by the Company's shareholders and it was appropriate to classify the Healthcare business as a discontinued operation.

Recent Accounting Pronouncements

A number of new standards and amendments to standards and interpretations are not yet effective for the year ended December 31, 2015, and have not been applied in preparing these consolidated financial statements. In particular, the following relevant new and amended standards and interpretations are required to be implemented for financial years beginning on or after January 1, 2016, unless otherwise noted:

Amendments to IFRS 5, Non-current Assets Held for Sale and Discontinued Operations:

In September, 2014, the IASB issued amendments to this standard to be applied prospectively, with earlier application permitted. Assets are generally disposed of either through a sale or through distribution to owners. The amendments clarify the application when changing from one of these disposal methods to the other.

IFRS 9, Financial Instruments ("IFRS 9"):

IFRS 9 replaces IAS 39, Financial Instruments - Recognition and Measurement, on the classification and measurement of financial assets and financial liabilities. Financial assets will be classified into one of two categories on initial recognition: amortized cost or fair value. For financial liabilities measured at fair value under the fair value option, changes in fair value attributable to changes in credit risk will be recognized in other comprehensive income, with the remainder of the change recognized in statements of comprehensive loss. The standard is effective for annual periods beginning on or after January 1, 2018 with retroactive application.

IFRS 15, Revenue from Contracts with Customers ("IFRS 15"):

IFRS 15 replaces IAS 11, Construction contracts; IAS 18, Revenue; IFRIC 13, Customer Loyalty Programmes; IFRIC 15, Agreements for the Construction of Real Estate; IFRIC 18, Transfer of Assets from Customers and SIC 31, Revenue-Barter Transactions Involving Advertising Services; and introduces a single model of recognizing revenue from contracts with customers except leases, financial instruments and insurance contracts. The standard is effective for annual periods beginning on or after January 1, 2017 with retroactive application.

IFRS 16, Leases (“IFRS 16”):

IFRS 16 replaces IAS 17, Leases; and introduces new rules for accounting for leases which will result in substantially all lessee leases being recorded on the statement of financial position. The standard is effective for annual periods beginning on or after January 1, 2019 with retroactive application and with early adoption permitted.

Amendments to IAS 38, Intangible Assets and IAS 16, Property, Plant and Equipment:

In May, 2014, the IASB issued amendments to these standards to introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate.

The Company intends to adopt each of the above standards, as applicable to the Company, in the year in which they are effective. The Company is reviewing these new standards and amendments to determine the potential impact on the Company's consolidated financial statements once they are adopted. At this time, no significant impact is expected on the Company's results.

Outstanding Share Data

As of February 18, 2016, 21,267,353 Common Shares were issued and outstanding. In addition, as of December 31, 2015, there were 2,101,984 stock options outstanding with exercise prices ranging from $1.23 to $3.70 per share.

As at December 31, 2015, there were 295,143 deferred share units (“DSUs”) outstanding under the Company’s deferred share unit plan for independent members of the Board of Directors, each of which represents the right to acquire one common share when the Board member is no longer rendering service to the Company.

Controls and Procedures

Evaluation of disclosure controls and procedures:

Management is responsible for establishing and maintaining disclosure controls and procedures as defined under National Instrument 52-109. At December 31, 2015, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective and that material information relating to the Company was made known to them and was recorded, processed, summarized and reported within the time periods specified under applicable securities legislation.

Internal controls over financial reporting:

Management is responsible for designing and maintaining internal controls over financial reporting as defined under National Instrument 52-109. At December 31, 2015, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these internal controls and procedures was effective in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with IFRS using the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) Framework (2013).

The Chief Executive Officer and the Chief Financial Officer have evaluated, or caused to be evaluated under their supervision, whether or not there were changes to its ICFR during the quarter and fiscal year ended December 31,

2015 that have materially affected, or are reasonably likely to materially affect the Company's ICFR. No such changes were identified through their evaluation.

A control system, no matter how well conceived and operated, can provide only reasonable, not absolute assurance that its objectives are met. Due to inherent limitations in all systems, no evaluations of controls can provide absolute assurance that all control issues, if any, within a company have been detected. Accordingly, our disclosure controls and procedures and our internal controls over financial reporting are effective in providing reasonable, not absolute assurance that the objectives of our control systems have been met.

About NexJ Systems Inc.

NexJ provides enterprise customer management solutions to the financial services industry.

Our solutions include industry-specific customer relationship management (CRM) for multi-channel engagement and collaboration; customer process management (CPM) for client onboarding and KYC; and customer data management (CDM) to deliver a holistic view of customers across line of business and regional data silos. Our solutions integrate information from multiple systems into a unified view to help firms better understand and share information about their customers to increase loyalty, drive cross-sell and improve the customer experience.

NexJ was founded by an executive management team with extensive experience in the successful design and delivery of large-scale, integrated, enterprise software solutions. NexJ is publicly traded on the Toronto Stock Exchange (TSX: NXJ). For further information about the company, please visit www.nexj.com. Additional information relating to the Company is available on SEDAR at www.sedar.com.

Investors Relations and Media Contact

Matthew Bogart
416-227-3708
matt.bogart@nexj.com

Quarterly Investment Community Conference Call

As previously announced by press release, a live webcast of our annual results conference call with the investment community will be hosted via a conference call and webcast beginning at 5:00 p.m. ET today, February 18, 2016. A replay of the call will be available beginning February 18, 2016 at 8:00 p.m. ET through 11:59 p.m. ET on February 25, 2016 and can be accessed by dialing 1-855-859-2056 and using password 43841879.

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