Financial Statements
(Expressed in Canadian dollars)

NEXJ SYSTEMS INC.

And Independent Auditors' Report thereon

Years ended December 31, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of NexJ Systems Inc.

Opinion

We have audited the financial statements of NexJ Systems Inc. (the "Entity"), which comprise:

- the statements of financial position as at December 31, 2021 and December 31, 2020
- the statements of comprehensive income (loss) for the years then ended
- the statements of changes in shareholders' equity for the years then ended
- the statements of cash flows for the years then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the ***"Auditors' Responsibilities for the Audit of the Financial Statements"*** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have determined the matters described below to be the key audit matters to be communicated in our auditors' report.

Description of the matter

Determination of performance obligations in customer contracts as distinct or non distinct and the allocation of the transaction price in customer contracts containing multiple distinct performance obligations.

We draw attention to Notes 2(d)(iv) and 3(a) to the financial statements. The Entity's revenue is derived primarily from on-premise licensing of software products under non cancellable license agreements and the provision of related subscription, professional services, including installation, integration and maintenance and support. The Entity's contracts with customers often include multiple products and services and the Entity evaluates these arrangements to determine the appropriate unit of accounting (performance obligation) for revenue recognition purposes based on whether the product or service is distinct from some or all of the other products or services in the arrangement and accounted for as a separate performance obligation. Where a contract consists of more than one performance obligation, revenue is allocated to each based on their relative estimated standalone selling price ("SSP"). Management's judgment is applied in determining whether such bundled products and services are considered to be distinct performance obligations that should be separately recognized; or non-distinct and therefore should be combined with another good or service and recognized in the form of a single performance obligation. The determination of the SSP for each distinct performance obligations can also require judgment and estimates.

Why the matter is the key audit matter

We identified the determination of distinct or non-distinct performance obligations and allocation of the transaction price in customer contracts containing multiple performance obligations as a key audit matter. This matter is a significant risk of material misstatement. In addition, significant auditor judgment was required to evaluate the evidence used to assess each performance obligation as either distinct or non-distinct and the allocation of the transaction price.

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How the matter was addressed in the audit

The primary procedures we performed to address this key audit matter included the following:

For a sample of customer contracts, we performed the following procedures:

- Read the contracts, contract amendments and sales orders for each selected arrangement and identified the significant terms;
- Evaluated the Entity's identification of distinct performance obligations in each arrangement by examining the contract source documents and comparing to the Entity's past assessment for similar contracts and practices observed in the Entity's industry; and
- Evaluated the methodology used to determine the SSP by comparing it to pricing patterns in customer contracts, historical methodologies used by the Entity, and general practices in the Entity's industry.

Other Information

Management is responsible for the other information. Other information comprises:

- Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit and remain alert for indications that the other information appears to be materially misstated.

We obtained the information included in Management's Discussion and Analysis filed with the relevant Canadian Securities Commissions as at the date of this auditors' report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in the auditors' report.

We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

  The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- Determine, from the matters communicated with those charged with governance, those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our auditors' report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

The engagement partner on the audit resulting in this auditors' report is Lesley Bridget Luk.

Vaughan, Canada

March 8, 2022

NEXJ SYSTEMS INC.

Statements of Financial Position
(Expressed in thousands of Canadian dollars)

December 31, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents (note 4)	$ 5,489	$ 5,426
Accounts receivable (note 5)	5,457	3,546
Prepaid expenses and other assets (note 6)	1,334	1,320
Total current assets	12,280	10,292
Non-current assets:		
Property and equipment (note 7)	612	768
Right-of-use assets (note 8)	951	1,280
Goodwill (note 9)	1,753	1,753
Investments (note 10)	–	255
Contract costs (note 11)	88	51
Other assets	–	403
Total non-current assets	3,404	4,510
Total assets	$ 15,684	$ 14,802
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities (note 12)	$ 2,023	$ 1,874
Deferred revenue	6,592	5,374
Lease liabilities (note 13)	1,152	967
Total current liabilities	9,767	8,215
Non-current liabilities:		
Accrued liabilities (note 12)	62	101
Deferred revenue	328	346
Lease liabilities (note 13)	83	1,078
Total non-current liabilities	473	1,525
Total liabilities	10,240	9,740
Shareholders' equity:		
Share capital (note 14)	83,485	83,471
Share purchase loans (note 14)	(3,598)	(3,598)
Contributed surplus (note 15)	8,735	8,664
Accumulated other comprehensive income (loss)	751	(14)
Deficit	(83,929)	(83,461)
Total shareholders' equity	5,444	5,062
Related party transactions (note 20)		
Contractual obligations (note 25)		
Subsequent event (note 25)		
Total liabilities and shareholders' equity	$ 15,684	$ 14,802

See accompanying notes to financial statements.

On behalf of the Board:

"David Yach" Director "E. Scott Beattie" Director

NEXJ SYSTEMS INC.

Statements of Comprehensive Income (Loss)
(Expressed in thousands of Canadian dollars, except per share amounts)

Years ended December 31, 2021 and 2020

	2021	2020
Revenue:		
License and subscription fees	$ 1,528	$ 156
Professional services	5,683	7,779
Maintenance and support	8,122	8,915
	15,333	16,850
Cost of revenue	3,586	4,116
Gross profit	11,747	12,734
Expenses:		
Research and development	5,357	5,556
Sales and marketing	2,148	2,551
General and administrative	4,417	4,943
Restructuring costs (note 22)	–	924
	11,922	13,974
Loss from operations	(175)	(1,240)
Foreign exchange loss	(220)	(148)
Finance income (note 21)	20	47
Finance expense	(93)	(144)
	(293)	(245)
Loss before income taxes	(468)	(1,485)
Income taxes (note 17)	–	–
Loss for the year	(468)	(1,485)
Other comprehensive income (loss):		
Items that will not be reclassified to profit or loss:		
Unrealized loss on equity securities	–	(5)
Realized gain on sale of equity securities	765	–
Net income (loss) and comprehensive income (loss)	$ 297	$ (1,490)
Loss per share (note 23):		
Basic and diluted	$ (0.02)	$ (0.07)
Weighted average number of common shares outstanding, in thousands (note 23):		
Basic and diluted	21,064	20,888

See accompanying notes to financial statements.

NEXJ SYSTEMS INC.

Statements of Changes in Shareholders' Equity
(Expressed in thousands of Canadian dollars and thousands of common shares)

Years ended December 31, 2021 and 2020

2021	Common shares Number*	Common shares Amount	Share purchase loans*	Contributed surplus	Accumulated other comprehensive income (loss)	Deficit	Total share-holders' equity
Balance, January 1, 2021	20,384	$ 83,471	$ (3,598)	$ 8,664	$ (14)	$ (83,461)	$ 5,062
Comprehensive income (loss)	–	–	–	–	765	(468)	297
Share-based payment expense (note 15(a)(iii))	–	–	–	76	–	–	76
Exercise of stock options (note 15(a)(iii))	21	14	–	(5)	–	–	9
Balance, December 31, 2021	20,405	$ 83,485	$ (3,598)	$ 8,735	$ 751	$ (83,929)	$ 5,444

*For accounting purposes, common shares issued pursuant to the share purchase loan and pledge agreements are not recognized as outstanding until such time as payments are received on the loan balances. At December 31, 2021, 942 common shares were legally issued to employees in connection with these agreements and included in the total outstanding common shares of 21,347.

2020	Common shares Number*	Common shares Amount	Share purchase loans*	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total share-holders' equity
Balance, January 1, 2020	20,164	$ 82,915	$ (3,598)	$ 8,874	$ (9)	$ (81,976)	$ 6,206
Comprehensive loss	–	–	–	–	(5)	(1,485)	(1,490)
Share-based payment expense (note 15(a)(iii))	–	–	–	164	–	–	164
Modification of deferred share unit awards (note 15(b))	–	–	–	(26)	–	–	(26)
Deferred share unit expense (note 15(b))	–	–	–	244	–	–	244
Exercise of deferred share units (note 15(b))	220	556	–	(592)	–	–	(36)
Balance, December 31, 2020	20,384	$ 83,471	$ (3,598)	$ 8,664	$ (14)	$ (83,461)	$ 5,062

*For accounting purposes, common shares issued pursuant to the share purchase loan and pledge agreements are not recognized as outstanding until such time as payments are received on the loan balances. At December 31, 2020, 942 common shares were legally issued to employees in connection with these agreements and included in the total outstanding common shares of 21,326.

See accompanying notes to financial statements.

NEXJ SYSTEMS INC.

Statements of Cash Flows
(Expressed in thousands of Canadian dollars)

Years ended December 31, 2021 and 2020

	2021	2020
Cash flows from (used in) operating activities:		
Loss for the year	$ (468)	$ (1,485)
Adjustments for:		
Depreciation and amortization of property and equipment	202	284
Depreciation of right-of-use assets	718	578
Changes in contract costs (note 11)	(37)	85
Share-based payment expense	76	164
Deferred share unit expense	–	218
Finance income	(20)	(47)
Finance expense	93	144
Foreign exchange loss	77	214
Change in non-cash operating working capital:		
Accounts receivable	(1,911)	1,929
Prepaid expenses and other assets	231	598
Accounts payable and accrued liabilities and provisions	110	(111)
Deferred revenue	1,192	(1,132)
Net cash flows from operating activities	263	1,439
Cash flows from (used in) financing activities:		
Payment of lease liabilities	(1,120)	(850)
Interest paid	(6)	–
Proceeds from exercise of stock options	9	–
Costs of exercise of deferred share units	–	(36)
Net cash flows used in financing activities	(1,117)	(886)
Cash flows from (used in) investing activities:		
Purchase of property and equipment	(46)	(83)
Sale of equity investments	1,020	–
Interest received	20	47
Net cash flows from (used in) investing activities	994	(36)
Effects of exchange rates on cash and cash equivalents	(77)	(214)
Increase in cash and cash equivalents	63	303
Cash and cash equivalents, beginning of year	5,426	5,123
Cash and cash equivalents, end of year	$ 5,489	$ 5,426

See accompanying notes to financial statements.

1. Reporting entity:

NexJ Systems Inc. (the "Company") is incorporated in Canada with its corporate headquarters located at 10 York Mills Road, Suite 700, Toronto, Ontario M2P 2G4.

The Company is a provider of intelligent customer management solutions to the financial services industry.

2. Basis of preparation:

(a) Statement of compliance:

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and International Financial Reporting Interpretations Committee ("IFRIC") interpretations, as issued by the International Accounting Standards Board ("IASB").

The accounting policies applied in these financial statements are based on IFRS issued as at March 8, 2022, the date the Board of Directors approved the financial statements.

(b) Basis of measurement:

These financial statements have been prepared principally under the historical cost basis. Other measurement bases used are described in the applicable notes.

Presentation of the statements of financial position differentiates between current and non-current assets and liabilities. The statements of comprehensive income (loss) are presented using the function classification for expenses.

(c) Functional and presentation currency:

The financial statements are presented in Canadian dollars, which is the Company's functional currency.

2. Basis of preparation (continued):

(d) Use of estimates and judgments:

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. The estimates and associated assumptions are based on historical experience and other factors that management considers to be relevant. Actual results could differ from these estimates and assumptions.

Judgments, estimates and underlying assumptions are reviewed on an ongoing basis, and revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

Key areas of estimation uncertainties and assumptions that contain significant risk as a result of matters that are inherently uncertain and judgments include:

(i) Impairment of goodwill:

- Critical judgments in applying accounting policies:

  Assessment of impairment is based on management's judgment of whether there are sufficient internal and external factors that would indicate that an asset or cash generating unit ("CGU") holding goodwill is impaired. The determination of a CGU is also based on management's judgment and is an assessment of the smallest group of assets that generate cash inflows independently of other assets. Factors considered include whether an active market exists for the output produced by the asset or group of assets, as well as how management monitors and makes decisions about the Company's operations.

- Key sources of estimation uncertainty:

  Impairment tests are completed using the higher of fair value less costs to sell, where available, and value-in-use calculations, determined using management's best estimates of future cash flows, long-term growth rates and appropriate discount rates. These valuations are based on management's best estimates of future performance and periods over which value will be derived (note 3(h) and (i)).

2. Basis of preparation (continued):

(ii) Estimation of useful lives of property and equipment:

- Key sources of estimation uncertainty:

  Useful lives over which assets are depreciated or amortized are based on management's judgment of future use and performance. Expected useful lives and residual values are reviewed annually for any change to estimates and assumptions (note 3(d)).

(iii) Fair value of share-based payments:

- Key sources of estimation uncertainty:

  Fair value of stock options is determined using the Black-Scholes option pricing model. Inputs to the model are subject to various estimates related to volatility, interest rates, dividend yields and expected life of the stock options issued. Fair value inputs are subject to market factors, as well as internal estimates. Separate from the fair value calculation, the Company estimates the expected forfeiture rate of equity-settled share-based payments based on the historical experience (note 15).

(iv) Revenue recognition:

- Key sources of estimation uncertainty:

  In its determination of the amount and timing of revenue to be recognized, management relies on assumptions and estimates supporting its revenue recognition policy (note 3(a)). Estimates of the percentage of completion for applicable customer projects are based upon current actual and forecasted information and contractual terms.

2. Basis of preparation (continued):

- Critical judgments in applying accounting policies:

  A significant portion of the Company's revenue is generated from complex customer contracts and these contracts with customers often include commitments to deliver multiple products and services. Management's judgment is applied in determining whether such bundled products and services are considered to be distinct performance obligations that should be separately recognized; or non-distinct and therefore should be combined with another good or service and recognized in the form of a single performance obligation.

  The determination of the standalone selling price ("SSP") for each distinct performance obligation can also require judgment and estimates. The Company uses a range of amounts to estimate SSP when it sells each of the products and services separately and needs to determine whether there is a discount that needs to be allocated based on the relative SSP of the various products and services. In general, SSP for maintenance and support bundled in on-premise perpetual or subscription arrangements is established as a percentage of the software license fee and software subscription fee, respectively, as supported by internal analysis of similar vendor contracts. SSP for hosting and professional services is established based on observable prices for the same or similar services when sold separately. Management exercises judgment in determining whether a contract's outcome can be estimated reliably. Management also applies estimates in the calculation of future contract costs and related profitability as it relates to labour hours and other considerations, which are used in determining the value of amounts recoverable on contracts and timing of revenue recognition. Estimates are continually and routinely revised based on changes in the facts relating to each contract. Judgment is also needed in assessing the ability to collect the corresponding receivables.

(v) Valuation of accounts receivable:

- Key sources of estimation uncertainty:

  The Company reviews the accounts receivable balances on a regular basis and estimates the likelihood of collection and records allowance for estimated losses. Management bases its estimates on historical experience and other relevant factors (note 18(b)).

2. Basis of preparation (continued):

(vi) Provisions:

- Key sources of estimation uncertainty:

  The measurement of provisions requires management to make estimates based only on the best information available at the reporting date. As additional information becomes available, the Company will reassess the potential liability and, if necessary, revise the provision amounts, using management's best estimate at that reporting date.

- Critical judgments in applying accounting policies:

  Management's judgment is required to assess whether provisions should be recognized or disclosed. 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.

Significant changes in the assumptions, including those with respect to future business plans and estimated cash flows, could materially change the recorded carrying amounts and amounts recognized in the statements of comprehensive income (loss). Refer to significant accounting policies below for further information with respect to these significant estimates and assumptions.

3. Significant accounting policies:

The accounting policies set out below have been applied consistently to all years presented in the financial statements, unless otherwise indicated:

(a) Revenue recognition:

Revenue is recognized upon transfer of control of products and services at an amount that reflects the consideration the Company expects to receive in exchange for the products or services in its contracts with customers, net of discounts and sales taxes.

3. Significant accounting policies (continued):

The Company's contracts with customers often include multiple products and services and the Company evaluates these arrangements to determine the appropriate unit of accounting (performance obligation) for revenue recognition purposes based on whether the product or service is distinct from some or all of the other products or services in the arrangement and accounted for as a separate performance obligation. A product or service is distinct if the customer can benefit from it on its own or together with other readily available resources and the Company's promise to transfer the good or service is separately identifiable from other promises in the contractual arrangement with the customer.

The Company's hosted software-as-a-service ("SaaS") application, which allows customers to use hosted software over the contract period without taking possession of the software, is provided on a subscription basis, and revenue is recognized rateably over the contract period, commencing on the date an executed contract exists and the customer has the right-to-use and access to the software.

On-premise software subscriptions provide the customer with a right-to-use of the software as it exists when made available to the customer. Revenue from distinct on-premise subscription licenses is recognized upfront at the point in time when the software is made available to the customer and the right to use the software has commenced. On-premise subscription licenses are bundled with software maintenance and support services for a term. The license component and maintenance and support services components are each allocated revenue using their relative estimated SSP. Revenue allocated to the bundled maintenance and support is recognized rateably over the term of the maintenance and support services.

Non-distinct products and services are combined with other goods or services until they are distinct as a bundle and therefore form a single performance obligation. Where a contract consists of more than one performance obligation, revenue is allocated to each based on their relative estimated SSP.

The Company also earns revenue from SaaS subscription-based arrangements through its reseller partner channel when the end user customer has the right-to-use and access to the software. Revenue is recognized rateably over the contract period, commencing on the date an executed contract exists and the customer has the right-to-use and access to the software.

3. Significant accounting policies (continued):

Revenue from the perpetual license of software and subscription-based software license arrangements involving significant implementation or customization that includes sale of software that is not distinct is recognized as a combined performance obligation using the percentage-of-completion method to measure the progress to completion. The Company uses the ratio of incurred labour hours to estimated total labour hours as the measure of its progress to completion on each such combined performance obligation. Revisions in estimates are included in the statements of comprehensive income (loss) in the year in which changes occur in the circumstances on which the estimates were based or as a result of new information. Revenue from the license of software that is distinct is recognized upfront at the point in time when the software has been delivered to the customer and the right to use the software has commenced.

Professional services revenue involving significant implementation and customization of software, is recognized by the stage of completion of the performance obligation determined using the percentage-of-completion method noted above. Installation and integration services revenue, when considered distinct is recognized over time as the services are performed. Revenue related to the customer reimbursement of travel related expenses incurred during a project implementation where the Company is the principal in the arrangement is included in the professional services revenue category. Revenue is recognized as costs are incurred.

Maintenance and support services provided to customers on legacy perpetual software licenses is recognized rateably over the term of the support agreement based on the price charged for the same or similar maintenance when sold in stand-alone maintenance renewals with customers, as substantiated by contractual renewal rates and the Company's maintenance renewal experience.

The Company recognizes an asset for the incremental costs of obtaining a contract with a customer if it expects the costs to be recoverable, and has determined that certain sales incentive programs meet the requirements to be capitalized. Capitalized contract acquisition costs are amortized consistent with the pattern of transfer to the customer for the goods and services to which the asset relates. The amortization period includes specifically identifiable contract renewals where there is no substantive renewal commission. The expected customer renewal period is estimated based over the life of the customer, which the Company has determined to be approximately three years. The Company applies the practical expedient available under IFRS 15, Revenue from Contracts with Customers ("IFRS 15") and does not capitalize incremental costs of obtaining contracts if the amortization period is one year or less.

3. Significant accounting policies (continued):

The timing of revenue recognition often differs from contract payment schedules, resulting in revenue that has been earned but not billed. These amounts are included in unbilled receivables. Amounts billed in accordance with customer contracts, but not yet earned, are recorded and presented as part of deferred revenue.

(b) Cash and cash equivalents:

Cash and cash equivalents consist of cash on hand and highly liquid instruments with original maturities of three months or less that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short-term commitments.

(c) Allowance for doubtful accounts:

The recoverability of the accounts receivable balance is assessed at each reporting date and an allowance for doubtful accounts is deducted from the asset's carrying value if the amount is not considered fully recoverable. Any change in the allowance is recognized within general and administrative costs in the statements of comprehensive income (loss).

(d) Property and equipment:

Property and equipment are recorded at cost less accumulated depreciation and amortization and accumulated impairment losses. Property and equipment under finance leases are stated at the present value of minimum future lease payments. Cost includes expenditures that are directly attributable to the acquisition of the asset. Depreciation and amortization are recognized over the estimated useful lives of the assets using the following bases and annual rates:

Asset	Basis	Rate
Furniture and fixtures	Declining balance	20%
Computer hardware	Declining balance	30%
Office equipment	Declining balance	30%
Computer software	Declining balance	100%
Leased computer hardware	Straight line	Over estimated useful life
Leasehold improvements	Straight line	Over shorter of estimated useful life and lease term

3. Significant accounting policies (continued):

Upon disposition, the cost and related accumulated depreciation and amortization and accumulated impairment losses, if any, are removed from the accounts and the resulting gain or loss is reflected in the statements of comprehensive income (loss). Expenditures for maintenance and repairs are charged to expense as incurred.

(e) Leases:

In accordance with IFRS 16, Leases ("IFRS 16"), at inception of a contract, the Company assesses whether a contract is, or contains, a lease based on whether the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company has also elected to apply the practical expedient to account for each lease component and any non-lease components as a single lease component.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, based on the initial amount of the lease liability. The assets are depreciated to the earlier of the end of the useful life of the right-of-use asset or the lease term using the straight-line method as this most closely reflects the expected pattern of consumption of the future economic benefits. The lease term includes periods covered by an option to extend if the Company is reasonably certain to exercise that option. In addition, the right-of-use asset is periodically adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if the Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

3. Significant accounting policies (continued):

The Company has elected to apply the practical expedient not to recognize right-of-use assets and lease liabilities for (i) short-term leases, that have a lease term of 12 months or less, as well as for (ii) leases of low value assets. The lease payments associated with these leases are recognized as expenses on a straight-line basis over the lease term.

When the Company is an intermediate lessor, it determines at lease inception date whether each sub-lease is a finance lease or an operating lease based on whether the contract transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the sub-lease is a financial lease; if not, then it is an operational lease.

For financial leases, and when the Company acts as intermediate lessor, it recognizes a sublease receivable and derecognizes the right-of-use assets relating to the head lease that it transfers to the sub lessees. Right-of-use assets and lease receivables relating to the subleases are measured in the same way as the right-of-use assets and lease liabilities for the head lease, using the same discount rate for the actualization of future payments to be received.

The Company presents accretion expense in the head lease net of accretion income from the sub-leases.

(f) Research and development:

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognized in the statements of comprehensive income (loss) as an expense in the year in which they are incurred. Development costs that are expected to provide future benefits with reasonable certainty and meet all the criteria for deferral are capitalized. No development costs have been capitalized at December 31, 2021 or 2020.

(g) Government assistance:

The Company is entitled to certain refundable and non-refundable Canadian investment tax credits ("ITCs") for qualifying research and development activities performed in Canada. The ITCs are accounted for as a reduction of the related expenditures for items expensed in the statements of comprehensive income (loss) or as a reduction of the related asset's cost for items capitalized in the statements of financial position when the amount is reliably estimable and realization is reasonably assured.

3. Significant accounting policies (continued):

In addition, the Company may receive government assistance from governmental funding agencies that compensate the Company for expenses and such assistance is recognized in the statements of comprehensive income (loss) with the same classification as the related expense and in the same period in which the expense is recognized. These are not recognized until there is reasonable assurance that they will be received and that the Company will be in compliance with any conditions associated with the government assistance.

(h) Goodwill:

Goodwill represents the excess of the purchase price of acquired businesses over the estimated fair value of the tangible and intangible assets acquired. Goodwill is not amortized and is measured at cost less any subsequent impairment in value.

The acquisition method of accounting is used to account for the business acquisitions as follows:

(i) consideration transferred is measured as the fair value of the assets given, equity instruments issued and liabilities incurred or assumed at the date of exchange, and acquisition transaction costs are expensed as incurred;

(ii) identifiable assets acquired and liabilities assumed are measured at their fair values at the acquisition date;

(iii) the excess of the fair value of consideration transferred, including the recognized amount of any non-controlling interest of the acquiree over the fair value of the identifiable net assets acquired, is recorded as goodwill; and

(iv) if the fair value of the consideration transferred is less than the fair value of the net assets acquired, the difference is recognized directly in the statements of comprehensive income (loss) as a bargain purchase gain.

3. Significant accounting policies (continued):

(i) Impairment:

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 December 31.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates largely independent cash flows. 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.

The recoverable amount of a CGU 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 or CGU.

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 statements of comprehensive income (loss).

An impairment loss in respect of goodwill cannot be reversed. In respect of other non-financial assets, impairment losses recognized in prior years 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.

3. Significant accounting policies (continued):

(j) Employee benefits:

(i) Termination benefits:

Termination benefits are recognized as an expense when the Company is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate employment before the normal retirement date, or to provide termination benefits as a result of an offer made to encourage voluntary redundancy.

Termination benefits for voluntary redundancies are recognized as an expense if the Company has made an offer of voluntary redundancy; it is probable that the offer will be accepted and the number of acceptances can be estimated reliably. If benefits are payable more than 12 months after the reporting date, then they are discounted to their present value.

(ii) Short-term employee benefits:

Short-term employee benefit obligations are measured on an undiscounted basis and are recognized as the related service is provided.

(k) Share-based payment transactions:

(i) Share-based payment plan:

The Company has a share-based payment plan under which the Company issues stock options. Stock options generally vest, either over a three-year or four-year vesting periods with 25% of the options vested and exercisable after the first year and the remainder vested and exercisable in equal quarterly instalments over the remaining two years or three years, respectively; or over a two-year vesting period with options vested and exercisable in eight equal quarterly instalments. The Company applies a fair value method of accounting to each instalment of stock options granted to employees.

3. Significant accounting policies (continued):

The grant date fair value of stock options granted to employees is recognized as share-based compensation expense, with a corresponding increase to contributed surplus, over the period that the employees become unconditionally entitled to the stock options. The expense is adjusted to reflect the estimated number of options expected to vest at the end of the vesting period. Compensation cost is recognized so that each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value. No compensation expense is recognized for options that are forfeited and have not met the service requirement for vesting. When options are exercised, the proceeds, as well as the related amount in contributed surplus, are credited to share capital. The Company uses the Black-Scholes option pricing model to determine fair value of stock options at the grant date. 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 (based on historical experience and option holder behaviour), expected dividends and the risk-free interest rate.

(ii) Deferred share unit ("DSU") plan:

The Company has a DSU plan under which the Company issues DSUs for directors' annual remuneration. These DSUs are awarded as equity-settled or cash-settled. For cash-settled awards, the Company has recorded the changes in the fair value of the award in the statements of comprehensive income (loss) using the Company's share price as of the reporting date. Equity-settled awards, are recorded as contributed surplus in the statements of changes in shareholders' equity. The measurement of the compensation costs for these awards is based on the fair value of the award at the date of the grant. These DSUs are fully vested, do not have an exercise price or expiry date and are only settled when the board member is no longer rendering service to the Company.

(l) Loss per share:

Basic loss per share is calculated by dividing the loss for the year by the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated by dividing the loss for the year by the sum of the weighted average number of common shares outstanding and the dilutive common share equivalents outstanding during the year. Common share equivalents consist of the shares issuable upon exercise of stock options calculated using the treasury stock method. Common share equivalents are not included in the calculation of the weighted average number of shares outstanding for diluted loss per share when the effect would be anti-dilutive.

3. Significant accounting policies (continued):

(m) Income taxes:

Income tax expense comprises current and deferred income taxes. Income tax expense is recognized in the statements of comprehensive income (loss), except to the extent that it relates to items recognized directly in equity or in other comprehensive income (loss).

Current income tax is the expected income tax payable or receivable on the taxable income or loss for the year using income tax rates enacted or substantively enacted at the reporting date, and any adjustments to income tax payable in respect of previous years.

Deferred income tax assets and liabilities are recognized for the future income tax consequences attributable to temporary differences between the financial statement carrying values of existing assets and liabilities and their respective income tax bases, as well as for the benefit of losses available to be carried forward to future years for tax purposes. Deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill.

Deferred income tax assets and liabilities are measured using enacted or substantively enacted income tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered and settled. The effect on deferred income tax assets and liabilities of a change in income tax rates is recognized in the statements of comprehensive income (loss) in the year that includes the enactment or substantive enactment date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

3. Significant accounting policies (continued):

In determining the amount of current and deferred taxes, the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its tax liabilities for uncertain tax positions are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Company to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

(n) Foreign currency translation:

Monetary assets and liabilities denominated in foreign currencies at the reporting dates are translated into the functional currency at the exchange rates at those dates. Non-monetary assets and liabilities denominated in foreign currencies that are measured in terms of historical cost are translated at rates of exchange at each transaction date. Revenue and expenses are translated at rates of exchange in effect at the time of the transactions, except to the extent that they relate to items translated at historical rates; in which case, historical rates are applied. Foreign exchange gains or losses on translation are recognized in the statements of comprehensive income (loss).

The assets and liabilities of the Company's foreign operations are translated to Canadian dollars at the rate of exchange in effect at the statements of financial position dates. Revenue and expenses are translated at the relevant average monthly exchange rates. The resulting unrealized exchange gain or loss is included in the statements of comprehensive income (loss).

3. Significant accounting policies (continued):

(o) Financial instruments:

(i) Recognition, classification and measurement:

Financial assets are classified and measured based on the business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. IFRS 9, Financial Instruments ("IFRS 9") contains three primary measurement categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit and loss ("FVTPL"). Financial assets are recognized in the statements of financial position if the Company has a contractual right to receive cash or other financial assets from another entity. Financial assets are derecognized when the rights to receive cash flows from the asset have expired or were transferred and the Company has transferred substantially all risks and rewards of ownership.

All financial liabilities are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instruments. The Company derecognizes a financial liability when its contractual obligations are discharged, cancelled or expired.

Financial instruments are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

The Company has classified its cash equivalents, accounts receivable, accounts payable and accrued liabilities as financial assets and financial liabilities measured at amortized cost. Such assets and liabilities are recognized initially at fair value inclusive of any directly attributable transaction costs and subsequently carried at amortized cost using the effective interest method, less any impairment losses.

Financial assets and financial liabilities are offset and the net amount presented in the statements of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

3. Significant accounting policies (continued):

(ii) Impairment of financial instruments:

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost. Loss allowances for accounts receivables and contracts assets are always measured at an amount equal to lifetime expected credit losses if the amount is not considered fully recoverable. A financial asset carried at amortized cost is considered credit-impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset that can be estimated reliably. Individually significant financial assets are tested for credit-impairment on an individual basis. The remaining financial assets are assessed collectively.

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.

In assessing collective impairment, the Company uses historical trends of the probability of default, timing of recoveries and the amount of loss incurred, adjusted for management's judgment as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

Losses are recognized in the statements of comprehensive income (loss) and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through the statements of comprehensive income (loss).

(iii) Share capital:

Common shares are classified as shareholders' equity. Incremental costs directly attributable to the issuance of common shares and share options are recognized as a deduction from shareholders' equity, net of any tax effects.

3. Significant accounting policies (continued):

(p) Provisions:

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 expense.

(q) Finance income and finance expense:

Finance income comprises interest income on cash equivalents recognized in the statements of comprehensive income (loss) as it accrues, using the effective interest method. Finance expense comprise interest expense on borrowings that are recognized in the statements of comprehensive income (loss).

4. Cash and cash equivalents:

	2021	2020
Cash and cash equivalents:		
Bank balances	$ 3,913	$ 4,440
Call deposits	1,576	986
	$ 5,489	$ 5,426

The Company's exposure to interest rate risk is discussed in note 18(b).

(Expressed in thousands of Canadian dollars, except per share amounts)

5. Accounts receivable:

	2021	2020
Accounts receivable, gross	$ 5,457	$ 3,546

The aging of the gross accounts receivable at each reporting date was as follows:

	2021	2020
Current	$ 4,857	$ 3,177
Past due 1 - 90 days	567	369
Past due 90+ days	33	–
	$ 5,457	$ 3,546

The Company's exposure to credit risk is discussed in note 18(b).

6. Prepaid expenses and other assets:

	2021	2020
Prepaid expenses	$ 390	$ 542
Indirect taxes receivable	135	26
Ontario investment tax credits receivable	200	240
Rental deposit	260	–
Ontario co-op credits receivable	–	24
Short-term sub-lease receivable	–	135
Receivable from NexJ Health Inc. (note 20(c))	334	342
Other	15	11
	$ 1,334	$ 1,320

Prepaid expenses and other assets as at December 31, 2021 include rental deposit of $260 (2020 - nil) in connection with the office lease term expiring in 2022, which was previously classified as non-current asset as at December 31, 2020.

(Expressed in thousands of Canadian dollars, except per share amounts)

7. Property and equipment:

(a) Cost:

	Furniture and fixtures	Computer hardware	Office equipment	Computer software	Leasehold improvements	Total
Balance, December 31, 2019	$ 1,115	$ 3,731	$ 318	$ 720	$ 2,478	$ 8,362
Additions	–	79	4	–	–	83
Balance, December 31, 2020	1,115	3,810	322	720	2,478	8,445
Additions	–	46	–	–	–	46
Balance, December 31, 2021	$ 1,115	$ 3,856	$ 322	$ 720	$ 2,478	$ 8,491

(b) Accumulated depreciation and amortization:

	Furniture and fixtures	Computer hardware	Office equipment	Computer software	Leasehold improvements	Total
Balance, December 31, 2019	$ 899	$ 3,078	$ 255	$ 706	$ 2,455	$ 7,393
Depreciation and amortization	40	194	18	9	23	284
Balance, December 31, 2020	939	3,272	273	715	2,478	7,677
Depreciation and amortization	33	153	13	3	–	202
Balance, December 31, 2021	$ 972	$ 3,425	$ 286	$ 718	$ 2,478	$ 7,879

(c) Carrying amounts:

	Furniture and fixtures	Computer hardware	Office equipment	Computer software	Leasehold improvements	Total
Balance, December 31, 2020	$ 176	$ 538	$ 49	$ 5	$ –	$ 768
Balance, December 31, 2021	143	431	36	2	–	612

(Expressed in thousands of Canadian dollars, except per share amounts)

8. Right-of-use assets:

The following table presents the right-of-use assets for the Company:

	Head lease	Offices subleases	Computer hardware	Total right-of-use assets
Balance, December 31, 2019	$ 2,306	$ (559)	$ –	$ 1,747
Depreciation	(769)	191	–	(578)
Cancellation of sub-lease terms	–	111	–	111
Balance, December 31, 2020	1,537	(257)	–	1,280
Additions	–	–	224	224
Depreciation	(769)	92	(41)	(718)
Cancellation of sub-lease terms	–	165	–	165
Balance, December 31, 2021	$ 768	$ –	$ 183	$ 951

Depreciation of the computer hardware right-of-use asset is recognized using the straight line basis and the Company has estimated the useful life to be five years.

During the year ended December 31, 2021, the Company recognized $718 (2020 - $578), respectively, of depreciation expense.

On December 16, 2019, the Company modified the sub-lease terms to extend the duration of an existing sublease by thirty-three months to become coterminous with the head lease, expiring December 31, 2022.

On October 29, 2020, one of the sub-lessees exercised its right to cancel the sub-lease, with the sub-lease ending on January 31, 2021.

On July 2, 2021, the other sub-lessee exercised its right to cancel the sub-lease, with the sub-lease ending on August 31, 2021 (refer to note 20(c)).

On January 20, 2022, the Company and the Landlord executed an amendment to the lease term for the office space, with the lease term ending early on June 30, 2022 (refer to note 25).

(Expressed in thousands of Canadian dollars, except per share amounts)

9. Goodwill:

(a) Cost:

Balance, December 31, 2020 and 2021	$	3,640

(b) Impairment losses:

Balance, December 31, 2019	$	1,887
Impairment		–
Balance, December 31, 2020		1,887
Impairment		–
Balance, December 31, 2021	$	1,887

(c) Carrying amounts:

Balance, December 31, 2020 and 2021	$	1,753

(d) Impairment:

The Company has concluded that it has one single operating CGU. The Company tested goodwill for impairment as at December 31, 2021. The recoverable amount of the CGU was determined based on value-in-use calculations, using management's discounted estimated future cash flows over a period of five years along with a terminal value. The terminal value is the value attributed to the CGU's operations beyond the projected time period. The terminal value for the CGU was determined using an estimated long-term growth rate of 3%, which is based on the Company's estimates of expected future operating results after considering future business plans, economic conditions and a general outlook for the industry in which the CGU operates.

9. Goodwill (continued):

In calculating the recoverable amount of the CGU, a pre-tax discount rate is used. The pre-tax discount rate range applied was 18% to 20%, which was set considering the weighted average cost of capital of the CGU and certain risk premiums, based on management's past experience.

These assumptions are subjective judgments and estimates based on the Company's experience and knowledge of the economic environment in which it operates. It is possible that, if future cash flow projections, long-term growth rates or pre-tax discount rates are different to those used, the outcome of future impairment tests could result in a different outcome with the CGU's goodwill being impaired. Based on the sensitivity analysis performed, the Company has concluded that no reasonably possible changes in key assumptions on which the recoverable amount is based would cause the carrying amount of the CGU to exceed its recoverable amount as at December 31, 2021.

10. Investments:

Under IFRS 9, for equity securities that are not held for trading, the Company can make an irrevocable election at initial recognition to classify the instruments at FVTOCI with all subsequent changes in fair value being recognized in other comprehensive income. This election is available for each separate investment. Under this new FVTOCI category, fair value changes are recognized in other comprehensive income ("OCI"), while dividends are recognized in profit or loss. On disposal of the investment the cumulative change in fair value is not recycled to profit or loss, rather transferred to deficit. The Company has elected to account for equity securities within this manner.

In May 2019, the Company acquired 470,589 voting common shares of Gradient Boosted Investments Inc. ("GBI"), a privately held entity incorporated in Canada, representing 2.42% of the issued and outstanding voting common shares of GBI for a total purchase consideration of U.S. $200. The Company has irrevocably elected to present subsequent changes in the fair value of the investment in GBI through OCI.

On December 1, 2021, the Company sold all 470,589 voting common shares of GBI for a total consideration of $1,020 (U.S. $790), realizing a gain on sale of $765 which has been recorded through OCI in the statement of changes in shareholders' equity for the year ended December 31, 2021.

(Expressed in thousands of Canadian dollars, except per share amounts)

11. Contract costs:

	2021	2020
Balance, January 1	$ 51	$ 136
Contract costs incurred	130	3
Amortization	(93)	(88)
Balance, December 31	$ 88	$ 51

Contract assets are costs incurred to obtain contracts, which primarily relate to incremental commission fees paid to certain sales and marketing employees as a result of obtaining client contracts.

These costs are amortized consistent with the pattern of transfer to the customer for the goods and services to which the asset relates. The amortization period includes specifically identifiable contract renewals where there is no substantive renewal commission paid on renewals. The expected customer renewal period is estimated based over the life of the intellectual property including expected software upgrades by the customer, which the Company has determined to be approximately three years. In 2021, amortization amounting to $93 (2020 - $88) was recognized as part sales and marketing in the statements of comprehensive income (loss).

12. Accounts payable and accrued liabilities:

	2021	2020
Trade payables	$ 782	$ 711
Employee and director compensation payable	486	448
Accrued expenses	817	816
	$ 2,085	$ 1,975

The employee and director compensation payable includes $62 (2020 - $101) which has been classified under non-current liabilities on the statements of financial position.

(Expressed in thousands of Canadian dollars, except per share amounts)

13. Lease liabilities:

The Company's leases are for office space and the purchase of computer hardware. These leases contain no renewal options.

During the year ended December 31, 2021, the Company entered into a 3-year finance lease for the purchase of computer hardware in the amount of $244. This lease is repayable in monthly payments of $6 with imputed interest at 3.07% maturing in 2024.

The following table is a summary of the changes in the lease liabilities during the year:

Balance, December 31, 2019	$ 2,760
Interest on lease liabilities	135
Lease payments	(850)
Balance, December 31, 2020	2,045
Additions	224
Interest on lease liabilities	92
Lease payments	(1,126)
Balance, December 31, 2021	1,235
Less current portion	(1,152)
Non-current portion	$ 83

During the year ended December 31, 2021, the Company recognized $92 (2020 - $135) of accretion expense from these leases.

On January 20, 2022, the Company and the Landlord executed an amendment to the lease term for the office space, with the lease term ending early on June 30, 2022 (refer to note 25).

A maturity analysis of these leases, factoring in the lease amendment, is set out in the below table:

	2022	2023	2024	Thereafter	Total
Undiscounted cash flows	$ 650	$ 78	$ 7	$ –	$ 735

14. Share capital:

(a) Authorized:

The authorized capital of the Company consists of an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. No preferred shares have been issued.

Each common share of the Company entitles its holder to one vote at all meetings of shareholders subject to certain restrictions with respect to the voting rights.

Each common share of the Company is also entitled to receive dividends if, as and when declared by the Board of Directors. Holders of common shares will participate in any distribution of net assets of the Company upon liquidation, dissolution or winding up of the Company on an equal basis per share, but subject to the rights of the holders of the preferred shares.

(b) Issued:

As at December 31, 2021, 21,347,183 common shares were issued (2020 - 21,326,350).

On March 28, 2011, in preparation of its initial public offering ("IPO"), the Company entered into loan and share pledge agreements with certain employees and officers ("Exercise Persons") in order to reduce the amount of the Company's outstanding option pool. The participating employees were issued an interest-free share purchase loan to exercise all of their granted and outstanding options as at March 28, 2011, which were originally scheduled to vest on or prior to December 31, 2011. The Company provided $3,745 in share purchase loans to facilitate the issuance of 970,898 common shares as a result of the acceleration involving the exercise of the applicable employee stock options. On May 2, 2011, as part of the March 28, 2011 loan and share pledge agreements, the Company provided an additional $97 in share purchase loans to facilitate the issuance of 28,123 common shares as a result of the acceleration involving the exercise of the applicable employee stock options.

14. Share capital (continued):

These shares acquired upon exercise of the employee stock options are pledged as security against the share purchase loans and are held as security by the Company until such time as the individual loans are repaid. The share purchase loans are immediately due and payable to the Company upon the sale of the common shares or upon the termination of employment, subject to certain conditions being met. Despite their legal form, the share purchase loans are accounted for on the same basis as a grant of a stock option under IFRS. As such, for accounting purposes, the common shares issued and the share purchase loans granted under the loan and share pledge agreements are not recognized as outstanding until such time as payments are received on the loan balances.

At December 31, 2021, 941,835 common shares (2020 - 941,835) for proceeds of $3,598 (2020 - $3,598) based on the grant-date value of the loans were held as security by the Company with respect to the share purchase loan and pledge agreements.

15. Share-based payment arrangements:

At December 31, 2021, the Company had the following share-based payment arrangements:

(a) Stock option plan:

(i) On April 21, 2011, the Board of Directors approved an amended stock option plan (the "2011 Option Plan"), effective upon closing of the IPO, for the purpose of recognizing contributions made by employees, officers and others by granting to them options to purchase common shares of the Company. All options granted under the previous option plan and all new options granted under the 2011 Option Plan are now governed by the 2011 Option Plan. The 2011 Option Plan reduces the contractual life of the options from 10 years to 7 years for new options issued.

In 2017, the Company amended its stock option plan and received the required regulatory approvals to include a cashless settlement alternative in connection with the exercise of vested stock options.

On May 17, 2019, the Board of Directors approved an amended stock option plan, increasing the maximum aggregate number of outstanding options to not exceed 15% of the outstanding common shares at the relevant grant date.

15. Share-based payment arrangements (continued):

(ii) The fair value of each option granted has been estimated at the date of grant using the Black-Scholes option pricing model with the following weighted average assumptions at the measurement date:

	2021	2020
Risk-free interest rate	–	0.3%
Expected life (years)	–	4.4
Volatility	–	66%
Forfeiture rate	–	14%

During the year ended December 31, 2021, the Company did not grant any options. The weighted average grant date fair value of options granted during the year was nil (2020 - $0.24). The grant date fair value of the options granted during the year ended December 31, 2021, net of forfeitures, was nil (2020 - $111), which will be recognized over the three-year or four-year vesting period with 25% of the options vested after the first year and the remainder vesting in equal quarterly instalments over the remaining two-year or three-year vesting period, respectively.

(iii) The total share-based payment expense and the amount credited to contributed surplus for the year ended December 31, 2021 was $76 (2020 - $164).

The following table outlines the activity for stock options for the years ended December 31, 2021 and 2020:

	2021		2020	
	Number of options (000s)	Weighted average exercise price	Number of options (000s)	Weighted average exercise price
Outstanding, beginning of year	1,833	$ 1.22	2,047	$ 1.76
Granted	–	–	550	0.47
Exercised	(21)	0.45	–	–
Cancelled	(247)	1.45	(648)	1.98
Expired	(76)	2.37	(116)	3.03
Outstanding, end of year	1,489	1.13	1,833	1.22
Exercisable	1,187	$ 1.28	1,085	$ 1.56

15. Share-based payment arrangements (continued):

During the year ended December 31, 2021, 20,833 vested options were exercised (2020 - nil) by certain employees of the Company.

At December 31, 2021, the following table provides the outstanding options at their respective exercise prices and the related weighted average remaining contractual life:

Exercise price	Number outstanding	Weighted average remaining contractual life (years)
	(000s)	
$0.45 - $1.00	524	5.34
$1.01 - $2.00	945	1.97
$2.01 - $3.00	13	2.87
$3.01 - $4.00	–	–
$4.01 - $4.50	7	2.23
	1,489	3.16

(b) Deferred share units:

The Company grants DSUs to the members of the Board of Directors as their annual remuneration for the services rendered as directors on the Company's board. These DSUs are awarded as equity-settled or cash-settled, vest immediately and are settled when the board member is no longer rendering service to the Company. For cash-settled awards, the Company has recorded the changes in the fair value of the award in the statements of comprehensive income (loss) using the Company's share price as of the reporting date. The amount of the award payable is based on the number of units outstanding multiplied by the share price of the Company at the date of the payout. For the DSUs to be equity-settled, the Company now has a reserve of 1,600,000 common shares, an increase of 1,000,000 common shares, as approved by the shareholders and TSX on June 25, 2020.

15. Share-based payment arrangements (continued):

On April 29, 2020, one director of the Board of Directors resigned from their position and effective April 30, 2020, through a resolution of the Board of Directors, the equity-settled DSUs aggregating to 57,908 DSUs pertaining to the resigning director were modified from equity-settled to cash-settled. As a result of the modification, $26 was reversed from contributed surplus, with an offsetting credit to accrued liabilities. The cash-settled DSUs were settled on May 1, 2020 with a total payment of $38. The Company remitted $11 to Canada Revenue Agency in associated employment taxes.

On June 26, 2020, the Company issued 489,181 equity-settled DSUs to the directors representing their annual remuneration for fiscal 2020. For the year ended December 31, 2020, the Company recorded a DSU expense of $244, with an offsetting credit to contributed surplus in the statements of comprehensive income (loss).

On June 26, 2020, the Company also issued 60,819 cash-settled DSUs to the directors. For the year ended December 31, 2020, the Company recorded a DSU expense of $31 with an offsetting credit to non-current accrued liabilities on the statements of financial position.

On December 18, 2020, one director of the Board of Directors resigned from their position. 273,094 equity-settled DSUs were exercised on a cashless settlement basis resulting in the issuance of 220,233 common shares of the Company and 41,525 cash-settled DSUs were exercised. The Company remitted $64 to Canada Revenue Agency in associated employment taxes.

For the year ended December 31, 2021, the Company did not issue any DSUs to the members of the Board of Directors as their annual remuneration for the services rendered as directors on the Company's board. Refer to note 20(a).

15. Share-based payment arrangements (continued):

The following table outlines the activity for the DSUs for the year ended December 31, 2021 and 2020:

	2021		2020	
	Number (000s)	Amount	Number (000s)	Amount
Outstanding, beginning of year	797	$ 963	650	$ 1,402
Granted	–	–	550	275
Exercised	–	–	(403)	(657)
Changes in fair value of cash-settled award	–	(39)	–	(5)
Changes in fair value as a result of award modification	–	–	–	(52)
Outstanding, end of year	797	$ 924	797	$ 963
Comprising:				
Equity-settled award	671	$ 862	671	$ 862
Cash-settled award	126	62	126	101

16. Government assistance:

(a) The Company claims research and development deductions and related refundable and non-refundable ITCs for income tax purposes based on management's interpretation of the applicable legislation in the Income Tax Act (Canada). These claims are subject to a technical and expenditure review by Canada Revenue Agency. Although the Company has used its best judgment and understanding of the related income tax legislation in determining the amounts, it is possible that the amounts could change by a material amount in the near term depending on review and audit by Canada Revenue Agency. The total amount of ITCs recognized were $200 (2020 - $240), which were recorded as a reduction of research and development expenses.

The Company has $13,640 (2020 - $13,293) of federal non-refundable ITCs and $2,983 (2020 - $2,889) of Ontario non-refundable ITCs that can be carried forward to reduce federal and Ontario income tax otherwise payable, respectively. Those credits expire between 2028 and 2041 and have not been recognized in these financial statements.

(Expressed in thousands of Canadian dollars, except per share amounts)

16. Government assistance (continued):

(b) The governments of jurisdictions in which the Company operates have approved legislation with the intent to provide aid to businesses affected by COVID-19. This included the Canada Emergency Wage Subsidy, announced by the Government of Canada in April 2020. Subsidies have been made available to qualifying entities to offset certain expenses relating to employee wages, payroll taxes and office rent. For the year ended December 31, 2021, the Company determined that it qualified for the subsidies and submitted claims for $3,541 (2020 - $2,899) from various governments, which have been received and recognized as a reduction to the related payroll expenses in the statements of comprehensive income (loss).

17. Income taxes:

(a) Deferred income tax expense (recovery):

	2021	2020
Deferred income tax expense (recovery):		
Origination and reversal of temporary differences	$ (11)	$ 20
Change in unrecognized losses and deductible temporary differences	11	(20)
	$ –	$ –

(Expressed in thousands of Canadian dollars, except per share amounts)

17. Income taxes (continued):

(b) Income tax rate reconciliation:

The effective income tax rate differs from the statutory rate that would be obtained by applying the combined Canadian basic federal and provincial income tax rate to loss before income taxes. These differences result from the following items:

	2021	2020
Loss before income taxes	$ (468)	$ (1,485)
Combined basic federal and provincial income tax rates	26.5%	26.5%
Computed expected tax recovery	$ (124)	$ (393)
Increase (decrease) resulting from:		
Current year's losses and other differences not recognized	(9)	311
Change of previously unrecognized losses	11	(20)
Non-deductible items	122	102
Income tax expense	$ –	$ –

The statutory income tax rate was 26.5% for 2021 (2020 - 26.5%) as there was no change in the federal and provincial Canadian income tax rates.

(Expressed in thousands of Canadian dollars, except per share amounts)

17. Income taxes (continued):

(c) Recognized and unrecognized deferred income taxes:

Deferred income taxes reflect the net income tax effects of temporary differences between the carrying amounts of assets and liabilities in the statements of financial position and the amounts used for income tax purposes.

The movements of deferred income tax assets and liabilities for the years indicated are as follows:

	Losses	Total
Deferred income tax asset balance, January 1, 2020	$ 117	$ 117
Recognized in profit or loss	20	20
Deferred income tax asset balance, December 31, 2020	137	137
Recognized in profit or loss	(11)	(11)
Deferred income tax asset balance, December 31, 2021	$ 126	$ 126

	Property and equipment	Reserves	Total
Deferred income tax liability balance, January 1, 2020	$ (81)	$ (36)	$ (117)
Recognized in profit or loss	(43)	23	(20)
Deferred income tax liability balance, December 31, 2020	(124)	(13)	(137)
Recognized in profit or loss	21	(10)	11
Deferred income tax liability balance, December 31, 2021	$ (103)	$ (23)	$ (126)
Net deferred tax asset reported on the statement of financial position			$ –

(Expressed in thousands of Canadian dollars, except per share amounts)

17. Income taxes (continued):

The amount of deductible temporary differences and unused tax losses and Scientific Research and Experimental Development ("SR&ED") expenditures for which no deferred income tax assets have been recognized are as follows:

	2021	2020
Non-capital losses	$ 15,153	$ 16,635
Undeducted SR&ED expenditures	48,167	46,810
Other deductible temporary differences	7,071	7,202
	$ 70,391	$ 70,647

Non-capital loss carry forwards will expire between the years 2033 and 2039, while SR&ED pool carry forward and other temporary deductible differences have an unlimited carry forward period pursuant to current tax laws.

In assessing deferred income tax assets, management considers whether it is probable that some portion or all of the deferred income tax assets will be realized. The ultimate realization of deferred income tax assets is dependent upon the generation of future taxable income during the years in which those temporary differences become deductible.

Management considers the scheduled reversals of deferred income tax liabilities, the character of the deferred income tax assets and available tax planning strategies in making this assessment.

(Expressed in thousands of Canadian dollars, except per share amounts)

18. Financial instruments and capital management:

(a) Classification and fair values of financial instruments:

The following table sets out the Company's classification and carrying amount, together with the fair value, for each type of financial asset and financial liability as at December 31, 2021 and 2020:

	2021		2020	
Classification	Carrying value	Fair value	Carrying value	Fair value
Financial assets:				
Amortized cost:				
Cash equivalents	$ 1,576	$ 1,576	$ 986	$ 986
Accounts receivable	5,457	5,457	3,546	3,546
FVTOCI:				
Investments	–	–	255	255
Financial liabilities:				
Amortized cost:				
Accounts payable and accrued liabilities	2,085	2,085	1,975	1,975
Lease liabilities	1,235	1,235	2,045	2,045

The carrying values of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities, provisions and finance lease liabilities approximate their fair values due to the short-term nature of these financial instruments.

Fair value measurements:

The Company provides disclosure of the three-level hierarchy that reflects the significance of the inputs used in making the fair value measurement. The three levels of fair value hierarchy based on the reliability of inputs are as follows:

- Level 1 - inputs are quoted prices in active markets for identical assets and liabilities;
- Level 2 - inputs are based on observable market data, either directly or indirectly other than quoted prices; and
- Level 3 - inputs are not based on observable market data.

(Expressed in thousands of Canadian dollars, except per share amounts)

18. Financial instruments and capital management (continued):

In the tables below, the Company has segregated all financial assets and financial liabilities that are measured at fair value into the most appropriate level within the fair value hierarchy, based on the inputs used to determine the fair value at the measurement date. Financial assets and financial liabilities measured at fair value as at December 31, 2021 and 2020 in the financial statements are summarized below:

2021	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash equivalents	$ 1,576	$ –	$ –	$ 1,576
Investments	–	–	–	–

2020	Level 1	Level 2	Level 3	Total
Financial assets:				
Cash equivalents	$ 986	$ –	$ –	$ 986
Investments	–	–	255	255

There were no transfers of financial assets during the years between any of the levels.

(b) Market risk:

The Company, through its financial assets and liabilities, is exposed to various risks. The following analysis provides a measurement of these risks as at December 31, 2021:

(i) Credit risk:

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

(Expressed in thousands of Canadian dollars, except per share amounts)

18. Financial instruments and capital management (continued):

The Company's credit risk is primarily attributable to its accounts receivable. The Company reviews the components of these accounts on a regular basis to evaluate and monitor this risk. The Company's customers are generally large financially established organizations which limits the credit risk relating to the customers. In addition, credit reviews by the Company take into account the counterparty's financial position, past experience and other factors.

The following tables summarize the number of customers that individually comprises greater than 10% of total accounts receivable or total revenue and their aggregate percentage of the Company's total revenue and accounts receivable:

	Accounts receivable	
	Number of customers	% of total
As at December 31, 2021	2	80
As at December 31, 2020	2	77

	Revenue	
	Number of customers	% of total
Year ended December 31, 2021	2	47
Year ended December 31, 2020	3	62

(ii) Liquidity risk:

Liquidity risk is the risk that the Company may not be able to meet its financial obligations as they fall due or can do so only at excessive cost. The Company's growth is financed through a combination of the cash flows from operations and the issuance of equity. One of management's primary goals is to manage liquidity risk by continuously monitoring actual and projected cash flows to ensure that the Company has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

18. Financial instruments and capital management (continued):

The majority of the Company's financial liabilities comprise accounts payable and accrued liabilities. Given the Company's available cash and other liquid resources as compared to its liabilities, management assesses the Company's liquidity risk to be low.

(iii) Foreign exchange risk:

The Company transacts business in multiple currencies, the most significant of which are the U.S. dollar and Australian dollar. Currently, the Company does not enter into foreign exchange contracts to manage this exposure, but may do so in the future. The Company has foreign currency exposure with respect to cash equivalents, accounts receivable and accounts payable denominated in U.S. dollars and Australian dollars. It is also exposed to foreign currency risk on revenue and expenses where it invoices or procures in U.S. dollars and Australian dollars. During the year ended December 31, 2021, the Company recorded a foreign exchange loss of $220 (2020 - $148). At December 31, 2021, U.S. dollar-denominated net monetary assets totalled approximately U.S. $6,376 (2020 - U.S. $5,800). At December 31, 2021, Australian dollar-denominated net monetary assets totalled approximately AUD $766 (2020 - AUD $237).

If a shift in foreign currency exchange rates of 10% were to occur, the foreign exchange gain or loss on the Company's net monetary assets could change by approximately $876 due to the fluctuation and this would be recorded in the statements of comprehensive income (loss).

(iv) Interest rate risk:

Interest rate risk arises because of the fluctuation in interest rates. The Company is subject to interest rate risk on its cash equivalents. The impact of change in interest rates is not expected to be significant.

(c) Capital management:

The Company defines capital that it manages as the aggregate of its shareholders' equity, which comprises issued capital, contributed surplus and deficit.

(Expressed in thousands of Canadian dollars, except per share amounts)

18. Financial instruments and capital management (continued):

The Company's objective in managing capital is to ensure sufficient liquidity to pursue its 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 its capital structure, the Company takes into consideration various factors, including the growth of its business and related infrastructure and the up-front cost of taking on new customers.

The Company's officers and senior management are responsible for managing the Company's capital and do so through quarterly meetings and regular review of financial information. The Company's Board of Directors is responsible for overseeing this process. The Company manages its 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 shareholders' equity. The Company does not have any externally imposed capital requirements.

19. Segment reporting:

The Company has determined that it operates as a single reportable operating segment for purposes of making operating decisions and assessing performance. The Company's Chief Executive Officer, the chief operating decision maker, evaluates performance, makes operating decisions and allocates resources based on financial data consistent with the segmented reporting in these financial statements.

The following information provides the required enterprise-wide disclosures:

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

	2021	2020
Americas	$ 11,250	$ 11,787
EMEA	2,193	3,802
Asia Pacific	1,890	1,261
	$ 15,333	$ 16,850

(Expressed in thousands of Canadian dollars, except per share amounts)

19. Segment reporting (continued):

All of the Company's assets are located in Canada and virtually all of the Company's expenses are incurred in Canada.

20. Related party transactions:

(a) Key management personnel compensation:

The key management personnel are defined as executive officers of the Company, as well as the Board of Directors, as they have the collective authority and responsibility for planning, directing and controlling the activities of the Company. The following table outlines the total compensation for key management personnel for the year:

	2021	2020
Salaries and other short-term employee benefits	$ 1,201	$ 1,592
Directors' remuneration	225	–
Share-based payments	59	91
Long-term incentive and retention plans	67	2
	$ 1,552	$ 1,685

For the year ended December 31, 2021, the Company approved $225 (2020 - nil) in cash payments to the members of the Board of Directors in lieu of DSUs as their annual remuneration for the services rendered as directors on the Company's board, and will be paid subsequent to the year end..

The Company has arrangements with certain executive officers for termination and change of control benefits. Upon termination without cause by the Company, these officers are entitled to termination benefits of up to 18 months' base salary, annual bonus and lump sum cash payment in respect of any unvested stock options. All of the foregoing payments are subject to applicable statutory deductions.

20. Related party transactions (continued):

(b) Loan and share pledge agreements:

In 2011, the Company issued interest-free share purchase loans to its executive officers to exercise all of the stock options that were originally scheduled to vest on or prior to December 31, 2011. As at December 31, 2021, executive officers and non-independent director, held 153,125 (2020 - 203,125) common shares under the loan and share pledge agreement. During the year ended December 31, 2021, nil (2020 - nil) was repaid relating to common shares. These shares are pledged as security against the share purchase loans and are held as security by the Company until such time as the individual loans are repaid.

(c) NexJ Health Inc.:

On June 24, 2020, the Company, NexJ Health Inc. and NexJ Health Holdings Inc. entered into a separation agreement effective June 15, 2020, terminating the interim loan agreement, the shared services agreement as well as the software license agreements previously entered into pursuant to the completed plan of arrangement in 2016 between the three parties. As per the terms of separation, the Company wrote off $994 related to the interim loan and $636 shared services balances. Both of these amounts were provided for in the statements of comprehensive income (loss) for the year ended December 31, 2016.

The sublease agreement between the Company and NexJ Health Inc., effective January 1, 2019 continued to be in place for the sublease of the office space occupied by NexJ Health Inc. The Company classifies the sublease in accordance with the provision of IFRS 16, Leases, and consequently derecognized the right-of-use asset and lease receivable relating to the sublease. Right-of-use asset was measured based on lease payments to be received, discounted using the Company's incremental borrowing rate. On July 2, 2021, NexJ Health Inc. exercised its right to cancel the sub-lease, with the sub-lease ending on August 31, 2021. The termination of the sublease agreement has been recorded as a modification in accordance with the provisions of IFRS 16, Leases.

The Company charged $231 (2020 - $361) for the year ended December 31, 2021. During the year ended December 31, 2021, the Company has received payment of $225 from NexJ Health Inc. The remaining balance of $334 is recorded under prepaid expenses and other assets in the statements of financial position as of December 31, 2021.

The terms of the agreements above and the related amounts being charged were agreed upon by the parties.

21. Finance income:

	2021	2020
Interest on cash and cash equivalents	$ 20	$ 47

22. Restructuring costs:

For the year ended December 31, 2021, a total of nil (2020 – $924) was recorded as restructuring costs, relating primarily to employee severance costs as a result of restructuring undertaken by the Company in the fiscal year ended 2020. During the year ended December 31, 2021, the Company paid the final $95 in previously recorded restructuring costs. As at December 31, 2021, there are no remaining amounts outstanding.

23. Loss per share:

The following table sets forth the calculation of basic and diluted loss per share:

	2021	2020
Numerator:		
Loss for the year	$ (468)	$ (1,485)
Denominator:		
Weighted average number of common shares (in thousands):		
Basic and diluted	21,064	20,888
Loss per share:		
Basic and diluted	$ (0.02)	$ (0.07)

During the year ended December 31, 2021, there were 38 (2020 - nil) weighted average outstanding stock options excluded from the computation of diluted loss per share as they were anti-dilutive.

(Expressed in thousands of Canadian dollars, except per share amounts)

24. Expenses by nature:

The components of the Company's expenses include the following:

	2021	2020
Salaries, other short-term employee benefits, and contractors	$ 10,949	$ 12,124
Directors remuneration	225	–
Equity-settled share-based payments	76	439
Cash-settled share-based payments	–	(6)
Total personnel costs	11,250	12,557
Sales and marketing expense	593	702
Office rent expense	771	939
Professional, consulting and recruiting costs	504	414
Technology and communication expenses	971	931
Depreciation and amortization expense	920	862
Restructuring costs	–	924
Other*	499	761
Total operating expenses	$ 15,508	$ 18,090

*Includes office expenses, travel and entertainment expenses and other general and administrative costs.

25. Contractual obligations:

The Company has contractual obligations with respect to leases for office space and computer hardware. The lease for office premises has a duration of five years ending on December 31, 2022 and the lease for computer hardware has a duration of three years ending February 3, 2024.

On January 20, 2022, the Company and the Landlord executed an amendment to the lease term for the office space, with the lease term ending early on June 30, 2022. In consideration, under the terms of the amendment, by June 30, 2022, the Company is obligated to pay an amount equal to 50% of the contractual obligation for the period July 1, 2022 to December 31, 2022 less any rental deposit by the Landlord.

25. Contractual obligations (continued):

Total approximate future minimum lease payments for the leased office premises and computer hardware as at December 31, 2021 factoring in the lease amendment above are as follows:

Less than 1 year	$ 650
Between 1 and 5 years	85
	$ 735

In addition, the Company is responsible for additional taxes, maintenance and other direct charges with respect to its leased office premises. The additional amount is expected to be approximately $908 for 2022.

26. Guarantees:

The Company has provided routine indemnifications to its customers against liability if the Company's products infringe on a third party's intellectual property rights. The maximum exposure from these indemnifications cannot be reasonably estimated but is typically limited to the proceeds from sales contracts. Historically, the Company has made no payments relating to these indemnifications, and the Company is not subject to any pending litigation related to such guarantees.