

NEXJ SYSTEMS INC.

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

| | September 30, 2012 | December 31, 2011 |
|---|-----------------------|----------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 52,172 | \$ 56,218 |
| Short-term investments | – | 4,068 |
| Accounts receivable | 7,782 | 4,128 |
| Investment and other tax credits receivable | 235 | 2,801 |
| Prepaid expenses and other assets | 1,032 | 1,323 |
| Total current assets | 61,221 | 68,538 |
| Non-current assets: | | |
| Property and equipment | 4,072 | 4,596 |
| Other assets | 260 | 260 |
| Total non-current assets | 4,332 | 4,856 |
| Total assets | \$ 65,553 | \$ 73,394 |
| Liabilities and Shareholders' Equity | | |
| Current liabilities: | | |
| Accounts payable and accrued liabilities | \$ 4,073 | \$ 4,805 |
| Current portion of obligations under capital leases | – | 41 |
| Deferred revenue | 5,176 | 2,097 |
| Total current liabilities | 9,249 | 6,943 |
| Non-current liabilities: | | |
| Accrued liabilities | 960 | 1,053 |
| Deferred revenue | 538 | – |
| Total non-current liabilities | 1,498 | 1,053 |
| Total liabilities | 10,747 | 7,996 |
| Shareholders' equity: | | |
| Share capital | 80,701 | 79,831 |
| Share purchase loans | (3,622) | (3,803) |
| Contributed surplus | 4,640 | 4,034 |
| Deficit | (26,913) | (14,664) |
| Total shareholders' equity | 54,806 | 65,398 |
| Total liabilities and shareholders' equity | \$ 65,553 | \$ 73,394 |

NEXJ SYSTEMS INC.

Condensed Interim Statements of Comprehensive Loss
(Expressed in thousands of Canadian dollars)
(Unaudited)

| | Three months ended September 30, | | Nine months ended September 30, | |
|---|-------------------------------------|-----------|------------------------------------|------------|
| | 2012 | 2011 | 2012 | 2011 |
| Revenue: | | | | |
| License fees | \$ 1,051 | \$ 1,217 | \$ 3,225 | \$ 7,082 |
| Professional services | 3,712 | 5,409 | 12,336 | 13,596 |
| Maintenance and support | 1,319 | 884 | 3,776 | 2,275 |
| | 6,082 | 7,510 | 19,337 | 22,953 |
| Expenses*: | | | | |
| Professional service costs | 2,401 | 2,771 | 7,638 | 7,292 |
| Research and development, net | 3,865 | 3,425 | 11,223 | 9,885 |
| Sales and marketing | 1,912 | 1,818 | 6,139 | 5,916 |
| General and administrative | 2,125 | 1,912 | 6,621 | 5,635 |
| | 10,303 | 9,926 | 31,621 | 28,728 |
| Loss from operations | (4,221) | (2,416) | (12,284) | (5,775) |
| Foreign exchange gain (loss) | (547) | 1,600 | (415) | 975 |
| Finance income | 154 | 130 | 452 | 240 |
| Finance costs | — | (1) | (2) | (6) |
| | (393) | 1,729 | 35 | 1,209 |
| Loss before income taxes | (4,614) | (687) | (12,249) | (4,566) |
| Income taxes | — | — | — | — |
| Loss for the period and comprehensive loss | \$ (4,614) | \$ (687) | \$ (12,249) | \$ (4,566) |
| Loss per share: | | | | |
| Basic and diluted | \$ (0.23) | \$ (0.04) | \$ (0.62) | \$ (0.27) |
| *Share-based payment expense has been included in expenses as follows: | | | | |
| Professional service costs | \$ 54 | \$ 60 | \$ 181 | \$ 222 |
| Research and development, net | 85 | 101 | 307 | 408 |
| Sales and marketing | (122) | 71 | 44 | 512 |
| General and administrative | 90 | 126 | 300 | 510 |
| | \$ 107 | \$ 358 | \$ 832 | \$ 1,652 |

NEXJ SYSTEMS INC.

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

| | Nine months ended September 30, | |
|--|------------------------------------|------------|
| | 2012 | 2011 |
| Cash flows from operating activities: | | |
| Loss for the period | \$ (12,249) | \$ (4,566) |
| Adjustments for: | | |
| Depreciation | 850 | 566 |
| Share-based payment expense | 832 | 1,652 |
| Finance income | (452) | (240) |
| Finance costs | 2 | 6 |
| Foreign exchange loss (gain) | 198 | (695) |
| Change in non-cash operating working capital: | | |
| Accounts receivable | (3,654) | (1,810) |
| Prepaid expenses and other assets | 291 | (770) |
| Investment and other tax credits receivable | 2,566 | 752 |
| Accounts payable and accrued liabilities | (876) | (869) |
| Deferred revenue | 3,617 | (2,636) |
| Net cash flows used in operating activities | (8,875) | (8,610) |
| Cash flows from financing activities: | | |
| Obligations under capital leases | (41) | (49) |
| Exercise of employee stock options | 47 | 22 |
| Exercise of agent stock options | 635 | – |
| Repayment of share purchase loans | 143 | 16 |
| Issuance of common shares | – | 43,650 |
| Financing costs | – | (3,905) |
| Interest paid | (2) | (6) |
| Net cash flows from financing activities | 782 | 39,728 |
| Cash flows from investing activities: | | |
| Purchase of property and equipment | (275) | (1,760) |
| Redemption of short-term investments | 4,005 | 5,090 |
| Interest received | 452 | 240 |
| Increase in other assets | – | (64) |
| Net cash flows from investing activities | 4,182 | 3,506 |
| Effects of exchange rates on cash and cash equivalents | (135) | 674 |
| Increase (decrease) in cash and cash equivalents | (4,046) | 35,298 |
| Cash and cash equivalents, beginning of period | 56,218 | 23,942 |
| Cash and cash equivalents, end of period | \$ 52,172 | \$ 59,240 |
| Supplemental cash flow information: | | |
| Acquisition of property and equipment not yet paid for | \$ 51 | \$ 1,375 |