

NexJ Systems Inc.

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

	<u>December 31, 2015</u>	<u>December 31, 2014</u>
Assets		
	\$	\$
Current assets:		
Cash and cash equivalents	14,699	18,298
Accounts receivable	8,274	7,853
Prepaid expenses and other assets	968	1,448
Assets held for distribution	962	-
Total current assets	<u>24,903</u>	<u>27,599</u>
Non-current assets:		
Property and equipment	2,102	2,472
Intangible assets	-	1,756
Goodwill	1,753	2,617
Other assets	260	260
Total non-current assets	<u>4,115</u>	<u>7,105</u>
Total assets	<u>29,018</u>	<u>34,704</u>
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	5,424	4,619
Deferred revenue	4,382	4,726
Provisions	223	121
Earn-out liability	-	678
Liabilities held for distribution	964	-
Total current liabilities	<u>10,993</u>	<u>10,144</u>
Non-current liabilities:		
Accrued liabilities	658	391
Provisions	224	234
Deferred tax liability	-	16
Deferred revenue	304	238
Total non-current liabilities	<u>1,186</u>	<u>879</u>
Total liabilities	<u>12,179</u>	<u>11,023</u>
Shareholders' equity:		
Share capital	83,094	83,306
Share purchase loans	(3,622)	(3,622)
Contributed surplus	6,293	5,783
Deficit	(68,926)	(61,786)
Total shareholders' equity	<u>16,839</u>	<u>23,681</u>
Total liabilities and shareholders' equity	<u>29,018</u>	<u>34,704</u>

NexJ Systems Inc.

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

	Quarter ended December 31,		Year ended December 31,	
	2015	2014 (Restated)	2015	2014 (Restated)
Revenue:	\$	\$	\$	\$
License and subscription fees	1,190	1,198	4,889	3,148
Professional services	5,122	3,867	18,290	15,500
Maintenance and support	1,579	1,192	5,401	5,229
	<u>7,891</u>	<u>6,257</u>	<u>28,580</u>	<u>23,877</u>
Expenses*:				
Professional services	3,317	2,651	12,311	11,163
Research and development, net	1,837	1,614	6,973	6,369
Sales and marketing	1,263	1,062	4,934	4,177
General and administrative, net	1,566	1,685	7,183	6,081
Impairment charge	-	1,887	-	1,887
	<u>7,983</u>	<u>8,899</u>	<u>31,401</u>	<u>29,677</u>
Loss from operations:	(92)	(2,642)	(2,821)	(5,800)
Foreign exchange gain	356	98	947	553
Finance income	24	61	116	265
	<u>380</u>	<u>159</u>	<u>1,063</u>	<u>818</u>
Loss before income taxes	288	(2,483)	(1,758)	(4,982)
Income taxes	-	-	-	-
Loss from continuing operations	288	(2,483)	(1,758)	(4,982)
Loss from discontinued operation	(2,244)	(1,606)	(5,382)	(6,896)
Net Loss and comprehensive loss	<u>(1,956)</u>	<u>(4,089)</u>	<u>(7,140)</u>	<u>(11,878)</u>
Loss per share:				
Basic and diluted from continuing operations	(0.01)	(0.12)	(0.09)	(0.24)
Basic and diluted from discontinued operation	<u>(0.09)</u>	<u>(0.08)</u>	<u>(0.26)</u>	<u>(0.34)</u>
Basic and diluted	(0.10)	(0.20)	(0.35)	(0.58)
Weighted average number of common shares outstanding, in thousands:				
Basic and diluted	<u>20,450</u>	<u>20,459</u>	<u>20,457</u>	<u>20,403</u>
*Share-based payment expense has been included in expenses as follows:				
Professional services	\$ 57	\$ 13	\$ 145	\$ 133
Research and development, net	76	5	203	47
Sales and marketing	16	(5)	60	38
General and administrative, net	53	7	102	56
	<u>\$ 202</u>	<u>\$ 20</u>	<u>\$ 510</u>	<u>\$ 274</u>

The total revenue presented in the calculation of comprehensive loss for the year ended December 31, 2015 relates to Financial Services as the net of revenue and expenses for Healthcare have been presented as a loss from discontinued operations.

NexJ Systems Inc.

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

Years ended December 31, 2015 and 2014

	<u>2015*</u>	<u>2014*</u>
		(Restated)
Cash flows from (used in) operating activities:	\$	\$
Loss for the period:	(7,140)	(11,878)
Adjustments for:		
Depreciation and amortization	1,663	1,542
Share-based payment expense	510	274
Finance income	(116)	(265)
Foreign exchange gain	(495)	(457)
Impairment charge	-	1,887
Loss from discontinued operation	5,382	6,896
Change in non-cash operating working capital:		
Accounts receivable	(761)	(1,076)
Prepaid expenses and other assets	(109)	689
Accounts payable and accrued liabilities and provisions	1,814	(1,269)
Deferred revenue	294	(534)
Net cash flows from (used in) operating activities	<u>1,042</u>	<u>(4,191)</u>
Net cash flows used in discontinued operation	<u>(4,888)</u>	<u>(6,457)</u>
	<u>(3,846)</u>	<u>(10,648)</u>
 Cash flows from (used in) financing activities:		
Repurchase of common shares	(22)	(218)
Net settlement of earn-out liability	(22)	-
Net cash flows used in financing activities from continuing operations	<u>(44)</u>	<u>(218)</u>
Net cash flows used in financing activities from discontinued operation	-	(566)
Net cash flows used in financing activities	<u>(44)</u>	<u>(784)</u>
 Cash flows from (used in) investing activities:		
Purchase of property and equipment	(306)	(285)
Interest received	116	265
Net cash flows from (used in) investing activities	<u>(190)</u>	<u>(20)</u>
 Effects of exchange rates on cash and cash equivalents	<u>495</u>	<u>457</u>
 Decrease in cash and cash equivalents	(3,585)	(10,995)
Cash and cash equivalents, reclassified to held for distribution	(14)	-
 Cash and cash equivalents, beginning of period	18,298	29,293
 Cash and cash equivalents, end of period	<u>\$ 14,699</u>	<u>\$ 18,298</u>
 Supplemental cash flow information:		
Acquisition of property and equipment not yet paid for	<u>\$ 59</u>	<u>\$ -</u>

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