

## NexJ Systems Inc.

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

	<u>March 31, 2016</u>	<u>December 31, 2015</u>
<b>Assets</b>		
	\$	\$
Current assets:		
Cash and cash equivalents	13,228	14,699
Accounts receivable	7,720	8,274
Prepaid expenses and other assets	1,094	968
Assets held for distribution	-	962
Total current assets	<u>22,042</u>	<u>24,903</u>
Non-current assets:		
Property and equipment	2,395	2,102
Goodwill	1,753	1,753
Other assets	260	260
Total non-current assets	<u>4,408</u>	<u>4,115</u>
Total assets	<u>26,450</u>	<u>29,018</u>
<b>Liabilities and Shareholders' Equity</b>		
Current liabilities:		
Accounts payable and accrued liabilities	4,681	5,424
Deferred revenue	4,920	4,382
Provisions	223	223
Current portion of finance lease liability	148	-
Liabilities held for distribution	-	964
Total current liabilities	<u>9,972</u>	<u>10,993</u>
Non-current liabilities:		
Accrued liabilities	840	658
Provisions	168	224
Finance lease liability	271	-
Deferred revenue	-	304
Total non-current liabilities	<u>1,279</u>	<u>1,186</u>
Total liabilities	<u>11,251</u>	<u>12,179</u>
Shareholders' equity:		
Share capital	83,243	83,094
Share purchase loans	(3,622)	(3,622)
Contributed surplus	6,581	6,293
Deficit	(71,003)	(68,926)
Total shareholders' equity	<u>15,199</u>	<u>16,839</u>
Total liabilities and shareholders' equity	<u>26,450</u>	<u>29,018</u>

**NexJ Systems Inc.**

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

	Quarter ended March 31,	
	2016*	2015*
		(Restated)
	\$	\$
<b>Revenue:</b>		
License fees	1,067	1,049
Professional services	5,121	3,959
Maintenance and support	1,900	1,210
	<u>8,088</u>	<u>6,218</u>
<b>Expenses:</b>		
Professional services	3,226	2,702
Research and development, net	2,229	1,866
Sales and marketing	1,151	1,181
General and administrative, net	1,762	1,805
Impairment of loan receivable	641	-
	<u>9,009</u>	<u>7,554</u>
<b>Loss from operations:</b>	(921)	(1,336)
Foreign exchange gain	(873)	626
Finance income	18	40
	<u>(855)</u>	<u>666</u>
<b>Loss from continuing operations</b>	(1,776)	(670)
<b>Loss from discontinued operation*</b>	(252)	(992)
<b>Loss for the period and comprehensive loss</b>	<u>(2,028)</u>	<u>(1,662)</u>
<b>Loss per share:</b>		
Basic and diluted from continuing operations	\$ (0.09)	\$ (0.03)
Basic and diluted from discontinued operation	(0.01)	(0.05)
Basic and diluted	(0.10)	(0.08)
<b>Weighted average number of common shares outstanding, in thousands:</b>		
Basic and diluted	<u>20,300</u>	<u>20,459</u>
<b>*Share-based payment expense has been included in expenses as follows:</b>		
Professional services	\$ 101	\$ 27
Research and development, net	114	33
Sales and marketing	17	6
General and administrative, net	118	15
	<u>\$ 350</u>	<u>\$ 81</u>

\*As of January 25, 2016, the Healthcare business unit was spun-off as a new corporation; the net of revenue and expenses for Healthcare have been presented as part of the loss from discontinued operation for the quarter ended March 31, 2016 and 2015.

**NexJ Systems Inc.**

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

	Quarter ended March 31, 2016*	Quarter ended March 31, 2015*
		(Restated)
	\$	\$
<b>Cash flows from (used in) operating activities:</b>		
Loss for the period:	(2,028)	(1,662)
Adjustments for:		
Impairment of loan receivable	641	-
Depreciation and amortization	212	467
Share-based payment expense	350	81
Finance income	(18)	(40)
Foreign exchange loss (gain)	170	(448)
Loss from discontinued operation	252	992
Change in non-cash operating working capital:		
Accounts receivable	628	1,096
Prepaid expenses and other assets	(130)	(552)
Accounts payable and accrued liabilities and provisions	(711)	(556)
Deferred revenue	213	(751)
	(421)	(1,373)
<b>Net cash flows used in discontinued operation</b>	(270)	(958)
<b>Net cash flows used in operating activities</b>	(691)	(2,331)
<b>Cash flows from (used in) financing activities:</b>		
Repurchase of common shares	(48)	-
Proceeds from exercise of stock options	135	-
Payment of finance lease liability	(25)	-
<b>Net cash flows from financing activities</b>	62	-
<b>Cash flows from (used in) investing activities:</b>		
Purchase of property and equipment	(9)	-
Advances to NexJ Health Inc.	(641)	-
Distribution, net of cash	(40)	-
Interest received	18	40
<b>Net cash flows from (used in) investing activities</b>	(672)	40
Effects of exchange rates on cash and cash equivalents	(170)	448
Decrease in cash and cash equivalents	(1,471)	(1,843)
<b>Cash and cash equivalents, beginning of period</b>	14,699	18,298
<b>Cash and cash equivalents, end of period</b>	<u>\$ 13,228</u>	<u>\$ 16,455</u>
<b>Supplemental cash flow information:</b>		
Acquisition of property and equipment not yet paid for	\$ 94	\$ 13
Acquisition of property and equipment under finance lease	<u>\$ 444</u>	<u>\$ -</u>

\*The quarter ended March 31, 2016 and 2015 figures have been presented for the classification of the Healthcare business as a discontinued operation.