

TECSYS Inc.
Condensed Interim Consolidated Statements of Financial Position
(Unaudited)
As at July 31, 2017 and April 30, 2017
(in thousands of Canadian dollars)

	July 31, 2017	April 30, 2017
Assets		
Current assets		
Cash and cash equivalents	\$ 23,246	\$ 13,476
Accounts receivable	11,738	14,218
Work in progress	695	612
Other receivables	1,359	370
Tax credits	3,973	3,126
Inventory	1,033	914
Prepaid expenses	1,823	1,899
Total current assets	43,867	34,615
Non-current assets		
Other long-term receivables	276	-
Tax credits	5,437	5,407
Property and equipment	2,329	2,444
Deferred development costs	2,521	2,751
Other intangible assets	1,447	1,523
Goodwill	3,596	3,596
Deferred tax assets	2,194	2,201
Total non-current assets	17,800	17,922
Total assets	\$ 61,667	\$ 52,537
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 7,931	\$ 9,265
Current portion of long-term debt	61	69
Deferred revenue	11,860	12,094
Total current liabilities	19,852	21,428
Non-current liabilities		
Long-term debt	110	121
Other non-current liabilities	265	277
Total non-current liabilities	375	398
Total liabilities	20,227	21,826
Equity		
Share capital	18,803	8,349
Contributed surplus	9,577	9,577
Retained earnings	12,544	13,064
Accumulated other comprehensive income (loss)	516	(279)
Total equity attributable to the owners of the Company	41,440	30,711
Total liabilities and equity	\$ 61,667	\$ 52,537

TECSYS Inc.**Condensed Interim Consolidated Statements of Income and Comprehensive Income**

(Unaudited)

Three month periods ended July 31, 2017 and 2016

(in thousands of Canadian dollars, except per share data)

	Three Months Ended July 31, 2017	Three Months Ended July 31, 2016
Revenue:		
Proprietary products	\$ 1,248	\$ 1,224
Third-party products	1,522	1,493
Cloud, maintenance and subscription	7,090	6,644
Professional services	6,144	6,184
Reimbursable expenses	507	552
Total revenue	16,511	16,097
Cost of revenue:		
Products	1,360	1,263
Services	6,892	6,676
Reimbursable expenses	507	552
Total cost of revenue	8,759	8,491
Gross profit	7,752	7,606
Operating expenses:		
Sales and marketing	3,633	3,586
General and administration	1,576	1,340
Research and development, net of tax credits	2,478	2,437
Total operating expenses	7,687	7,363
Profit from operations	65	243
Net finance (income) costs	(34)	96
Profit before income taxes	99	147
Income taxes	30	19
Profit attributable to the owners of the Company	\$ 69	\$ 128
Other comprehensive income (loss):		
Effective portion of changes in fair value on designated revenue hedges	795	(725)
Comprehensive income (loss) attributable to the owners of the Company	\$ 864	\$ (597)
Basic and diluted earnings per common share	\$ 0.01	\$ 0.01

TECSYS Inc.**Condensed Interim Consolidated Statements of Cash Flows**

(Unaudited)

Three-month periods ended July 31, 2017 and 2016

(in thousands of Canadian dollars)

	Three Months Ended July 31, 2017	Three Months Ended July 31, 2016
Cash flows from (used in) operating activities:		
Profit for the period	\$ 69	\$ 128
Adjustments for:		
Depreciation of property and equipment	203	201
Depreciation of deferred development costs	302	348
Depreciation of other intangible assets	118	125
Net finance (income) costs	(34)	96
Unrealized foreign exchange and other	(823)	195
Non-refundable tax credits	(189)	(215)
Income taxes	-	19
Operating activities excluding changes in non-cash working capital items related to operations	(354)	897
Accounts receivable	2,480	5,545
Work in progress	(83)	(662)
Other receivables	(354)	(106)
Tax credits	(688)	1,656
Inventory	(119)	(91)
Prepaid expenses	77	(11)
Accounts payable and accrued liabilities	(1,223)	(2,786)
Deferred revenue	(234)	(146)
Changes in non-cash working capital items related to operations	(144)	3,399
Net cash (used in) from operating activities	(498)	4,296
Cash flows (used in) from financing activities:		
Repayment of long-term debt	(19)	(359)
Issuance of common shares	10,454	-
Interest paid	(1)	(26)
Net cash from (used in) financing activities	10,434	(385)
Cash flows from (used in) investing activities:		
Interest received	36	33
Acquisitions of property and equipment	(88)	(94)
Acquisitions of other intangible assets	(42)	(48)
Deferred development costs	(72)	-
Net cash used in investing activities	(166)	(109)
Net increase in cash and cash equivalents during the period	9,770	3,802
Cash and cash equivalents - beginning of period	13,476	9,704
Cash and cash equivalents - end of period	\$ 23,246	\$ 13,506

TECSYS Inc.
Condensed Interim Consolidated Statements of Changes in Equity
(Unaudited)
Three-month periods ended July 31, 2017 and 2016
(in thousands of Canadian dollars, except number of shares)

	Share capital		Contributed	Accumulated	Retained	Total
	Number	Amount	surplus	other comprehensive (loss) income	earnings	
Balance, April 30, 2017	12,315,326	\$ 8,349	\$ 9,577	\$ (279)	\$ 13,064	\$ 30,711
Profit for the period	-	-	-	-	69	69
Other comprehensive income for the period:						
Effective portion of changes in fair value on designated revenue hedges	-	-	-	795	-	795
Total comprehensive income for the period	-	-	-	795	69	864
Common shares issued under bought deal financing	767,050	10,454	-	-	-	10,454
Dividends to equity owners	-	-	-	-	(589)	(589)
Total transactions with owners of the Company	767,050	10,454	-	-	(589)	9,865
Balance, July 31, 2017	13,082,376	\$ 18,803	\$ 9,577	\$ 516	\$ 12,544	\$ 41,440
Balance, April 30, 2016	12,315,326	\$ 8,349	\$ 9,577	\$ 607	\$ 8,913	\$ 27,446
Profit for the period	-	-	-	-	128	128
Other comprehensive loss for the period:						
Effective portion of changes in fair value on designated revenue hedges	-	-	-	(725)	-	(725)
Total comprehensive (loss) income for the period	-	-	-	(725)	128	(597)
Dividends to equity owners	-	-	-	-	(369)	(369)
Total transactions with owners of the Company	-	-	-	-	(369)	(369)
Balance, July 31, 2016	12,315,326	\$ 8,349	\$ 9,577	\$ (118)	\$ 8,672	\$ 26,480