Form 51-102F4

BUSINESS ACQUISITION REPORT

Item 1 - Identity of Company

1.1 Name and Address of Company

Tecsys Inc. ("Tecsys" or the "Company")
1, Place Alexis Nihon
Bureau 800
Montreal (Québec) H3Z 3B8

1.2 Executive Officer

For further information, contact Mark Bentler, Chief Financial Officer at 514 866-5800

Item 2 - Details of Acquisition

2.1 Nature of Business Acquired

Tecsys acquired 100% of the issued and outstanding shares of OrderDynamics Corporation ("OrderDynamics"). OrderDynamics is a software company based in Richmond Hill, Ontario with a Software as a Service distributed order management solution enabling retail merchants and brand managers to optimize inbound business-to-consumer order channels and fulfilment, increasing sales, reducing operating costs, and improving customer satisfaction.

2.2 Date of Acquisition

November 14, 2018

2.3 Consideration

Tecsys acquired all of the issued and outstanding shares of OrderDynamics for a total purchase price of $13,375,000 which was subject to certain debt, cash and working capital adjustments. In addition to the payment of the purchase price, Tecsys assumed certain short term liabilities owed by OrderDynamics to Canada Revenue Agency ("CRA Liability") in an amount of approximately $1,600,000. A portion of the purchase price was held back in escrow pending final calculation of the purchase price adjustments, the end of the indemnification period and the settlement of the CRA liability. Cash payments for the acquisition were funded from existing cash balances.

2.4 Effect on Financial Position

This acquisition brings two technology-based companies together with complementary product lines and extends the Company's leadership and footprint in the healthcare and complex distribution supply chain space. The Company does not have any current plans for material changes in the Company's business affairs or the affairs of OrderDynamics which may have a significant effect on the results of operations and financial position of the Company.

The effect of the acquisition on the Company's financial position is outlined in the unaudited pro-forma consolidated financial statements which are attached to this business acquisition report and referred to in the item 3.

2.5 Prior Valuations

To the knowledge of the Company, there has been no valuation opinion obtained in the last 12 months by the Company or OrderDynamics required by securities legislation or a Canadian exchange or market to support the consideration paid by the Company for OrderDynamics.

2.6 Parties to Transaction

No informed person, associate or affiliate of the Company, as those terms are defined under applicable securities legislation was a party to the acquisition.

2.7 Date of Report

January 28, 2019

Item 3 - Financial Statements

The following financial information included in the schedules forms part of this Business Acquisition Report:

1. Historical Financial Statements of OrderDynamics

   A. Audited consolidated financial statements of OrderDynamics for the year ended March 31, 2018, with comparative unaudited consolidated financial statements for the year ended March 31, 2017, prepared in accordance with Canadian accounting standards for private enterprises.

   B. Unaudited condensed interim consolidated financial statements of OrderDynamics for the six-month period ended September 30, 2018, with comparative unaudited consolidated financial statements for the six-month period ended September 30, 2017, prepared in accordance with Canadian accounting standards for private enterprises.

2. Pro Forma Statements

   C. Unaudited pro forma consolidated financial statements of Tecsys, consisting of the pro forma consolidated statement of financial position as of October 31, 2018, the pro forma consolidated statement of comprehensive income for the six-month period ended October 31, 2018 and the pro forma consolidated statement of comprehensive income for the year ended April 30, 2018, together with the notes thereon.

The Company has not requested or obtained the consent of KPMG LLP to include the attached Independent Auditor's Report dated January 25, 2019 relating to the audited consolidated financial statements of OrderDynamics included in this business acquisition report.

The pro forma financial statements included herein are provided for illustrative purposes only and are not intended to represent, or be indicative of, the consolidated results of operations of Tecsys that would have been reported had the acquisition of OrderDynamics been completed as of the date presented. Accordingly, the pro forma financial statements should not be taken as representative of the future results of operations of the Company. The provisional acquisition accounting of OrderDynamics used in the pro forma financial statements is based upon Tecsys' provisional estimates, and Tecsys may make adjustments to the provisional accounting related to the application of the acquisition method between the date of this report and November 14, 2019. Differences between the provisional and final acquisition related accounting, including the measurement of identifiable assets and liabilities assumed could be material and, as such, may have a material impact on the pro forma financial statements. The pro forma financial statements do not reflect the impact of any potential operational efficiencies, cost savings or economies of scale that Tecsys may achieve with respect to the combined operations of Tecsys and OrderDynamics. The pro forma financial statements should be read in conjunction with Tecsys' consolidated financial statements and accompanying notes for its fiscal year ended April 30, 2018 which are available at www.sedar.com, as well as in conjunction with the audited financial statements of OrderDynamics for the year ended March 31, 2018 included herein.

Forward Looking Statements

Certain statements in this report may contain "forward-looking information" within the meaning of applicable securities legislation. Although the forward-looking information is based on what the Company believes are reasonable assumptions, current expectations, and estimates, investors are cautioned from placing undue reliance on this information since actual results may vary from the forward-looking information. Forward-looking information may be identified by the use of forward-looking terminology such as "believe", "intend", "may", "will", "expect", "estimate", "anticipate", "continue" or similar terms, variations of those terms or the negative of those terms, and the use of the conditional tense as well as similar expressions. These statements reflect current assumptions and expectations regarding future events and operating performance and speak only as of the date of this report. Forward looking statements involve significant risks and uncertainties, should not be read as guarantees of future performance or results, and will not necessarily be accurate indications of whether or not such results will be achieved. A number of factors could cause actual results to vary significantly from the results discussed in the forward looking statements, including, but not limited to, the factors discussed under "Risks and Uncertainties" as described in the Company's most recently filed Management's Discussion and Analysis ("MD&A"). Although the forward looking statements contained in this report are based upon what management of the Company believes are reasonable assumptions, the Company cannot assure investors that actual results will be consistent with these forward looking statements. The Company assumes no obligation, except as required by law, to update any forward looking statements to reflect new events or circumstances. This report should be viewed in conjunction with the Company's other publicly available filings, copies of which can be obtained electronically on SEDAR at www.sedar.com.

Schedule A

CONSOLIDATED FINANCIAL STATEMENTS
ORDERDYNAMICS CORPORATION

YEAR ENDED MARCH 31, 2018

Consolidated Financial Statements of

ORDERDYNAMICS CORPORATION

Year ended March 31, 2018

ORDERDYNAMICS CORPORATION

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KPMG

KPMG LLP
Bay Adelaide Centre
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Toronto ON M5H 2S5
Canada

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INDEPENDENT AUDITORS' REPORT

To the Shareholders of OrderDynamics Corporation,

We have audited the accompanying consolidated financial statements of OrderDynamics Corporation, which comprise the consolidated balance sheet as at March 31, 2018, the consolidated statements of loss, deficit and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for private enterprises, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of OrderDynamics Corporation as at March 31, 2018, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for private enterprises.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Toronto, Canada

January 25, 2019

ORDERDYNAMICS CORPORATION

Consolidated Balance Sheet

March 31, 2018, with comparative information for 2017

	2018	2017 (Unaudited)
Assets		
Current assets:		
Cash	$ 894,369	$ 947,479
Accounts receivable	591,767	411,896
Prepaid expenses and other	134,355	179,926
	1,620,491	1,539,301
Property and equipment (note 3)	42,776	77,021
Other intangible assets	-	12,818
	$ 1,663,267	$ 1,629,140
Liabilities and Shareholders' Deficiency		
Current liabilities:		
Accounts payable and accrued liabilities (note 4)	2,226,774	1,914,882
Deferred revenue	205,580	231,475
Loan payable to parent company (note 5)	15,147,438	13,867,837
Current portion of long-term debt (note 6)	175,002	-
	17,754,794	16,014,194
Long-term debt (note 6)	1,574,998	-
Shareholders' deficiency:		
Share capital (note 7)	10,552	10,552
Deficit	(17,677,077)	(14,395,606)
	(17,666,525)	(14,385,054)
Subsequent event (Note 13)		
	$ 1,663,267	$ 1,629,140

See accompanying notes to consolidated financial statements.

ORDERDYNAMICS CORPORATION

Consolidated Statement of Loss

Year ended March 31, 2018, with comparative information for 2017

	2018	2017 (Unaudited)
Revenue:		
Subscription	$ 3,559,234	$ 3,037,966
Professional services	1,797,003	2,229,568
	5,356,237	5,267,534
Cost of revenue:		
Services	3,004,476	2,961,185
Gross profit	2,351,761	2,306,349
Operating expenses:		
Sales and marketing	1,291,393	1,172,385
General and administration	1,456,986	1,987,442
Research and development	2,607,683	2,880,114
Total operating expenses	5,356,062	6,039,941
Loss from operations	(3,004,301)	(3,733,592)
Net finance costs (note 8)	277,170	111,238
Loss before income taxes	(3,281,471)	(3,844,830)
Income tax expense	-	-
Net loss	$ (3,281,471)	$ (3,844,830)

See accompanying notes to consolidated financial statements.

ORDERDYNAMICS CORPORATION

Consolidated Statement of Deficit

Year ended March 31, 2018, with comparative information for 2017

	2018	2017 (Unaudited)
Deficit, beginning of year	$ (14,395,606)	$(10,550,776)
Net loss	(3,281,471)	(3,844,830)
Deficit, end of year	$ (17,677,077)	$(14,395,606)

See accompanying notes to consolidated financial statements.

ORDERDYNAMICS CORPORATION

Consolidated Statement of Cash Flows

Year ended March 31, 2018, with comparative information for 2017

	2018	2017 (Unaudited)
Cash provided by (used in):		
Operating:		
Net loss	$ (3,281,471)	$ (3,844,830)
Items not involving cash:		
Depreciation of property and equipment	62,448	167,144
Amortization of other intangible assets	12,818	48,104
Net change in non-cash operating working capital items		
Accounts receivable	(179,871)	(23,724)
Prepaid expenses	45,571	(47,909)
Accounts payable and accrued liabilities	311,892	796,045
Deferred revenue	(25,895)	(243,351)
	(3,054,508)	(3,148,521)
Financing:		
Increase in long-term debt	1,750,000	–
Increase in loan payable to parent company	1,279,601	3,475,031
	3,029,601	3,475,031
Investing:		
Acquisition of property and equipment	(28,203)	–
	(28,203)	–
Net (decrease) increase in cash	(53,110)	326,510
Cash, beginning of year	947,479	620,969
Cash, end of year	$ 894,369	$ 947,479

See accompanying notes to consolidated financial statements.

1. Description of business:

OrderDynamics Corporation (the "Company"), incorporated under the *Canada Business Corporations Act*, develops software that enables retail merchants and brand managers to optimize retail expenses through all channels by simplifying the technology for retail fulfilment.

2. Significant accounting policies:

These consolidated financial statements have been prepared in accordance with Canadian accounting standards for private enterprises ("ASPE") and reflect the following significant accounting policies:

(a) Principles of consolidation:

The consolidated financial statements include the accounts of the Company and its subsidiary, Order Dynamics U.S. Inc. which had no activity during the year. All intercompany balances were eliminated upon consolidation.

(b) Property and equipment:

Property and equipment are recorded at cost and are depreciated using the straight-line method and the following periods:

Assets	Period
Office equipment	3 years
Leasehold improvements	5 years
Furniture and equipment	3 years

(c) Income taxes:

The Company follows the liability method of accounting for income taxes. Under this method, future income taxes are recognized based on the expected future tax consequences of differences between the carrying amount of balance sheet items and their corresponding tax basis. Future income tax assets are recognized to the extent it is more likely than not they will be realized. Future income tax assets and liabilities are adjusted to reflect changes in tax laws and enacted or substantively enacted tax rates.

2. Significant accounting policies (continued):

(d) Financial instruments:

Financial assets and financial liabilities are initially recognized at fair value when the Company becomes a party to the contractual provisions of the financial instruments. Subsequently, all financial instruments are measured at amortized cost.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to the other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in net earnings as interest income or expense.

With respect to financial assets measured at cost or amortized cost, the Company recognizes in net earnings an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in net earnings in the period the reversal occurs.

(e) Revenue recognition and deferred revenue:

The Company recognizes subscription revenue over the subscription period. Revenue from professional services under fixed-fee arrangements is recognized using the percentage-of-completion method over the service period. The Company primarily uses labour costs or labour hours to measure the progress towards completion. This method relies on estimates of total expected labour costs or total expected labour hours to complete the service, which are compared to labour costs or labour hours incurred to date, to arrive at an estimate of the percentage of revenue earned to date. Management regularly reviews underlying estimates of total expected labour costs or hours. If the outcome of an arrangement cannot be estimated reliably, revenue is recognized to the extent of arrangement costs incurred if it is probable that such costs will be recoverable.

2. Significant accounting policies (continued):

(f) Cost of goods sold:

Cost of goods sold include salaries and benefits for employees, delivering professional services, managing platform operations and providing customer service.

(g) Impairment of long-lived assets:

Long-lived assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

(h) Foreign currency translation:

The Company uses the temporal method to translate its foreign currency transactions.

Monetary assets and liabilities are translated at the rate of exchange in effect at each reporting date. Items appearing in the income statement are translated at average rates in effect during the year, depreciation and amortization which are at historical rates. Exchange gains and losses are included in the statement of loss under net finance costs.

(i) Use of estimates:

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises (“ASPE”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Key components of the consolidated financial statements requiring management to make estimates include the provision for doubtful accounts in respect of receivables, the percentage of completion of the work in progress and impairment of long-lived assets. Actual results could differ from these estimates.

(j) Stock based compensation:

The Company has a stock option plan in which options to purchase common shares are issued to key employees. The options vest evenly on a yearly basis over the vesting period of two years with the first tranche vesting at the grant date. The Company has not recorded any stock option expense as the options had nominal value on the issuance date.

3. Property and equipment:

	Cost	Accumulated depreciation	Net book value
			2018
Office equipment	$ 424,568	$ 399,892	$ 24,676
Leasehold improvements	111,856	93,756	18,100
Furniture and equipment	177,959	177,959	-
	$ 714,383	$ 671,607	$ 42,776

	Cost	Accumulated depreciation	Net book value
			2017 (Unaudited)
Office equipment	$ 396,365	$ 368,329	$ 28,036
Leasehold improvements	111,856	80,450	31,406
Furniture and equipment	177,959	160,380	17,579
	$ 686,180	$ 609,159	$ 77,021

4. Accounts payable and accrued liabilities:

	2018	2017 (Unaudited)
Accounts payable	$ 171,957	$ 287,481
Salaries and commission payable	308,885	432,905
Canada Revenue Agency payable (1)	1,604,512	1,129,314
Sales taxes	-	9,374
Other accrued liabilities	141,420	55,808
	$ 2,226,774	$ 1,914,882

(1) Canada Revenue Agency payable represents amounts previously claimed on tax returns and received in cash, but was subsequently discovered that the Company was not eligible for this credit.

5. Loan payable to parent company:

	2018	2017 (Unaudited)
Non-interest bearing, with no specific terms of repayment.	$15,147,438	$13,867,837

6. Long-term debt:

	2018	2017 (Unaudited)
Bank loan, bearing interest at prime rate plus 14.3%, payable in monthly principal payments of $21,667 beginning in October 2018, maturing in March 2020.	$ 1,750,000	$ -
Current portion	(175,002)	-
	$ 1,574,998	$ -

On a quarterly basis, the Company needs to meet the following financial covenants:

(a) Minimum Monthly Recurring Revenue threshold as observed on the final day of every quarter; and

(b) Minimum EBITDA threshold observed every quarter

At March 31, 2018, the covenants were met.

Principal payments on long-term debt required during the next years are as follows:

Fiscal year 2019	$ 175,002
Fiscal year 2020	1,574,998

7. Share capital:

Authorized in unlimited number and without par value

Common shares, voting

	2018	2017 (Unaudited)
Issued:		
7,500 common shares	$ 10,552	$ 10,552

Stock option plan:

The Company approved a common share stock option plan for its employees. The stock option plan is administered by the Management who may determine, in accordance with the terms of the plan, the terms relating to each option, including the extent to which each option is exercisable during the term of the options.

On March 31, 2018, the Company granted stock options as follows:

	Number of options	Weighted average Exercice price	Weighted average Fair value
Outstanding at April 1, 2017	2,110	0.01	-
Granted	175	0.01	-
Exercised	-	-	-
Forfeited	-	-	-
Outstanding at March 31, 2018	2,285	0.01	-
Exercisable at March 31, 2018	2,167	0.01	-

The options vest on a yearly basis over the vesting period of two years with the first tranche vesting at the grant date.

The fair value of options at grant date was deemed nil as the equity of the Corporation had nominal value.

For the years ended March 31, 2018 and 2017, the Company recorded no stock-based compensation expense.

8. Net finance costs:

	2018	2017 (Unaudited)
Interest on long-term debt	$ 217,632	$ 17,500
Foreign exchange	(26,574)	44,279
Interest on Canada Revenue Agency payable (note 4)	86,112	49,459
	$ 277,170	$ 111,238

9. Income taxes:

As at March 31, 2018, the Company has income tax losses of approximately $17,075,111 for federal income tax purposes, which may be used to reduce future years' taxable income. The benefits resulting from these tax losses have not been recognized in the financial statements because the Company does not have a history of generating taxable profit to utilize such losses. These losses expire as follows:

Fiscal year 2033	$ 35,897
Fiscal year 2034	1,530,492
Fiscal year 2035	4,440,983
Fiscal year 2036	3,601,689
Fiscal year 2037	4,698,471
Fiscal year 2038	2,767,579
	$17,075,111

10. Commitments:

The Company is committed under an operating lease for its premises maturing in August 2019. Minimum annual lease payments are approximately as follows:

Fiscal year 2019	$ 405,120
Fiscal year 2020	168,800

11. Financial instruments:

(a) Credit risk:

The Company grants credit to its clients in the normal course of business. Credit valuations are performed on a regular basis and the Company maintains a provision for bad debt losses. As at March 31, 2018, the four largest customers (each one constituting more than 10% of total accounts receivable) represent 73% (2017 - 64%) of the Company's accounts receivable.

(b) Liquidity risk:

The Company's objective is to have sufficient liquidity to meet its liabilities when they become due. The Company monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2018, the most significant financial liabilities are long-term debt and loans payable.

(c) Currency risk:

The Company incurs approximately 19% (2017 - 22%) of its purchases in Euros and British pounds and approximately 11% (2017 - 11%) in US dollars and is thus exposed to foreign exchange fluctuations. In addition, the Company realizes approximately 39% (2017 - 43%) of its sales in US dollars and approximately 24% (2017 - 16%) in Euros and British pounds. The Company does not actively manage its currency risk. As at March 31, 2018, the Company has no outstanding foreign exchange contracts.

The consolidated balance sheet includes the following amounts expressed in Canadian dollars with respect to financial assets and liabilities for which underlying cash flows are denominated in the following currencies:

	2018	2017 (Unaudited)
US dollars:		
Cash	$ 416,554	$ 91,081
Accounts receivable	252,982	223,945
Accounts payable	23,377	9,276
Euros:		
Cash	$ 235,153	$ -
Accounts receivable	202,356	-
Accounts payable	6,853	-
British pounds:		
Cash	$ 159,499	$ 748,282
Accounts receivable	87,661	47,570
Accounts payable	9,359	162,836

The consolidated balance sheet includes the following amounts expressed in original currencies with respect to financial assets and liabilities for which underlying cash flows are denominated in the following currencies:

		2018		2017 (Unaudited)
US dollars:				
Cash	$	330,160	$	70,940
Accounts receivable		197,477		178,597
Accounts payable		18,117		6,949
Euros:				
Cash	€	156,509	€	-
Accounts receivable		130,398		-
Accounts payable		4,322		-
British pounds:				
Cash	£	93,721	£	458,203
Accounts receivable		48,461		22,171
Accounts payable		5,172		102,497

(d) Interest rate risk:

The Company is exposed to interest rate risk related to the fluctuation of the prime rate as the Company's long-term debt bears interest at prime rate plus a premium.

12. Related party transactions:

The Company incurred a charge from the parent company representing product management and sales and marketing services totaling $297,388 (2017 - $286,070). These services occurred in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related party.

13. Subsequent event:

On November 14, 2018, the Company was acquired by Tecsys Inc. for a total consideration of $13,343,590 including $9,325,184 of cash paid at closing, $500,000 of cash paid in January 2019, the assumption of $1,604,512 of short term liabilities owed by the Company to Canada Revenue Agency ("CRA Liability") and future cash payments of (a) $500,000 held back pending final calculation of the CRA Liability ("CRA Liability Holdback") and (b) $1,500,000 held back for indemnification security ("Indemnification Holdback"). The CRA Liability Holdback will be paid to the seller upon final agreement with Canada Revenue Agency on the CRA Liability. The Indemnification Holdback will be released two years from the date of closing, subject to the terms of the share purchase agreement.

As part of the acquisition, long-term debt was repaid and the loan payable to parent company was partially repaid. The remaining unpaid balance was forgiven.

14. IFRS reconciliation:

The recognition, measurement and disclosure requirements of ASPE differ from those of Canadian GAAP applicable to publicly accountable enterprises, which are International Financial Reporting Standards ("IFRS"). As at March 31, 2018, there were no adjustments related to the recognition and measurement differences affecting the net loss reported under ASPE to reconcile to the net loss computed in accordance with IFRS.

SCHEDULE B

Condensed Interim Consolidated Financial Statements
ORDERDYNAMICS CORPORATION

SIX-MONTH PERIOD ENDED SEPTEMBER 30, 2018

Condensed Interim Consolidated Financial Statements of

ORDERDYNAMICS CORPORATION

Six-months periods ended September 30, 2018 and 2017

(Unaudited)

ORDERDYNAMICS CORPORATION

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ORDERDYNAMICS CORPORATION

Condensed Interim Consolidated Balance Sheet

September 30, 2018 and March 31, 2018
(Unaudited)

	September 30, 2018	March 31, 2018 (Audited)
Assets		
Current assets:		
Cash	$ 548,042	$ 894,369
Accounts receivable	636,718	591,767
Prepaid expenses and other	227,315	134,355
	1,412,075	1,620,491
Property and equipment	47,802	42,776
	$ 1,459,877	$ 1,663,267
Liabilities and Shareholders' Deficiency		
Current liabilities:		
Accounts payable and accrued liabilities	2,323,556	2,226,774
Deferred revenue	365,451	205,580
Loans payable to parent company and a shareholder (note 2)	15,996,086	15,147,438
Current portion of long-term debt (note 3)	1,750,000	175,002
	20,435,093	17,754,794
Long-term debt (note 3)	-	1,574,998
Shareholders' deficiency:		
Share capital	10,556	10,552
Deficit	(18,985,772)	(17,677,077)
	(18,975,216)	(17,666,525)
Subsequent event (Note 6)		
	$ 1,459,877	$ 1,663,267

See accompanying notes to condensed interim consolidated financial statements.

ORDERDYNAMICS CORPORATION

Condensed Interim Consolidated Statement of Loss
Six-month periods ended September 30, 2018 and 2017
(Unaudited)

	2018	2017
Revenue:		
Subscription	$ 1,937,233	$ 1,661,859
Professional services	1,282,452	740,015
	3,219,685	2,401,874
Cost of revenue:		
Services	1,644,295	1,622,079
Gross profit	1,575,390	779,795
Operating expenses:		
Sales and marketing	705,916	671,147
General and administration	757,043	806,320
Research and development	1,225,389	1,353,101
Total operating expenses	2,688,348	2,830,568
Loss from operations	(1,112,958)	(2,050,773)
Net finance costs (note 4)	195,737	173,148
Loss before income taxes	(1,308,695)	(2,223,921)
Income tax expense	-	-
Net loss	$ (1,308,695)	$ (2,223,921)

See accompanying notes to condensed interim consolidated financial statements.

ORDERDYNAMICS CORPORATION

Condensed Interim Consolidated Statement of Deficit
Six-months periods ended September 30, 2018 and 2017
(Unaudited)

	2018	2017
Deficit, beginning of period	$ (17,677,077)	$(14,395,606)
Net loss	(1,308,695)	(2,223,921)
Deficit, end of period	$ (18,985,772)	$(16,619,527)

See accompanying notes to condensed interim consolidated financial statements.

ORDERDYNAMICS CORPORATION

Condensed Interim Consolidated Statement of Cash Flows
Six-month periods ended September 30, 2018 and 2017
(Unaudited)

	2018	2017
Cash provided by (used in):		
Operating:		
Net loss	$ (1,308,695)	$ (2,223,921)
Items not involving cash:		
Depreciation of property and equipment	13,269	50,327
Amortization of other intangible assets	-	12,818
Net change in non-cash operating working capital items		
Accounts receivable	(44,951)	(60,970)
Prepaid expenses	(92,960)	(73,789)
Accounts payable and accrued liabilities	96,782	181,901
Deferred revenue	159,871	(106,503)
	(1,176,684)	(2,220,137)
Financing:		
Increase in long-term debt	-	1,250,000
Loans payable to parent company and a shareholder	848,648	642,843
Shares issued	4	-
	848,652	1,892,843
Investing:		
Acquisition of property and equipment	(18,295)	(8,491)
	(18,295)	(8,491)
Net decrease in cash	(346,327)	(335,785)
Cash, beginning of period	894,369	947,479
Cash, end of period	$ 548,042	$ 611,694

See accompanying notes to condensed interim consolidated financial statements.

1. Description of business and basis of presentation:

OrderDynamics Corporation (the "Company"), incorporated under the *Canada Business Corporations Act*, develops software that enables retail merchants and brand managers to optimize retail expenses through all channels by simplifying the technology for retail fulfilment.

These unaudited condensed interim consolidated financial statements have been prepared in accordance with Canadian accounting standards for private enterprises ("ASPE") and they should be read in conjunction with the Company's fiscal 2018 audited consolidated financial statements. The Company applied the same accounting policies in the preparation of these unaudited condensed interim financial statements as those disclosed in Note 2 of its annual financial statements as at and for the year ended March 31, 2018.

2. Loans payable to parent company and a shareholder:

	September 30, 2018	March 31, 2018 (Audited)
Loans payable to parent company, bearing no interest, with no specific terms of repayment	$ 15,396,086	$ 15,147,438
Loan payable to a shareholder, bearing interest at 8%, maturing in February 2019	300,000	-
	$ 15,696,086	$ 15,147,438

3. Long-term debt:

	September 30, 2018	March 31, 2018 (Audited)
Bank loan, bearing interest at prime rate plus 14.3%, payable in monthly principal payments of $21,667 beginning in October 2018, maturing in March 2020.	$ 1,750,000	$ 1,750,000
	1,750,000	1,750,000
Current portion	(1,750,000)	(175,002)
	$ -	$ 1,574,998

On a quarterly basis, the Company needs to meet the following financial covenants:

(a) Minimum Monthly Recurring Revenue threshold as observed on the final day of every quarter; and

(b) Minimum EBITDA threshold observed every quarter

At September 30, 2018, the covenants were not met. Accordingly, $1,750,000 is classified as current (see Note 6 - Subsequent event).

4. Net finance costs:

	2018	2017
Interest on long-term debt	$ 138,660	$ 115,522
Foreign exchange	7,042	14,515
Interest on Canada Revenue Agency payable	50,035	43,111
	$ 195,737	$ 173,148

5. Related party transactions:

The Company incurred a charge from the parent company representing product management and sales and marketing services totaling $148,648 (2017 - $160,630). These services occurred in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related party.

6. Subsequent event:

On November 14, 2018, Tecsys acquired 100% of the issued and outstanding shares of the Company for $13,343,590 including $9,325,184 of cash paid at closing, $500,000 of cash paid in January 2019, the assumption of $1,604,512 of short term liabilities owed by the Company to Canada Revenue Agency (“CRA Liability”) and future cash payments of (a) $500,000 held back pending final calculation of the CRA Liability (“CRA Liability Holdback”) and (b) $1,500,000 held back for indemnification security (“Indemnification Holdback”). The CRA Liability Holdback will be paid to the seller upon final agreement with Canada Revenue Agency on the CRA Liability. The Indemnification Holdback will be released two years from the date of closing, subject to the terms of the share purchase agreement.

As part of the acquisition, long-term debt was repaid and the loan payable to the parent company was partially repaid. The remaining unpaid balance was forgiven.

7. IFRS reconciliation:

The recognition, measurement and disclosure requirements of ASPE differ from those of Canadian GAAP applicable to publicly accountable enterprises, which are International Financial Reporting Standards (“IFRS”).

Effective April 1, 2018, the Company would have adopted IFRS 15 using the cumulative effect transition method. Accordingly, the information presented for fiscal year ended March 31, 2018 has not been restated. The adjustment to reduce the opening deficit at April 1, 2018 upon adoption of IFRS 15 would have been approximately $366,000. The amount represents the capitalization of eligible contract costs under IFRS 15, including incremental commissions paid to employees, which have been expensed under ASPE.

The following tables summarizes the impact of adopting IFRS 15 on the Company’s condensed interim consolidated statement of loss for the six-month period ended September 30, 2018. There was no impact on the Company’s condensed interim consolidated statements of cash flows for these periods.

	2018	2017
Net loss as reported under Canadian accounting standards for private enterprises	$ (1,308,695)	$ (2,223,921)
Adjustment:		
Capitalization of contract acquisition costs, including incremental commissions paid to employees under IFRS 15, which have been expensed under ASPE	67,068	-
Net loss reported under International Financial Reporting Standards	$ (1,241,627)	$ (2,223,921)

As at September 30, 2018, the condensed interim consolidated statement of financial position under IFRS result in an increase to assets in the amount of $433,000, with an offsetting decrease in the accumulated deficit.

SCHEDULE C

UNAUDITED PRO FORMA CONSOLIDATED FINANCIAL STATEMENTS
TECSYS INC.

Tecsys Inc.
Pro Forma Consolidated Statement of Financial Position
As at October 31, 2018
(Unaudited)
(in thousands of Canadian dollars)

	TECSYS October 31,2018	OrderDynamics September 30,2018	Pro Forma Adjustments	Note	Pro Forma Consolidated
Assets					
Current assets					
Cash and cash equivalents	$ 11,708	$ 548	$ (9,325)	4a)	$ 2,931
Short-term investment	10,007				10,007
Accounts receivable	13,485	637			14,122
Work in progress	900	-			900
Other accounts receivable	430	-			430
Tax credits	4,964	-			4,964
Inventory	878	-			878
Prepaid expenses	2,664	227	433	5b)	3,324
Total current assets	45,036	1,412	(8,892)		37,556
Non-current assets					
Long-term investments	-	-			-
Other long-term receivable	208	-			208
Tax credits	4,978	-			4,978
Property and equipment	2,759	48			2,807
Deferred development costs	1,357	-			1,357
Other intangible assets	1,164	-	5,958	4a)	7,122
Goodwill	3,596	-	7,010	4a)	10,606
Deferred tax assets	3,595	-	1,579	4a)	5,174
Total non-current assets	17,657	48	14,547		32,252
Total assets	$ 62,693	$ 1,460	$ 5,655		$ 69,808
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities	8,269	2,324	2,584	4a) and 4b)	13,177
Long-term debt	47	1,750	(1,750)	4a)	47
Loan payable to parent company and a shareholder	-	15,996	(15,996)	4a)	-
Deferred revenue	11,894	365			12,259
Total current liabilities	20,210	20,435	(15,162)		25,483
Non-current liabilities					
Long-term debt	51	-	-		51
Other non-current liabilities	294	-			294
Deferred tax liabilities	-	-	1,579	4a)	1,579
Total non-current liabilities	345	-	1,579	-	1,924
Total liabilities	20,555	20,435	(13,583)		27,407
Equity					
Share capital	19,144	11	(11)	4a)	19,144
Contributed surplus	9,694	-	-		9,694
Accumulated other comprehensive loss	(107)	-	-		(107)
Retained earnings	13,407	(18,986)	19,249	4a), 4b) and 5b)	13,670
Total equity attributable to the owners of the Company	42,138	(18,975)	19,238		42,401
Total liabilities and equity	$ 62,693	$ 1,460	$ 5,655		$ 69,808

See accompanying notes to the pro forma consolidated statement of financial position

Tecsys Inc.
Pro Forma Consolidated Statement of Comprehensive Loss
Six-month period ended October 31, 2018
(Unaudited)
(in thousands of Canadian dollars, except per share data)

	Tecsys Six-month ended October 31, 2018	OrderDynamics Six-month ended September 30, 2018 Note 6	Pro Forma Adjustments	Note 5	Pro Forma Consolidated
Revenue:					
Proprietary products	$ 3,786	$ -	$		$ 3,786
Third-party products	2,812	-			2,812
Cloud, maintenance and subscription	13,827	1,937			15,764
Professional services	12,998	1,283			14,281
Reimbursable expenses	1,043	-			1,043
Total revenue	34,466	3,220			37,686
Cost of revenue:					
Products	2,644	-			2,644
Services	13,685	1,644	254	a	15,583
Reimbursable expenses	1,043	-			1,043
Total cost of revenue	17,372	1,644	254		19,270
Gross profit	17,094	1,576	(254)		18,416
Operating expenses:					
Sales and marketing	7,534	706	21	a,b	8,261
General and administration	3,511	757			4,268
Research and development, net of tax credits	5,323	1,226		a	6,549
Total operating expenses	16,368	2,689	21		19,078
Profit (loss) from operations	726	(1,113)	(275)		(662)
Net finance costs (income)	(141)	196	(48)	c, d	7
Profit (loss) before income taxes	867	(1,309)	(227)		(669)
Income taxes	258	-	-		258
Profit (loss) attributable to the owners of the Company and comprehensive income (loss) for the period	$ 609	$ (1,309)	$ (227)		$ (927)
Weighted average number of shares (basic and diluted)					13,082,376
Basic and diluted loss per common share					$ (0.07)

See accompanying notes to the pro forma consolidated statement of comprehensive loss

Tecsys Inc.
Pro Forma Consolidated Statement of Comprehensive Loss
Year Ended April 30, 2018
(Unaudited)
(in thousands of Canadian dollars, except per share data)

	TECSYS Year ended April 30,2018	Order Dynamics Year ended March 31, 2018 Note 6	Pro Forma Adjustments	Note 5	Pro Forma Consolidated
Revenue:					
Proprietary products	$ 6,895	$ -	$		$ 6,895
Third-party products	6,847	-			6,847
Cloud, maintenance and subscription	27,000	3,559			30,559
Professional services	27,830	1,797			29,627
Reimbursable expenses	2,146	-			2,146
Total revenue	70,718	5,356			76,074
Cost of revenue:					
Products	6,187	-			6,187
Services	27,510	3,004	507	e	31,021
Reimbursable expenses	2,146	-			2,146
Total cost of revenue	35,843	3,004	507		39,354
Gross profit	34,875	2,352	(507)		36,720
Operating expenses:					
Sales and marketing	14,496	1,291	177	e	15,964
General and administration	6,328	1,457			7,785
Research and development, net of tax credits	9,797	2,608			12,405
Total operating expenses	30,621	5,356	177		36,154
Profit (loss) from operations	4,254	(3,004)	(684)		566
Net finance costs (income)	(151)	277	(175)	f, g	(49)
Profit (loss) before income taxes	4,405	(3,281)	(509)		615
Income taxes	456	-			456
Profit (loss) attributable to the owners of the Company and comprehensive income (loss) for the year	$ 3,949	$ (3,281)	$ (509)		$ 159
Weighted average number of shares (basic and diluted)					13,082,376
Basic and diluted loss per common share					$ 0.01

See accompanying notes to the pro forma consolidated statement of comprehensive loss

1. Description of the reporting entity and transaction

Tecsys Inc. (the "Company") was incorporated under the Canada Business Corporations Act in 1983. The Company's principal business activity is the development, marketing and sale of enterprise-wide supply chain management software for distribution, warehousing transportation logistic and point-of-use. The Company also provides relating consulting, education and support services.

On November 14, 2018, Tecsys acquired 100% of the issued and outstanding shares of OrderDynamics Corporation ("OrderDynamics") for $13,343,590 including $9,325,184 of cash paid at closing, $500,000 of cash paid in January 2019, the assumption of $1,604,512 of short term liabilities owed by the Corporation to Canada Revenue Agency ("CRA Liability") and future cash payments of (a) $500,000 held back pending final calculation of the CRA Liability ("CRA Liability Holdback") and (b) $1,500,000 held back for indemnification security ("Indemnification Holdback"). The CRA Liability Holdback will be paid to the seller upon final agreement with Canada Revenue Agency on the CRA Liability. We expect this to occur within one year from closing. The Indemnification Holdback will be released two years from the date of closing, subject to the terms of the share purchase agreement. Cash payments for the acquisition were funded from existing cash balances.

2. Basis of presentation

The following unaudited pro forma consolidated financial statements (the "pro forma financial statements") are based on the Company's historical consolidated financial statements and OrderDynamics' historical financial statements, as adjusted to give effect to the acquisition above.

The historical financial information of OrderDynamics is presented in accordance with Canadian accounting standards for private enterprises ("ASPE"). The historical financial information of the Company is presented in accordance with the International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board. The Company made certain adjustments to OrderDynamics' historical financial statements prepared under ASPE to conform to the Company's accounting framework and accounting policies under IFRS (Note 6). The assumptions and estimates underlying the unaudited adjustments to the pro forma financial statements are described in the accompanying notes, which should be read together with the pro forma financial statements. These pro forma financial statements have been prepared by Management of the Company in accordance with International Financial Reporting Standards on a consistent basis with those disclosed in Note 2 of the Company's audited annual consolidated financial statements as at and for the year ended April 30, 2018 and note 1 to the Company's unaudited condensed interim consolidated financial statements as at and for the six-month period ended October 31, 2018.

The pro forma financial statements have been prepared from information derived from, and should be read in conjunction with the following:

- the audited annual consolidated financial statements of the Company, together with the notes thereto, as at and for the year ended April 30, 2018;
- the unaudited interim consolidated financial statements of the Company, together with the notes thereto, as at and for the six-month period ended October 31, 2018;
- the audited annual consolidated financial statements of OrderDynamics, together with the notes thereto, as at and for the year ended March 31, 2018; and
- the unaudited condensed interim consolidated financial statements of OrderDynamics, together with the notes thereto, as at and for the six-month period ended September 30, 2018.

The accompanying unaudited pro forma consolidated statement of financial position as at October 31, 2018 has been prepared as if the acquisition of OrderDynamics had occurred on October 31, 2018. The accompanying unaudited pro forma consolidated statements of comprehensive loss for the six-month period ended October 31, 2018 and the year ended April 30, 2018 have been prepared to give effect to the acquisition of OrderDynamics as if it had occurred on May 1, 2017 in accordance with IFRS.

The historical financial statements have been adjusted in the pro forma financial statements to give effect to pro forma events that are (1) directly attributable to the business combination, (2) factually supportable and (3) with respect to the pro forma consolidated statements of earnings, expected to have a continuing impact on the combined results following the business combination. Accordingly, the unaudited pro forma consolidated statements of comprehensive loss do not include any anticipated financial benefits from such items as costs savings, operating synergies or revenue enhancements that the combined company may achieve arising from the acquisition. The unaudited pro forma consolidated statements of comprehensive loss are not necessarily indicative of the results of operations that would have resulted had the acquisition been effected on May 1, 2017, or the results that may be obtained in the future.

The unaudited pro forma consolidated financial statements have been prepared using the acquisition method of accounting in accordance with IFRS 3, Business Combinations (“IFRS 3”). The pro forma adjustments are determined based on available financial information and certain estimates and assumptions. The actual adjustments to the consolidated financial statements of Tecsys will depend on a number of factors. Management of Tecsys believes that such assumptions provide a reasonable basis for presenting all of the significant effects of the transaction and that the pro forma adjustments give appropriate effect to those assumptions and are properly applied in the unaudited pro forma consolidated financial statements.

As the acquirer for accounting purposes, the Company has preliminarily estimated the fair value of OrdeDynamics’ assets acquired and liabilities assumed. The unaudited pro forma consolidated financial information will differ from the final acquisition accounting for a number of reasons, including the fact that the estimates of fair values of assets and liabilities acquired are preliminary and subject to change when the formal valuation and other studies are finalized. Also, the definitive determination of the fair value of assets acquired and liabilities assumed will occur on the date of acquisition, which will also have an impact on the final acquisition accounting, and ultimately on goodwill. The differences that will occur between the preliminary estimates and the final acquisition accounting could have a material impact on the accompanying unaudited pro forma consolidated financial information.

3. Description of the transaction and acquisition accounting

On November 14, 2018, Tecsys acquired 100% of the issued and outstanding shares of OrderDynamics Corporation (“OrderDynamics”) for $13,343,590 including $9,325,184 of cash paid at closing, $500,000 of cash paid in January, the assumption of $1,604,512 of short term liabilities owed by the Corporation to Canada Revenue Agency (“CRA Liability”) and future cash payments of (a) $500,000 held back pending final calculation of the CRA Liability (“CRA Liability Holdback”) and (b) $1,500,000 held back for indemnification security (“Indemnification Holdback”). The CRA Liability Holdback will be paid to the seller upon final agreement with Canada Revenue Agency on the CRA

All tabular amounts are in thousands of Canadian dollars

Liability. We expect this to occur within one year from closing. The Indemnification Holdback will be released two years from the date of closing, subject to the terms of the Share Purchase Agreement. Cash payments for the acquisition were funded from existing cash balances.

The goodwill recognized in connection with this acquisition is primarily attributable to synergies with existing business, and other intangibles that do not qualify for separate recognition including assembled workforce.

The following table represents the preliminary allocation of the purchase price consideration to reflect the estimated fair value of the assets acquired and liabilities assumed at the date of acquisition, with any excess allocated to goodwill

Assets Acquired		
Accounts receivable	$	875
Prepaid expenses		296
Property and equipment		44
Identified intangible assets:		
Technology assets		5,074
Customer assets		884
Deferred tax assets		1,579
		8,752
Liabilities Assumed		
Bank overdraft	$	12
Accounts payable and accrued liabilities		387
Deferred revenue		418
Deferred tax liabilities		1,579
		2,396
Net Assets Acquired		6,356
Goodwill		6,988
Gross purchase consideration	**$**	**13,344**
CRA Liability assumed		**1,605**
Cash consideration paid or to be paid	**$**	**11,739**

The above represents management's preliminary assessment of the fair values of assets acquired and liabilities assumed based on best estimates considering all relevant information available. Because the Company only recently acquired OrderDynamics, it is not practical to definitely allocate the purchase price. The accounting for the business combination is expected to be completed as soon as Company's management has gathered all of the significant information available and considered necessary in order to finalize this allocation. The effect may be to transfer an amount to or from the assets acquired, liabilities assumed and goodwill. The amounts, if any, are not presently determinable. In addition, since the Company is still finalizing the valuation of assets acquired and liabilities assumed at the date of acquisition, November 14, 2018, the final allocation of the purchase price may vary significantly from the amounts used above.

All tabular amounts are in thousands of Canadian dollars

The deferred tax liabilities represent the tax effect from the recognition of identifiable intangible assets at date of acquisition, at the Company's statutory tax rate of 26.5%. The deferred tax assets represent the recognition of previously unrecognized tax assets to the extent of the deferred tax liabilities recognized.

4. Pro forma consolidated statement of financial position assumptions and adjustments

The unaudited pro forma consolidated statement of financial position as at October 31, 2018 incorporates the following adjustments:

a) The following adjustments were applied to the statement of financial position to reflect the carrying book value of assets acquired and liabilities assumed of OrderDynamics and to eliminate OrderDynamics equity upon consolidation.

Elimination of OrderDynamics share capital	11
Elimination of OrderDynamics loan payable	15,996
Elimination of OrderDynamics long-term debt	1,750
Elimination of deficit	(18,986)
Intangibles acquired	5,958
Goodwill	7,010
Deferred tax assets	1,579
Deferred tax liabilities	(1,579)
Cash payment on closing	(9,325)
Accrued liabilities – balance of payment, net of discount of $86 (See note 5c below)	(2,414)

Goodwill include an adjustment of $22 to reflect the difference of OrderDynamics balance sheet at September 30, 2018 to the balance sheet of OrderDynamics at the acquisition date.

b) Estimated acquisition costs are expected to approximate $170,000. For purposes of the pro forma consolidated statement of financial position as of October 31, 2018, an accrued payable of $170,000 has been recorded with a corresponding effect to retained earnings representing the acquisition costs to be incurred to complete the acquisition.

5. Pro forma consolidated statement of comprehensive loss assumptions and adjustments

Certain adjustments have been applied in this unaudited pro forma consolidated statement of comprehensive loss to illustrate the effects of acquisition accounting as if the acquisition had occurred on May 1, 2017 where the impact could be reasonably estimated.

The unaudited pro forma consolidated statement of comprehensive loss for the six-month ended October 31, 2018 includes the following adjustments:

(a) Amortization of the identified acquired intangible assets arising from the acquisition of OrderDynamics of $88,410, charged to sales and marketing expense and $253,683, charged to services cost of revenue. Acquired intangible assets comprise customer assets and technology assets and will be amortized over five-years and ten-years, respectively.

(b) Under IFRS 15, OrderDynamics will capitalize contract acquisition costs, including incremental commissions paid to employees, related to contracts having a term of at least 12 months. As at October 31, 2018, these capitalized contracts costs totalling $433,000 included in prepaid are expense and will be expensed over the terms of the related contracts. Accordingly, adjustment to opening retained earnings at April 1, 2018 is a decrease of $366,000 and the consolidated statement of comprehensive loss in the six-month period ended October 31, 2018 is a decrease of $67,000. See note 7 of the interim condensed consolidated financial statements as of September 30, 2018.

(c) The Indemnification Holdback of $1,500,000 will be released two years from the date of closing, subject to the terms of the Share Purchase Agreement. This amount was discounted over a 2 years period at a rate of 3%. Total discount amount is $86,106. The interest accretion for six-months of $21,208 is recorded as interest expense.

(d) Assuming the transaction had occurred on May 1, 2017, Order Dynamics would not have incurred interest on long-term debt since this amount was fully repaid at the transaction date. Accordingly, interest expense of $69,330 for the six-month period is adjusted as a reduction to net finance costs.

The unaudited pro forma consolidated statement of comprehensive loss for the year ended April 30, 2018 includes the following adjustments:

(e) Amortization of the identified acquired intangible assets arising from the acquisition of OrderDynamics of $176,820 charged to sales and marketing expense and $507,367, charged to service costs of revenue. Acquired intangible assets are comprised of customer assets and technology assets and will be amortized over a five-years and ten-years, respectively.

(f) The Indemnification Holdback of $1,500,000 will be released two years from the date of closing, subject to the terms of the Share Purchase Agreement. This amount was discounted over a 2 years period at a rate of 3%. Total discount amount is $86,106. The interest accretion for 1 year of $42,417 is recorded as interest expense.

All tabular amounts are in thousands of Canadian dollars

(g) Assuming the transaction had occurred on May 1, 2017, Order Dynamics would not have incurred interest on long-term debt since this amount was fully repaid at the transaction date. Accordingly, interest expense of $217,632 is adjusted as a reduction to net finance costs.

6. OrderDynamics statement of loss for the six-month period ended September 30, 2018 and year ended March 31, 2018

OrderDynamics financial statements, prepared in accordance with Canadian standards for private enterprises, have been reconciled to IFRS (see note 14 to OrderDynamics's audited financial statements and note 7 to OrderDynamics's unaudited financial statements).

Also, the OrderDynamics statement of loss conforms to the functional presentation approach consistent with Tecsys presentation and policy. Cost of revenue comprises the cost of services, made up mainly of salaries, incentives, benefits and travel for employees delivering professional services, managing platform and providing customer services.

Sales and marketing, as well as general and administration expenses include all human resources costs involved in these functions. They also include all other costs related to sales and marketing, such as travel, rent, advertising, trade shows, professional fees, office expenses, training, telecommunications and equipment rentals and maintenance.

Research and development includes salaries, benefits, incentives and expenses of all staff assigned research and development. Fees paid to external consultants are also included, along with a portion of overhead.

7. Pro forma earnings per share

The following table presents a reconciliation of the components used in the calculation of basic and diluted net earnings per share on a pro forma basis.

The calculation of basic earnings per share is based on the profit attributable to common shareholders and the weighted average number of common shares outstanding calculated as follows:

	Six Months Ended October 31, 2018	Year Ended April 30, 2018
Pro-forma (loss) profit attributable to common shareholders	$ (927)	$ 159
Weighted average number of common shares outstanding (basic and diluted)	13,082,376	13,082,376
Pro-forma basic and diluted earnings per common share	$ (0.07)	$ 0.01