

AnalytixInsight Inc.

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

for the three and nine months ended September 30, 2016 and 2015

NOTICE OF NO AUDITOR REVIEW OF CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

In accordance with National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the condensed interim financial statements, they must be accompanied by a notice indicating that an auditor has not reviewed the financial statements.

The accompanying unaudited condensed interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

The Company's independent auditor has not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered Accountants for a review of condensed interim financial statements by an entity's auditor.

AnalytixInsight Inc.

Condensed Interim Consolidated Statements of Financial Position

(Unaudited)

(Expressed in Canadian dollars)

As at

	Notes	September 30, 2016	December 31, 2015
ASSETS			
Current			
Cash		\$ 1,287,972	\$ 346,867
Accounts and other receivables		358,769	182,680
Prepaid expenses		40,085	100,676
Total current assets		1,686,826	630,223
Intangible assets	3	987,344	1,215,393
Total assets		\$ 2,674,170	\$ 1,845,616
LIABILITIES			
Current			
Accounts payable and accrued liabilities		\$ 1,543,755	\$ 1,215,057
Loan payable	4	-	150,290
Deferred revenue		520,980	22,410
Total current liabilities		2,064,735	1,387,757
SHAREHOLDERS' EQUITY			
Share capital	5	11,994,854	10,930,005
Reserves	6	1,180,694	1,544,417
Deficit		(12,822,914)	(12,337,107)
Currency translation reserve		289,080	320,544
Equity attributable to owners of the parent		641,714	457,859
Non-controlling interest		(32,279)	-
Total shareholders' equity		609,435	457,859
Total liabilities and shareholders' equity		\$ 2,674,170	\$ 1,845,616

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Approved by the Board of Directors on November 10, 2016.

"Prakash Hariharan"
 Prakash Hariharan – Director

"Chaith Kondragunta"
 Chaith Kondragunta – Director

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements

AnalytixInsight Inc.

Condensed Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited)

(Expressed in Canadian dollars)

	Notes	For the three months ended September 30,		For the nine months ended September 30,	
		2016	2015	2016	2015
REVENUE					
Services		\$ 733,387	\$ 323,431	\$ 1,809,705	\$ 630,607
TOTAL REVENUE		733,387	323,431	1,809,705	630,607
Cost of sales		537,474	122,182	841,519	567,294
Amortization		54,556	54,727	165,820	158,040
Gross profit (loss)		141,357	146,522	802,366	(94,727)
EXPENSES					
Consulting and compensation	9	292,813	255,136	656,868	639,086
Professional fees		58,579	31,832	164,455	122,711
General and administration		63,124	45,925	181,616	133,429
Selling and marketing		8,684	14,216	86,166	82,537
Travel		35,426	34,667	100,195	76,072
Software research expenditure		70,959	395,661	805,139	1,052,414
Share-based compensation	6	100,495	65,054	198,757	65,054
TOTAL EXPENSES		630,080	842,491	2,193,196	2,171,303
LOSS before other items		(488,723)	(695,969)	(1,390,830)	(2,266,030)
OTHER ITEMS					
Interest on short-term debt		(560)	(1,159)	(2,552)	(3,566)
Accretion		(6,206)	-	(34,281)	-
Foreign exchange (loss) gain		(3,028)	(6,495)	13,116	(14,679)
NET LOSS for the period		(498,517)	(703,623)	(1,414,547)	(2,284,275)
Other comprehensive income					
Items that may be reclassified to profit and loss:					
Foreign currency translation		10,935	61,345	(31,464)	152,098
LOSS AND COMPREHENSIVE LOSS for the period		\$ (487,582)	\$ (642,278)	\$ (1,446,011)	\$ (2,132,177)
Net loss for the period attributable to:					
Owners of the parent		(476,979)	(703,623)	(1,346,404)	(2,284,275)
Non-controlling Interest		(21,538)	-	(68,143)	-
		\$ (498,517)	\$ (703,623)	\$ (1,414,547)	\$ (2,284,275)
Comprehensive loss for the period attributable to:					
Owners of the parent		(487,049)	(642,278)	(1,444,921)	(2,132,177)
Non-controlling Interest		(533)	-	(1,090)	-
		\$ (487,582)	\$ (642,278)	\$ (1,446,011)	\$ (2,132,177)
Weighted average number of shares outstanding – basic and diluted		45,605,525	38,784,329	43,243,527	36,445,385
Basic and diluted loss per share		\$ (0.01)	\$ (0.02)	\$ (0.03)	\$ (0.06)

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements

AnalytixInsight Inc.

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

	For the nine months ended September 30,	
	2016	2015
Cash provided by (used in):		
Operations:		
Net loss for the period	\$ (1,414,547)	\$ (2,284,275)
Items not involving cash:		
Amortization of intangible assets	165,820	103,313
Non-cash interest accrued	431	-
Accretion	34,281	-
Share-based compensation	198,757	-
Net cash from operating activities before changes in working capital	(1,015,258)	(2,180,962)
Change in non-cash operating working capital	682,788	298,468
Net cash flows from operating activities	(332,471)	(1,882,494)
Financing:		
Loan repayment	(150,290)	-
Private placement - gross proceeds	1,090,000	1,864,680
Private placement - issue costs	(6,400)	(11,203)
Change in ownership interest in subsidiary	315,230	-
Net cash flows from financing activities	1,248,540	1,853,477
Effect of exchange rate change on cash	25,036	(4,454)
Increase (decrease) in cash for the period	916,069	(29,017)
Cash, beginning of the period	346,867	195,529
Cash, end of the period	\$ 1,287,972	\$ 162,058

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AnalytixInsight Inc.

Condensed Interim Consolidated Statement of Changes in Shareholders' Equity
(Unaudited)
(Expressed in Canadian dollars)

	Number of shares	Share capital	Reserves	Deficit	Currency translation reserve	Equity attributable to owners of the Company	Non- controlling interest	Shareholders' equity
Balance, December 31, 2014	32,165,900	\$ 8,983,505	\$ 1,820,413	\$ (9,790,355)	\$ 141,200	\$ 1,154,763	\$ -	\$ 1,154,763
Private placement, units, net of issue costs	6,627,125	1,946,500	184,827	-	-	2,131,327	-	2,131,327
Share-based compensation	-	-	65,054	-	-	65,054	-	65,054
Warrants expired	-	-	(161,587)	161,587	-	-	-	-
Total contributions by and distributions to owners	6,627,125	1,946,500	88,294	161,587	-	2,196,381	-	2,196,381
Other comprehensive income for the period	-	-	-	-	152,098	152,098	-	152,098
Net loss for the period	-	-	-	(2,284,275)	-	(2,284,275)	-	(2,284,275)
Total comprehensive loss	-	-	-	(2,284,275)	152,098	(2,132,177)	-	(2,132,177)
Balance, September 30, 2015	38,793,025	\$ 10,930,005	\$ 1,908,707	\$ (11,913,043)	\$ 293,298	\$ 1,218,967	\$ -	\$ 1,218,967
Balance, December 31, 2015	38,793,025	\$ 10,930,005	\$ 1,544,417	\$ (12,337,107)	\$ 320,544	\$ 457,859	\$ -	\$ 457,859
Private placement, units, net of issue costs	6,812,500	1,064,849	18,751	-	-	1,083,600	-	1,083,600
Share-based compensation	-	-	198,757	-	-	198,757	-	198,757
Options expired	-	-	(396,405)	396,405	-	-	-	-
Warrants expired	-	-	(184,826)	184,826	-	-	-	-
Total contributions by and distributions to owners	6,812,500	1,064,849	(363,723)	581,231	-	1,282,357	-	1,282,357
Other comprehensive income for the period	-	-	-	-	(30,374)	(30,374)	(1,090)	(31,464)
Net loss for the period	-	-	-	(1,346,404)	-	(1,346,404)	(68,143)	(1,414,547)
Total comprehensive loss	-	-	-	(1,346,404)	(30,374)	(1,376,778)	(69,233)	(1,446,011)
Change in ownership interests that do not result in loss of control	-	-	-	279,366	(1,090)	278,276	36,954	315,230
Balance, September 30, 2016	45,605,525	\$ 11,994,854	\$ 1,180,694	\$ (12,822,914)	\$ 289,080	\$ 641,714	\$ (32,279)	\$ 609,435

The accompanying notes are an integral part of these Condensed Interim Consolidated Financial Statements

AnalytixInsight Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2016 and 2015

(Unaudited)

(Expressed in Canadian dollars)

1. Nature of Operations and Going Concern

AnalytixInsight Inc. (the "Company") was incorporated in the Province of Manitoba on October 1, 1999 as "Western e-com Ventures Inc.". The Company was renamed "Western e-com Inc." on December 30, 1999, then renamed "OMT Inc." on October 5, 2001 and finally renamed "AnalytixInsight Inc." on July 11, 2013. On July 11, 2013, the Company was continued into British Columbia as a corporation under the *British Columbia Business Corporations Act*. On August 18, 2014, the Company was continued into the province of Ontario as a corporation under the *Ontario Business Corporations Act*. The Company's registered and head office address is located at 65 Queen Street West, Suite 815, Toronto, ON, M5H 2M5. The Company's shares are listed on the TSX Venture Exchange ("TSX.V") under the symbol "ALY".

On July 11, 2013, OMT Inc. acquired a 100% interest in AnalytixInsight Inc., a privately held Delaware technology company. Upon closing of the acquisition, the Company changed the name of this newly acquired, wholly owned subsidiary, to CapitalCube Corp. ("CapitalCube"). CapitalCube provides financial research and content for investors, information providers, finance portals and media through its online portal www.capitalcube.com and through its institutional partner Connect platform.

In January 2014, the Company registered a wholly owned subsidiary Marketwall S.r.l. ("Marketwall") (formerly Stockwall S.r.l.) which is based in Milan, Italy. Marketwall focuses on mobile opportunities especially in the business to business and business to business to consumer spaces. On April 8, 2016, the Company and Grupo Intesa Sanpaolo ("Intesa Sanpaolo") have executed a definitive agreement pursuant to which Intesa Sanpaolo has agreed to exercise their option to acquire a 33% share in the Company's mobile subsidiary Marketwall for EUR 212,691 (\$315,230).

On July 31, 2014, the Company announced that it sold all of the issued and outstanding shares of its wholly owned subsidiary, OMT Technologies Inc. ("OMT Tech"), which was a provider of technology and solutions to the media and broadcast industry, in exchange for forgiveness and cancellation of all debt related to OMT Tech.

The Company has a history of operating losses and expects to incur further losses in the development of its businesses. As at September 30, 2016, the Company has a working capital deficiency of \$377,909 (December 31, 2015 – deficiency of \$757,534) and an accumulated deficit of \$12,822,914 (December 31, 2015 - \$12,337,107). The Company has historically financed its operations by way of share and warrant issuances, the exercise of warrants and debt financings. If the Company is unable to continue to finance itself through these means, it is possible that the Company will be unable to continue as a going concern. Consequently, the Company remains dependent upon the continued financial support of its shareholders and debt holders. These material uncertainties cast significant doubt on the Company's ability to continue as a going concern.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than a process of forced liquidation. These condensed interim consolidated financial statements do not include any adjustments relating to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Company be unable to continue as a going concern. Such adjustments could be material.

2. Significant Accounting Policies

a) Basis of preparation

These condensed interim consolidated financial statements of the Company and its subsidiaries were prepared in accordance with IAS 34 Interim Financial Reporting ("IAS 34") in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB"). These condensed interim consolidated financial statements have been prepared in accordance with accounting policies based on the IFRS standards and International Financial Reporting Interpretations Committee ("IFRIC") interpretations. The policies set out in the Company's annual consolidated financial statements for the year ended December 31, 2015 were consistently applied to all the periods presented unless otherwise noted below. These condensed interim consolidated financial statements should be read in conjunction with the audited consolidated financial statements for the year ended December 31, 2015.

The preparation of condensed interim financial statements in accordance with IAS 34 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies

AnalytixInsight Inc.**Notes to Condensed Interim Consolidated Financial Statements**

For the three and nine months ended September 30, 2016 and 2015

(Unaudited)

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Continued)**a) Basis of preparation (Continued)**

The condensed interim consolidated financial statements are presented in Canadian dollars and include the accounts of the Company and its subsidiaries, CapitalCube, having a US dollar functional currency and Marketwall S.r.l., having a Euro functional currency. The functional currency determination was conducted through an analysis of the consideration factors identified in IAS 21. The Company reconsiders its functional currency if there are changes in events and conditions of the factors used in the determination of the primary economic environment.

b) Principles of consolidation

The condensed interim consolidated financial statements comprise the financial statements of the Company and its subsidiaries: CapitalCube Corp and Marketwall S.r.l. All significant intercompany balances and transactions have been eliminated.

An investor controls an investee when it is exposed, or has rights, to variable returns and has the ability to affect those returns through its power over the investee. A subsidiary is fully consolidated from the date control is transferred to the Company, and is de-consolidated from the date control ceases.

c) Recent accounting pronouncements

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods on or after January 1, 2016 or later periods. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 7 – Financial Instruments: Disclosures (“IFRS 7”) was amended in September 2014 to clarify whether a servicing contract is continuing involvement in a transferred asset for purposes of determining the disclosures required. IFRS 7 was also amended to clarify that the additional disclosures relating to offsetting are not specifically required for interim periods unless required by IAS 34. The amendments are effective for annual periods beginning on or after January 1, 2016.

IFRS 9 – Financial Instruments (“IFRS 9”) was issued by the IASB in November 2009 with additions in October 2010 and May 2013 and will replace IAS 39 Financial Instruments: Recognition and Measurement (“IAS 39”). IFRS 9 uses a single approach to determine whether a financial asset is measured at amortized cost or fair value, replacing the multiple rules in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of the financial assets. Most of the requirements in IAS 39 for classification and measurement of financial liabilities were carried forward unchanged to IFRS 9, except that an entity choosing to measure a financial liability at fair value will present the portion of any change in its fair value due to changes in the entity’s own credit risk in other comprehensive income, rather than within profit or loss. The new standard also requires a single impairment method to be used, replacing the multiple impairment methods in IAS 39. IFRS 9 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IFRS 15 - Revenue From Contracts With Customers (“IFRS 15”) proposes to replace IAS 18 - Revenue, IAS 11 - Construction contracts, and some revenue-related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized. New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. IFRS 15 is effective for annual periods beginning on or after January 1, 2018. Earlier adoption is permitted.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in December 2014 in order to clarify, among other things, that information should not be obscured by aggregating or by providing immaterial information, that materiality considerations apply to all parts of the financial statements and that even when a standard requires a specific disclosure, materiality considerations do apply. The amendments are effective for annual periods beginning on or after January 1, 2016.

AnalytixInsight Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2016 and 2015

(Unaudited)

(Expressed in Canadian dollars)

2. Significant Accounting Policies (Continued)**c) Resent accounting pronouncements (Continued)**

IAS 12 – Income Taxes (“IAS 12”) was amended in January 2016 to clarify that, among other things, unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use; the carrying amount of an asset does not limit the estimation of probable future taxable profits; and estimates for future taxable profits exclude tax deduction resulting from the reversal of deductible temporary differences. The amendments are effective for annual periods beginning on or after January 1, 2017. Earlier adoption is permitted.

IAS 38 - Intangible Assets (“IAS 38”) and IAS 16 – Property, Plant and Equipment (“IAS 16”), were amended in May 2014 to introduce a rebuttable presumption that the use of revenue-based amortization methods is inappropriate. The amendments are effective for annual periods beginning on or after January 1, 2016.

3. Intangible Assets

	Software	
Cost as at December 31, 2015	\$	1,678,400
Effect of foreign currency exchange difference		(87,679)
Cost as at September 30, 2016	\$	1,590,721
Accumulated amortization as at December 31, 2015	\$	463,007
Charge for the period		165,820
Effect of foreign currency exchange difference		(25,450)
Accumulated amortization as at September 30, 2016	\$	603,377
Net book value as at December 31, 2015	\$	1,215,393
Net book value as at September 30, 2016	\$	987,344

4. Loan Payable

As part of the licencing partnership with Intesa Sanpaolo S.p.A (“Bank Intesa”) announced on August 4, 2015, the Company was provided with an unsecured, line of credit by the Bank Intesa for executing the project and for working capital needs. The loan bears interest at a rate of approximately 4%. The EUR 100,000 (\$147,410) line of credit was drawn down in full during the third quarter 2015. Additional amount of EUR 50,000 (\$73,705) was drawn down in the first quarter of 2016 bringing the total outstanding amount to EUR 150,000 (\$221,115). The loan was repaid in full in April 2016.

AnalytixInsight Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2016 and 2015

(Unaudited)

(Expressed in Canadian dollars)

5. Share Capital

Issued	Number of shares	Stated value
Balance, December 31, 2015	38,793,025	\$ 10,930,005
Private placements	6,812,500	1,071,138
Share issuance costs	-	(6,289)
Balance, September 30, 2016	45,605,525	\$ 11,994,854

Private placement

On April 5, 2016, the Company announced that non-brokered private placement (the "Offering") of 6,812,500 units ("Units") issued at a price of \$0.16 per Unit, raised gross proceeds of \$1,090,000 was closed. Each Unit consists of one common share in the capital of the Company and one-half of one common share purchase warrant of the Company (each whole common share purchase warrant, a "Warrant"). Each Warrant shall entitle the holder to acquire one common share in the capital of the Company at a price of \$0.25 and the Warrants will have a term of twelve months from the time of the closing of the Offering.

6. Reserves

	No. of options	Weighted average exercise price	Value of options vested	No. of warrants	Weighted average exercise price	Value of warrants vested	Total value
Balance, December 31, 2015	2,832,000	\$ 0.55	\$ 1,359,591	2,913,562	\$ 0.50	\$ 184,826	\$ 1,544,417
Granted	1,285,000	0.20	198,757	3,406,250	0.25	18,751	217,508
Expired	(730,000)	0.60	(396,405)	(2,913,562)	0.50	(184,826)	(581,231)
Balance, September 30, 2016	3,387,000	\$ 0.41	\$ 1,161,943	3,406,250	\$ 0.25	\$ 18,751	\$ 1,180,694

Stock option plan

The Company has an incentive stock option plan (the "Option Plan") which provides that the Board of Directors of the Company may from time to time, in its discretion, and in accordance with TSX.V requirements, grant to directors, officers, employees and consultants to the Company, non-transferable options to purchase common shares. Included in the Option Plan are provisions that provide that the number of common shares reserved for issuance will not exceed 10% of the then issued and outstanding common shares of the Company. Vesting terms are determined at the time of grant by the Board of Directors.

AnalytixInsight Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2016 and 2015

(Unaudited)

(Expressed in Canadian dollars)

6. Reserves (Continued)

The following options were in existence as at September 30, 2016:

Share options

Number of options outstanding	Number of options exercisable	Grant date	Expiration date	Exercise price	Grant date estimated fair value vested	Expected volatility	Expected life (years)	Expected dividend yield	Risk-free interest rate
1,032,000	1,032,000	20-Dec-13	20-Dec-23	\$ 0.75	\$ 736,245	121%	10.00	0.00%	2.67%
150,000	150,000	25-Mar-14	25-Mar-19	\$ 0.55	\$ 66,180	140%	5.00	0.00%	1.72%
670,000	670,000	16-Dec-14	16-Dec-19	\$ 0.27	\$ 100,378	119%	5.00	0.00%	1.29%
250,000	250,000	1-Jul-15	1-Jul-20	\$ 0.35	\$ 63,652	142%	5.00	0.00%	0.81%
645,000	645,000	29-Feb-16	1-Mar-21	\$ 0.19	\$ 94,993	108%	5.00	0.00%	0.67%
640,000	640,000	26-Aug-16	26-Aug-21	\$ 0.22	\$ 100,495	98%	5.00	0.00%	0.72%
3,387,000	3,387,000			\$ 0.41	\$ 1,161,943		6.52		

Expected volatility is based on historic share prices of the Company.

Warrants

Number of warrants outstanding	Number of warrants exercisable	Grant date	Expiration date	Exercise price	Grant date estimated fair value vested	Expected volatility	Expected life (years)	Expected dividend yield	Risk-free interest rate
3,406,250	3,406,250	5-Apr-16	5-Apr-17	\$ 0.25	\$ 18,751	42%	1.00	0.00%	0.52%
3,406,250	3,406,250			\$ 0.25	\$ 18,751		1.00		

Expected volatility is based on historic share prices of the Company.

7. Segment Information

Geographic information about the Company's revenues is based on the product shipment destination or the location of the contractual party is as follows:

	Revenues for the three months ended September 30,		Revenues for the nine months ended September 30,	
	2016	2015	2016	2015
North America	\$ 273,279	\$ 22,809	\$ 754,401	\$ 49,923
European Union	452,281	284,918	1,031,512	564,980
Other	7,827	15,704	23,792	15,704
Total	\$ 733,387	\$ 323,431	\$ 1,809,705	\$ 630,607

AnalytixInsight Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2016 and 2015

(Unaudited)

(Expressed in Canadian dollars)

7. Segment Information (Continued)

Assets of the Company are segmented based on their physical locations and were as follows:

	Current assets	Intangible assets	Total assets
December 31, 2015			
North America	\$ 299,050	\$ 1,215,393	\$ 1,514,443
European Union	331,173	-	331,173
	\$ 630,223	\$ 1,215,393	\$ 1,845,616
September 30, 2016			
North America	\$ 665,601	\$ 987,344	\$ 1,652,945
European Union	1,021,225	-	1,021,225
	\$ 1,686,826	\$ 987,344	\$ 2,674,170

8. Financial Instruments**Fair value of financial instruments**

The Company's financial assets and financial liabilities as at September 30, 2016 and December 31, 2015 were as follows:

	Loans and receivables	Other financial (liabilities)	Total
December 31, 2015			
Cash	\$ 346,867	\$ -	\$ 346,867
Accounts and other receivables	\$ 182,680	\$ -	\$ 182,680
Accounts payable and accrued liabilities	\$ -	\$ (1,215,057)	\$ (1,215,057)
Loan payable	\$ -	\$ (150,290)	\$ (150,290)
September 30, 2016			
Cash	\$ 1,287,972	\$ -	\$ 1,287,972
Accounts and other receivables	\$ 358,769	\$ -	\$ 358,769
Accounts payable and accrued liabilities	\$ -	\$ (1,543,755)	\$ (1,543,755)

As at September 30, 2016 and 2015, the Company's financial instruments consist of cash, accounts and other receivables, accounts payable and accrued liabilities and loan payable. Cash and accounts and other receivables are classified as loans and receivables and measured at amortized cost. Accounts payable and accrued liabilities and loan payable are classified as other liabilities and are measured at amortized cost. The fair values of these financial instruments approximate their carrying values because of their short term nature and/or the existence of market related interest rate on the instruments.

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Notes to Condensed Interim Consolidated Financial Statements

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8. Financial Instruments (Continued)**Financial risk factors**

The Company is exposed to a variety of financial instrument related risks:

Credit risk

Credit risk is the risk of an unexpected loss if a customer or third party to a financial instrument fails to meet its contractual obligations. There are no significant concentrations of credit risk for receivables as at September 30, 2016 and 2015.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting its financial liability obligations. The Company manages its liquidity risk through cash and debt management. The Company's objective in managing liquidity risk is to increase revenue, minimize operational costs and to maintain sufficient liquidity in order to meet these operational requirements at any point in time. As at September 30, 2016, the Company has a cash balance of \$1,287,972 (December 31, 2015 – \$346,867) current liabilities of \$2,064,735 (December 31, 2015 - \$1,387,757) and a working capital deficiency of \$377,909 (December 31, 2015 - deficiency of \$757,534). The Company's ability to meet its financial liability obligations and continue to operate as a going concern may include obtaining sufficient funding by means of issuing shares. There is no certainty of the Company's ability to raise additional financing through this method.

Interest rate risk

The Company has cash balances and all amounts are held with accredited banks. As of September 30, 2016 and December 31, 2015, the Company did not have any investment in investment grade short term deposit certificates. Interest exposure with respect to its cash balances is minimal.

Currency risk

The Company generates revenue and incurs expenses and expenditures in Canada, the United States, the Middle East and in the European Union. As a result, fluctuations in the rate of exchange between U.S. dollars, Euros, Canadian dollars and other currencies can have an effect on the Company's reported results. The Company has not utilized any financial instruments or cash management policies to mitigate the risks arising from changes in foreign currency rates. The net Canadian dollar equivalent of the total of its cost of sales, selling and administrative and software development expense and sales denominated in US dollars was approximately \$239,000. Accordingly, a 10% increase or decrease in the exchange rate between U.S. and Canadian dollars would result in an increase or decrease of approximately \$23,900 in net loss for the period.

The net Canadian dollar equivalent of the total of its cost of sales, selling and administrative and software development expense and sales denominated in Euros was approximately \$269,000. Accordingly, a 10% increase or decrease in the exchange rate between Euros and Canadian dollars would result in an increase or decrease of approximately \$26,900 in net loss for the period.

The Canadian dollar equivalent of the net asset value denominated in US dollars as at September 30, 2016 was approximately \$595,000. Accordingly, a 10% increase or decrease in the exchange rate between U.S. and Canadian dollars would impact net loss by approximately \$59,500.

The Canadian dollar equivalent of the net asset value denominated in Euros as at September 30, 2016 was approximately \$35,000. Accordingly, a 10% increase or decrease in the exchange rate between Euros and Canadian dollars would impact net loss by approximately \$3,500.

AnalytixInsight Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2016 and 2015

(Unaudited)

(Expressed in Canadian dollars)

8. Financial Instruments (Continued)**Capital management**

The Company defines capital that it manages as the aggregate of its share capital, being composed of capital stock, reserves, deficit and cash. Its objective when managing capital is to ensure that the Company will continue as a going concern, so that it can provide products and services to its customers and returns to its shareholders.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may attempt to issue new shares, issue debt, acquire or dispose of assets or adjust the amount of cash and cash equivalents and investments. The Company requires capital to maintain its operating businesses, sustain corporate operations and repay existing obligations. The Company may seek additional financing by means of issuing share capital, the sale of assets or debt financing. There can be no certainty of the Company's ability to raise any additional financing from any of these sources.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general industry conditions. The annual and updated budgets are approved by the Board of Directors. The Company currently is not subject to externally imposed capital requirements.

The Company's capital management objectives, policies and processes have remained unchanged during the 2016 and 2015.

The Company is not subject to any capital requirements imposed by a lending institution or regulatory body, other than of the TSX Venture Exchange ("TSXV") which requires adequate working capital or financial resources of the greater of (i) \$50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of 6 months. As of September 30, 2016, the Company may not be compliant with the policies of the TSXV. The impact of this violation is not known and is ultimately dependent on the discretion of the TSXV.

9. Related Party Transactions

All transactions with related parties, have occurred in the normal course of operations and are measured at their exchange amount as determined by management. Unless otherwise specified, the period end balances of receivables/payables referred to are non-interest bearing, unsecured, receivable or payable on demand, and have arisen from the provision of services and expense reimbursements. There were no related party transactions recorded in the period.

Compensation of key management personnel

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and non-executive) of the Company.

The remuneration of directors and other members of key management personnel (officers) during the periods presented were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2016	2015	2016	2015
Short-term benefits	\$ 31,657	\$ 181,623	\$ 195,000	\$ 314,783
Share-based payments	-	-	123,534	12,731
	\$ 31,657	\$ 181,623	\$ 318,534	\$ 327,514

AnalytixInsight Inc.

Notes to Condensed Interim Consolidated Financial Statements

For the three and nine months ended September 30, 2016 and 2015

(Unaudited)

(Expressed in Canadian dollars)

10. Commitments and Contingencies

A judgment was entered against the Company on December 13, 2013 by the Supreme Court of the State of New York in favor of New York Worker's Compensation Board ("WCB") in the amount of US\$18,000 (approximately \$23,610) as a penalty for failure to carry Worker's Compensation Insurance. On February 24, 2014, the Company received notice of an additional US\$18,000 (approximately \$23,610) penalty assessed. The Company disputes WCB allegations and has not made any provisions for this amount at September 30, 2016.

The Company is party to certain management contracts. These contracts require that additional payments of approximately \$708,000 be made upon the occurrence of a change of control. As a triggering event has not taken place, the contingent payments have not been reflected in these consolidated financial statements. Minimum commitments remaining under these contracts were approximately \$55,000 all due within one year.

The Company is subject to various claims, lawsuits and other complaints arising in the ordinary course of business. The Company records provisions for losses when claims become probable and the amounts are estimable. Although the outcome of such matters cannot be determined, it is the opinion of management that the final resolution of these matters will not have a material adverse effect on the Company's financial condition, operations or liquidity.

There are no off-balance sheet arrangements.