

Condensed Consolidated Interim Financial Statements of

Kinaxis Inc.

Nine months ended September 30, 2015 and September 30, 2014
(Unaudited)

Kinaxis Inc.

Condensed Consolidated Interim Statements of Financial Position

As at September 30, 2015 and December 31, 2014

(Expressed in thousands of U.S. dollars)

(Unaudited)

	September 30, 2015	December 31, 2014
Assets		
Current assets:		
Cash and cash equivalents	\$ 90,626	\$ 56,725
Trade and other receivables (note 4)	19,848	17,023
Investment tax credits receivable	1,571	1,974
Prepaid expenses	1,809	1,926
	113,854	77,648
Non-current assets:		
Property and equipment (note 5)	7,278	4,744
Investment tax credits recoverable	3,632	3,091
Deferred tax assets	–	5,726
	\$ 124,764	\$ 91,209
Liabilities		
Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 5,533	\$ 6,945
Deferred revenue	44,074	35,740
	49,607	42,685
Non-current liabilities:		
Lease inducement	75	109
Deferred revenue	12,850	1,778
	12,925	1,887
Shareholders' Equity		
Share capital (note 7)	88,633	87,219
Contributed surplus	8,951	6,152
Accumulated other comprehensive loss	(463)	(453)
Deficit	(34,889)	(46,281)
	62,232	46,637
	\$ 124,764	\$ 91,209

See accompanying notes to condensed consolidated interim financial statements.

On behalf of the Board of Directors:

(signed) Douglas Colbeth _____ Director *(signed) John (Ian) Giffen* _____ Director

Kinaxis Inc.

Condensed Consolidated Interim Statements of Comprehensive Income (Loss)

For the three and nine months September 30, 2015 and 2014

(Expressed in thousands of U.S. dollars, except share and per share data)

(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
Revenue (note 9)	\$ 23,665	\$ 17,681	\$ 67,080	\$ 51,234
Cost of revenue	6,862	4,855	18,954	15,312
Gross profit	16,803	12,826	48,126	35,922
Operating expenses:				
Selling and marketing	4,368	3,014	12,089	10,021
Research and development (note 10)	3,876	3,545	11,502	10,067
General and administrative	2,158	2,138	6,146	6,188
	10,402	8,697	29,737	26,276
	6,401	4,129	18,389	9,646
Other income (expense):				
Loss due to change in fair value of redeemable preferred shares	—	—	—	(6,760)
Foreign exchange loss	(497)	(262)	(1,023)	(134)
Net finance income (expense)	30	3	96	(507)
	(467)	(259)	(927)	(7,401)
Profit before income taxes	5,934	3,870	17,462	2,245
Income tax expense:				
Current	212	232	344	626
Deferred	1,916	1,126	5,726	2,424
	2,128	1,358	6,070	3,050
Profit (loss)	3,806	2,512	11,392	(805)
Other comprehensive income (loss)				
Items that are or may be reclassified subsequently to profit or loss:				
Foreign currency translation differences - foreign operations	20	(49)	(10)	(25)
Total comprehensive profit (loss)	\$ 3,826	\$ 2,463	\$ 11,382	\$ (830)
Basic earnings (loss) per share	\$ 0.16	\$ 0.11	\$ 0.48	\$ (0.05)
Weighted average number of basic Common Shares (note 8)	23,957,202	23,594,556	23,851,437	17,530,210
Diluted earnings (loss) per share	\$ 0.15	\$ 0.10	\$ 0.45	\$ (0.05)
Weighted average number of diluted Common Shares (note 8)	25,498,758	24,758,532	25,365,629	17,530,210

See accompanying notes to condensed consolidated interim financial statements.

Kinaxis Inc.

Condensed Consolidated Interim Statements of Changes in Shareholders' Equity (Deficiency)

For the nine months September 30, 2015 and 2014

(Expressed in thousands of U.S. dollars)

(Unaudited)

	Share capital	Contributed surplus	Accumulated other comprehensive loss	Deficit	Total equity (deficiency)
Balance, December 31, 2013	\$ 9,902	\$ 3,948	\$ (360)	\$ (87,070)	\$ (73,580)
Loss	—	—	—	(805)	(805)
Other comprehensive loss	—	—	(25)	—	(25)
Total comprehensive loss	—	—	(25)	(805)	(830)
Conversion of Class A preferred shares to Common Shares	60,895	—	—	—	60,895
Shares issued per offering	59,562	—	—	—	59,562
Share issuance costs	(3,837)	—	—	—	(3,837)
Reduction of share capital	(41,010)	—	—	41,010	—
Shares issued for cash	585	—	—	—	585
Share options exercised	570	(61)	—	—	509
Share based payments	—	1,813	—	—	1,813
Total shareholder transactions	76,765	1,752	—	41,010	119,527
Balance, September 30, 2014	\$ 86,667	\$ 5,700	\$ (385)	\$ (46,865)	\$ 45,117
Balance, December 31, 2014	\$ 87,219	\$ 6,152	\$ (453)	\$ (46,281)	\$ 46,637
Profit	—	—	—	11,392	11,392
Other comprehensive loss	—	—	(10)	—	(10)
Total comprehensive income	—	—	(10)	11,392	11,382
Share options exercised	1,414	(424)	—	—	990
Share based payments	—	3,223	—	—	3,223
Total shareholder transactions	1,414	2,799	—	—	4,213
Balance, September 30, 2015	\$ 88,633	\$ 8,951	\$ (463)	\$ (34,889)	\$ 62,232

See accompanying notes to condensed consolidated interim financial statements.

Kinaxis Inc.

Condensed Consolidated Interim Statements of Cash Flows

For the three and nine months September 30, 2015 and 2014

(Expressed in thousands of U.S. dollars)

(Unaudited)

	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
Cash flows from operating activities:				
Profit (loss)	\$ 3,806	\$ 2,512	\$ 11,392	\$ (805)
Items not affecting cash:				
Depreciation of property and equipment (note 5)	461	317	1,227	817
Loss due to change in fair value of redeemable preferred shares	-	-	-	6,760
Share-based compensation	1,176	794	3,223	1,813
Amortization of lease inducement	(11)	(12)	(34)	(35)
Long-term investment tax credits recoverable	(36)	(396)	(540)	(872)
Income tax expense	2,128	1,358	6,070	3,050
Change in operating assets and liabilities (note 11)	(1,689)	1,971	15,888	8,167
Interest paid	-	(13)	-	(531)
Income taxes paid	(36)	(214)	(500)	(4,790)
	5,799	6,317	36,726	13,574
Cash flows used in investing activities:				
Purchase of property and equipment (note 5)	(851)	(634)	(3,761)	(3,071)
Cash flows from financing activities:				
Non-Voting Common Shares issued and share subscriptions received	-	-	-	991
Common Shares issued	437	90	990	103
Common Shares issued per offering	-	-	-	59,562
Share issuance cost net of tax	-	-	-	(3,837)
Issuance of long-term debt	-	-	-	5,000
Repayment of long-term debt	-	-	-	(30,000)
	437	90	990	31,819
Increase in cash and cash equivalents	5,385	5,773	33,955	42,322
Cash and cash equivalents, beginning of period	85,166	50,452	56,725	13,804
Effects of exchange rates on cash and cash equivalents	75	(297)	(54)	(198)
Cash and cash equivalents, end of period	\$ 90,626	\$ 55,928	\$ 90,626	\$ 55,928

See accompanying notes to condensed consolidated interim financial statements.

Kinaxis Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2015

(Expressed in thousands of U.S. dollars, except share and per share amounts)

(Unaudited)

1. Corporate information:

Kinaxis Inc. ("Kinaxis" or the "Company") is incorporated under the Canada Business Corporations Act and domiciled in Ontario, Canada. The address of the Company's registered office is 700 Silver Seven Road, Ottawa, Ontario. The consolidated financial statements of the Company as at September 30, 2015 and for the three and nine months ended September 30, 2015 and 2014 comprise the Company and its subsidiaries.

Kinaxis is a leading provider of cloud-based subscription software that enables its customers to improve and accelerate analysis and decision-making across their supply chain operations. Kinaxis is a global enterprise with offices in Chicago, United States; Tokyo, Japan; Hong Kong, China; Eindhoven, The Netherlands; and Ottawa, Canada.

2. Basis of preparation:

(a) Statement of compliance:

The unaudited condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard 34 *Interim Financial Reporting* and issued by the International Accounting Standards Board ("IASB"). They do not include all the information required for a complete set of financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and should be read in conjunction with the annual consolidated financial statements of the Company for the year ended December 31, 2014. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual consolidated financial statements as at and for the year ended December 31, 2014.

The unaudited condensed consolidated interim financial statements were authorized for issue by the Board of Directors on October 28, 2015.

(b) Use of estimates and judgments:

In preparing these unaudited condensed consolidated interim financial statements, Management makes judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by Management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended December 31, 2014.

Kinaxis Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2015

(Expressed in thousands of U.S. dollars, except share and per share amounts)

(Unaudited)

3. Significant accounting policies:

The accounting policies applied in these unaudited condensed consolidated interim financial statements are the same as those applied in the Company's consolidated financial statements as at and for the year ending December 31, 2014.

Standards and interpretations in issue not yet adopted:

The following is a list of standards and amendments that have been issued but not yet adopted by the Company.

IFRS 15: Revenue from Contracts with Customers

In May 2014, the International Accounting Standards Board issued IFRS 15, Revenue from Contracts with Customers, which provides a single, principles-based five-step model for revenue recognition to be applied to all customer contracts, and requires enhanced disclosures. The IASB recently confirmed a one-year deferral of this standard, which will now be effective January 1, 2018 and allows early adoption. The Company does not intend to adopt this standard in fiscal 2015 and is currently evaluating the impact of adopting this standard on the consolidated financial statements.

Amendments to IAS 16 and IAS 38

In May 2014, the International Accounting Standards Board issued amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets. These amendments prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. They also introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. The amendments explain that an expected future reduction in selling prices could be indicative of a reduction of the future economic benefits embodied in an asset. These amendments are to be applied prospectively for annual periods beginning on or after January 1, 2016. Early adoption is allowed. The Company does not intend to adopt these amendments in fiscal 2015 and is currently evaluation the impact of adoption these amendments on the consolidated financial statements.

Kinaxis Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2015

(Expressed in thousands of U.S. dollars, except share and per share amounts)

(Unaudited)

4. Accounts receivable:

	September 30, 2015	December 31, 2014
Trade accounts receivable	\$ 18,390	\$ 16,387
Other	1,458	636
	<u>\$ 19,848</u>	<u>\$ 17,023</u>

There have been no balances written off for the three and nine months ended September 30, 2015 or September 30, 2014 or any allowance for doubtful accounts recorded as at September 30, 2015 or December 31, 2014.

5. Property and equipment:

Cost	Computer equipment	Computer software	Office furniture and equipment	Leasehold improvements	Total property and equipment
Balance, December 31, 2014	\$ 7,052	\$ 959	\$ 894	\$ 2,196	\$ 11,101
Additions	3,507	34	12	208	3,761
Balance, September 30, 2015	<u>\$ 10,559</u>	<u>\$ 993</u>	<u>\$ 906</u>	<u>\$ 2,404</u>	<u>\$ 14,862</u>

Accumulated depreciation	Computer equipment	Computer software	Office furniture and equipment	Leasehold improvements	Total property and equipment
Balance, December 31, 2014	\$ 2,915	\$ 509	\$ 846	\$ 2,087	\$ 6,357
Depreciation	1,077	106	13	31	1,227
Balance, September 30, 2015	<u>\$ 3,992</u>	<u>\$ 615</u>	<u>\$ 859</u>	<u>\$ 2,118</u>	<u>\$ 7,584</u>

Carrying value	Computer equipment	Computer software	Office furniture and equipment	Leasehold improvements	Total property and equipment
December 31, 2014	\$ 4,137	\$ 450	\$ 48	\$ 109	\$ 4,744
September 30, 2015	<u>6,567</u>	<u>378</u>	<u>47</u>	<u>286</u>	<u>7,278</u>

Kinaxis Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2015

(Expressed in thousands of U.S. dollars, except share and per share amounts)

(Unaudited)

5. Property and equipment (continued):

The following table presents the depreciation expense by function for the three and nine months ended September 30:

	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
Cost of revenue	\$ 306	\$ 172	\$ 791	\$ 401
Selling and marketing	1	1	2	5
Research and development	88	72	241	199
General and administrative	66	72	193	212
	\$ 461	\$ 317	\$ 1,227	\$ 817

6. Accounts payable and accrued liabilities:

	September 30, 2015	December 31, 2014
Trade accounts payable	\$ 1,317	\$ 637
Accrued liabilities	4,216	6,308
	\$ 5,533	\$ 6,945

Kinaxis Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2015

(Expressed in thousands of U.S. dollars, except share and per share amounts)

(Unaudited)

7. Share capital:

Authorized

The Company is authorized to issue an unlimited number of Common Shares.

Issued:

	Common shares		Non-voting common shares	
	Shares	Amount	Shares	Amount
Shares outstanding at December 31, 2013	7,674,049	\$ 4,252	5,332,504	\$ 5,650
Shares issued for cash	–	–	60,000	585
Shares issued from exercised options	36,466	164	396,471	406
Conversion of non-voting common to Common Shares	5,788,975	6,641	(5,788,975)	(6,641)
Fractional shares cancelled upon conversion	(67)	–	–	–
Conversion of preferred shares to Common Shares	5,111,917	60,895	–	–
Reduction of share capital	–	(41,010)	–	–
Shares issued per offering	5,000,000	59,562	–	–
Share issuance costs	–	(3,837)	–	–
Shares outstanding at September 30, 2014	23,611,340	\$ 86,667	–	\$ –
Shares outstanding at December 31, 2014	23,739,342	\$ 87,219	–	\$ –
Shares issued from exercised options	377,847	1,414	–	–
Shares outstanding at September 30, 2015	24,117,189	\$ 88,633	–	\$ –

Kinaxis Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2015

(Expressed in thousands of U.S. dollars, except share and per share amounts)

(Unaudited)

7. Share capital (continued):

Stock option plans

A summary of the status of the plan is as follows:

	Nine months ended September 30, 2015		Year ended December 31, 2014	
	Shares	Weighted average exercise price	Shares	Weighted average exercise price
Options outstanding, beginning of period	2,170,802	\$ 5.74	1,945,580	\$ 2.21
Granted	342,000	23.78	865,000	10.91
Exercised	(377,847)	2.62	(534,272)	1.25
Forfeited	(24,818)	9.26	(102,506)	5.58
Expired	—	—	(3,000)	3.20
Options outstanding, end of period	2,110,137	\$ 8.64	2,170,802	\$ 5.74
Options exercisable, end of period	933,094	\$ 3.61	880,642	\$ 2.26

The following table summarizes information about stock options outstanding at September 30, 2015:

Options outstanding				Options exercisable	
Range of exercise prices	Number outstanding at 09/30/15	Weighted average remaining contractual life	Weighted average exercise price	Number exercisable at 09/30/15	Weighted average exercise price
\$ 0.95 to 1.20	63,513	3.22	\$ 1.13	63,513	\$ 1.13
1.55 to 3.20	870,500	6.40	2.54	695,957	2.38
6.60 to 9.75	686,124	8.42	9.56	171,124	9.38
10.50 to 15.35	150,000	9.19	13.08	2,500	12.45
15.70 to 20.65	170,000	9.54	19.01	—	—
23.12 to 24.60	91,000	9.80	21.45	—	—
28.37 to 30.60	79,000	10.00	28.37	—	—
	2,110,137	7.69	\$ 8.64	933,094	\$ 3.61

Kinaxis Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2015

(Expressed in thousands of U.S. dollars, except share and per share amounts)

(Unaudited)

7. Share capital (continued):

Stock option plans (continued)

At September 30, 2015, there were 778,698 stock options available for grant under the Plan. During the nine months ended September 30, 2015, the Company granted 342,000 (year ended December 31, 2014 - 865,000) options and recorded share-based compensation expense for the nine months ended September 30, 2015 of \$2,103 (nine months ended September 30, 2014 - \$1,500) related to the vesting of options granted in 2015 and previous years. The per share weighted-average fair value of stock options granted during the nine months ended September 30, 2015 was \$9.58 (December 31, 2014 - \$5.73) on the date of grant using the Black Scholes option-pricing model with the following weighted-average assumptions: exercise price is equal to the price of the underlying share, expected dividend yield 0%, risk-free interest rate of 1.80% (2014 - 1.92%), an expected life of 4 to 8 years (2014 - 8 years), and estimated volatility of 43% (2014 - 46%). Volatility is estimated based on Kinaxis's historical volatility and also by benchmarking to comparable publicly traded companies operating in a similar market segment. The forfeiture rate was estimated at 10% (2014 - 5%). During the nine months ended September 30, 2015, optionholders that had options with U.S. dollar strike prices were given the option to convert them to Canadian dollar strike prices based on the exchange rate that would be in effect on the date of the election, being May 7, 2015. The conversion was accounted for as a modification. As the fair value of the options was the same immediately prior to and after the conversion there was no accounting impact resulting from the modification.

Share Unit Plan

At September 30, 2015, there were 566,000 share units available for grant under the Plan. During the nine months ended September 30, 2015, the Company granted 95,000 restricted share units ("RSU"). There were 148,333 RSUs outstanding at September 30, 2015. Each RSU entitles the participant to receive one Common Share. The RSUs vest based over time in three equal annual tranches. The fair value of the RSUs granted during the nine months ended September 30, 2015 was \$17.35 per unit using the fair value of a Common Share at time of grant. The Company recorded share-based compensation expense for the nine months ended September 30, 2015 of \$964 (nine months ended September 30, 2014 - \$313) related to the RSUs.

During the nine months ended September 30, 2015, the Company granted 9,000 deferred share units ("DSU"). There were 9,000 DSUs outstanding at September 30, 2015. Each DSU entitles the participant to receive one Common Share. The DSUs vest immediately as the participants are entitled to the shares upon termination of their service. The fair value of the DSUs granted was \$17.35 per unit using the fair value of a Common Share at time of grant. The Company recorded share-based compensation expense for the nine months ended September 30, 2015 of \$156 (nine months ended September 30, 2014 - \$NIL) related to the DSUs.

Kinaxis Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2015

(Expressed in thousands of U.S. dollars, except share and per share amounts)

(Unaudited)

7. Share capital (continued):

The following table presents the share-based payments expense by function for the three and nine months ended September 30:

	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
Cost of revenue	\$ 223	\$ 79	\$ 631	\$ 182
Selling and marketing	241	159	604	456
Research and development	291	143	684	391
General and administrative	421	413	1,304	784
	\$ 1,176	\$ 794	\$ 3,223	\$ 1,813

Kinaxis Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2015

(Expressed in thousands of U.S. dollars, except share and per share amounts)

(Unaudited)

8. Earnings (loss) per share:

The following table summarizes the calculation of the weighted average number of basic and diluted Common Shares for the three and nine months ended September 30:

	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
Issued Common Shares at beginning of period	23,901,205	23,588,002	23,739,342	13,006,553
Effect of shares issued for cash	–	–	–	47,206
Effect of shares issued per offering	–	–	–	2,058,824
Effect of preferred shares converted to Common Shares	–	–	–	2,104,907
Effect of fractional shares cancelled upon conversion	–	–	–	(27)
Effect of shares issued from exercise of options	55,997	6,554	112,095	312,747
Weighted average number of basic and diluted Common Shares at September 30	23,957,202	23,594,556	23,851,437	17,530,210
Effect of share options on issue	1,431,732	1,163,976	1,432,637	–
Effect of share units on issue	109,824	–	81,555	–
Weighted average number of diluted Common Shares	25,498,758	24,758,532	25,365,629	17,530,210

For both the three and nine months ended September 30, 2015, 340,000 options were excluded from the weighted average number of diluted common shares as their effect would have been anti-dilutive. 740,000 options were excluded for the three months ended September 30, 2014 as their effect would have been anti-dilutive. Due to loss for the nine months ended September 30, 2014, all outstanding options and redeemable preferred shares, as applicable, were excluded from the diluted weighted average number of shares because their effect would have been anti-dilutive.

Kinaxis Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2015

(Expressed in thousands of U.S. dollars, except share and per share amounts)

(Unaudited)

9. Revenue:

	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
Subscription	\$ 16,544	\$ 13,302	\$ 48,236	\$ 37,267
Professional services	6,870	4,081	18,025	13,061
Maintenance and support	251	298	819	906
	\$ 23,655	\$ 17,681	\$ 67,080	\$ 51,234

10. Research and development:

	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
Research and development expenses	\$ 4,197	\$ 3,941	\$ 12,506	\$ 11,482
Investment tax credits	(321)	(396)	(1,004)	(1,415)
	\$ 3,876	\$ 3,545	\$ 11,502	\$ 10,067

11. Statement of cash flows:

Changes in operating assets and liabilities:

	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
Trade and other receivables	\$ (9,409)	\$ 7,938	\$ (2,859)	\$ 4,723
Investment tax credit receivable	287	84	403	(481)
Prepaid expenses	(103)	(17)	117	(362)
Trade payable and accrued liabilities	1,909	(2,196)	(1,250)	(3,536)
Deferred revenue	5,627	(3,838)	19,477	7,823
	\$ (1,689)	\$ 1,971	\$ 15,888	\$ 8,167

Kinaxis Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2015

(Expressed in thousands of U.S. dollars, except share and per share amounts)

(Unaudited)

12. Financial instruments:

(a) Fair value of financial instruments:

The fair value of financial assets and liabilities, together with their carrying amounts are as follows:

	September 30, 2015		December 31, 2014	
Financial assets	Carrying value	Fair value	Carrying value	Fair value
Loans and receivables, measured at amortized cost:				
Cash and cash equivalents	\$ 90,626	\$ 90,626	\$ 56,725	\$ 56,725
Trade and other receivables	19,848	19,848	17,023	17,023
Investment tax credits receivable	1,571	1,571	1,974	1,974
	\$ 112,045	\$ 112,045	\$ 75,722	\$ 75,722

	September 30, 2015		December 31, 2014	
Financial liabilities	Carrying value	Fair value	Carrying value	Fair value
Other financial liabilities, measured at amortized cost:				
Accounts payables and accrued liabilities	\$ 5,533	\$ 5,533	\$ 6,945	\$ 6,945
	\$ 5,533	\$ 5,533	\$ 6,945	\$ 6,945

Kinaxis Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2015

(Expressed in thousands of U.S. dollars, except share and per share amounts)

(Unaudited)

12. Financial instruments (continued):

(b) Credit risk:

The maximum exposure to credit risk for trade receivables by geographic region was as follows:

	September 30, 2015	December 31, 2014
Canada	\$ 1,811	\$ 430
United States	16,059	15,049
Other foreign	520	908
	<u>\$ 18,390</u>	<u>\$ 16,387</u>

The aging of the trade receivables at the reporting date was as follows:

	September 30, 2015	December 31, 2014
Current	\$ 14,361	\$ 13,757
Past due:		
0 – 30 days	\$ 3,477	\$ 2,250
31 – 60 days	489	195
Greater than 60 days	63	185
	<u>\$ 18,390</u>	<u>\$ 16,387</u>

As at September 30, 2015, three customers accounted for greater than 10% of total trade receivables (December 31, 2014 - one customer). For the three and nine months ended September 30, 2015 one customer accounted for greater than 10% of revenue (2014 – no customer).

Kinaxis Inc.

Notes to Condensed Consolidated Interim Financial Statements

For the three and nine months ended September 30, 2015

(Expressed in thousands of U.S. dollars, except share and per share amounts)

(Unaudited)

13. Segmented information:

The Company's Chief Executive Officer ("CEO") has been identified as the chief operating decision maker. The CEO evaluates the performance of the Company and allocates resources based on the information provided by the Company's internal management system at a consolidated level. The Company has determined that it has only one operating segment.

Geographic information

Revenue from external customers is attributed to geographic areas based on the location of the contracting customers. External revenue on a geographic basis for the three and nine months ending September 30 is as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2015	2014	2015	2014
United States	\$ 19,709	\$ 14,254	\$ 55,505	\$ 40,896
Canada	2,069	1,609	6,229	4,183
Europe	703	844	2,242	3,213
Japan	1,153	952	3,025	2,846
Other foreign	31	22	79	96
	\$ 23,665	\$ 17,681	\$ 67,080	\$ 51,234

Total property and equipment on a geographic basis are as follows:

	September 30, 2015	December 31, 2014
Canada	\$ 5,193	\$ 3,453
United States	2,080	1,284
Japan	5	7
	\$ 7,278	\$ 4,744