

FOR IMMEDIATE RELEASE

**NAMSYS REPORTS RESULTS OF OPERATIONS FOR THE THIRD QUARTER,  
JULY 31st, 2017**

**Toronto, September 25th, 2017; Namsys Inc. (CTZ – TSX-V)** today reports the results of operations for the first nine months and the third quarter of fiscal 2017, ended July 31st. All amounts referenced herein are in Canadian dollars. Revenue for the third quarter was \$753,791 as compared to \$711,778 for the same period last year. Net income before tax for the quarter was \$304,645 (\$0.01 per share) as compared to \$444,128 (\$0.02 per share) for the three months ended July 31st, 2016.

Revenue for the first nine months of fiscal 2017 was \$2,197,010 as compared to revenue in the same period last year of \$1,768,086. The Company recorded net income before tax of \$980,596 (0.035 per share) in the nine months ended July 31st, 2016 as compared to \$860,744 (\$0.03 per share) in the same period last year.

As the bulk of the Company's sales are in US dollars, fluctuations in the exchange rate between Canadian and US dollars impact reported income. Revenues are converted to Canadian dollars when sales are completed and booked. Foreign exchange adjustments are then required when payments are actually received. This foreign exchange adjustment negatively impacted stated Comprehensive Income in the Quarter ended July 31, 2017 by \$76,702. For the nine month fiscal period the foreign exchange loss was \$78,066. This compares to fiscal 2016 foreign exchange gain of \$20,742 for the quarter and a gain of \$9,275 for the 2016 fiscal nine months.

While net sales for the 3<sup>rd</sup> Quarter of 2017 are very similar to the sales for both the 2<sup>nd</sup> Quarter of 2017 and the 3<sup>rd</sup> Quarter of 2016, the sales components are very different for each period. Recurring revenue for the 3<sup>rd</sup> Quarter of this year is up 54.4% as compared to the 3<sup>rd</sup> Quarter of 2016 and up 15.3% as compared to the 2017 2<sup>nd</sup> Quarter results. Non recurring revenue for this period, which comprises new License Contracts and Professional Services, is much more periodic in nature and is down \$185,990 as compared to the same quarter last year and down \$84,294 as compared to the 2017 2<sup>nd</sup> Quarter results. These factors, along with the unanticipated change in the CDN/US dollar exchange rate during the quarter as set out above, account for the difference in net results.

The Company has chosen to compare year over year Comprehensive Income before taxes because the Company is not yet fully taxable due to losses in previous years. In fiscal 2015, with the concurrence of the Company's auditors the tax loss carry forwards were assigned a present value and capitalized in the Company's accounts. Fiscal 2017 Comprehensive Income reflects the taxes which would have been payable had the Company been fully taxable. The bulk of the tax amount for each period is in turn charged against the capitalized tax asset. Prior to the capitalization of such tax loss carry forwards, the accounting protocol assumed no taxes were payable. For comparison purposes, the company believes Comprehensive Income before taxes is the appropriate metric.

The consolidated financial statements and Management's Discussion and Analysis for the fiscal quarter ended July 31, 2016 are available under the Company's profile on SEDAR at [www.sedar.com](http://www.sedar.com).

K. Barry Sparks, the Chief Executive of the Company stated; "The timing of non-recurring revenue items is not controllable. We therefore continue to focus on the growth in distribution of our recurring revenue products which over time provide a strong base for sustainable growth."

*Namsys Inc. products are designed to bring efficiency to the processing of currency and other value instruments in financial institutions, retailers, public transportation operations and the gaming industry. Namsys's proprietary software products for this market are "open-architected" and have been developed to interface with clients' legacy systems.*

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*The TSX Venture Exchange has neither approved nor disapproved of the information contained in this release. This Media Release may contain forward-looking statements, which reflect the Corporation's current expectations regarding future events. The forward-looking statements involve risks and uncertainties. Actual events could differ from those projected herein and depend on a number of factors including the success of the Corporation's sales strategies.*