

SOFTECH, INC.
FINANCIAL SUMMARY
(in thousands, except per share data)

Statements of Operations:

For the Three Month Periods Ended

	February 28, 2005	February 29, 2004
Revenue	\$ 3,010	\$ 2,768
Income from operations	(178)	(490)
Net loss	(394)	(745)
Loss per share	(.03)	(.06)

For the Nine Month Periods Ended

	February 28, 2005	February 29, 2004
Revenue	\$ 9,008	\$ 9,021
Loss from operations	(261)	(712)
Net loss	(943)	(1,469)
Loss per share	(.08)	(.12)

Reconciliation of Net Loss to Pro Forma Net Income and Free Cash Flow:

The net loss calculated in accordance with GAAP is adjusted below by non-cash expenses related to amortization and depreciation and by capital expenditures. It is management's view that these non-GAAP financial measures of cash flow provide important information in understanding the Company's financial performance.

For the Three Month Periods Ended

	February 28, 2005	February 29, 2004
Net loss	\$ (394)	\$ (745)
Plus: Non-cash amortization	610	610
Pro Forma net income (loss)	216	(135)
Plus: Non-cash depreciation	25	22
Less: Capital expenditures	(33)	(14)
Free Cash Flow	\$ 208	\$ (127)

For the Nine Month Periods Ended

	February 28, 2005	February 29, 2004
Net loss	\$ (943)	\$ (1,469)
Plus: Non-cash amortization	1,832	1,835
Pro Forma net income	889	366
Plus: Non-cash depreciation	69	108
Less: Capital expenditures	(44)	(38)
Free Cash Flow	\$ 914	\$ 436