Management's Discussion and Analysis of Financial Condition and Result of Operations April 24, 2008

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") of Automated Benefits Corp. ("the Corporation") should be read in conjunction with the audited consolidated financial statements and accompanying notes, which are prepared in accordance with Canadian generally accepted accounting principles ("GAAP") for the fiscal year ended December 31, 2007. All amounts are expressed in Canadian dollars unless otherwise noted. Any reference to the Corporation specifically relates to the parent company as separate from its operating subsidiaries. All operating results refer to the consolidated financials of the parent company and its subsidiaries unless specifically noted otherwise. Additional information about the Corporation is available on SEDAR at www.sedar.com.

This MD&A contains certain information that may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future financial position, business strategy and strategic goals, research and development activities, projected costs and capital expenditures, financial results, product testing outcomes, taxes and plans and objectives of or involving the Corporation. Without limitation, information regarding future sales and marketing activities, Autoben software product placement targets, *mobile claims*™ product placement targets, future revenues and research and development activities is forward-looking information.

Forward looking-information is subject to certain factors, including risks and uncertainties that could cause actual results, events or developments to be materially different from what we currently expect. These risks include, among others, product development risk, potential product liability, risks related to third party contractual performance, competition and the risks posed by potential technological advances, risks relating to the protection of the Corporation's intellectual property and risks relating to fluctuation in foreign currency exchange rates. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Corporation may elect to, the Corporation is under no obligation and does not undertake to update this information at any particular time. Unless otherwise indicated, this MD&A was prepared by management from information available up to April 24, 2008.

Overview

The Corporation is a holding company with its head office located in Toronto, Ontario and is dedicated to acquiring companies which provide software applications to the insurance industry. Its wholly-owned subsidiary, Automated Benefits Inc. (Autoben), is also located in Toronto, Ontario and provides claims management software for health and dental plans in addition to other insurance products for employer groups. The Corporation's other wholly-owned subsidiary, Symbility Solutions Inc. and its wholly-owned subsidiary, Symbility Solutions (U.S.A) Inc. (jointly referred to on a consolidated basis as "Symbility") are software development companies focused on mobile communication and efficiency tools for the North American property and casualty insurance industry. Symbility has offices in Toronto, Ontario and Montreal, Québec. Symbility U.S.A. has its registered office in the State of Delaware.

Automated Benefits Corp.

Financing and Share issuances

On May 7, 2007, the Corporation announced that it had completed the closing of its previously announced private placement (the "Private Placement"). The Private Placement was completed with the issuance of 18,344,000 units of the Corporation (the "Units") at a price of $0.20 per Unit for aggregate gross proceeds of $3,668,800. Officers of the Corporation subscribed for $300,000 of the total gross proceeds.

Each Unit is comprised of one common share (a "Common Share") and one-half of one Common Share purchase warrant (a "Warrant"). Each whole Warrant will entitle the holder to subscribe for one Common Share at a price of $0.25 per share for a period of twenty-four (24) months from the Closing Date of May 4, 2007, provided that, in the event that the Common Shares trade for not less than 10 consecutive trading days at the closing price of $0.60 or greater, the holder shall exercise its Warrants within 30 days, failing which the Warrants will expire.

The brokers assisting with the offering were issued 842,200 units representing 5% of the gross proceeds of the Private Placement not related to insiders.

On May 23, 2007, the Corporation announced that it had converted 1,323,762 preferred Series A shares previously issued to certain shareholders of the Corporation into 1,323,762 common shares pursuant to the conversion terms of these preferred Series A shares. At December 31, 2007, approximately 2,375,357 preferred Series A shares are convertible to common shares of the Corporation.

Sharing of Resources

Senior management at Automated Benefits Corp. is making a concerted effort to promote the sharing of resources between the operating subsidiaries to achieve additional synergies. Until the third quarter, most of this effort related to the consolidation of the accounting, human resources ("HR"), information technology ("IT") and administrative functions at the head office in Toronto.

On July 9, 2007, the Corporation achieved Microsoft® Partner Certified status. This is a joint accomplishment between the Autoben and Symbility subsidiaries. Autoben and Symbility will benefit from this certification in the form of:

- The use of the Microsoft® Certified Partner logo in all promotional activities
- Access to free licenses for internal productivity tools, matching license purchases, and demo, training, and development licenses
- Access to additional internal support issues, and free technical and pre-sale support for Microsoft® products
- Access to business management tools such as MS® CRM 3.0
- Free online and CBT training from Microsoft® on a pre-release basis
- Leveraging Microsoft relationships for sales opportunities

On November 20, 2007 the Corporation announced that Richard Adair would be assuming the role of Chief Operating Officer. In addition to his duties as Chief Financial Officer, he will also be taking responsibility for the Customer Support and Quality Assurance functions. For the first time, these two functions will jointly support Autoben and Symbility as opposed to having dedicated organizations in each subsidiary. Management expects to achieve additional synergies and efficiencies in this new organization structure by providing both functions with access to a wider pool of talent and skill sets.

Outlook for 2008

Automated Benefits Corp. will continue to work with its wholly-owned subsidiaries to increase penetration into their respective markets and focus on their cost structure to ensure that they make progress towards becoming profitable companies. While there are no immediate plans to raise additional financing, the Corporation intends to continue to raise additional equity or debt financing until the consolidated entity is self-sufficient from a cash flow perspective. Senior management will also continue to look for additional opportunities to combine resources to achieve benefits in all areas of the Corporation.

Automated Benefits Inc.

Autoben's proprietary software product and value-added services provide insurance companies, Third Party Administrators ("TPA's") and independent insurance brokers the ability to manage the adjudication and payment process of health and dental benefits with self-insured plans by allowing for local adjudication and administration of employee claims. As employers seek ways to reduce their benefit costs and providers seek ways to deliver additional value-added services to their customers, Autoben believes that the market for its product will continue to increase.

Product Development

The development efforts in the first half of 2007 continued to be focused on building a number of other features that would enable the client to manage greater volumes with less effort. This included developing multi-procedure dental screens, explanation of benefit codes, and the ability to tab through screens. Autoben also rolled out an improved version of the Health Care Spending Account (HCSA) that provides better reporting and greater flexibility in funding options for the client.

On August 10, 2007, Autoben released version 2.14.5 of their software to its customer base. This release incorporates a number of suggestions from customers which will improve the user interface and overall efficiency and functionality of the service delivery.

Autoben software v2.14.5 features and enhancements include:

- Batch printing to adjudicators/administrators, which now allows them to print cheques that are payable to service providers in batch format. The use of batch printing cheques payable to both service provider and employee cheques should reduce the adjudicator/administrator's time substantially.

- Three new claim reports have been added to our report selection. These new reports enable the user to provide "customized" reports as the menu options offer many selections regarding which data to include.

- Two new training videos have been added to our broker library for the convenience of our users. These videos cover the batch printing functions and the new claim reports.

Office Consolidation

Management has made a strategic decision to consolidate the Edmonton office of Autoben with the Corporation's head office in Toronto. This will enable Autoben to continue to pursue growth in the Eastern Canadian market and will create additional opportunities by leveraging existing infrastructure and resources in Ontario. As part of this strategy, Autoben has successfully migrated its servers from an incumbent facility in Edmonton to a facility in Montreal shared by Symbility.

The consolidation of the two offices was completed by October 31, 2007. Autoben has maintained a customer service presence in the Edmonton area to ensure service standards are maintained for its Western customers. After an extensive personnel search, additional staff have been hired to establish a self-sufficient organization in Toronto and replace personnel lost during the closure of the Edmonton facility.

Any one-time costs associated with this consolidation will be reflected as restructuring costs. For more information on restructuring costs, please see Note 18 of the audited consolidated financial statements for the twelve month period ending December 31, 2007.

Sales & Marketing Efforts

Autoben grew from 27,000 certificates[1&2] at the end of 2006 to 35,000 certificates[1&2] at the end of 2007 and has now surpassed $100 million in cumulative claims paid on its software system. This increase represents a combination of continued organic growth from existing customers and volume from new larger accounts that take advantage of development initiatives that facilitated the management of increased volumes by the users.

Key Account Strategy

Union Benefit Plan Services (UBPS), of Waterloo, Ontario is using the Autoben software to facilitate medical and dental administration and adjudication to their group insurance customers. This represented the first large customer whose main rationale for buying was to utilize the Autoben adjudication software and not to purchase a significant amount of other insurance products.

On December 19, 2007, Autoben announced that it had signed a new contract with Sirius Benefit Plans, a TPA, who will use the Autoben software for the administration and adjudication of medical and dental benefits for their group insurance clients.

Sirius Benefit Plans will transfer their current clients, numbering in excess of 10,000 employee certificates[1&2], onto the Autoben system in 2008.

Outlook for 2008

On February 25, 2008, Autoben released version 2.16 of the Autoben software solution. This release gives Autoben the same functionality as any large insurance company and allows clients to manage larger volumes of business using the software.

Recent improvements to the software include:

- Multiple dental procedures may now be entered at one time for either predetermining the eligibility of a claim or to adjudicate the claim.
- Weekly Indemnity benefit claims processing is now offered.
- Coordination of Benefits (COB) functionality now includes the ability to track second payer status.
- Lagged Fee Guide functionality allows division level management, for terms up to five years.

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[1] *Currently Autoben uses "certificates" as a key performance indicator (KPI) to measure volume as a way to assist potential investors to understand the underlying variables that affect revenue. As the business evolves, different KPI's may be used to measure volume or other underlying indicators of revenue to reflect the business model at that time.*

[2] *Automated Benefits Corp. is not aware of any uniform standards for calculating "certificates" and we believe that the Corporation's presentation of these measures may not be calculated consistently with other companies in the same or similar business. Moreover, these measures are of operational performance and not measures of financial performance under generally accepted accounting principles. All other financial measures referenced herein have been prepared in accordance with Canadian generally accepted accounting principles unless stated otherwise.*

On March 20, 2008, Autoben announced a partnership with Unison Benefits. Autoben streamlined its offerings, exiting all business lines not directly related to the functionality and support of their proprietary software. Autoben had been offering a full range of administration, including the resale of insured products, but will now focus exclusively on providing health and dental claims administration software to their client base. Unison Benefits will take responsibility for these other business lines. Unison Benefits is a division of a privately owned insurance brokerage that has been providing their clients with service and advice on both individual and group insurance products for over 20 years.

The Autoben software product is now more robust and capable of handling larger volumes and Autoben is now strategically positioned to focus solely on software solutions for the administration of group health and dental plans. The improvements to the software will support the existing client base in their growth strategies while also enabling the Autoben sales team to market its adjudication solution to a number of larger customers, including organizations such as TPA's and insurance companies. The consolidation of Autoben's offices in Toronto will support this strategy as the majority of these types of companies are located in Central and Eastern Canada.

Symbility Solutions Inc.

Since becoming a wholly-owned subsidiary of the Corporation on May 31, 2004, Symbility has continued to develop its *mobile claims* software and increase its penetration of the property and casualty insurance estimating market.

Product Development

On February 21, 2007, Symbility announced that they have taken insurance claims management to the next level with its next major release of version 2.8. Symbility's industry-leading value proposition was further strengthened by allowing customers to expeditiously address exterior damage, while continuing to improve on the speed of claims settlement.

Symbility *mobile claims* release 2.8 represents one of their largest and most significant efforts to date. The company is pleased that a majority of the enhancements (almost two hundred features worth), were driven by their direct customers and partners. By certifying with both Microsoft Windows Vista Business®, and Microsoft Windows Vista Ultimate®, Symbility *mobile claims* 2.8 delivers key platform compatibility to clients.

With release 2.8, users can now automatically generate a 3D exterior view from floor and roof plans and can actually work on the estimate right in the 3D view. Symbility is the first software provider to ever accomplish this task. If users prefer, they can generate a 2D exterior plan, without the need for a floor plan or roof plan. This is a tremendous feature for any carrier, independent adjuster, or contractor who work with catastrophe losses, wind & hail damage or even flood damage.

On August 9, 2007, Symbility announced a major milestone with the release of *mobile claims* version 2.9. The 2.9 release offers significant enhancements and new features for both the Symbility.NET web-based data warehouse application and the *mobile claims* wireless, pen-based claim processing software.

mobile claims v2.9 features and enhancements include:

- Roof plan scoping module - for the first time, field estimators can now fully scope and estimate damage to virtually any roof, no matter how complex, with unparalleled accuracy and efficiency at the loss site. This feat was accomplished by completely redesigning the roof plan interface using a unique 3-dimensional drawing interface that is fully interactive. Users can build complex roofs by joining 3-dimensional shapes which can be moved, resized and rotated in 360 degree 3-D space, and using only a pen. Quantities for any roofing items applied to any portion of the roof are automatically generated, and, it can all be done from the ground without the need to climb up on the roof.

- Create new claim files directly from *mobile claims* - field users can now create full claim files directly from *mobile claims* without needing to create the claim file on Symbility.NET and work with temporary claims in *mobile claims*.

- Combine all items for related sub-rooms and roofs into one grouping – there is now no need to list the line items for all sub-rooms under separate room headings on the estimate, all line items attached to all related sub-rooms can be listed under a single heading.

- Grouping items – instead of only showing items grouped by the room in which they appear, users can choose to reformat the estimate and show items grouped by the database category they are from, by the trade they utilize, by the item's action (all remove actions together, all replace actions together), or by the item description.

- Combine all items for related sub-rooms and roofs into one grouping – there is now no need to list the line items for all sub-rooms under separate room headings on the estimate, all line items attached to all related sub-rooms can be listed under a single heading.

Sales and Marketing Efforts

Symbility continues to make significant advances in the execution of its business plan.

As Symbility's customers roll-out the *mobile claims* product to their adjusting base, the number of users has grown from 5,000 users[3&4] at the end of 2006 to 8,000 users[3&4] currently. During 2007, approximately 52,000 claims[3&4] were processed on the *mobile claims* product as compared to approximately 27,000 claims[3&4] in same period for the previous year.

On February 12, 2007, Symbility was able to quantify the resulting customer efficiency gains from the use of its *mobile claims* product for the first time. That data was collected on the anniversary of Symbility's first *mobile claims* deployment in the USA.

The results are as follows:

- Settlement Duration: Reduced from an average of 14 days to 5 days;

- First-Call Settlement: Increased from 10% to 55% settlement on initial visit;

- Re-inspection Rate: Claim site re-inspection reduced from 7% to 1% of claims;

- Adjuster Productivity: Adjuster claim count increased by 50% per day; and

- Customer Renewal Rate: Customer renewal increased 3-4% over the course of the year.

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[3] *Currently Symbility uses "users" and "claims" as a key performance indicator (KPI) to measure volume as a way to assist potential investors to understand the underlying variables that affect revenue. As the business evolves, different KPI's may be used to measure volume or other underlying indicators of revenue to reflect the business model at that time.*

[4] *Automated Benefits Corp. is not aware of any uniform standards for calculating "users" and "claims" and we believe that the Corporation's presentation of these measures may not be calculated consistently with other companies in the same or similar business. Moreover, these measures are of operational performance and not measures of financial performance under generally accepted accounting principles. All other financial measures referenced herein have been prepared in accordance with Canadian generally accepted accounting principles unless stated otherwise.*

This customer efficiency data will greatly enhance the sales and marketing team's ability to quantify the cost savings to potential customers and assist them in performing return on investment calculations to justify the purchase of the product.

On March 27, 2007, Symbility announced that it had signed a five year contract with the Mercer Insurance Group to provide the company with its industry leading *mobile claims* processing software. This represents the first customer signed in the North Eastern United States.

On August 21, 2007, Symbility announced that it had signed a contract with Lautriv, LLC, a national provider of Claims Management Solutions. Insurers outsource post-loss documentation services by contracting Lautriv to manage a fleet of specially equipped vehicles and trained inspection technicians. Clients submit inspection assignments via Lautriv.net. A field unit arrives onsite, completes unbiased documentation and uploads the inspection file to Lautriv.net. The insurance carrier's claims representatives are able to view files remotely and make all settlement decisions.

This contract is significant as it represents the first time Symbility has used a Value Added Re-seller (VAR) to privately label its *mobile claims* product and integrate it into another branded claims management solution.

Strategic Partnerships

On May 14, 2007, Symbility announced it is an Alliance Partner of Motion Computing™**,** a leader in mobile computing and wireless communications. Motion Computing's enhanced line of tablet PC's are designed to increase productivity for the on-the-go users while providing portability, security, power, and versatility. Under this agreement, both companies will invest in a marketing and sales strategy that focuses specifically on the insurance market.

On June 6, 2007 Symbility announced that it has entered into a business relationship with Lenovo, a global PC manufacturer. The combination of Lenovo's Tablet PCs with Symbility's pen-based mobile claims application, which has been specifically designed to take full advantage of the tablet operating system, creates an efficient system for carriers, adjusters and contractors to handle all claim activity right at the loss site.

On September 4, 2007, Symbility announced it's partnership with Panasonic Computer Solutions Company. The partnership will allow Symbility to deliver a best-of-breed *mobile claims* platform for the insurance market. The solution combines Symbility's *mobile claims* software with Panasonic's fully rugged Toughbook 19 pen-based tablet PC, delivering a rugged, reliable and mobile platform that improves adjuster productivity in the field.

On September 24, 2007, Symbility announced a partnership with Enservio, Inc., a leading provider of contents pricing and services to the property and casualty industry. Enservio customers represent a majority of the top 50 property insurance companies in the United States. Enservio's services span from a national team of field inventory specialists to expert valuation services to product replacement. The Enservio executive team brings with them over 80 years of P&C claim experience and over 30 years of software development and contents management experience. By integrating the technologies from both companies, customers will now have the ability to process content claims, while they are completing their estimate.

Symbility expects these strategic partnerships will increase their network and further strengthen the brand, product, and market presence.

Office Consolidation

Management has made a strategic decision to consolidate the Kitchener office of Symbility with the Corporation's head office in Toronto. The consolidation of the two offices was completed by December 31, 2007. Symbility has maintained its development center in Montreal, Québec.

Any one-time costs associated with this consolidation will be reflected as restructuring costs. For more information on restructuring costs, please see Note 18 of the audited consolidated financial statements for the twelve month period ending December 31, 2007.

Organizational Changes

The release of version 2.9 represented the completion of the majority of the functionality required for the *mobile claims* product. Management has determined that the resources required to support the product going forward could be reduced. This resulted in a reduction of five full-time positions in the development team and related support staff during the third quarter.

Any one-time costs associated with this consolidation will be reflected as restructuring costs. For more information on restructuring costs, please see Note 18 of the audited consolidated financial statements for the twelve month period ending December 31, 2007.

On October 30, 2007, Symbility announced the hiring of Perry Goldman as Regional V.P. Sales and Jackie Gennett as Business Solutions Consultant. Both of these individuals bring significant experience from the property & casualty industry and will devote their efforts to growing Symbility's presence in the U.S. market.

Outlook for 2008

Symbility has already started to generate positive sales momentum in early 2008. On March 17, 2008, Symbility announced the extension of their existing contract with Farmers Mutual of Nebraska ("FMNE") for an additional five year period. This extension confirms that Symbility's clients are benefiting from our product and are committed to utilizing our technology. With this contract, Symbility will see minimum guaranteed revenue of more than $750,000 over the course of five years, based on FMNE's current usage of the system.

On March 25, 2008, Symbility announced that Schafer, Wood & Associates had signed a two year contract for use of Symbility's mobile claims software solution. Schafer, Wood & Associates is a full service adjusting company that provides independent adjusters to the insurance industry during catastrophic events.

Symbility is currently at various stages of Phase 1 evaluation (defined as proof of concept) with five companies, primarily in the United States. These companies are geographically diverse and include a national carrier in Canada and companies domiciled on the West Coast of the USA; Midwestern USA; and Northeastern USA.

On March 27, 2008, Symbility announced the integration of its mobile claims software with Enservio. The two companies jointly developed this solution to serve adjusters on the claim site, allowing them to quickly and efficiently manage contents claims valuations. With this integration, Symbility users can now assign an Enservio inventory specialist or inventory contents directly at a loss site, eliminating the need for multiple visits to the loss site. With this reduction in site visits, faster, total claim processing can be achieved, increasing the efficiency of all parties involved.

On March 31, 2008, Symbility announced the release of version 3.0 of its *mobile claims* software package. Version 3.0 of Symbility *mobile claims* contains a number of value-added elements including:

- o Commercial database – updated regionalized, light commercial pricing data from Craftsman is now integrated into the Symbility *mobile claims* software solution
- o Redesigned administration page with a clearer layout and better organization
- o Increased drawing flexibility with freedom drawing tool, allowing users to draw partial rooms and single wall elements
- o Handwritten notes – allows the user to record any detail in electronic ink. The handwritten notes pager is embedded directly into the claim file and can easily be shared with other users and later converted into text for use throughout the claim

These new advancements in the software focus primarily on pen-based features and usability, which allows Symbility to streamline the property claims process even further.

With the completion of the consolidation of the Kitchener office to Toronto, management has determined that the resources required to support the division going forward could be reduced. This will result in a reduction of four full-time positions in the first half of 2008. These responsibilities will be absorbed by staff in the Toronto and Montreal offices and by other remote employees. We believe that we now have a very efficient cost structure that will enable Symbility to add revenue profitably, while providing our customers with the support that they require.

On April 24, 2008, Symbility announced a strategic partnership with The Innovation Group ("Innovation Group") for the expansion of the Symbility *mobile claims* platform. Initial implementation will occur this summer in the United Kingdom with additional European countries to follow shortly thereafter. Product demonstrations to Innovation Group operations in South Africa and Australia have initiated plans for further global expansion in 2009.

Innovation Group, headquartered in the United Kingdom, will become both a user and exclusive value added reseller of Symbility Solutions' *mobile claims* software solution outside of North America. Innovation Group is a global provider of technology-enabled outsourcing and software solutions to the property and casualty industry. With an international reach spanning 11 countries and over 220 global customers, Innovation Group is responsible for the processing of more than 20 million policies annually.

Innovation Group will begin using the Symbility application in the UK through its internal outsourcing operations for claims handling, network and contractor management and customer fulfillment. Concurrent with these deployments, Innovation Group will leverage its customer relationships in multiple territories as a reseller while acting as a reference site through these internal deployments. The Symbility application has been modified to adapt to the European market with both English and French language capabilities.

Group Insurance Software Business

In the Corporation's financial statements the segmented information for Autoben is described as "Group Insurance Software".

Through the sale of its medical and dental adjudication software to insurance brokers, Automated Benefits Inc. generates revenues from:

- Transaction fees earned as a percentage of medical and dental group insurance claims run through Autoben's software by its customer base.

- Resale of premium group insurance benefits products to brokers and self-insured employers. This includes stop-loss, out of country, short term disability, long term disability, life and accidental death and dismemberment insurance.

- Resale of drug cards for processing medical prescriptions and dental services.

- Professional services earned from providing customized programming solutions to customers.

- Help desk and maintenance support to its customers who use Autoben's software.

Autoben has historically seen lower gross margins than a traditional software business. This is due to the fact that its existing business model requires the resale of certain lower-margin insurance products to insurance brokers in order for them to offer their customers a full self-insured benefits plan. Management has transitioned out of the lowest margin product lines to focus on the sale of software and services. When combined with targeting larger customers who have the purchasing power to buy insurance products directly from the carriers, Autoben expects to improve its gross margins as its sales mix shifts to more sales of higher margin transaction fees for the use of its software.

Property and Casualty Software Business

In the Corporation's financial statements the segmented information for Symbility is described as "Property and Casualty Software".

Both Symbility Solutions Inc. and Symbility Solutions (U.S.A.) generate revenue from:

- Transaction fees from insurance carriers and independent adjusters processing claims using the company's proprietary software solution.

- License fees from insurance carriers who are charged on a per-user basis for the use of the company's proprietary software solution.

- Professional services earned from providing training and customized programming solutions to customers.

Symbility now has eleven contracts as well as several other initiatives underway. While there has been a large acceptance of its technology by those in the field, Symbility has learned that the rollout of its system takes a great deal of time and to some extent a lot of training of customer staff. Management expects revenues to continue to increase as these existing customers ramp-up the use of Symbility's technology and management's focus on sales and marketing and strategic partnerships enables the acquisition of new customer contracts.

Selected Financial Information

These financials have been prepared in accordance with Canadian GAAP. For further information, please see Note 1 and Note 2 of the audited consolidated financial statements for the year ended December 31, 2007. The following table shows selected financial information for the twelve month period ended December 31, 2007 and a comparison to the same periods in the last two prior years.

The results for the year ended December 31, 2007 and December 31, 2006 are audited in thousands of dollars, except per share amounts. The results for the year ended December 31, 2005 are unaudited in thousands of dollars, except per share amounts. The comparative results are unaudited because they reflect a restatement of results which has not been audited.

	YEAR ENDED DEC. 31, 2007	YEAR ENDED DEC. 31, 2006	YEAR ENDED DEC. 31, 2005 (RESTATED)
Revenue	3,231	2,447	1,607
Net Loss	(4,020)	(6,643)	(5,469)
Loss per Share	(0.04)	(0.08)	(0.10)
Total Assets	4,740	4,883	2,234
Total Long-Term Financial Liabilities	42	35	Nil

Over the past three years, revenue has increased as Autoben has grown its customer base and Symbility has started to recognize the revenue from the rollout of its new contracts. During this period, the Corporation has incurred losses as both divisions invest in product development, sales and marketing, and general and administration to establish and grow a presence for their products in the insurance industry. These losses have started to decline during the year ended December 31, 2007 due to a combination of growth in high-margin revenue and a reduction in costs as a result of efforts by management to consolidate operations.

Results from Operations

Year Ended December 31, 2007 as compared to the year ended December 31, 2006.

Current Assets

Accounts receivable has decreased by approximately $292,000 since December 31, 2006. This decrease is principally explained by an increased focus on the collection of receivables for Autoben and Symbility after the centralization of the collections function in Toronto. This was somewhat offset by the SR&ED tax credit receivable of $124,840 related to the 2006 claim which was not collected until the first quarter of 2008. Please see additional disclosure related to SR&ED tax credits under critical accounting policies in this document.

Note receivable has increased by approximately $1,585 as the loan to shareholder continues to accrue interest until it is repaid.

Prepaid expenses have decreased by approximately $28,500. This decrease relates to items that were expensed during the period including insurance, recruiting fees, database licenses and agency fees related to a particular contractor. This was somewhat offset by certain prepayments made in the Toronto office related to the consolidation of the Edmonton and Kitchener office.

Restricted Cash Deposits

The Corporation's restricted cash deposits have decreased by approximately $48,250. This relates to a reduction in the cash collateral required to support a letter of credit and certain corporate credit cards. Please see the liquidity and capital resources section of this document for more information.

Property and Equipment

The Corporation's net fixed assets decreased by approximately $75,700 since December 31, 2006. This decrease can be attributed to the net impact of certain purchases related to the integration of Autoben with the Toronto office net of the impact of amortization of fixed assets and a write-down of certain assets in Edmonton and Kitchener related to the office consolidation.

Software development costs

Software development costs are now fully amortized and have decreased by approximately $59,000 since December 31, 2006.

Intangible Asset

Intangible assets have increased by approximately $6,060 since December 31, 2006. The gross amount of $15,000 paid to Sinisoft for its pricing database has now been fully amortized over its estimated useful life of one year. This was offset by the purchase of indefinite-life intangible assets which consist of trademarks for Autoben and Symbility. The Corporation will assess these assets for impairment on an annual basis and when events or changes in circumstances indicate that an asset might be impaired. See Note 2(f) Impairment of Long-lived assets in the notes to the audited financial statements for the year ended December 31, 2007 for the Corporation's accounting policy for evaluating impairment.

Revenues

Revenues for the twelve months ended December 31, 2007 increased to approximately $3,231,000. This compares to revenues of approximately $2,447,000 for the same period in the previous year. This represents an increase of approximately $784,000 or 32%.

The majority of this increase relates to growth in Symbility's sales as customers rolled-out the *mobile claims* product. For the twelve months ended December 31, 2007, Symbility had revenues of approximately $1,188,000**.** This compares to revenues of approximately $662,000 for the same period in the previous year. This represents an increase of approximately $526**,**000 or 79%.

The balance of this increase is attributed to Autoben which is seeing growing acceptance of new technology and adding new customers as users of the Autoben software. Revenues for the twelve months ended December 31, 2007 for Autoben increased to approximately $2,043,000. This compares to revenues of approximately $1,786,000 for the same period in the previous year. This represents an increase of approximately $257,000 or 14%.

Cost of Sales

Cost of sales represents costs of certain insurance products, which are in turn sold to broker customers of Autoben, as well as the cost of certain database license fees and fees for claims transferred to the *mobile claims* product paid to third parties by Symbility.

The cost of sales for the twelve months ended December 31, 2007 increased to approximately $1,121**,**000, and represents 35% of related revenue. This compares to cost of sales of approximately $1,089,000 for the same period in the previous year which represented 45% of related revenues during this period. In general, as sales of Symbility's high-margin technology grows, the overall cost of sales as a percentage of revenue decreases and the overall gross margin of the Corporation is improving.

Autoben's costs related to direct insurance and distribution in the twelve month period ended December 31, 2007 were approximately $1,080,000 and represents 53% of related revenue. This compares to approximately $1,019,000 in the same period in the previous year which represents 57% of related revenue. The primary reason for the increase in the cost of sales for direct insurance costs is the result of higher sales of these products. The cost of sales has decreased as a percentage of revenue as the mix of high margin sales related to transaction fees has increased as compared to the sale of lower-margin insurance products.

Symbility's cost of sales attributed to database licenses and fees paid for claims during the twelve month period ended December 31, 2007 was approximately $42**,**000 which represents 4.0% of related revenue. This compares to approximately $70,000 in the same period in the previous year which represented 11% of related revenue. Database licensing costs decreased despite the increase in the number of users for the *mobile claims* product due to a renegotiation of the contract terms with the vendor. In 2007, there were no sales of hardware due to a decision to exit that business line. The combination of these two factors resulted in a lower cost of sales as a percentage of revenue for Symbility.

General and Administration

General and administration expense for the twelve months ended December 31, 2007 was approximately $3,245,000. This compares to approximately $3,748,000 for the same period in the previous year for a decrease of $503,000.

Approximately $415,000 of this decrease is related to a reduction in general and administration expenses at Symbility. The settlement of the lawsuit with Xactware in 2006 reduced legal costs significantly at Symbility. A portion of these savings were offset by an increased investment into additional senior management, customer service, and training to support the growth in Symbility's customer base.

General and administration expenses at Autoben also decreased by approximately $82,000, mainly due to consolidation of the accounting function at head office during the year. The balance of the increase relates to a nominal decrease in general and administrative costs at head office after the centralization of the accounting, HR, administrative, and IT functions there.

Research and Development

Research and development for the twelve month period ended December 31, 2007 decreased to approximately $1,168,000. This compares to approximately $1,375,000 for the same period in the previous year for a decrease of approximately $207,000. Approximately $163,000 of this decrease reflects a reduction in resources at Autoben as a result of the consolidation of the Edmonton office. The balance of $44,000 of the decrease relates to a reduction of resources at Symbility as the development process was streamlined and certain development projects were completed.

Sales and Marketing

Sales and marketing for the twelve month period ended December 31, 2007 decreased to approximately $1,261,000. This compares to approximately $1,970,000 during the same period in the previous year for a decrease of $709,000.

The majority of this decrease relates to a reduction of $568,000 in sales and marketing costs at Symbility related to a reduction in sales agency fees paid to a particular contractor and public relations fees paid to a U.S. consultant. The balance of $141,000 of this decrease related to a reduction in marketing staff and consultants at Autoben.

Stock Based Compensation

Stock based compensation expense for the twelve month period ended December 31, 2007 was approximately $412,000. This compares to approximately $756,000 during the same period in the previous year for a decrease of $344,000. The decrease relates to certain options contracts which have now been fully expensed, a lower number of options issued, and a higher number of forfeitures as compared to the same period in the previous year.

Amortization

Amortization expense for the twelve month period ended December 31, 2007 decreased to approximately $244,000. This compares to an amortization expense of approximately $263,000 during the same period in the previous year for a decrease of $19,000. The decrease relates to the fact that certain software development costs have been fully amortized and is somewhat offset by the amortization associated with investment in new property and equipment during the past twelve months.

Gain on Sale of Customer Contracts

On October 26, 2007, the Corporation entered into a commercial agreement with Unison Benefits, a division of a privately owned insurance brokerage located in Thunder Bay. Unison Benefits has been providing their clients with service and advice on both individual and group insurance products for over 20 years. The customer contracts were transferred for proceeds of $44,000 and a gain of $38,000 was recognized net of applicable costs.

Adjusted EBITDA

In addition to disclosing results in accordance with GAAP, the Corporation also provides supplementary non-GAAP measures as a method of evaluating the Corporation's performance. Management uses Adjusted EBITDA as a measure of enterprise-wide performance. Adjusted EBITDA is defined as earnings before interest income, taxes, depreciation and amortization, stock based compensation, restructuring costs, impairment charges, and other one time gains or losses. Management believes Adjusted EBITDA is a useful measure that facilitates period-to-period operating comparisons. Adjusted EBITDA does not have any standardized meaning prescribed by GAAP and is not necessarily comparable to similar measures presented by other companies. Adjusted EBITDA should not be considered in isolation of as a substitute for net earnings (loss) prepared in accordance with GAAP. The Corporation has provided a reconciliation of Adjusted EBITDA to GAAP net earnings (loss) in the following table.

Unaudited in thousands of dollars

	Twelve Months Ended December 31, 2007	**Twelve Months Ended December 31, 2006**
Net Loss	**(4,020)**	**(6,644)**
Interest and other income	**(162)**	**(110)**
Income Tax Benefit	**0**	**0**
Depreciation and Amortization	**244**	**263**
Stock-Based Compensation	**412**	**756**
Restructuring Costs	**222**	**0**
Impairment Charges	**0**	**0**
Gain on Sale	**(38)**	**0**
Adjusted EBITDA	**(3,342)**	**(5,735)**

Adjusted EBITDA for the twelve month period ended December 31, 2007 was approximately $(3,342,000). This compares to approximately $(5,735,000) for the same period last year for an improvement of $2,393,000.

Summary of Quarterly Results

The following table shows selected financial information for each of the eight most recently completed quarters.

For the Quarters Ended								
	Fiscal Year 2007				**Fiscal Year 2006**			
	Dec. 31, 2007	Sept. 30, 2007	Jun 30, 2007	Mar 31, 2007	Dec. 31, 2006	Sept. 30, 2006	Jun 30, 2006	Mar 31, 2006
Revenue	786	774	909	762	669	628	647	499
Net Loss	(876)	(723)	(1,103)	(1,318)	(1,716)	(1,534)	(1,767)	(1,630)
Net Loss per Share	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.02)	(0.02)	(0.03)

Over the past eight quarters, revenue has increased as Autoben has grown its customer base and Symbility has started to recognize the revenue from the rollout of its new contracts. During Fiscal Year 2006, the Corporation has incurred increasing losses as both divisions invested in product development, sales and marketing, and general and administration to establish and grow a presence for their products in the insurance industry. These losses began to decline in Fiscal Year 2007 due to a combination of growth in high-margin revenue and a reduction in costs as a result of efforts by management to consolidate operations.

Critical Accounting Policies

Measurement uncertainties

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, related amounts of revenue and expenses, and disclosure of contingent assets and liabilities at the date of the consolidated financial statements. Actual results could differ from these estimates and the differences could be material.

Significant areas requiring the use of management's estimates include reasonability of collection of receivables, equity-based compensation, indefinite life intangible assets, the useful lives of definite life assets and the estimation of certain accrued liabilities.

Revenue Recognition

Autoben has developed a non-traditional supply chain for group insurance, determining that it is a re-seller, as opposed to a sales agent in these transactions. Management has taken this position due to the fact that Autoben acts as a principal in the transaction, retains title to the product until the transaction is complete, assumes the risks and rewards of ownership, and has the ability to set the pricing for its fees.

Autoben’s revenue reflects the gross revenue for certain insurance products in which Autoben is classified as a re-seller.

The following table summarizes the revenue and net revenue for the re-selling of premium and pooled insurance products:

Unaudited in thousands of dollars.

	Twelve Months Ended Dec. 31, 2007	Twelve Months Ended Dec. 31, 2006
Revenue	1,831	1,628
Cost of Sales	914	871
Net Revenue	917	757

Leases

Leases are classified as either capital or operating leases. Leases which transfer substantially all of the benefits and risks incidental to ownership of assets are accounted for as if they were an acquisition of an asset and incurrence of an obligation at the inception of the lease and are accounted for as capital leases. All other leases are accounted for as operating leases and expensed as incurred.

Changes in Accounting Policy

Effective January 1, 2007, the Corporation adopted the new recommendations of The Canadian Institute of Chartered Accountants ["CICA"] Handbook Section 3251, "Equity", Section 1530, "Comprehensive Income", Section 3855, "Financial Instruments - Recognition and Measurement", Section 3861, "Financial Instruments – Disclosure and Presentation", and Section 3865, "Hedges", retroactively, without prior period restatement. These new Handbook Sections, which apply to fiscal years beginning on or after October 1, 2006, provide requirements for the recognition and measurement of financial instruments and on the use of hedge accounting.

With the adoption of these standards, there was no significant impact on net income for the year ended December 31, 2007. Additional disclosures have been made in the financial statements as a result of the adoption of these standards.

Changes in accounting policies not yet adopted

The following accounting pronouncements have been released in October 2006 but have not yet been adopted by the Corporation:

[i] Capital disclosures

[ii] Financial instruments - disclosures

[iii] Financial instruments - presentation

The Corporation does not expect the adoption of these standards to have a material impact on its consolidated financial statements. Additional disclosures have been made in the financial statements relating to the adoption of these standards.

[iv] International Financial Reporting Standards

The CICA plans to converge Canadian GAAP with International Financial Reporting Standards [“IFRS”] over a transition period expected to end in 2011. The impact on the transition to IFRS on the Corporation’s consolidated financial statements has not been determined.

[v] Goodwill and intangible assets

In 2008, the CICA issued Handbook Section 3064 [“CICA 3064”], “*Goodwill and Intangible Assets*”. CICA 3064 replaces Section 3062, “*Goodwill and Intangible Assets*”, and Section 3450, “*Research and Development Costs*”. It establishes standards for the recognition, measurement and disclosure of goodwill and intangible assets. This new standard is effective for the Corporation’s interim and annual consolidated financial statements commencing January 1, 2009. The Corporation is currently assessing the impact of the new standard.

[vi] General standards of financial statement presentation

Section 1400, “General Standards of Financial Statement Presentation”, was amended to include requirements to assess and disclose an entity’s ability to continue as a going concern. The new requirements are effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2008. The Corporation will adopt the amendments to Section 1400 on January 1, 2008 and is currently evaluating the effects of adopting the new requirements of this standard.

Scientific Research and Experimental Development Tax Credits

In 2007, Symbility has recorded investment tax credits related to the 2006 fiscal year totaling $124,840 (2006 - $179,509 related to 2004 and 2005) and reduced research and development expenditures by this amount. The Corporation has accumulated $105,000 of non-refundable investment tax credits which can be carried forward to reduce future Federal income taxes payable and will begin to expire in 2012.

Disclosure of Outstanding Share Data

The following chart summarizes the equity securities outstanding as of the date hereof:

EQUITY SECURITY	**NUMBER OUTSTANDING APRIL 24, 2008**
Common Shares	108,780,682
Warrants	21,588,100
Broker’s Warrants	3,598,500
Preferred Shares	6,162,239
Stock Options	6,139,767

Liquidity and Capital Resources

At December 31, 2007, the Corporation’s consolidated cash position was $3,089,320 compared to $2,738,125 at December 31, 2006.

This increase is principally explained by the net proceeds from the Private Placement which was offset by the cash required to fund the Corporation’s operations during the period.

The Corporation has a working capital position of $2,750,499 at December 31, 2007 as compared to $2,568,625 of working capital at December 31, 2006. The Corporation continues to use its cash to fund operations as its divisions establish market share in their respective segments of the insurance industry. Management expects to be able to fund future operations for at least another twelve months for the following reasons:

- The settlement of the lawsuit with Xactware has enabled Symbility to refocus and reinvest funds into value-added activities instead of paying legal fees.
- As Symbility's new U.S. customers finish rolling out the *mobile claims* product, high margin revenues should continue to increase and reduce the operating cash flow requirements.
- The Private Placement which closed on May 7, 2007 provided an additional $3,605,732 in cash to fund working capital requirements.
- Management continues to review the cost structure for the Corporation and will reduce costs as necessary to ensure that they are in line with revenue growth.
- The Corporation has no significant debt on its balance sheet which enables it to pursue venture debt or bridge financing if it cannot raise additional equity to fund operations as required.

The Corporation has not entered into any contractual obligations which will require future payments, including long-term debt other than operating leases for equipment and premises, capital leases for equipment and certain payments under certain vendor contracts.

The following chart is a summary of contractual obligations of the Corporation, including payments for each of the next four years and thereafter as at April 24, 2008.

Payments Due by Period					
Contractual Obligations	**Total**	**Up to 1 year**	**1 – 3 years**	**4 – 5 years**	**After 5 years**
Long Term Debt	$Nil	$Nil	$Nil	$Nil	$Nil
Capital Lease Obligations	$ 43,729	$ 12,132	$ 28,056	$ 3,540	$Nil
Operating Leases	$553,716	$131,576	$350,292	$71,848	$Nil
Purchase Obligations[5]	$371,687	$100,245	$241,443	$30,000	$Nil
Other Long Term Obligations[6]	$Nil	$Nil	$Nil	$Nil	$Nil
Total Contractual Obligations	**$969,132**	**$243,953**	**$619,791**	**$105,388**	**$Nil**

The Corporation has entered into commitments for additional capital expenditures totalling approximately $35,000 at this time.

Restricted Cash Deposits

On November 1, 2006, the Corporation entered into a cash collateral agreement with the Royal Bank of Canada for $59,000 to secure certain corporate credit cards issued. The agreement was amended to $25,750 on November 21, 2007. On March 28, 2008, the cash collateral agreement was further amended to $15,000.

[5] *"Purchase Obligation" means an agreement to purchase goods or services that is enforceable and legally binding on the Corporation that specifies all significant terms, including: fixed or minimum quantities to be purchased; fixed, minimum or variable price provisions; and the approximate timing of the transaction.*

[6] *"Other Long Term Obligations" means other long-term liabilities reflected on the Corporation's balance sheet.*

On November 15, 2006, the Corporation entered into a cash collateral agreement with the Royal Bank of Canada for $295,000 to secure the letter of credit and certain corporate credit cards with the Royal Bank. The agreement was amended to $282,500 on November 21, 2007.

On November 15, 2006, the Corporation entered into a cash collateral agreement with the Royal Bank of Canada for $20,000 to secure certain corporate credit cards issued. The agreement was amended to $17,500 on November 21, 2007.

The interest income earned on these restricted cash deposits accrues to the Corporation at rates ranging from 3.5% to 4% annually.

Related party transactions

For the year ended December 31, 2007, the Corporation expensed $45,000 ($90,000 - 2006) in consulting fees paid to a private company controlled by a director. The one year agreement signed September 21, 2006 expired June 30, 2007 and has not been renewed.

For the year ended December 31, 2007, the Corporation expensed $9,514 ($61,157 - 2006) in consulting fees paid to an officer. The contract for these consulting services was terminated on June 5, 2007.

These fees were settled for cash consideration and were recorded at the exchange amount, which is the estimated fair value of the services rendered to the Corporation by the director and officer.

For the year ended December 31, 2007, the Corporation expensed $18,000 ($36,000 -2006) for services provided by the independent directors of the Corporation. These fees were recorded at the exchange amount, which is the estimated fair value of the services rendered to the corporation by the independent directors.

On February 25, 2008, the Corporation announced that it issued 189,476 Common Shares with a fair value of $0.19 per share for an aggregate value of $36,000 to the independent directors of Automated Benefits Corp. for services provided to the Corporation for 2006 and 2007. Each independent director receives $5,000 per annum, and an additional $1,500 is payable to the chairman of each of the Compensation Committee and the Audit Committee of the Corporation. The issuance of the 189,476 Common Shares to the directors was approved by the TSX Venture Exchange on February 20, 2008 and the shares were issued on February 22, 2008.

The Corporation agreed to loan $40,000 to its President and Chief Executive Officer to enable him to purchase additional common shares of the Corporation on October 17, 2006. This promissory note matured on December 31, 2007 with an annual interest rate of 4%. There is a pledge in favour of the Corporation of 227,273 shares with a market value of $61,364 being purchased as collateral to secure the loan. The Corporation has full recourse to the President and Chief Executive Officer for the full balance of the principal and the interest owed on the loan.

On January 25, 2008, the Corporation's President and Chief Executive Officer repaid the promissory note for $40,000 plus $2,087 in accrued interest. The Corporation subsequently returned 227,273 common shares that had been held as collateral to secure the loan to the President and Chief Executive Officer.

On May 16, 2007 the Corporation announced under National Instrument 62-103 – The Early Warning System and Related Take-over Bid and Insider Reporting Issues, that its President and C.E.O. had an ownership position in the Corporation exceeding 10%. Mr. James Swayze held 10,733,684 common shares which represented 10.08% of the total basic number of shares outstanding of the Corporation at that time. He acquired additional securities for investment purposes as part of a private placement completed on May 7, 2007 which put him over the 10% threshold.

On May 22, 2007, a director of the Corporation was issued 511,846 common shares out of the 1,323,762 common shares issued as a result of the conversion of preferred Series A shares. A relative of that director was also issued 71,658 common shares.

On October 16, 2007, the Corporation granted options to four members of the Board of Directors to acquire a total of 375,000 common shares of the Corporation at an exercise price of $0.24 per common share. These vest at the rate of 1/3 immediately and 1/3 on each of the 12 and 24 months from the date of the grant.

Off Balance Sheet Arrangements

The Corporation has not entered into any off balance sheet arrangements as at December 31, 2007.

Financial Instruments

The Corporation's financial instruments consist of accounts receivable, accounts payable and accrued liabilities and capital lease obligations and their carrying value approximates fair value due to their immediate or short-term maturity.

- Credit risk

The Corporation is exposed to credit risk in the event of non-performance by customers. The Corporation monitors the credit risk of customers on a regular basis. The maximum credit risk is the carrying value of the accounts receivable.

- Interest rate risk

The Corporation is exposed to interest rate risk arising from fluctuations in interest rates on its cash, as defined in Note 2 of the audited financial statements for the twelve month period ending December 31, 2007. The Corporation does not use derivative instruments to reduce its exposure to interest rate risk.

- Currency risk

The Corporation operates primarily within Canada and the United States, and is therefore exposed to significant foreign currency risk. The Corporation has not entered into foreign exchange derivative contracts.

Disclosure Controls

As at the financial year ended December 31, 2006, an evaluation was carried out under the supervision of and with the participation of the Corporation's management, including the Chief Executive Officer and the Chief Financial Officer, of the effectiveness of the Corporation's disclosure controls and procedures. Based on that evaluation, the Chief Executive Officer and the Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective as at December 31, 2006 to provide reasonable assurance that material information relating to the Corporation and its consolidated subsidiaries would be made known to them by others within those entities. A control system, no matter how well conceived or operated, can provide only reasonable, not absolute assurance that the objectives of the control system are met.

As a result of this review, the Board of Directors of the Corporation approved the establishment of a disclosure policy which became effective December 31, 2006. A disclosure committee consisting of senior management of the Corporation and its subsidiaries now meets quarterly to review disclosure controls and report to the Board of Directors on their findings.

Internal Controls over Financial Reporting

The Corporation engaged an external consultant in October of 2006 to assess and design the Company's internal controls over financial reporting (ICFR). The deliverable from the consultant was to make recommendations to meet the certification requirements under MI 52-109 for the financial statements for the fiscal year ended December 31, 2006.

- **Approach to the Review**

The consultant performed an initial assessment of the design effectiveness of ICFR using a top down, risk-based approach. Her initial findings showed material weaknesses in entity level controls, the Finance department, HR policies, the IT environment, and documentation of key policies and procedures. These weaknesses were generally due to the following factors:

- Autoben and Symbility were being run as independent companies without any common procedures and policies.

- The Finance function was being performed by a series of contractors and part-time consultants in different geographic areas.

- A true head office function had only recently been established with the hiring of a full-time CFO in May of 2006 and there were no centralized accounting or human resources functions.

- At the divisional level, the IT environment varied widely by company and office and was generally supported by a series of external contractors with the exception of the Montreal office of Symbility. While policies and procedures were in place in many areas, they were not formally documented and were not always consistently followed.

This situation is typical in a small, growing company that lacked the resources to operate with a more structured organization typically found in larger companies.

Given the number of material weaknesses, the consultant helped the Corporation remedy the major gaps before year end and provided the Corporation with the design for strengthening ICFR moving forward.

Summary of Initial Remedial Actions Taken in 2006

The Corporation has taken some remedial steps in five key areas.

1. The Corporation has introduced a series of new policies including a disclosure policy, policy for issuance of stock options, whistleblower policy, and approvals circular.
2. The human resources function has been centralized at head office and revised policies for the two divisions have been issued to ensure consistency across the organization.
3. Contract administration has been centralized at head office and contracts with customers and vendors have been reviewed by legal counsel.
4. A corporate IT consultant has been engaged to review the IT function across the organization to ensure consistency of policies and that major risks to the Corporation have been identified and mitigated.
5. The majority of the finance department has been centralized at head office and the use of external consultants in different locations has been eliminated.

Even with the remedial steps taken, there are still some potential material weaknesses identified in the consultant's report. CSA Staff Notice 52-316 indicates that disclosers can certify the design of the issuer's ICFR when weaknesses exist provided "the disclosure about the identified weakness presents an accurate and complete picture of the condition and the design of the issuer's ICFR."

Summary of Remedial Steps Taken in Fiscal Year 2007

1. **Overall Enterprise Risk**

   - A purchase order request system associated with the approvals circular has been implemented. The Board of Directors has determined that a separate Corporate Governance Committee is not required. Management has provided an update on all Corporate Governance issues at each meeting of the Board of Directors.

2. **Human Resources**

   - The consolidation of the HR function was completed at head office by Q2 2007. This included the appointment of an HR Manager, centralization of the payroll function, employee contracts, and the establishment of consistent HR policies and procedures across the Corporation.

3. **The IT environment**

   - The centralization of the IT organization, distribution of duties between the corporate IT function and the local offices, and documentation of the majority of all policies and procedures related to the Corporation, Autoben and Symbility was completed by Q4 2007 with the consolidation of the Edmonton and Kitchener offices.

4. **Financial Reporting**

   - The reorganized finance department met in June 2007 to review the reporting cycle and find ways to improve the timing of the release of financial statements. Financial statements are now produced within 30 days from the prior month end.
   - As part of this review, it was determined that the process for calculating stock-based compensation needed to be refined. Historically, the calculation was performed manually and required the user to consolidate multiple excel files from prior years to calculate the current period expense. These excel files have now been consolidated into one excel file.

5. **Segregation of Duties**

   - With the consolidation of the remaining accounting functions from the Edmonton and Kitchener office to the Toronto office, the allocation of responsibility was reviewed in Q4 2007 and a new segregation of duties has been designed.

CSA Notice 52-319

On November 23, 2007, the Canadian Securities Administrators (the "CSA") issued notice 52-319 to update market participants on the status of the initiative to repeal and replace Multilateral Instrument 52-109 *Certification of Disclosure in Issuer's Annual and Interim Filings* and the related forms and companion policy.

Among other changes, the amended version of the Proposed Materials will no longer require the CEO and CFO of a venture issuer to certify that they have designed and evaluated the effectiveness of disclosure controls and procedures and internal control over financial reporting. Management intends to review the design changes that were initiated in 2007 and complete those in 2008 that they believe will be beneficial to the Corporation. Management will also determine whether it is beneficial to conduct this next review of operational effectiveness of ICFR utilizing the parameters of an established framework or to use a less formal approach that is more suited to the business units.

Proposed Initiatives for 2008

Management believes that the following initiatives that began in 2007 are beneficial for the Corporation to complete in 2008:

- The development of a Corporate Risk Management policy to present to the Board of Directors.
- Security access weaknesses will be reviewed now that the consolidation of the offices is completed.
- The information system review of Symbility's development group will be extended to the consolidated Customer Support and Quality Assurance functions. This includes IT documentation, IT security, change management, IT projects, and data management for these functions.
- The location mapping and corporate risk assessment framework applied to Symbility's development group will be applied to the Autoben development group now that the consolidation of the Edmonton and Toronto office is complete.
- The Corporation has purchased a license for a product called Optrack which provides access to an automated, web-based software package which maintains stock option information and calculates the associated compensation expense. Management expects the Corporation's historical data to be downloaded and all stock-based compensation calculations to be performed using Optrack in 2008.
- With the consolidation of the remaining accounting functions from the Edmonton and Kitchener offices to the Toronto office, the finance department has the opportunity to amend the way in which the financial statements are prepared**.** Given this change in the operation, the finance department will identify all material processes in the preparation of financial statements and document all the new controls, procedures, and processes.
- The proposed new design for segregation of duties will be implemented.

Management reserves the right to alter or eliminate any of these initiatives based on the changing needs of the business.

Risk and Uncertainties

The following are the principal risk factors with respect to the Corporation and its subsidiaries:

(a) The Corporation is in the business of developing claims management software for health and dental plans and insurance products for employer groups as well as property and casualty insurance claims estimation software. The development involves a substantial degree of risk, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Shareholders must rely on the ability, expertise, judgment, discretion and integrity of the management of the Corporation.

(b) There is no assurance that the Corporation will be profitable in the future or that the Corporation will be able to generate sufficient cash from operations to pay dividends on its shares and it does not anticipate paying dividends in the near future. If the Corporation is unable to effectively manage its planned growth and expansion, its growth strategy could be negatively affected. Any inability to manage growth effectively could have a material adverse effect on the business, results of operations and financial condition of the Corporation.

(c) The Corporation is in the early stages of commercial production of certain of its products following the initial development stage and therefore, is subject to the risks associated with early stage companies, including start up losses, uncertainty of revenues, markets and profitability and the need to raise additional funding. The Corporation has committed, and for the foreseeable future will continue to commit, significant financial resources to product development and research.

(d) The Corporation has entered into a number of strategic relationships with third parties. The termination of any one or more of its strategic relationships may have a material adverse effect on the Corporation's ability to offer certain products and services.

(e) The Corporation's products are technically complex, and, despite pre-release testing, may contain undetected errors or performance problems. There can be no assurance that such errors or performance problems will not be discovered in the future, which may cause delays in product introduction, require design modification or result in product liability claims against the company.

(f) The computer software industry generally is susceptible to significant technological advances in both hardware and software and the introduction of new products and services utilizing new technologies. Further, the industry is also subject to changing industry standards, market trends and customer preferences and to competitive pressures which can, among other things, necessitate revisions in pricing strategies, price reductions and reduced profit margins. The success of the Corporation will depend on its ability to secure technological superiority in its products and maintain such superiority in the face of new technologies. While the Corporation believes its products are currently competitive, no assurances can be given that the products of the Corporation will be commercially viable or that further modification or additional products will not be required in order to meet demands or to make changes necessitated by developments made by competitors which might render products of the Corporation less competitive, less marketable or even obsolete over time. The future success of the Corporation will be influenced by its ability to continue to adapt its current systems and to develop new competitive products. Although the Corporation is committed to the development of new products and the improvement of its existing products, there can be no assurance that these research and development activities will prove profitable or that products resulting therefrom, if any, will be successfully produced and marketed.

(g) One element of the Corporation's business strategy is to create and diversify channels of distribution of its products both domestically and internationally. The Corporation is currently investing, and plans to continue to invest, cash and personnel resources to create a North American direct sales and marketing force and develop distribution relationships with additional third party distributors and resellers internationally. The Corporation's ability to achieve significant revenue growth in the future will depend in large part on its success in recruiting and training sufficient sales personnel, distributors and resellers. There can be no assurance that the Corporation will be able to attract, train and retain a sufficient number of distributors or direct sales personnel or that such third party distributors will recommend, or continue to recommend, the Corporation's products or devote sufficient resources to market such products. These factors could have a material adverse effect on the Corporation's business, operating results and financial condition.

(h) If financing is required in the future, the ability of the Corporation to arrange such financing will depend in part upon the prevailing capital market conditions as well as the business performance of the Corporation. There can be no assurance that the Corporation will be successful in its efforts to arrange additional financing on terms satisfactory to the Corporation. If additional financing is raised by the issuance of shares from the treasury of the Corporation, control of the Corporation may change and shareholders may suffer additional dilution. If adequate funds are not available, or are not available on acceptable terms, the Corporation may not be able to take advantage of opportunities, develop new products, or otherwise respond to competitive pressures and remain in business.

(i) The success of the Corporation will depend, in part, on its ability to maintain trade secret protection and the proprietary nature of its technology, as well as operate without infringing the proprietary rights of third parties. The systems and products developed by the Corporation also incorporate technology and processes that will not be protected by any patent and are capable of being duplicated or improved upon by competitors. Accordingly, the Corporation may be vulnerable to competitors, which develop competing technology, whether independently or as a result of acquiring access to the proprietary information. Despite these precautions, it may be possible for a third party to copy or otherwise obtain and use the Corporation's products or technology without authorization or to develop similar technology independently. In addition, effective copyright and trade secret protection may be unavailable or limited in certain foreign countries and the global nature of the Internet makes it virtually impossible to control the ultimate destination of the Corporation's products. The Corporation is currently evaluating the effectiveness of trade-mark protection with respect to its technologies and products. In those cases where trade-mark protection will be an effective means of maintaining its competitive advantage, the Corporation will make application for trade-marks in the appropriate jurisdictions. Despite the Corporation's efforts to protect its proprietary rights, unauthorized parties may attempt to copy aspects of the Company's products or to obtain and use information that the Corporation regards as proprietary. Policing unauthorized use of the Corporation's products will likely be difficult and expensive. There can be no assurance that the steps taken by the Corporation will prevent the misappropriation of its technology or that such agreements will be enforceable. In addition, litigation my be necessary in the future to enforce the Corporation's intellectual rights, to protect the Corporation's trade secrets, to determine the validity and scope of the proprietary rights of others or to defend against claims of infringement or invalidity. Such litigation could result in substantial costs and diversion of resources and could have a material adverse effect on the Corporation's business, operating results or financial condition.

(j) Although the Corporation does not believe that its products infringe the proprietary rights of any third parties, there can be no assurance that infringement or invalidity claims (or claims for indemnification resulting from infringement claims) will not be asserted or prosecuted against the Corporation or that any such assertions or prosecutions will not materially adversely affect the Corporation's business, financial condition or results of operations. Irrespective of the validity or the successful assertion of such claims, the Corporation would incur significant costs and diversion of resources with respect to the defense thereof which could have a material adverse effect on the Corporation's business, financial condition or result of operations.

(k) The Corporation has direct competition for the products offered by the Corporation's subsidiaries. These competitors and new entrants into the markets for these products and services may have longer operating histories, greater name recognition and greater financial, technical and marketing resources than the Corporation. Such competitors could materially adversely affect the Corporation's business, results of operations and financial condition.

(l) The forecast demand for the Corporation's products or services may be overstated, based on incorrect or incomplete data and/or assumptions, or affected by developments in the Corporation's clients' markets or the industries as a whole.

(m) As access to and usage of much of the Corporation's software is highly dependent on the integrity of the Internet. The Corporation's licensees may experience difficulty in utilizing the software in the event of disruptions in their Internet service. This could result in the loss of customers and therefore could materially adversely affect the Corporation's business.

(n) The Corporation may experience fluctuations in future quarterly operating results that may be caused by many factors, including: (i) changes in the level of marketing and other operating expenses to support future growth; (ii) competitive factors; and (iii) general economic conditions. Consequently, the Corporation believes that period-to-period comparisons of its operating results will not necessarily be meaningful and should not be relied upon as an indication of future performance. It is likely that the Corporation's future quarterly operating results from time to time, may not meet the expectations of securities analysts or investors, which may have a material adverse effect on the market price of the Corporation's shares.

(o) The Corporation will be substantially dependent upon the services of a few key personnel for the successful operations of its businesses. The loss of the services of any of the personnel could have a material adverse effect on the business of the Corporation. In addition, competition exists for qualified personnel, and the Corporation may be unable to attract or retain highly qualified personnel in the future.

(p) As part of its business strategy, the Corporation may seek to grow by acquiring businesses or establishing joint ventures that it believes will complement its current or future business. The Corporation may not effectively select acquisition candidates or negotiate or finance acquisitions or integrate the acquired businesses and their personnel into its business. The Corporation cannot guarantee that it can complete any acquisition it pursues on favorable terms, or that any acquisitions completed will ultimately benefit its business.

(q) The Corporation may in the future derive significant sales revenues from sales of its products and services to customers located in other countries. As a result, fluctuations in the value of foreign currencies against the Canadian dollar could result in unanticipated fluctuations in the Corporation's financial results which are currently denominated and reported in Canadian dollars. The Corporation's business could also be adversely affected by exchange controls, currency fluctuations, and laws or policies of other countries affecting foreign trade, investments or taxation.

(r) Certain of the directors of the Corporation also serve as directors of other public and private companies and consequently there exists the possibility for such directors to be in a position of conflict. Any decision made by such directors involving the Corporation will be made in accordance with the duties and obligations of directors to deal fairly and in good faith with the Corporation and such other companies. In addition, such directors must declare and refrain from voting on, any matter in which such directors may have a conflict of interest in accordance with the Business Corporations Act (Alberta).

(s) To some extent the Corporation operates in a traditional and established sector where there is significant resistance to change and new ideas. Accordingly, despite a viable product and related services, the Corporation may face significant resistance in increasing its customer base.

(t) The services provided by the Corporation between insurance brokers, their customers and insurance companies does not relieve the Corporation from ultimate liability in the event of an insurance company or insurance broker defaulting on their obligations relating to either the payment of premiums or settlement of claims. To this extent, the Corporation is exposed to contingent credit risk of an indeterminable amount. This risk is mitigated by contracting with reputable organizations, and by utilizing a number of different organizations to mitigate the exposure of any one insurance company or broker defaulting on its obligations.