Automated Benefits Corp.
Management's Discussion and Analysis
April 28, 2010

The following Management's Discussion and Analysis ("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, 2009. 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, the ability to raise capital, taxes and plans and objectives of or involving the Corporation.

Without limitation, information regarding the Corporation's future cost structure, future sales and marketing activities, increased penetration into certain markets through strategic partnerships, the impact of the introduction of new products, the ability of new management to leverage sales opportunities, increase in the size of certain markets, expected increases in revenues, expected revenues from certain contracts, customer rollout plans for specific products, expected increase in gross margins, Adjudicare software product placement targets and Symbility product placement targets 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, customer demand, competition and the risks posed by potential technological advances, risks relating to the protection of the Corporation's intellectual property, risks relating to fluctuation in foreign currency exchange rates, and exposure to increased credit and liquidity risk. 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 does not undertake to update this information at any particular time unless required by law. Unless otherwise indicated, this MD&A was prepared by management from information available up to April 28, 2010.

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., 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 and European 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.

Share Issuances

On April 3, 2009, 204,167 common shares with a deemed value of $0.12 per share for an aggregate value of $24,500, were issued to three Directors of Automated Benefits Corp. for services provided to the Corporation during 2008. Pursuant to the Corporation's current policy, each Director receives $5,000 per annum, and an additional $1,500 per annum is payable to the chairman of each of the Corporation's Board of Directors, Compensation Committee and the Audit Committee, which the Directors agreed to receive in common shares. The issuance of the 204,167 common shares to the Directors was approved by the TSX Venture Exchange on April 3, 2009.

On April 30, 2009, the Corporation announced that it had converted 3,158,539 preferred Series A shares previously issued to certain shareholders of the Corporation into 3,158,539 common shares pursuant to the conversion terms of these preferred Series A shares.

On August 21, 2009, the Corporation announced that it had converted 628,343 preferred Series A shares previously issued to certain shareholders of the Corporation into 628,343 common shares pursuant to the conversion terms of these preferred Series A shares. This represents the final conversion of preferred Series A shares into common shares and the Corporation has fully satisfied all of its obligations to the preferred Series A shareholders.

In 2004, the Corporation completed the acquisition (the "Acquisition") of Symbility Solutions Inc. ("Symbility"). Pursuant to the Acquisition, each of the holders of class B shares of Symbility ("Symbility Class B Shares") received one preferred Series A share of the Corporation for each Symbility Class B Share held. An aggregate of 8,000,000 preferred Series A shares were issued. Each preferred Series A share is convertible into one Common Share for each $0.50 in annual revenue received by Symbility from the sale of products and services of, or any commissions, license fees or royalties (excluding license fees or royalties in respect of the m.Claim wireless mobile technology) received by Symbility during a five year period commencing May 31, 2004. The current conversion of the 628,343 preferred Series A shares is based on the year to date revenue received by Symbility for the 2009 fiscal year. This represents the final conversion of preferred Series A shares related to the Acquisition.

On August 21, 2009, the Board of Directors approved a phantom stock plan (the "Plan"). The purpose of the Plan is to provide an incentive and reward for selected employees, executive officers, Directors and consultants of the Corporation or a related entity to the Corporation.

The Plan provides for the grant of notional units ("Phantom Stock") that are economically equivalent to owning shares of the Corporation. The Plan only involves the payment of cash, and not the issuance of common shares of the Corporation, to the holders of the Phantom Stock. The Phantom Stock will be fully vested on the grant date, however payment may only be made on the occurrence of certain trigger events; such as death, retirement or termination of the holder of the Phantom Stock. The payment amount will be equal to the market closing price per common share of the Corporation on the TSX Venture Exchange on the trading day immediately prior to the day of the trigger event.

Other Corporate Matters

On April 3, 2009, the Corporation announced that Marc-Olivier Huynh will be assuming the role of Chief Technology Officer for the Corporation. Mr. Huynh will now direct the development efforts of both Symbility and Automated Benefits Inc. Commensurate with his appointment as Chief Technology Officer, Automated Benefits Corp. issued Mr. Huynh 200,000 stock options effective February 13, 2009. Concurrent with this issue, 50,000 options were issued to each of the four

Directors in accordance with the Corporation's stock option plan. The options will vest in three equal tranches with one-third vesting immediately, one-third vesting in twelve months, and one-third vesting in twenty-four months, at an exercise price of $0.12.

Recent Events and Outlook for 2010

On June 11, 2009, the Corporation added R. Larry Binnion, Robert Landry, and Timothy Stanley to the Board of Directors to provide additional experience related to software sales and execution in the insurance industry.

On January 21, 2010, the Corporation issued 135,761 common shares with a deemed value of $0.13 per share for an aggregate value of $17,649 to the Directors of Automated Benefits Corp. for services provided for the first six months in 2009.

Each Director receives $5,000 per annum, and an additional $1,500 is payable to the chairman of each of the Compensation Committee, the Audit Committee, and the Board of Directors of the Corporation. The issuance of the 135,761 common shares to the Directors was approved by the TSX Venture Exchange on January 21, 2010 and the shares were issued on January 21, 2010.

On March 10, 2010, the Corporation announced its intent to issue 174,330 common shares with a deemed value of $0.10 per share for an aggregate value of $17,433 to the Directors of Automated Benefits Corp. for services provided for the last six months in 2009. The issuance of the 174,330 common shares to the Directors was approved by the TSX Venture Exchange on April 7, 2010.

On April 28, 2010, the Corporation announced its intent to issue 2,700,000 common shares with a deemed value of $0.10 per share for an aggregate value of $270,000 to a Director and officer and an officer in lieu of cash bonuses for 2009. The issuance of the 2,700,000 common shares to the Director and officer and the officer is subject to TSX approval.

Automated Benefits Corp. will continue to work with its wholly-owned subsidiaries to increase penetration into their respective markets which is expected to enable the consolidated entity to be self-sufficient from a cash flow perspective. While there are no immediate plans to acquire additional financing, the Corporation intends to continue to raise capital to fund the growth of these businesses as required. However, there is no certainty the Corporation will be able to raise additional financing under terms that are favorable to the Corporation.

Automated Benefits Inc.

Automated Benefits Inc.'s proprietary software product and value-added services provide insurance companies, third party administrators ("TPAs") and independent insurance brokers the ability to manage the adjudication and payment process of health and dental benefits by allowing for the real-time adjudication and administration of employee claims under the client's brand. As employers seek ways to reduce their benefit costs and providers seek ways to deliver additional value-added services to their customers, management believes that the market for these products and services will continue to increase.

Product Development

On April 28, 2009, Automated Benefits Inc. released version 3.1 of its proprietary health and dental claims adjudication software, Adjudicare. Version 3.1 offers greater plan management functionality and several new additions aimed at making the software even more customer-centric.

Recent improvements to the software include:

- Enhanced batch cheque options, including batch posting and batch posting by block, batch printing by block and batch printing to multiple printers, and the inclusion of weekly indemnity cheques in batch posting and printing options.
- The ability for Adjudicare to handle all client drug card production internally and offer electronic tracking of orders.
- The application and management of survivor benefit status.
- Coverage dates and status may now be set at the dependent level.

On August 7, 2009, Automated Benefits Inc. released version 3.2 of its proprietary health and dental claims adjudication software, Adjudicare. Version 3.2 offers greater plan management functionality and several new additions aimed at making the software even more customer-centric.

Recent improvements to the software include:

- The ability to deposit claim reimbursements directly into a bank account using a standard Electronic Funds Transfer application.
- French versions of standard customer reports including service provider cheque report, predeterminations, and rejected claim report.
- The addition of new dental rules including tooth and surface codes, sextant codes, and restoration rules.
- The direction of e-dental claims to the new e-dental area of the web-based portion of the Adjudicare product.
- The ability to set dental plans to pay according to specialist fees.

The Adjudicare software product is now more robust and capable of handling larger volumes and Automated Benefits Inc. is now strategically positioned to focus solely on software solutions for the administration of group health and dental plans.

Sales & Marketing Efforts

As the business evolves, management continues to look for key performance indicators (KPIs) that will assist investors in understanding the progress the business is making. Gross claims dollars processed[1&2] is an industry standard KPI for claims adjudication. During 2009, approximately $41.5 million in health and dental claims were processed by the Adjudicare software. This compares to approximately $38.0 million processed in the same period last year. The reason for this increase is due to the impact of new customer contracts as they put new groups onto the Adjudicare system.

Another KPI of interest is revenue per Gross claims dollar processed[1&2]. During 2009, the revenue per Gross claims dollar processed[1&2] was approximately $.059. This compares to approximately $.060 in the same period last year. The revenue per Gross claims dollar processed[1&2] decreased as compared to 2008 due to lower penetration of certain insurance products by Adjudicare's customers as well as the impact of volume-discounted pricing provided to larger customers.

---

[1] *Currently Automated Benefits Inc. uses "gross claims dollars processed and revenue per gross claims dollars processed" 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 KPIs 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 "gross claims dollars processed and revenue per gross claims dollar processed" 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.*

In fiscal 2009 and fiscal 2008, as indicated in the Corporation's audited consolidated financial statements and related notes for the period ended December 31, 2009, no single customer of Automated Benefits Inc. accounted for 10% or more of the Corporation's revenue.

Key Account Strategy

Automated Benefits Inc. announced on April 7, 2009 that it had formalized a contract with Platinum Health Benefits Solutions ("Platinum HB Solutions") of Mississauga, Ontario. Platinum HB Solutions provides self-insured and administrative services for drugs, extended health, dental and disability benefits. Serving individuals and small and large groups, Platinum HB Solutions wanted to continue offering cost-effective solutions without reducing coverage. After an extensive market study of all suppliers of adjudication services, Platinum HB Solutions selected Adjudicare as their partner because it was both the best software solution and the best fit for their business model.

Automated Benefits Inc. announced on April 14, 2009 that it had formalized a contract with GroupHealth Global Partners ("GroupHEALTH") of White Rock, British Columbia. GroupHEALTH is a leader in the group benefit consulting and system administration industry in Canada. With over 30 years of experience, GroupHEALTH provides private, public and civic organizations with leading-edge group benefit plans to better fit their ever changing needs. After completing a detailed review of the Automated Benefits Inc. value proposition against one of the largest claim administration firms in Canada, Adjudicare was selected as the software solution for the administration of their health and dental benefits. GroupHEALTH began transitioning existing clients beginning April 1, 2009 and their network of 52 offices across Canada will focus on growing this solution over the coming months.

Recent Events and Outlook for 2010

On January 25, 2010, Automated Benefits Inc. announced Sirius Benefit Plans of Winnipeg, Manitoba, had begun the transition of their existing block of group insurance business to the Adjudicare software.

Sirius Benefit Plans ("Sirius") is a full service TPA of employee benefit programs for small and large clients in the private and public sectors across Canada. Commencing in September 2009, Sirius placed all new business on the Adjudicare software and will now begin transitioning its existing block of business from its current supplier.

This transition will occur over the course of 2010 and, when complete, is expected to represent a substantial increase in business for the Adjudicare platform.

Management focused its efforts in 2009 on introducing an enhanced implementation plan to its larger new clients which reduces the time required to transition their employee groups to the Adjudicare software. As a result of these efforts, clients including GroupHEALTH, Platinum HB Solutions, and Sirius are starting to add volume to the system which is expected to continue to grow the level of claims dollars processed going forward in 2010. Management expects these reference accounts to facilitate the sale of the Adjudicare software into larger customers, including organizations such as TPAs and insurance companies.

<u>Symbility Solutions Inc.</u>

Symbility Solutions Inc. is in the business of automating property and casualty insurance claims.

Symbility.NET is a web application, an Internet-based communications hub, data warehouse and analytics engine, allowing claim participants to access all information related to any claims they have participated in, from any computer with an Internet connection. Users can assign claims to third parties, review the claims in process and then approve and audit the claims to ensure tight process controls are in place. It also provides very powerful analytics tools to mine the extensive data collected with each claim and create various graphical and tabular reports, as well as search for specific claims based on numerous criteria.

Symbility *mobile claims* is a lightweight application that is used to review claims, gather information, create and edit estimates in the field on a tablet PC or laptop or at the office on a desktop PC. By utilizing a unique claims synchronization technology, *mobile claims* is an extension of Symbility.NET, allowing users to take claims data off-line, anywhere.

The combination of Symbility.NET and *mobile claims* is the only collaborative solution which enables insurers to manage the life cycle of a property claims estimate while involving multiple parties and maintaining an unprecedented amount of control and visibility in the process.

Product Development

The development efforts during the first three months of 2009 focused on a number of usability enhancements and improving the annotation tools based upon customer feedback.

Recent improvements to the software include:

- Features such as centering on a selected object when zooming in diagrams, limiting the font sizes of room names when zooming, setting properties for multiple subtractions at one time and improving the visibility of lines when moving or resizing shapes on the roof diagrams.
- The annotation tools now include Tablet PC Ink on diagrams and photos, rich text notes and allowing the user to choose the colour and appearance of any annotations.
- Changes to Symbility.NET included further enhancements to the API and allowing the users to choose what columns they would like to see, which allows the user to identify claims based upon the criteria that was most important to them.

The development efforts during the second quarter of 2009 focused on a new desktop adjusting tool jointly developed with Innovation Group plc for the United Kingdom market.

The new Triage module will add sophisticated, rules-based assessment and routing of claims prior to deployment to ensure that:

- Indemnity spend is more accurately assessed during first notification of loss
- Claims are fast-tracked, where appropriate, to cut down on unnecessary administration and strengthen customer service
- More complex claims are routed quickly to the relevant experts, speeding up response times and enhancing the customer experience
- Comprehensive data on claims processed is provided, ensuring that nothing is missed in service delivery.

The development efforts during the third quarter of 2009 focused on improvements to the United Kingdom versions of Symbilty’s products. The majority of these enhancements were developed with input from Royal Sun Alliance Insurance Group plc (“RSA”) as they rolled out *mobile claims* to their internal loss adjusters and integrated Symbility.NET with their claims management system.

Sales and Marketing Efforts

On March 12, 2009, Symbility announced that it had signed a five-year contract with the Chubb Group of Insurance Companies (“Chubb”) of Warren, New Jersey.

The member insurers of Chubb form a multi-billion dollar organization providing property and casualty insurance for personal and commercial customers worldwide through 8,500 independent agents and brokers. Chubb's global network includes branches and affiliates in North America, Europe, Latin America, Asia, and Australia.

In 2009, Chubb will deploy Symbility.NET, the collaborative workflow management solution, to enhance Chubb's existing integration of their claims management system with field activities, manage the workflow among all parties, and to provide custom reporting and comparative analysis. Chubb's outside field adjusters will use *mobile claims*, Symbility's wireless application, for estimating claims and managing adjuster workflow.

On March 23, 2009, Symbility announced the formalization of a one year contract with Farmers Mutual United Insurance Company ("Farmers Mutual") of Wahoo, Nebraska. Established in 1878, Farmers Mutual focuses exclusively on serving property owners in the State of Nebraska. Strongly committed to increasing both its revenue and customer base, Farmers Mutual now averages over $3.3 million in premiums per year.

On April 1, 2009, the Corporation announced the signing of a three-year contract with Promutuel Lanaudière, a member of Groupe Promutuel of Québec, Canada. For more than 150 years, Promutuel has committed to bringing both insurance and financial services to over 525,000 Quèbec-based insured customers. Symbility currently provides its application to Promutuel du Lac au Fjord, another division of Groupe Promutuel, and this contract represents a further expansion of Symbility's user base in Quebec.

On July 23, 2009, the Corporation announced that RSA had adopted the Innovation Symbility *mobile claims* and desktop triage scoping tool for use throughout the United Kingdom. RSA sought a solution to integrate their operations, improve customer satisfaction and increase efficiencies across their United Kingdom organization. Innovation Symbility will enable this by providing a technological platform for RSA to create estimates from the desktop or in the field, triage claims or employ predictive assignments. The elements of this claims estimation and triage suite will aid RSA in streamlining their claims process to increase both productivity and profitability.

On August 17, 2009, the Corporation announced the adoption of Innovation Symbility by Ellipta Ltd., one of the United Kingdom's leading suppliers of technical claims management to the insurance industry. Ellipta will integrate the Innovation Symbility technology platform with their existing 'ClaimSpec' property damage product. The resulting solution will provide insurers and loss adjustors with an accurate and streamlined way for end-to-end property claims management. Using tablets and laptops, 'ClaimSpec' will allow technical claims experts to go to a loss site, assess the damage and provide an accurate claim cost, in a fraction of the time currently experienced.

Symbility is currently at various stages of Phase 1 evaluation (defined as proof of concept) with 12 companies. These companies are geographically diverse and include companies domiciled in the North East, West Coast and Midwest regions of the USA, Canada and the United Kingdom.

During 2009, approximately 80,000 claims[3&4] were processed on the *mobile claims* product as compared to approximately 78,000 claims[3&4] in the same period for the previous year. Claims volume increased versus 2008 as a result of the addition of new customers in the United States and the United Kingdom. This was somewhat offset by lower storm activity and reduced claims volumes processed in Canada.

---

[3] *Currently Symbility uses "claims" and "revenue per claim" as a key performance indicator to measure volume as a way to assist potential investors to understand the underlying variables that affect revenue. As the business evolves, different KPIs 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 "claims" and "revenue per claim" 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*

As the business evolves, management continues to look for other KPIs that will assist investors in understanding the progress the business is making. During 2009, the revenue per claim[3&4] was approximately $22.45 as compared to approximately $20.29 per claim[3&4] in the same period for the previous year. This increase occurred due to a growth in license and professional services revenue from insurance companies in North America and a lower number of claims processed by contractors which are charged a lower fee when they participate in a claim.

For the purposes of calculating this KPI, revenue associated with customers who host the product internally has been eliminated. This is due to the fact that claim volume cannot be tracked by Symbility and revenue is recognized for this type of contract under multiple element software license arrangements.

In fiscal 2009 and fiscal 2008, as indicated in the Corporation's annual consolidated financial statements and related notes for the period ended December 31, 2009, one customer of Symbility accounted for 10% or more of the Corporation's revenue.

Recent Events and Outlook for 2010

On December 1, 2009, Automated Benefits Corp. announced the appointment of Andrew de Groot to Vice President, Global Sales and Marketing for Symbility Solutions Inc. In this role, Mr. de Groot will focus on driving the company's sales initiatives and developing and maintaining relationships between Symbility and key industry professionals.

Commensurate with his appointment, the Corporation granted Mr. de Groot 400,000 stock options on November 30, 2009, vesting in three equal tranches with one-third vesting immediately, one-third vesting in 12 months, and one-third vesting in 24 months, at an exercise price of $0.125.

On March 22, 2010, Symbility Solutions Inc. announced the launch of its newest claims software solution, Symbility Inside Adjuster. Symbility Inside Adjuster will aid insurers in quickly estimating the scope of a loss during the first notice of loss (FNOL) without necessarily requiring escalation to field adjusting.

Symbility Inside Adjuster’s simple six step process visually guides users through collecting data from the insured ensuring that all loss data is captured while the insured’s retention of loss details is still current. Data is checked against the insurer’s pre-defined claim handling standards for deviations from best practices. Fulfillment of the claim may take the form of instant settlement or escalation to the field, dependent upon the insured’s mandates determining the complexity of the claim. As with all Symbility products, Symbility Inside Adjuster’s open architecture design allows the integration of claims data into the entire claims settlement process across multiple applications. FNOL information can connect into claims management systems, policy systems and billing systems, regardless of the platform being used.

With a continued focus on integrated claims technology and adapting to the ever-changing needs of its client base, Symbility Inside Adjuster was designed to connect disparate segments of the claims process and reduce settlement times. This breakthrough approach to settling simple losses at FNOL will aid insurers in their goal of shortening cycle times, improving customer service standards and overall, retaining customers.

On April 6, 2010, Symbility Solutions Inc. announced the finalization of a three year contract with Groupe Promutuel, based in Québec City, Québec. Groupe Promutuel is one of the most important insurers in Quebec with more than 545,000 insured members and this contract represents further progress in this market.

Management believes that the addition of new sales leadership will be enable Symbility to better leverage the signing of Chubb & Son and the introduction of new products such as Inside Adjuster to build a pipeline of new sales opportunities in North America. In parallel, Symbility will continue to work with its partner Innovation Group Plc to leverage the signing of RSA to generate a pipeline of sales opportunities in the United Kingdom and Europe. Management believes that this will generate additional revenue growth in 2010 and further position Symbility as a leader in both markets.

Group Insurance Software Business

In the Corporation's financial statements the segmented information for Automated Benefits Inc. 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 the Adjudicare software by its customer base.
- Resale of premium group insurance benefits products to brokers and self-insured employers. This includes stop-loss and out of country 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 Automated Benefits Inc.'s software.
- Customized training programs in excess of the standard training offered to new customers.

Automated Benefits Inc. 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, Automated Benefits Inc. 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 Symbility's proprietary software solution.
- License fees from insurance carriers who are charged on a per-user basis for the use of Symbility's proprietary software solution.
- Professional services earned from providing training and customized programming solutions to customers.

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

The following table shows selected financial information for the year ended December 31, 2009 and a comparison to the same period in the last two prior years. For further information, please see Note 1 and Note 2 of the audited consolidated financial statements for the year ended December 31, 2009.

The selected financial information for the years ended December 31, 2009, December 31, 2008 and December 31, 2007 are reported below in thousands of dollars, except per share amounts.

	YEAR ENDED DEC. 31, 2009	**YEAR ENDED DEC. 31, 2008**	**YEAR ENDED DEC. 31, 2007**
Automated Benefits Inc. Revenue	2,450	2,276	2,043
Symbility Revenue	2,136	1,615	1,209
Total Revenue	4,586	3,891	3,252
Net Income (Loss)	(1,944)	(1,774)	(4,020)
Income (Loss) per Share	(0.02)	(0.02)	(0.04)
Total Assets	2,647	2,865	4,782
Total Long-Term Financial Liabilities	172	20	42

Over the past three years, revenue has increased as Automated Benefits Inc. 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 expenses to establish and grow a presence for their products in the insurance industry. These losses started to decline significantly during the year ended December 31, 2008 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

Consolidated Balance sheet as at December 31, 2009 as compared to December 31, 2008

Current Assets

Accounts receivable has increased by approximately $286,000 since December 31, 2008. This increase is principally explained by an increase in sales from new customers in United States and United Kingdom in 2009.

Inventory has increased by approximately $2,300 as Automated Benefits Inc. is now producing drug cards on behalf of its customers.

Prepaid expenses and other assets have increased by approximately $272,000. This increase mainly relates to accruals for scientific research and experimental development tax credits in both divisions.

Restricted Cash Deposits

The Corporation's restricted cash deposits have not changed as compared to December 31, 2008. These deposits relate to 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 $75,000 since December 31, 2008. This decrease can be attributed to the normal depreciation of existing assets which is somewhat offset by capital expenditures.

Intangible Assets

Intangible assets have decreased by approximately $26,000 since December 31, 2008. This decrease relates mainly to the normal depreciation of computer software and was somewhat offset by investment in new purchases. The decrease is also attributed to the impairment of certain indefinite-life intangible assets consisting of trademarks for Automated Benefits Inc. which relate to product names no longer in use. The Corporation assesses these assets for impairment on an annual basis and when events or changes in circumstances indicate that an asset might be impaired.

Consolidated Statement of Operations, Deficit, and Comprehensive Loss

Revenues

Revenues for the three months and twelve months ended December 31, 2009 increased to approximately $1,231,000 and $4,586,000, respectively. This compares to revenues of approximately $975,000 and $3,891,000 for the same period in the previous year. This represents an increase of approximately $256,000 and $695,000 or 26% and 18%, respectively.

The majority of this increase relates to growth in Symbility's sales as customer acceptance of their technology increased and revenue from the contract with RSA is recognized. For the three months and twelve months ended December 31, 2009, Symbility had revenues of approximately $623,000 and $2,136,000, respectively. This compares to revenues of approximately $360,000 and $1,615,000 for the same period in the previous year. This represents an increase of approximately $263,000 and $521,000 or 73% and 32%, respectively.

The balance of the increase for the year can be attributed to Automated Benefits Inc. which saw growth in revenue from its existing customer base due mainly to an increase in the price of its Adjudicare product and from the rollout of new customers. Revenues declined nominally in the fourth quarter due to lower claims dollars processed. Revenues for the three months and twelve months ended December 31, 2009 for Automated Benefits Inc. decreased to approximately $608,000 and increased to approximately $2,450,000, respectively. This compares to revenues of approximately $615,000 and $2,276,000 for the same period in the previous year. This represents a decrease of approximately $7,000 and an increase of approximately $174,000 or 1% and 8%, respectively.

Cost of Sales

Cost of sales represents costs of certain insurance products, which are in turn sold to broker customers of Automated Benefits Inc., 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 three months and twelve months ended December 31, 2009 decreased to approximately $266,000 and $1,040,000, and represents 22% and 23% of related revenue, respectively. This compares to cost of sales of approximately $276,000 and $1,058,000 for the same period in the previous year, which represented 28% and 27% of related revenues during this period, respectively. 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.

Automated Benefit Inc.'s costs related to direct insurance and distribution in the three months and twelve months ended December 31, 2009 were approximately $256,000 and $1,002,000 and represents 42% and 41% of related revenue, respectively. This compares to approximately $264,000 and $1,006,000 in the same period in the previous year which represents 43% and 44% of related revenue, respectively. The primary reason for the decrease in the cost of sales relates to a reduction in the resale of certain insurance 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 three months and twelve months ended December 31, 2009 was approximately $10,000 and $38,000 which represents 1.6% and 1.8% of related revenue, respectively. This compares to approximately $12,000 and $52,000 in the same period in the previous year which represented 3.3% and 3.2% of related revenue, respectively. Database licensing costs are decreasing as a result of changes to the contract with a key supplier. The cost of sales has decreased as a percentage of revenue as the mix of sales outside of North America increases where no database licensing costs are incurred.

General and Administration

General and administration expense for the three months and twelve months ended December 31, 2009 was approximately $885,000 and $2,829,000, respectively. This compares to approximately $780,000 and $2,340,000 for the same period in the previous year for an increase of $105,000 and $489,000, respectively.

General and administration expenses of Automated Benefits Corp. decreased by approximately $91,000 and $36,000, respectively. This related mainly to an increase in charges to Symbility for senior management's time as they became more involved in the day to day operations of the business.

General and administration expenses of Symbility increased by approximately $182,000 and $447,000, respectively. This was mainly due to increased allocations of costs from Automated Benefits Corp. and an unrealized foreign exchange expense on intercompany debt. This was somewhat offset by lower restructuring costs as compared to the prior period.

General and administration expenses of Automated Benefits Inc. increased by approximately $14,000 and $78,000, respectively. This was mainly due to an increase in restructuring costs associated with the elimination of certain positions in the organization.

Research and Development

Research and development expenses for the three months and twelve months ended December 31, 2009 decreased to approximately $87,000 and $680,000, respectively. This compares to approximately $183,000 and $1,034,000 for the same period in the previous year for a decrease of approximately $96,000 and $354,000, respectively.

Research and development expenses of Automated Benefits Corp. decreased by approximately $5,000 and $19,000, respectively. This decrease reflects a higher allocation of quality assurance costs to the two subsidiaries.

Research and development expenses of Symbility decreased by approximately $114,000 and $265,000, respectively. This decrease reflects the transfer of the Chief Technology Officer to Automated Benefits Corp. and an increased accrual for scientific research and experimental development tax credits.

Research and development expenses of Automated Benefits Inc. increased by approximately $23,000 and decreased by approximately $70,000, respectively. The increase in the fourth quarter relates to higher contractor costs associated with the development of a new product. The decrease for the year mainly relates to a reduction in costs due to the restructuring of this department and an increased accrual for scientific research and experimental development tax credits.

Sales and Marketing

Sales and marketing expenses for the three months and twelve months ended December 31, 2009 increased to approximately $302,000 and $1,295,000, respectively. This compares to approximately $237,000 and $1,009,000 during the same period in the previous year for an increase of $65,000 and $286,000, respectively.

Sales and marketing expenses of Automated Benefits Corp. increased by approximately $5,000 and $3,500, respectively. This reflects increased investment in certain promotional activities which were somewhat offset by a reduction in recruiting costs as compared to the prior period.

Sales and marketing expenses of Symbility increased by approximately $52,400 and $345,500, respectively. This relates mainly to an increase in sales agency fees paid to a particular contractor and in the use of consultants. This was somewhat offset by a reduction in wages associated with the restructuring of the sales department.

Sales and marketing expenses of Automated Benefits Inc. increased by approximately $7,600 and decreased by approximately $63,000, respectively. The increase relates to consulting fees incurred in the fourth quarter of 2009. The decrease for the year reflects the fact that in fiscal 2008, there was an increased one-time investment into the Adjudicare brand which did not reoccur in fiscal 2009.

Stock Based Compensation

Stock based compensation expense for the three months and twelve months ended December 31, 2009 was approximately $49,000 and $536,000, respectively. This compares to approximately $37,000 and $148,000 during the same period in the previous year for an increase of $12,000 and $388,000, respectively. The increase relates mainly to the five year extension of the term of the options held by the Corporation’s President and Chief Executive Officer which was approved by the shareholders at the annual and special meeting of shareholders on June 11, 2009.

Amortization for property and equipment

Amortization expense for property and equipment for the three months and twelve months ended December 31, 2009 decreased to approximately $12,000 and $119,000, respectively. This compares to an amortization expense of approximately $30,000 and $120,000 during the same period in the previous year for a decrease of $18,000 and $1,000, respectively. The decrease relates to the normal amortization of capital assets associated with investment in new property and equipment during the past year.

Amortization for intangible assets

Amortization expense for intangible assets for the three months and twelve months ended December 31, 2009 decreased to approximately $6,000 and $25,000, respectively. This compares to an amortization expense of approximately $7,000 and $27,000 during the same period in the previous year for a decrease of $1,000 and $2,000, respectively. The decrease relates to the normal amortization of computer software and was somewhat offset by the investment in new computer software and trademarks during the past year.

Impairment loss on intangible

Impairment loss for the three months and twelve months ended December 31, 2009 increased to approximately $7,000 and $7,000, respectively. This compares to an amortization expense of approximately nil and nil during the same period in the previous year for an increase of $7,000 and $7,000, respectively. The increase relates mainly to the impairment of certain indefinite-life intangible assets consisting of trademarks for Automated Benefits Inc. which relate to product names no longer in use.

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 non-recurring 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.

In thousands of dollars

	Year Ended December 31, 2009	**Year Ended December 31, 2008**
Net Income (Loss)	**(1,944)**	**(1,774)**
Interest and other income	**(1)**	**(70)**
Depreciation and Amortization	**144**	**147**
Impairment loss	**7**	**0**
Stock-Based Compensation	**536**	**148**
Restructuring Costs	**156**	**287**
Adjusted EBITDA	**(1,102)**	**(1,262)**

Adjusted EBITDA for the year ended December 31, 2009 was approximately $(1,102,000). This compares to approximately $(1,262,000) for the same period last year for an improvement of $160,000.

<u>Summary of Quarterly Results</u>

The following table shows selected financial information for each of the eight most recently completed quarters reported below in thousands of dollars, except per share amounts.

For the Quarters Ended								
	Fiscal 2009				**Fiscal 2008**			
	Dec. 31, 2009	Sept. 30, 2009	Jun 30, 2009	Mar 31, 2009	Dec. 31, 2008	Sept. 30, 2008	Jun 30, 2008	Mar 31, 2008
Revenue	1,231	1,141	1,109	1,105	999	1,045	986	861
Net Income (Loss)	(404)	(228)	(873)	(439)	(566)	(68)	(445)	(695)
Net Income (Loss) per Share	(0.01)	(0.00)	(0.01)	(0.00)	(0.01)	(0.00)	(0.00)	(0.01)

Over the past eight quarters, revenue has generally increased as Automated Benefits Inc. has grown its customer base and Symbility has started to recognize the revenue from the rollout of its new users. The losses incurred by the Corporation began to decline significantly in fiscal 2008 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. In fiscal 2009, losses increased slightly which was mainly due to the one-time expense associated with the five year extension of the term of the options held by the Corporation's President.

Changes in Accounting Policy

Goodwill and intangible assets

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 adoption of these standards required the Corporation to retroactively reclassify its computer software asset on its consolidated balance sheet from property and equipment to intangible asset. As at December 31, 2008, the net book value of computer software reclassified was $44,612 and amortization for intangible assets reclassified was $27,253.

Credit risk and the fair value of financial assets and financial liabilities

Effective January 1, 2009, the Corporation adopted CICA Emerging Issues Committee ("EIC") abstract EIC-173, "Credit Risk and the Fair Value of Financial Assets and Financial Liabilities". EIC-173 provides further information on the determination of the fair value of financial assets and financial liabilities under CICA Section 3855, "Financial Instruments - Recognition and Measurement". It states that an entity's own credit and the credit risk of the counterparty should be taken into account in determining the fair value of financial assets and financial liabilities, including derivative instruments. EIC-173 should be applied retrospectively, without restatement of prior periods, to all financial assets and financial liabilities measured at fair value. The adoption of this guidance had no material impact on the Corporation's consolidated financial statements.

Financial Instruments – disclosures

Effective December 31, 2009, the Corporation adopted the amendments to CICA Handbook Section 3862, "Financial Instruments – Disclosures". The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of the inputs used. In addition, the amendments require enhanced disclosures regarding the nature and extent of liquidity risk arising from financial instruments to which an entity is exposed. Comparative information is not required in the year of adoption. For more information, see Note 12 of the audited consolidated financial statements for the year ended December 31, 2009.

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:

International Financial Reporting Standards ("IFRS")

In 2006, Canada's Accounting Standards Board ratified a strategic plan that will result in the adoption by Canadian public companies of IFRS. The Corporation will be required to report using the converged standards effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

In 2009, the Corporation established a project team to manage the transition to IFRS and performed an initial diagnostic impact assessment. The team performed a technical review to identify significant differences between GAAP, as adopted by Automated Benefits Corp. and IFRS.

This involved a review of:

- The consolidated audited financial statements for Automated Benefits Corp. for the year ended December 31, 2008
- Canadian GAAP and IFRS standards for each balance sheet and income statement account
- Review of the Corporation's current practices through discussions with relevant personnel.

The following areas were determined to potentially have a higher degree of effort required to quantify the impact on the opening balance sheet and to put in place the procedure and controls to efficiently and effectively address the particular IFRS difference on an ongoing basis:

- IFRS 1 First-time adoption of IFRS
- IAS 18 Revenue
- IAS 21 The effects of Changes in Foreign Exchange Rates

The following areas were determined to potentially have a lesser degree of effort required to quantify the impact on the opening balance sheet and it is unlikely that the existing procedures and controls will need to be amended:

- IFRS 2 Share-based payments
- IAS 36 Impairment of Assets

All other areas were deemed to have minimal effort required to quantify the impact on the opening balance sheet and to put in place procedures and controls to efficiently and effectively address that particular IFRS difference.

The potential differences should not be taken as an exhaustive list of every GAAP difference and during the IFRS conversion process, additional differences may be identified that could have a material impact on financial statement disclosure.

The project team has established a project plan to quantify these differences, implement additional procedures and controls, and to ensure successful transition to IFRS within the required timeframe. The Corporation will provide disclosures of the key elements of the plan and progress on the IFRS conversion as the information becomes available during the transition period.

Business combinations, consolidated financial statements and non-controlling interests

In October 2008, the CICA issued Section 1582, Business Combinations concurrently with Section 1601, Consolidated Financial Statements, and Section 1602, Non-controlling Interests. Section 1582, which replaces Section 1581, Business Combinations, establishes standards for the measurement of a business combination and the recognition and measurement of assets acquired and liabilities assumed. Section 1601, which replaces Section 1600, carries forward the existing Canadian guidance on aspects of the preparation of consolidated financial statements subsequent to acquisition other than non-controlling interests. Section 1602 establishes guidance for the treatment of non-controlling interests subsequent to acquisition through a business combination. These new standards are effective for the Corporation's interim and annual consolidated financial statements commencing on January 1, 2011 with earlier adoption permitted as of the beginning of a fiscal year. The Corporation is assessing the impact of the new standards on its consolidated financial statements.

Multiple deliverable revenue arrangements

In December 2009, the CICA issued EIC-175, Multiple Deliverable Revenue Arrangements which replaced EIC-142, Revenue Arrangements with Multiple Deliverables and may be applied prospectively and will apply to the Corporation effective January 1, 2011. The abstract includes updated guidance on whether multiple deliverables exist, how the deliverables in an arrangement should be separated, and the consideration allocated. The Corporation is reviewing the guidance to assess the potential impact on its consolidated financial statements.

Scientific Research and Experimental Development Tax Credits

In 2009, Symbility and Automated Benefits Inc. have recorded investment tax credits totaling $344,607 (2008 - $162,506) and reduced research and development expenditures by this amount. The Corporation has accumulated $703,975 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 28, 2010**
Common Shares	115,282,849
Warrants	0
Broker's Warrants	0
Preferred Series A Shares	0
Stock Options	6,273,932

Liquidity and Capital Resources

During the year ended December 31, 2009, the Corporation generated net loss of $1,944,040 and used cash flows of $608,682 from operations. At December 31, 2009, the Corporation's consolidated cash position was $869,133 compared to $1,546,197 at December 31, 2008. This decrease is principally explained by the cash required to fund the Corporation's operations during the period.

At December 31, 2009, current liabilities include accounts payable and accrued liabilities of $1,371,644 and deferred revenue of $701,580 for a total of $2,072,224 compared to $1,050,629 at December 31, 2008. The increase in current liabilities is due to an increase in cost incurred in the latter part of the year and signing of a long-term contract which results in an upfront cash payment for services not yet delivered.

At December 31, 2009, current assets is comprised of cash and cash equivalents of $869,133, accounts receivable of $1,000,093, inventory of $2,337 and prepaid expenses and other assets of $414,646 for a total of $2,286,209 compared to $2,403,269 at December 31, 2008.

The Corporation has a working capital position of $213,985 at December 31, 2009 as compared to $1,352,640 of working capital at December 31, 2008. This decrease is primarily attributable to the increase in current liabilities as noted above. The Corporation continues to use its cash to fund operations as its divisions establish market share in their respective segments of the insurance industry. With current cash balances, and assuming the Corporation's cost structure remains the same, management expects to be able to fund future operations for at least another year for the following reasons:

- Going into 2010, Symbility has recently announced the addition of new customers for the *mobile claims* product such as RSA which represents high margin revenue that is expected to reduce the operating cash flow requirements of that division.
- Adjudicare has also announced contracts with larger TPAs including GroupHEALTH and Sirius, which is expected to add incremental volume to that division with minimal additional costs.

- The Corporation has implemented a phantom share plan which can be used to settle certain compensation expenses accrued for employees if cash is not available to satisfy these obligations.
- 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 financing to fund operations as required.

Exposure to Increased Credit and Liquidity Risk

In October of 2008, the Chartered Accountants of Canada issued an alert "MD&A Disclosures in Volatile and Uncertain Times" suggesting matters that may need to be discussed in the MD&A to provide transparent and complete communications during this period of economic uncertainty.

Credit Availability and Cost

Currently, the only debt that the Corporation has is a small number of capital leases at fixed interest rates with fixed terms. These do not represent a material amount of current or long term debt. The Corporation is not required to meet covenant requirements of a senior lender and does not face the risk associated with refinancing short-term or long-term debt.

As identified above, management believes that it has sufficient cash on hand for the next year. As a result, management believes that the Corporation does not require a credit facility at this time. If that situation changes, management would make an assessment at that time as to whether the current credit environment has improved and the access to credit is an economically viable financing strategy.

Customer Demand

In general, Symbility's customers generate revenue for that division from property and casualty claims that come from weather-related events and accidents in the home. These events occur in all economic environments and the insurers have policies with their customers that require them to pay these claims. Management is not aware that any of Symbility's material customers, which are insurance companies, have had any recent financial difficulties.

Automated Benefits Inc. generates the majority of its revenues from health and dental claims related to employee benefit plans. In a difficult economy, these claims tend to rise as employees that fear their job is in jeopardy max-out their benefits limits as soon as possible. Management is not aware that any of Automated Benefit Inc.'s material customers, which are insurance brokers and third party administrators, have had any recent financial difficulties.

Management has not engaged any independent third parties to investigate the creditworthiness and financial position of customers of Symbility and Automated Benefits Inc.

Currencies

Symbility is the only business with significant exposure in fluctuations in the exchange rate between the Canadian and U.S. dollars and U.K. pounds sterling. These fluctuations can affect revenue but do not materially affect costs as the majority of operational costs are denominated in Canadian dollars. The recent strengthening of the Canadian dollar has not had a material impact on the profitability of the Corporation. In the fourth quarter of 2009, the Corporation entered into a series of options contracts which will enable it to sell a portion of its expected U.K. pounds sterling exposure and exchange them into Canadian dollars. As at December 31, 2009, the Corporation held option contracts to sell 182,250 U.K. pounds sterling for Canadian dollars which had a fair value of $19,382.

Commodities

As a software supplier, the Corporation is not exposed to any commodities risk.

Counterparties

While counterparty risk is typically associated with financial institutions, they can extend to customers and suppliers that conduct a significant amount of business with the entity. Creditworthiness of suppliers can become an issue when the supplier produces goods and services for the Company under contract or license agreement. The largest suppliers under contract are represented by insurance companies and health and dental services providers to the Automated Benefits Inc. division. Management is not aware that any of these suppliers are not creditworthy.

In summary, management believes that the Company is not materially exposed to increased credit and liquidity risk relating to the general deterioration of external market conditions since Q4 2008.

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 three years and thereafter as at April 28, 2010.

Payments Due by Period					
Contractual Obligations	**Total**	**Up to 1 year**	**1 – 3 years**	**4 – 5 years**	**After 5 years**
Capital Lease Obligations	$ 8,481	$ 5,295	$ 3,186	$Nil	$Nil
Operating Leases	$327,991	$153,413	$174,578	$Nil	$Nil
Purchase Obligations[5]	$110,000	$80,000	$30,000	$Nil	$Nil
Total Contractual Obligations	**$446,472**	**$238,708**	**$207,764**	**$Nil**	**$Nil**

The Corporation has entered into commitments for additional capital expenditures totalling approximately $5,000 at this time.

Restricted Cash Deposits

On March 28, 2008, the Corporation entered into a cash collateral agreement with the Royal Bank of Canada for $15,000 to secure certain corporate credit cards issued. The agreement was amended to increase the amount to $22,500 on November 23, 2009.

On November 7, 2008, the Corporation entered into a second cash collateral agreement with the Royal Bank of Canada for $179,500 to secure the letter of credit and certain corporate credit cards with the Royal Bank. The agreement was amended to reduce the amount to $172,000 on November 23, 2009.

On November 23, 2009, the Corporation entered into another cash collateral agreement with the Royal Bank of Canada for $17,500 to secure certain corporate credit cards issued.

The interest income earned on these restricted cash deposits accrues to the Corporation at rates ranging from 0.001% to 0.3% annually and is recorded in interest and other income.

[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.*

Related Party Transactions

For the year ended December 31, 2009, the Corporation expensed $59,250 (2008 - $24,500) for services provided by the 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 Directors.

On April 3, 2009, the Corporation issued 204,167 common shares with a deemed value of $0.12 per share for an aggregate value of $24,500 to the Directors of Automated Benefits Corp. for services provided to the Corporation for 2008. Each Director received $5,000 per annum, and an additional $1,500 is payable to the chairman of each of the Compensation Committee, the Audit Committee and the Board of Directors of the Corporation. The issuance of the 204,167 common shares to the Directors was approved by the TSX Venture Exchange on April 3, 2009 and the shares were issued on April 3, 2009.

Off Balance Sheet Arrangements

The Corporation has not entered into any off balance sheet arrangements as at December 31, 2009.

Financial Instruments and Risk Management

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.

- Market Risk and Foreign Currency risk

The Corporation operates primarily within Canada, the United States and the United Kingdom, and is therefore exposed to foreign currency risk. As at December 31, 2009, the fluctuation of the U.S. dollar and U.K. pound sterling of 1% would have an insignificant impact on net loss and comprehensive loss. The Corporation has entered into derivative currency options to sell U.K. pounds sterling and is exposed to foreign currency risk on the fair value of its outstanding derivatives currency option contracts. These currency option contracts have terms ranging from October 21, 2009 to February 21, 2011.

- 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.

- Liquidity risk

The Corporation's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Corporation achieves this by maintaining sufficient cash and cash equivalents and through the raising of equity financing.

For more information, see Note 12 of the consolidated audited financial statements for the year ended December 31, 2009.

Management of capital

The Corporation defines capital that it manages as the aggregate of its shareholders' equity and interest-bearing debt. The Corporation's objectives when managing capital are to ensure that it can provide products and services to its customers and returns to its shareholders.

As at December 31, 2009, total managed capital was $416,965 (2008 - $1,821,251) comprised of shareholders' equity of $403,587 (2008 - $1,794,932) and interest-bearing debt of $13,378 (2008 - $26,319).

The Corporation manages its capital structure and makes adjustments to it in light of economic conditions. The Corporation, upon approval from its Board of Directors, will balance its overall capital structure through new share issues, share repurchases, the issue of debt or by undertaking other activities as deemed appropriate under the specific circumstances.

The Corporation is not subject to externally imposed capital requirements other than the terms and conditions of its senior lending facility and the Corporation's overall strategy with respect to capital risk management remains unchanged for the year ended December 31, 2009.

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 Corporation.

(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 may 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 forecasted 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.