Automated Benefits Corp.
Management's Discussion and Analysis
November 25, 2011

Automated Benefits Corp. (the "Corporation") is a holding company with its head office located in Toronto, Ontario and is dedicated to acquiring and profitably growing companies which provide software applications to the insurance industry. Its wholly-owned subsidiary, Automated Benefits Inc. ("Adjudicare"), 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. ("Symbility Canada") and its wholly-owned subsidiary, Symbility Solutions (U.S.A.) Inc. ("Symbility USA") (Symbility Canada and Symbility USA are 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 USA has its registered office in the State of Delaware.

The following Management's Discussion and Analysis ("MD&A") of the Corporation should be read in conjunction with the interim consolidated financial statements and accompanying notes, which are prepared in accordance with International Financial Reporting Standards ("IFRS") for the periods ended March 31, 2011 and September 30, 2011. 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.

Aside from specific commentary in sections of this document that provide detail, management has made the following material assumptions in providing forward-looking information:

- The markets for the software products sold by its subsidiaries do not materially change or decline in size.
- The Corporation's competitors do not significantly change their business model making it more challenging for the Corporation to succeed.
- The Corporation does not require significant financing to execute on its business plans.

- The Corporation is able to continue to grow its revenue without a significant increase in its cost structure.

- The software sold by the Corporation's subsidiaries continues to meet the service level obligations contained within the contracts with their customers.

- The Canadian dollar does not strengthen significantly creating a material impact from foreign exchange associated with revenues from its US and European customer contracts.

- The Corporation has two customers that represent more than 10% of revenue in 2011 and management has assumed that these customers will continue to generate revenue at similar levels going forward.

- The Corporation is able to meet the debt covenants associated with the financing obtained from its lender.

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 November 25, 2011.

Basis of presentation

The Corporation has adopted International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"), as its basis of financial reporting commencing with the interim financial statements for the quarter ended March 31, 2011. The Corporation's transition date to IFRS was January 1, 2010.

The financial information provided in this MD&A has been prepared in accordance with IFRS. The comparative figures have also been reported under IFRS. For a detailed discussion on the Corporation's adoption of IFRS and its impact on the Corporation's consolidated statements of financial position and statements of income (loss) and comprehensive income (loss) please refer to the interim financial statements and MD&A for the quarters ended March 31, 2011 and March 31, 2010.

Overall Performance

This reporting period represents another profitable quarter of performance for the Corporation. Consolidated revenues for the three months and nine months ended September 30, 2011 grew approximately 18% and 35% respectively while operating expenses for the same period increased 54% and 25% respectively as compared to the prior year. This resulted in an income for the three months and nine months ended September 30, 2011 of approximately $88,000 and $197,000, respectively. Adjusted EBITDA[1] for the three months and nine months ended September 30, 2011 was $146,000

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[1] *In addition to disclosing results in accordance with IFRS, the Corporation also provides supplementary non-IFRS 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 IFRS 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 IFRS. Please refer to page 11.*

and $483,000, respectively and the Corporation ended with a cash balance of approximately $1,228,384.

<u>Operating Segments</u>

Adjudicare

<u>Overview of the Three Month and Nine Month Period Ended September 30, 2011</u>

Organizational Structure

In June 2011, the Corporation announced that Richard Adair had been appointed as President of Adjudicare. Mr. Adair has been working successfully with the Adjudicare team over the past nine months in his role as Chief Financial Officer and Chief Operating Officer to review the business strategy of the division. This organizational change strengthens the business by formalizing the leadership of the division and investing additional time of senior management and resources to focus on growing revenue profitably.

The Adjudicare division was further strengthened with the appointment of Adam Schooler as Business Development Executive in June 2011. Mr. Schooler has over eight years of successful experience selling group benefits plans in a Third Party Administrator (“TPA”) environment. His role will be to grow revenue by bringing his experience in selling the benefits of the Adjudicare value proposition at an existing Adjudicare partner to other partners and potential prospects.

Adjudicare will continue investing in areas including sales and marketing, benefits administration, and product development to support the growth of the business going forward.

Product Strategy

During the third quarter of Fiscal Year (“FY”) 2011, the Adjudicare team expanded the capability of the online claims access portal to enable Plan Administrators at the plan sponsor to enroll and terminate employees and dependents based on permissions provided by our partners. This is expected to significantly reduce the administrative burden on our partners’ adjudicators and minimizes the chances for inaccurate/incomplete enrollments and terminations resulting from data entry errors.

Adjudicare also leveraged the web portal to support the administration of multi-employer trusts and group benefits plans administered by or on behalf of unions. Plan Administrators will have the ability to track benefits eligibility by individuals both on the basis of hours worked or dollars paid. This is an important capability to offer to both Plan Administrators and to our partners since the administration of these plans can be quite complex and this differentiates the Adjudicare software solutions in the market.

In the first half of FY 2011, the Adjudicare team completed a series of projects to enhance the functionality and improve the efficiency of the software including:

- A custom project for a customer, which consolidated multiple user log-ins and enables the system to automatically determine which bank account a claim should be paid from.
- An enhancement to the system to enable partners to share access to each other’s information on a remote basis in limited circumstances to provide additional capacity and backup to support the payment of customer claims.
- A feature which allows Adjudicare to support deferred drug cards and the translation of a series of custom reports to support our expansion into the Quebec market.

- A new product which enabled our partners to offer a branded web portal to their group benefit clients, allowing their employees to view their personal information and claims status for themselves and their dependents
- Our partners can now leverage the web portal to offer the full benefit of Electronic Funds Transfer to their customers. A claim can now be paid directly into a plan member's bank account instead of incurring the cost and added time of mailing a cheque. The employee is automatically notified by email that the payment has been sent and that they should log into the web portal to receive the Explanation of Benefits associated with the claim.

Management believes that by continuing to develop leading edge technology and specific functionality requested by partners and prospects, we can leverage these enhanced product offerings in 2011 to grow our business with our existing customers and attract new TPAs to join us as channel partners.

Strategic Customers

Management continues to target strategic partners who value the control of the claims adjudication and payment process that our software provides. As a result of these efforts, revenue grew approximately 25% and 19% as compared to the third quarter and first nine months of FY 2010, which represents our highest growth rate in several years.

The majority of this growth came as a result of the acceleration of the rollout of the Sirius Benefit Plans ("Sirius") block of business onto the system. Currently, Sirius has completed the majority of the transition of its groups to the Adjudicare platform. Management is now working closely with them to introduce them to our network of partners as a provider of small to large group benefits products. This provides our existing customers with additional value-added offerings to their client base which in turn facilitates growth in their business with Adjudicare.

In July 2011, Adjudicare announced the formalization of a signed contract with Lewer Insurance Agency ("Lewer") of Mississauga, Ontario. Lewer has been delivering flexible, comprehensive employee benefits packages to its clients in Canada for more than four decades. Lewer represents the first new customer to be added to Adjudicare's partner network in several years and provides an exciting opportunity for Adjudicare to expand its presence in the Quebec market through Lewer's Montreal sales office. A key factor in the decision to join Adjudicare was access to the expertise of Unison Benefits Corp. in the use of the system as an existing channel partner. This further validates management's view that the Adjudicare value proposition does not just include the benefits of the software platform, but also the opportunity to leverage the experience of a nationwide network of channel partners.

In September of 2011, Adjudicare reaffirmed its strong commitment to its partners with a series of new programs and updates designed to benefit partner growth at its inaugural Adjudicare Partner Event. A community of partners ranging from customers, vendors, employees and board members came together to network and collaborate with TPAs to exchange ideas on how to compete successfully and differentiate themselves in the group benefits industry. Management expects that the investment of marketing resources into activities such as this will provide the additional support our partner channel needs to grow their business with Adjudicare.

Strategic Vendors

On July 21, 2011, Express-Scripts, Inc. and Medco Health Solutions announced that they had signed a definitive merger agreement to create one of the largest Pharmacy Benefits Management ("PBM") organizations in the world.

The synergies from this merger are already being seen as Express Scripts Canada recently announced it is offering an expanded pharmacy benefit management service. This includes using proven techniques based on behavioural sciences to secure employee engagement to better manage their drug benefit. The PBM service also facilitates the dispensing and home delivery of maintenance prescription medications to treat ongoing medical conditions, such as asthma, diabetes, high blood pressure and high cholesterol, from an Express Scripts Canada Pharmacy.

This further validates the decision that management made in April of 2011 to renew a five year agreement with the Express Scripts Canada to provide PBM services to its partners.

On July 15, 2011, RSA Travel Insurance Inc./Assurance Voyage RSA inc., part of RSA Canada, had completed its acquisition of the business assets and insurance expertise of travel distributor etfs. etfs provides Adjudicare's partners with the ability to resell stop-loss and out of country insurance to their customers. Management believes that this acquisition may benefit its partners as RSA Canada provides etfs with access to additional underwriting and marketing resources which provide an opportunity to enhance their product offering to the market.

Management also continues to seek other strategic vendors who can provide products and services which will enhance the competitiveness of the group benefits offering of its partners to plan sponsors.

Outlook for 2011

In October of 2011, Adjudicare announced the launch of benefitsXchange.ca, a free dedicated online resource and community available for owners, brokers, TPAs, adjudicators and Plan Administrators. The portal provides collaboration opportunities for those interested in group benefits in the form of blogs written by knowledgeable industry professionals, articles and links to various sources of group benefits information, and an online forum to enable our community to leverage each other's strengths and expertise to answer questions related to the benefits world. Management feels that by providing industry participants access to one central source of information, the collaboration that results will only enhance our partners ability to grow their business which will benefit Adjudicare as well.

In November of 2011, Adjudicare announced it had entered into a contract with MSH International, a leading worldwide provider of expatriate insurance solutions. MSH International's Canadian office is located in Calgary, Alberta, with headquarters in Paris, France and is a member of the Siaci Saint Honore Group. MSH International is one of the largest and most comprehensive suppliers of expatriate insurance services in the world. We are also working with MSH International to introduce them to our Adjudicare partner network as a value added provider of expatriate services to support their client base.

The acquisition of a strong new customer such as MSH International further validates management's belief that with our strategic vision in place and our value proposition more clearly defined, the opportunity to provide a compelling business case to new potential channel partners is significantly enhanced. When combined with the additional investment into sales and marketing resources identified above, this should enable the business to continue to grow at a healthy rate going forward.

Symbility

<u>Overview of the Three Month and Nine Month Period Ended September 30, 2011</u>

North American Market

Product Strategy

In the third quarter of FY 2011, the Symbility team continued to expand the functionality of the Symbility Claims Connect and Symbility Mobile Claims products to integrate more fully with the supply chain. This included making enhancements to the Symbility rules and alerts engine, which will enable users and supervisors to quickly identify and resolve issues with a claim that may violate Service level agreements between different parties.

Symbility also completed an integration with a provider of independent analysis and validation of flooring, roofing, and siding materials quality. Management expects this integration to significantly reduce the cycle time required to process these types of claims by enabling loss adjusters to easily access this information and incorporate it into their estimate of damage.

In the first half of FY 2011, Symbility released Version 4.0 of the Symbility Mobile Claims and Symbility Claims Connect applications to better enhance and streamline the claims estimation process:

- Symbility now communicates with providers of aerial roofing measurements and enables users to automatically generate a 3D roof plan.

- Companies are now able to define their own default Claim Structure when creating a new claim or when assigning a claim to a vendor.

- Symbility has greatly improved its report engine in the Report Builder and provides users with more options when creating, generating or viewing reports.

Strategic Customers

Revenue in North America grew 15% and 66% as compared to the three months and nine months ended September 30, 2010, respectively. The majority of this revenue growth was generated by Farmer’s Specialty Division as they rolled out the product to their user base. Storm activity in North America was also significantly higher than the prior period due to severe flooding in the United States and Canada. Symbility also saw increased growth from its other customers as a result of further integration with internal claims management systems and mandates to use the products across a broader group of users.

Outlook for 2011

In October of 2011, Symbility announced that the Symbility Mobile Claims application will be available on a variety of different smartphones and tablets, such as iPod, iPad, Playbook, Android and Windows Mobile in 2012. With Symbility Mobile Claims installed on these devices, field adjusters and building contractors will have the ability to draw any type of diagram, build estimates, and add items, photos, journal entries and support forms directly from their smartphone or tablet. This will enable them to experience even more control, flexibility, visibility and accuracy to estimate and process claims on-site, resulting in a faster and better claims experience for our clients and their policyholders.

With the completion of a successful rollout of the applications to the Specialty Division, management also continues to work with Farmers to develop a business case to expand the use of the Symbility platform to a much broader group of users outside of the Specialty Division.

Management believes that with their continued commitment to providing innovative technology solutions to the insurance industry, they can leverage the momentum created by customers such as Farmers in the North American market and Symbility can continue to gain market share and grow revenue rapidly for the balance of 2011.

Europe

Product Strategy

In the third quarter of FY 2011, Symbility continued to work with its strategic partner, Innovation Group ("TIG") to develop leading edge features and functionality to support the European market.

A series of enhancements were made to the Triage, Symbility.net and Mobile claims products to accommodate the needs of the German market. This included adding the ability to customize questions to ask a policyholder and providing more flexibility when defining Triage rules. In the UK, security enhancements and the ability to use forms to drive tasks and task lists were added to the suite of applications.

Management expects that this continued commitment to creating customized features for potential customers will enhance TIG's ability to acquire new customers and gain market share in these countries.

Strategic Customers

Revenue in Europe increased as compared to the third quarter and decreased as compared to the first nine months of FY 2010 by approximately 14% and 1% respectively. The increase is mainly due to increased claims volume processed by customers charged on a transactional basis. The decrease is mainly attributed to the fact that Royal Sun Alliance ("RSA") generated a significant amount of professional services revenue to Symbility during the rollout of the products to their users in the first nine months of FY 2010. This was non-recurring revenue which did not continue in the first nine months of FY 2011.

In August of 2011, TIG announced that it had signed a major contract with RBS Insurance ('RBSI'), a leading UK insurer. The contract will see TIG handle all of RBSI's newly notified subsidence claims, in addition to managing the completion of approximately 70 percent of existing open subsidence claims. Innovation Group utilizes the Symbility platform to process subsidence claims and Symbility management expects to see incremental revenue in the UK once the rollout of this program is complete.

Outlook for 2011

Management continues to work with TIG to look for other revenue opportunities within the RSA organization and to leverage the momentum created by the completion of the rollout of the Triage software by RSA. This has resulted in a series of proof of concept programs with several UK insurers, loss adjusters and contract networks. The fact that TIG continues to obtain contracts with other major UK insurers while using Symbility as part of their value proposition only bolsters Symbility's credibility with other prospective customers.

The launch of the German product and ongoing enhancements has resulted in several proof of concept exercises with German insurers who are now processing live property and casualty claims.

Management feels that TIG is gaining momentum and the fact that multiple proof of concept exercises are running in parallel in two of the major European economies provides us confidence that we can continue to increase our market share overseas and accelerate revenue growth in 2011.

Selected Financial Information

These financials have been prepared in accordance with IFRS. For further information, please see Note 1 and Note 2 of the interim consolidated financial statements for the period ended September 30, 2011.

The following table shows selected financial information for the three and nine month period ended September 30, 2011 and a comparison to the same period in the prior year.

Unaudited in thousands of dollars, except per share amounts

	THREE MONTHS ENDED SEPTEMBER 30, 2011	THREE MONTHS ENDED SEPTEMBER 30, 2010	NINE MONTHS ENDED SEPTEMBER 30, 2011	NINE MONTHS ENDED SEPTEMBER 30, 2010
Adjudicare Revenue	$819	$657	$2,374	$1,999
Symbility Revenue	$1,201	$1,049	$3,327	$2,235
Total Revenue	$2,020	$1,706	$5,701	$4,234
Net Income (Loss)	$88	$385	$197	$(215)
Earnings (Loss) per Share	$0.00	$0.00	$0.00	$(0.00)
Total assets	$3,943	$2,620	$3,943	$2,620
Total Long-Term Financial Liabilities	$424	$312	$424	$312

Results of Operations

Interim Consolidated Balance Sheet as at September 30, 2011 as compared to December 31, 2010

Current Assets

Accounts receivable has increased by approximately $587,000 since December 31, 2010. This increase is principally explained by an increase in revenue from customers in the United States in 2011 and an increase in receivables associated with growth in Adjudicare.

Note receivable has increased by $40,000 since December 31, 2010. This increase relates to a loan to a related party.

Inventory has decreased by approximately $2,000 as Adjudicare continues to produce drug cards on behalf of its customers.

Prepaid expenses and other assets have increased by approximately $191,000. This increase mainly relates to the accrual of a refund for SR&ED tax credits in 2011.

Restricted Cash Deposits

The Corporation’s restricted cash deposits remained the same as last year. These deposits relate to the cash collateral required to support a letter of credit and certain corporate credit cards.

Property and Equipment

The Corporation's property and equipment increased by approximately $121,000 since December 31, 2010. This increase can be attributed to the investment into capital expenditures of equipment and computer hardware and leasehold improvements.

Intangible Assets

Intangible assets have increased by approximately $16,000 since December 31, 2010. This increase relates mainly to the investment into computer software and certain indefinite-life intangible assets such as trademarks and was somewhat offset by the normal depreciation of computer software. 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.

Interim Consolidated Statement of Income (Loss) and Comprehensive Income (Loss)

Revenues

Revenues for the three months and nine months ended September 30, 2011 increased to approximately $2,020,000 and $5,701,000 respectively. This compares to revenues of approximately $1,705,000 and $4,235,000 for the same period in the previous year. This represents an increase of approximately $315,000 and $1,466,000 or 18% and 35% 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 Farmers Specialty Division is recognized. For the three months and nine months ended September 30, 2011, Symbility had revenues of approximately $1,201,000 and $3,327,000 respectively. This compares to revenues of approximately $1,048,000 and $2,236,000 for the same period in the previous year. This represents an increase of approximately $153,000 and $1,091,000 or 15% and 49% respectively.

The balance of the increase for the period can be attributed to Adjudicare, which saw growth in revenue from its existing customer base due mainly to the rollout of the groups associated with Sirius. Revenues for the three months and nine months ended September 30, 2011 for Adjudicare increased to approximately $819,000 and $2,374,000 respectively. This compares to revenues of approximately $657,000 and $1,999,000 for the same period in the previous year. This represents an increase of approximately $162,000 and $375,000 or 25% and 19% respectively.

Cost of Sales

Cost of sales represents costs of certain insurance products, which are in turn sold to broker customers of Adjudicare, as well as the cost of certain database license fees paid to third parties by Symbility.

The cost of sales for the three months and nine months ended September 30, 2011 increased to approximately $358,000 and $1,047,000 and represents 18% and 18% of related revenue respectively. This compares to cost of sales of approximately $301,000 and $873,000 for the same period in the previous year, which represented 18% and 21% of related revenues respectively 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.

Adjudicare's costs related to direct insurance and distribution in the three month and nine month period ended September 30, 2011 were approximately $340,000 and $978,000 and represents 42% and 41% of related revenue respectively. This compares to approximately $292,000 and $849,000 in the same period in the previous year which represents 44% and 42% of related revenue respectively. The primary reason for the increase in the cost of sales relates to an increase in the resale of certain insurance products as revenue grows. The cost of sales has decreased slightly as a percentage of revenue as the mix of lower margin insurance products has decreased compared to high margin sales related to transaction fees.

Symbility's cost of sales attributed to database licenses during the three month and nine month period ended September 30, 2011 were approximately $18,000 and $69,000 which represent 2% and 2% of related revenue respectively. This compares to approximately $9,000 and $24,000 in the same period in the previous year which represent 1% and 1% of related revenue respectively. Database licensing costs are increasing as a result of changes to the contract with a key supplier. The cost of sales has increased as a percentage of revenue as some Canadian customers require the expansion of the current pricing database to cover certain regions in Quebec.

General and Administration

General and administration expense for the three months and nine months ended September 30, 2011 was approximately $826,000 and $2,379,000 respectively. This compares to approximately $597,000 and $2,056,000 for the same period in the previous year for an increase of $229,000 and $323,000 respectively.

General and administration expenses of Automated Benefits Corp. increased by approximately $97,000 and $151,000 respectively. The increase relates mainly to the investment in additional staff and higher stock-based compensation, but somewhat offset by higher allocation of senior management's expenses to Adjudicare and Symbility. Senior management's time as employees of the Corporation is allocated to operating divisions based on the amount of effort devoted to these businesses.

General and administration expenses of Symbility increased by approximately $84,000 and $37,000 respectively. The increase for this period as compared to the prior year was mainly due to an increase in travel expenses in United States and higher allocation of costs associates with customer support to Symbility. This was somewhat offset by the decrease in travel expenses in Europe.

General and administration expenses of Adjudicare increased by approximately $48,000 and $135,000 respectively. This was mainly due to an increase in the allocation of senior management and customer support resources to the division. This was somewhat offset by a reduction in wages associated with the elimination of certain positions in the organization.

Research and Development

Research and development expenses for the three month and nine month period ended September 30, 2011 increased to approximately $325,000 and $915,000 respectively. This compares to approximately $162,000 and $665,000 for the same period in the previous year for an increase of approximately $163,000 and $250,000 respectively.

Research and development expenses of Automated Benefits Corp. decreased by approximately $2,000 and $3,000 respectively. This decrease was mainly due to a higher allocation of quality assurance's time to Adjudicare and Symbility.

Research and development expenses of Symbility increased by approximately $131,000 and $66,000 respectively. This increase is mainly due to an investment into additional development personnel and office space. This was somewhat offset by an increase in the accrual for scientific research and experimental development tax credits.

Research and development expenses of Adjudicare increased by approximately $30,000 and $50,000 respectively. The increase mainly relates to higher allocation of quality assurance's time to Adjudicare and an increase in consulting fees associated with a specific product development project.

Sales and Marketing

Sales and marketing expenses for the three month and nine month period ended September 30, 2011 increased to approximately $457,000 and $1,160,000 respectively. This compares to approximately $236,000 and $808,000 during the same period in the previous year for an increase of $221,000 and $352,000 respectively.

Sales and marketing expenses of Automated Benefits Corp. decreased by approximately $1,000 and $18,000 respectively. This is mainly due to a decrease in using consultants and somewhat offset by an increase in the recruiting fees associated with certain marketing employees.

Sales and marketing expenses of Symbility increased by approximately $141,000 and $306,000 respectively. The increase relates mainly to an investment into additional sales and marketing personnel and somewhat offset by lower consulting fees.

Sales and marketing expenses of Adjudicare increased by approximately $81,000 and $64,000 respectively. The increase relates to higher promotional expense incurred as a result of the Adjudicare partner event and travel expense.

Other operating expenses

Other operating expenses include depreciation, depletion and amortization, impairment loss and foreign exchange loss (gain). Other operating expenses for the three month and nine month period ended September 30, 2011 were ($36,000) and $5,000 respectively. This compares to the other operating expenses of approximately $25,000 and $26,000 during the same period in the previous year for a decrease of $61,000 and $21,000 respectively. The decrease relates mainly to the fluctuation of the foreign exchange rate of US dollars and UK pounds sterling.

Adjusted EBITDA

The Corporation has provided a reconciliation of Adjusted EBITDA to IFRS net earnings (loss) in the following table. In thousands of dollars.

	Three Months Ended September 30, 2011	**Three Months Ended September 30, 2010**	**Nine Months Ended September 30, 2011**	**Nine Months Ended September 30, 2010**
IFRS Net Earnings (Loss)	**$88**	**$385**	**$197**	**$(215)**
Finance income	**$(1)**	**$0**	**$(6)**	**$18**
Depreciation and Amortization	**$15**	**$20**	**$39**	**$59**
Impairment charges	**$0**	**$0**	**$0**	**$6**
Stock-Based Compensation	**$44**	**$18**	**$199**	**$97**
Restructuring Costs	**$0**	**$24**	**$54**	**$80**
Adjusted EBITDA	**$146**	**$447**	**$483**	**$45**

Adjusted EBITDA for the three month period ended September 30, 2011 was approximately $146,000. This compares to approximately $447,000 for the same period last year for a decrease of $301,000. Adjusted EBITDA for the nine month period ended September 30, 2011 was approximately $483,000. This compares to approximately $45,000 for the same period last year for an improvement of $438,000. The decrease relates mainly to the fact that Symbility delivered high-margin programming services revenue in the third quarter of FY 2010 at the front end of the Farmers Specialty Division rollout which did not reoccur in the third quarter of FY 2011. The improvement on a year to date basis versus the prior period results mainly from higher license revenues associated with the Farmers Specialty Division after being fully rolled out in FY 2011.

Summary of Quarterly Results

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							
	FY 2011			FY 2010[2]				FY 2009[3]
	Sept. 30, 2011	Jun 30, 2011	Mar 31, 2011	Dec. 31, 2010	Sept. 30, 2010	Jun 30, 2010	Mar 31, 2010	Dec. 31, 2009
Revenue	$2,020	$2,014	$1,667	$1,615	$1,705	$1,271	$1,258	$1,231
Net Income (Loss)	$88	$51	$57	$(49)	$385	$(405)	$(195)	$(404)
Net Income (Loss) per Share	$0.00	$0.00	$0.00	$(0.00)	$0.00	$(0.00)	$(0.00)	$(0.01)

Over the past eight quarters, revenue has generally increased as Adjudicare 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 FY 2010 due to a combination of growth in high-margin revenue and without a corresponding increase in operating expenses.

Liquidity and Capital Resources

During the three month and nine month period ended September 30, 2011, the Corporation generated net earnings of $88,432 and $197,042 respectively and had cash inflows of $447,791 and $48,881 from operations respectively. At September 30, 2011, the Corporation's consolidated cash position was $1,228,384 compared to $1,292,516 at December 31, 2010. This decrease is principally explained by the cash required to fund the Corporation's operations during the period.

At September 30, 2011, current liabilities include accounts payable and accrued liabilities of $1,900,569, short-term loans of $39,000 and deferred revenue of $514,306 for a total of $2,453,875 compared to $2,268,303 at December 31, 2010. The increase in current liabilities is mainly due to an increase in accounts payable to trade vendors and professionals, an increase in short-term loans and somewhat offset by a decrease in the current portion of deferred revenue.

At September 30, 2011, current assets is comprised of cash and cash equivalents of $1,228,384, accounts receivable and others of $1,751,091, note receivable of $40,172, inventory of $844 and prepaid expenses and other assets of $507,190 for a total of $3,527,681 compared to $2,775,944 at December 31, 2010.

The Corporation has a working capital position of $1,073,806 at September 30, 2011 as compared to $507,641 of working capital at December 31, 2010. This increase is primarily attributable to the increase in accounts receivable and prepaid expenses and other assets in Q3 2011. With current cash balances, customer contracts, and assuming the Corporation's cost structure doesn't change materially, management expects to be able to fund future operations for at least another year for the following reasons:

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[2] *The amounts reflected for 2010 have been restated for IFRS.*
[3] *The amounts reflected for 2009 are reported under Previous Canadian GAAP.*

- New clients like Farmers have added high margin license revenue and have started to generate positive operating cash flow in the Symbility division.
- Adjudicare has certain existing clients such as Sirius and new clients such as Lewer and MSH International which are expected to continue to add incremental volume to the software with minimal additional costs.
- On a consolidated basis, the Corporation has generated its fifth consecutive quarter with a positive adjusted EBITDA, which reduces the drain on cash.
- The Corporation has been able to obtain additional debt from its lender to finance its working capital needs and capital expenditure plan.

Financing

On May 16, 2011, the Corporation entered into a master lease agreement with Royal Bank of Canada (the “Bank”) pursuant to which the Corporation may from time to time purchase certain equipment. The Corporation will be responsible for insuring all the leased equipment, and will have the option to buy the same on the expiry of the lease. Under the master lease agreement, the Corporation can lease $150,000 of new computer equipment from the Bank for 36 months. There is an option to purchase the equipment for $1 at the end of the lease term. The interest rate on the master lease is the 3 year bond rate on August 30, 2011 which is the expiry date on the commitment to lease. On the same date, the Corporation entered into an interim funding agreement with the Bank to fund the equipment purchase which requires the Corporation to pay an interest rate of the Bank’s prime rate plus 2.65% for any equipment purchased prior to August 30, 2011. On November 8, 2011, the Corporation entered into this master lease agreement with the bank to lease equipment with a total cost of $137,761. The term of the lease is 3 years and the interest charged on the finance lease is 4.55% annually. There is an option to purchase the equipment for $1 at the end of the lease term.

On May 30, 2011, the Corporation entered into a scientific research and experimental development ("SR&ED") tax loan with Royal Bank of Canada for up to $250,000 to assist the Corporation with the gap between the filing and the receipt of funds from the provincial governments. The interest rate on the loan is the prime rate quoted by the bank plus 2.65%. The repayment term is the earlier of i) the receipt of the investment tax credit refunds and ii) 180 days from the initial borrowing. The loan has a financial covenant to maintain on a consolidated basis a minimum level of earnings before interest income, taxes, depreciation, and amortization commencing fiscal year ending December 31, 2011. On June 21, 2011, the Corporation borrowed $102,000 from this SR&ED tax loan. On July 19, 2011, the Corporation repaid $63,000 of this SR&ED tax loan upon the receipt of Ontario investment tax credit refunds. On November 17, 2011, the Corporation repaid the remaining balance of $39,000 of the SR&ED tax loan upon receipt of a SR&ED tax refund of $184,020 from the Province of Québec.

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, an SR&ED tax loan, capital leases for equipment and minimum purchase commitments under certain vendor contracts.

The following chart is a summary of contractual obligations of the Corporation, including payments for each of the next five years and thereafter as at November 25, 2011.

In thousands of dollars

Payments Due by Period					
Contractual Obligations	**Total**	**2011**	**2012-2014**	**2015**	**2016**
Finance Lease Obligations	$184	$5	$174	$5	$Nil
Operating Leases	$1,138	$21	$777	$247	$93
Purchase Obligations[4]	$546	$16	$380	$120	$30
Total Contractual Obligations	**$1,868**	**$42**	**$1,331**	**$372**	**$123**

Capital Expenditure Plan

Management has decided that it is essential to invest in additional hardware and software to increase hosting capacity and incur certain leasehold costs at larger office space in Toronto to support the growth of the Corporation.

As of September 30, 2011, the Corporation has entered into commitments for the remaining capital expenditures under this plan of approximately $206,000.

Off Balance Sheet Arrangements

The Corporation did not enter into any off balance sheet arrangements during the three month and nine month period ended September 30, 2011 and has not done so historically.

Related Party Transactions

For the nine-month period ended September 30, 2011, the Corporation expensed $70,402 (2010 - $57,523) for services provided by the Directors of the Corporation.

For the nine-month period ended September 30, 2011, the Corporation issued 80,337 common shares with an estimated weighted average fair value of $0.26 per share for an aggregate value of $20,888 to the Directors of the Corporation for services provided in the last six months of 2010. The issuance of these common shares to the Directors was approved by the TSX Venture Exchange. The estimated fair value was determined based on the share price on the date of issuance.

On April 28, 2011, 646,000 options were granted to the independent Directors and three Officers of the Corporation in accordance with the Corporation's stock option plan. Each option entitles its holder to purchase one common share of the Corporation at a price of $0.255 per share for a period of ten years from the date of grant. The options will vest in three equal tranches with one-third vesting immediately, one-third vesting on the first anniversary of the grant date, and one-third vesting on the second anniversary of the grant date. The granting of the stock options is subject to regulatory approval.

On June 27, 2011, 525,000 options were granted to an independent Director and an Officer of the Corporation in accordance with the Corporation's stock option plan. Each option entitles its holder to purchase one common share of the Corporation at a price of $0.24 per share for a period of ten years from the date of grant. The options will vest in three equal tranches with one-third vesting immediately, one-third vesting on the first anniversary of the grant date, and one-third vesting on the

[4] *"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.*

second anniversary of the grant date. The granting of the stock options is subject to regulatory approval.

On July 29, 2011, the Corporation agreed to loan $40,000 to its President and Chief Executive Officer. This promissory note matures on April 30, 2012 with an annual interest rate of 2.5%. The loan of $40,000 is secured by 150,943 shares of the Corporation owned by the President and Chief Executive Officer which on September 30, 2011 had a market value of $34,717.

For the nine-month period ended September 30, 2010, the Corporation issued 3,166,723 common shares with an estimated weighted average fair value of $0.12 per share for an aggregate value of $380,007 to the Directors and two officers of the Corporation for services provided. The issuance of these common shares to the Directors and two officers was approved by the TSX Venture Exchange. The estimated fair value was determined based on the share price on the date of issuance.

All of the above transactions with the Directors and officers of the Corporation were recorded at the exchange amount.

Changes in accounting policies

International Financial Reporting Standards ("IFRS")

The Corporation has adopted IFRS as its basis of financial reporting commencing with the interim consolidated financial statements for the three months and nine months ended September 30, 2011 and comparative periods are reported under IFRS. The Corporation's transition to IFRS is January 1, 2010. These interim consolidated financial statements were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34") as issued by the IASB using the accounting policies the Corporation expects to adopt in its consolidated financial statements as at and for the year ending December 31, 2011. Previously, the Corporation prepared its interim and annual consolidated financial statements in accordance with Canadian GAAP.

The adoption of IFRS has an impact on the Corporation's statements of financial position and statements of income (loss) and comprehensive income (loss). For details, please refer to notes 20 and 16 in the interim consolidated financial statements for the quarter ended March 31, 2011 and September 30, 2011 respectively.

Exemptions applied under IFRS 1

IFRS 1 provides the framework for the first-time adoption of IFRS and outlines that, in general, an entity shall apply the principles under IFRS retrospectively and that adjustments arising on conversion to IFRS shall be directly recognized in retained earnings. However, IFRS 1 also provides a number of optional exemptions from retrospective application of certain IFRS requirements as well as mandatory exceptions which prohibit retrospective application of standards. The following exemptions were applied in the preparation of the Corporation's opening balance sheet dated January 1, 2010.

i) Estimates - Hindsight is not used to create or revise estimates. The estimates previously made by the Company under Canadian GAAP were not revised for application of IFRS except where necessary to reflect any difference in accounting policies.

ii) Share-based payments - IFRS 2, Share-based Payments, encourages application of its provisions to equity instruments granted on or before November 7, 2002, but permits the application only to equity instruments granted after November 7, 2002 that had not vested by the Transition Date. The Corporation elected to avail itself of the exemption provided under IFRS 1 and applied IFRS 2 for all equity instruments granted after November 7, 2002 that had not vested by its Transition Date.

Impact of IFRS transition

As a result of the transfer from Canadian GAAP to IFRS, there has not been a material impact on the financial statements of the Corporation.

Share-based payments

Under Canadian GAAP, awards with graded vesting provisions are treated as a single award for both measurement and recognition purposes. IFRS 2 requires such awards to be treated as a series of individual awards, with compensation measured and recognized separately for each tranche of options within a grant that has a different vesting date.

Under Canadian GAAP, compensation is recognized assuming all options will vest and adjusted as forfeitures occur. IFRS 2 requires an estimate of forfeitures to be reflected in the amount of compensation recognized.

Under IFRS, an estimate of forfeitures must be factored into the calculation of periodic compensation expense. Compensation costs are accrued based on the best estimate of the number of options expected to vest using the Black-Scholes model. Revisions are made to that estimate if subsequent information indicates that actual forfeitures are likely to differ from initial estimates. Also, under IFRS, the fair value of each tranche within a share-based award is treated as a separate award with the fair value determined separately and recognized as compensation expense over the term of its respective vesting period. Accordingly, upon the transition to IFRS, the Corporation recorded a fair value adjustment of $19,773 as at January 1, 2010 to decrease the contributed surplus with a corresponding charge to deficit. As at September 30, 2010, an additional fair value adjustment of $13,775 was recorded retroactively.

IFRS reclassification

Under IFRS, the Corporation elected to present expenses in the consolidated statement of income (loss) and comprehensive income (loss) using a classification based on their function. In addition, certain corresponding figures under Canadian GAAP as at January 1, 2010 and December 31, 2010 have been reclassified to conform to the new presentation under IFRS.

Changes in accounting policies not yet adopted

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

i) Financial instruments

The IASB has issued a new standard, IFRS 9, which will ultimately replace IAS 39, “Financial Instruments: Recognition and Measurement” (“IAS 39”). The replacement of IAS 39 is a multi-phase project with the objective of improving and simplifying the reporting for financial instruments. Issuance of IFRS 9 is part of the first phase of the IAS 39 replacement project. IFRS 9 had an original effective date of January 1, 2013 which is expected to be deferred by the IASB to 2015. The Corporation has yet to assess the impact of the new standard on its consolidated financial statements.

ii) Consolidated financial statements

IFRS 10, "Consolidated financial statements" (“IFRS 10”) is effective for annual periods beginning on or after January 1, 2013 and will replace portions of IAS 27 consolidated and separate financial statements ("IAS 27"), and interpretation SIC-12 consolidation — special purpose entities.

Under IFRS 10, consolidated financial statements include all controlled entities under a single control model that applies to all entities, including special purpose entities and structured entities. A group will still continue to consist of a parent and its subsidiaries, however, IFRS 10 uses different terminology from IAS 27 in describing its control model. The changes introduced by IFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore are required to be consolidated by a parent, compared with the requirements that were in IAS 27. Early adoption of this standard is permitted. The Corporation is evaluating the impact of adopting IFRS 10 on the consolidated financial statements.

iii) Fair value measurement

IFRS 13, "Fair value measurement" ("IFRS 13") provides guidance on how to measure fair value of financial and non-financial assets and liabilities when fair value is required or permitted per IFRS. While many of the concepts in IFRS 13 are consistent with current practice, certain principles could have a significant effect on some entities adopting the standard. IFRS 13 is effective January 1, 2013 and will be adopted prospectively. The Corporation is evaluating the impact of adopting IFRS 13 on the consolidated financial statements.

Disclosure of Outstanding Share Data

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

EQUITY SECURITY	**NUMBER OUTSTANDING NOVEMBER 25, 2011**
Common Shares	118,444,148
Warrants	0
Broker's Warrants	0
Preferred Series A Shares	0
Stock Options	6,988,864

Financial Instruments and Risk Management

The Corporation's financial instruments consist of accounts receivable, accounts payable and accrued liabilities and finance 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 of September 30, 2011, the fluctuation of the US dollar and UK pound sterling of 1% would have an insignificant impact on net income (loss) and comprehensive income (loss).

The Corporation has entered into derivative currency options to sell UK pounds sterling which exposed it 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. As at September 30, 2011, the Corporation had no currency option contracts outstanding.

- 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. In the first three quarters of 2011 and 2010, as indicated in the Corporation's interim consolidated financial statements and related notes for the period ended

September 30, 2011, no single customer of Adjudicare accounted for 10% or more of the Corporation's revenue. In the first three quarters of 2011, there were two customers of Symbility which accounted for more than 10% of the Corporation’s revenue. In the first three quarters of 2010, two Symbility customers accounted for 10% or more of the Corporation’s revenue.

- 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 8 of the interim consolidated financial statements for the quarter ended September 30, 2011.

Risk and Uncertainties

Readers are referred to risk factors found in the Corporation’s December 31, 2010 MD&A filed April 29, 2011 on SEDAR, which is available in electronic form at www.sedar.com.