



Symbility Solutions Inc.

Interim Condensed Consolidated Financial Statements
(Unaudited)

Quarter ended June 30, 2015

Symbility Solutions Inc.
Interim Consolidated Statements of Financial Position
(Unaudited - In thousands of Canadian dollars)

	<u>Note(s)</u>	As at	
		June 30, 2015	December 31, 2014
Assets			
Current assets			
Cash and cash equivalents	8	7,893	12,612
Accounts receivable	8	5,789	4,879
Prepaid expenses		718	704
Taxes receivables		1,095	895
		<u>15,495</u>	<u>19,090</u>
Long-term assets			
Security deposits and other assets		80	90
Property and equipment	5	817	747
Intangible assets	3, 6	13,796	8,657
Goodwill	3	10,751	6,948
		<u>40,939</u>	<u>35,532</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	4, 8	6,330	5,136
Deferred revenue		2,041	2,135
		<u>8,371</u>	<u>7,271</u>
Long-term liabilities			
Accrued liabilities and others		39	64
Customer deposits		345	345
		<u>8,755</u>	<u>7,680</u>
Shareholders' equity			
		<u>32,184</u>	<u>27,852</u>
		<u>40,939</u>	<u>35,532</u>

See accompanying notes

Symbility Solutions Inc.

Interim Consolidated Statements of Loss and Comprehensive Loss

(Unaudited - In thousands of Canadian dollars, except per share data)

	Note(s)	Three-month period ended		Six-month period ended	
		June 30,		June 30,	
		2015	2014	2015	2014
Revenue	8, 9	5,628	7,066	10,675	14,248
Cost of sales		1,426	1,229	2,745	2,559
Gross margin		4,202	5,837	7,930	11,689
Expenses					
Sales and marketing	7	2,896	2,478	5,375	5,615
General and administration	7	1,708	1,703	3,424	3,649
Research and development	7	1,159	1,526	2,266	3,311
Depreciation, amortization, foreign exchange loss (gain)	11	63	271	183	(11)
Other non-operating	3, 12	768	-	1,025	-
		6,594	5,978	12,273	12,564
Loss before finance costs (income), net and income tax expense		(2,392)	(141)	(4,343)	(875)
Finance income, net		(12)	(41)	(53)	(80)
Income tax expense		15	1	33	4
Net loss and comprehensive loss for the period		(2,395)	(101)	(4,323)	(799)
Basic and diluted loss and comprehensive loss per common share		(0.01)	(0.00)	(0.02)	(0.00)
Weighted average number of common shares outstanding					
Basic and diluted		226,966,582	209,061,193	218,557,265	207,405,740

See accompanying notes

Symbility Solutions Inc.

Interim Consolidated Statements of Changes in Shareholders' Equity

(Unaudited - In thousands of Canadian dollars)

	Note	Common shares	Warrants	Contributed surplus	Deficit	Total shareholders' equity
December 31, 2013		48,224	235	12,063	(34,046)	26,476
Share issuance for services		33	-	-	-	33
Share options exercised		342	-	(150)	-	192
Restricted shares released		1,102	-	(1,102)	-	-
Stock-based compensation	7	-	-	1,374	-	1,374
Net loss for the period		-	-	-	(799)	(799)
June 30, 2014		49,701	235	12,185	(34,845)	27,276
December 31, 2014		49,802	-	12,929	(34,879)	27,852
Share issuance for services	7	30	-	-	-	30
Share options exercised	7	36	-	(18)	-	18
Share issuance for business combination	3	1,733	-	-	-	1,733
Share issuance for cash	7	7,153	-	-	-	7,153
Share issuance costs	7	(729)	-	-	-	(729)
Warrants	7	-	65	-	-	65
Stock-based compensation	7	-	-	385	-	385
Net loss for the period		-	-	-	(4,323)	(4,323)
June 30, 2015		58,025	65	13,296	(39,202)	32,184

See accompanying notes

Symbility Solutions Inc.
Interim Consolidated Statements of Cash Flows
(Unaudited - In thousands of Canadian dollars)

	Note(s)	Three-month period ended		Six-month period ended	
		June 30,		June 30,	
		2015	2014	2015	2014
Operating activities					
Net loss for the period		(2,395)	(101)	(4,323)	(799)
Items not affecting cash					
Stock-based compensation	7	127	280	385	1,374
Issuance of shares for services	7	-	33	30	33
Depreciation and amortization	5, 6	700	471	1,259	918
		(1,568)	683	(2,649)	1,526
Changes in non-cash working capital items					
Accounts receivable		222	506	(170)	(132)
Prepaid expenses		(17)	178	17	163
Taxes receivables		(100)	-	(200)	-
Security deposits		-	2	1	(17)
Accounts payable and accrued liabilities		(806)	(711)	(60)	89
Deferred revenue		(382)	(2,480)	(327)	3,267
		(1,083)	(2,505)	(739)	3,370
Cash provided by (used in) operating activities					
		(2,651)	(1,822)	(3,388)	4,896
Investing activities					
Purchase of property and equipment	5	(26)	(274)	(136)	(353)
Purchase of intangible assets	6	(30)	(23)	(81)	(538)
Business combination	3	(1,000)	-	(7,592)	-
		(1,056)	(297)	(7,809)	(891)
Financing activities					
Proceeds from issuance of common shares	7	7,153	-	7,153	-
Proceeds from exercise of share options		18	156	18	192
Issuance costs		(728)	-	(729)	-
Long-term finance lease payments		(1)	(14)	(2)	(27)
		6,442	142	6,440	165
Effect of exchange rate changes on cash and cash equivalents					
		(4)	(4)	38	(234)
Net increase (decrease) in cash and cash equivalents					
		2,731	(1,981)	(4,719)	3,936
Cash and cash equivalents, beginning of period		5,162	18,090	12,612	12,173
Cash and cash equivalents, end of period		7,893	16,109	7,893	16,109

Supplementary cash flow information 10
See accompanying notes

Symbility Solutions Inc.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited - In thousands of Canadian dollars unless otherwise stated)

June 30, 2015

1) Nature of operations and corporate information

Symbility Solutions Inc. (the "Corporation") develops and markets software designed to improve effectiveness and reduce costs of administration of claims in both the employee benefits and property and casualty insurance markets, and provides custom solutions for mobile application strategy and development to a broad range in industries. The Corporation was incorporated under the Alberta Business Corporations Act on July 15, 1999 and commenced operations on January 1, 2000. The Corporation is a publicly traded company domiciled in Canada with common shares listed on the TSX Venture Exchange under the stock symbol "SY".

The Corporation's registered office is located at 3400 First Canadian Centre, 350 - 7th Avenue SW, Calgary, Alberta, T2P 3N9. The Corporation has executive and operating offices in Toronto, Ontario, and operating offices in Montreal, Québec; Hendersonville, Tennessee; Stuttgart, Baden-Württemberg, Germany; and Bristol, England.

The Corporation has five wholly owned subsidiaries, Symbility Health Inc. which is incorporated in the Province of Alberta, Canada; Symbility Solutions Corp. which is incorporated in the State of Delaware, United States; Symbility Solutions GmbH which is incorporated in the State of Bavaria, Germany; Symbility Solutions Limited which is incorporated in England and Wales; and BNOTIONS Inc. which is incorporated in the Province of Ontario, Canada. Symbility Health Inc. has a wholly owned subsidiary, Automated Benefits Ltd., incorporated in the Province of Alberta, Canada.

As at June 30, 2015, CoreLogic, Inc. and its affiliates (collectively "CoreLogic") own 67,739,821 common shares representing approximately 29% of the outstanding shares of the Corporation. Marshall & Swift/Boeckh ("MSB"), a wholly owned subsidiary of CoreLogic, is a related party as a result of a common significant shareholder (see note 4).

2) Significant accounting policies

a) Statement of compliance

These interim condensed consolidated financial statements for the three-month and six-month periods ended June 30, 2015 of the Corporation were prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), as issued by the International Accounting Standards Board ("IASB").

The same accounting policies and methods of computation were followed in the preparation of these interim condensed consolidated financial statements as were followed in the preparation of the annual consolidated financial statements for the year ended December 31, 2014, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the IASB. Accordingly, these interim condensed consolidated financial statements for the three-month and six-month periods ended June 30, 2015 should be read together with the annual consolidated financial statements for the year ended December 31, 2014.

Symbility Solutions Inc.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited - In thousands of Canadian dollars unless otherwise stated)

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The timely preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingencies, if any, as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. By their nature, estimates are subject to measurement uncertainty and changes in such estimates in future years could require a material change in the interim condensed consolidated financial statements.

These interim condensed consolidated financial statements were approved and authorized for issue by the Board of Directors (the "Board") of the Corporation on August 13, 2015.

b) New standards, interpretations and amendments adopted by the Corporation

The following new accounting standard which was applied or adopted during the three-month and six-month periods ended June 30, 2015 had no material impact on the unaudited interim condensed consolidated financial statements.

IFRS 8 Operating Segments ("IFRS 8")

The Annual Improvements to IFRSs 2010-2012 included amendments to IFRS 8. This standard has been amended to require (i) disclosure of judgments made by a company's management in aggregating segments, and (ii) a reconciliation of segment assets to the entity's assets when segments are reported. These amendments are effective for annual periods beginning on or after July 1, 2014.

c) Changes in accounting policies not yet adopted

The following accounting pronouncements issued by the IASB were not effective as of June 30, 2015. Management is currently evaluating the potential impact the adoption of these accounting pronouncements will have on the Corporation's consolidated financial statements:

IAS 1 Financial Statement Presentation ("IAS 1")

The IASB has published Disclosure Initiative (Amendments to IAS 1). The amendments aim at clarifying IAS 1 to address perceived impediments to preparers exercising their judgment in presenting their financial reports. They are effective for annual periods beginning on or after January 1, 2016, with earlier application being permitted. The Corporation is in the process of evaluating the impact of these amendments on the Corporation's consolidated financial statements.

IFRS 9 Financial Instruments: Classification and Measurement ("IFRS 9")

In July 2014, the IASB issued the final amendments to IFRS 9, which provides guidance on the classification and measurement of financial assets and liabilities, impairment of financial assets, and general hedge accounting. The classification and measurement portion of the standard determines how financial assets and financial liabilities are accounted for in financial statements and, in particular, how they are measured on an ongoing basis. The amended IFRS 9 introduced a new, expected-loss impairment model that will require more timely recognition of expected credit losses. In addition, the amended IFRS 9 includes a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new standard is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The Corporation is in the process of evaluating the impact of these amendments on the Corporation's consolidated financial statements.

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IFRS 15 Revenue from Contracts with Customers ("IFRS 15")

In May 2014, the IASB issued IFRS 15, which covers principles for reporting about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers. The core principle of the new standard is that an entity recognizes revenue to represent the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard also provides a model for the recognition and measurement of gains or losses from sale of non-financial assets. IFRS 15 is effective for annual periods beginning on or after January 1, 2017. The standard permits the use of either full or modified retrospective application. This new accounting guidance will also result in enhanced disclosures about revenue. The Corporation is evaluating the effect that IFRS 15 will have on its consolidated financial statements, and related disclosures, as well as the transition method to apply the new standard.

3) Business combinations

On March 31, 2015, the Corporation completed the purchase from The Innovation Group plc, customer contracts associated with its UK Innovation Symbility business (the "UK IS Acquisition"). UK Innovation Symbility operated a business engaged in the license of the Corporation's estimating software and provided consulting services in the United Kingdom. Under the terms of the Acquisition Agreement, the Corporation acquired the UK Innovation Symbility staff, contracts, prospects and terminated the pre-existing relationship. No other assets or liabilities were assumed. On March 31, 2015, the Corporation paid \$6,568 cash for the UK IS Acquisition which is a part of the Symbility Property division.

On June 26, 2015, the Corporation completed the acquisition of a division of Bogaroo Inc.'s business operating as BNOTIONS (the "BNOTIONS Acquisition"). BNOTIONS is a mobile strategy firm focused on the design and development of leading technologies in the area of mobile, the Internet of Things, Machine-to-machine, and wearables in Canada and the United States. Under the terms of the Acquisition Agreement, the Corporation acquired BNOTIONS staff, customer contracts and prospects, and certain assets and liabilities were assumed. On June 26, 2015, the Corporation paid \$1,000 cash on closing, and up to \$1,069 cash will be paid over the next 10 months, subject to financial performance and working capital adjustments. In addition, the Corporation issued 5,500,000 common shares with a fair value of \$0.315 per common share for a total fair value of \$1,733 and issued 1,000,000 warrants with a fair value of \$0.065 per warrant share for a total fair value of \$65 for the BNOTIONS Acquisition. This acquisition is a new segment, the Mobile Innovation division.

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June 30, 2015

The preliminary purchase equation is summarized below:

Fair value recognized on acquisition	UK IS Acquisition	BNOTIONS Acquisition	Total
Assets			
Accounts receivable	-	625	625
Prepaid expenses	160	13	173
Property and equipment	-	113	113
Trademarks	-	330	330
Customer relationships and backlog	5,650	160	5,810
Liabilities			
Accounts payable and accrued liabilities	(14)	(40)	(54)
Deferred revenue	(170)	(195)	(365)
Net identifiable assets	5,626	1,006	6,632
Goodwill arising on acquisition	942	2,861	3,803
Purchase consideration transferred	6,568	3,867	10,435

For the UK IS Acquisition, the Corporation identified intangible assets of \$5,650 for customer relationships, which the Corporation expects to amortize over 10 years. Goodwill of \$942 relates to workforce, expected synergies and other assets that are not individually identified and separately recognized in the Symbility Property division. Goodwill is not expected to be deductible for tax purposes. For the three-month and six-month periods ended June 30, 2015, acquisition costs of \$11 and \$268, respectively were accounted for as a period expense when the costs were incurred.

For the BNOTIONS Acquisition, the Corporation identified intangible assets of \$330 for trademarks, which the Corporation expects to have an indefinite life, and \$160 for backlog, which the Corporation expects to amortize over six months. Goodwill of \$2,861 related to workforce, expected and other assets that are not individually identified and separately recognized in the Mobile Innovation division. Goodwill is not expected to be deductible for tax purposes. For the three-month and six-month periods ended June 30, 2015, acquisition costs of \$425 and \$425, respectively were accounted for as a period expense when the costs were incurred.

The Corporation's revenue, expenses, and amortization of intangible assets by acquisition for the three-month and six-month period ended June 30, 2015, are as follow:

	Three-month period ended June 30, 2015			Six-month period ended June 30, 2015		
	UK IS Acquisition	BNOTIONS Acquisition	Total	UK IS Acquisition	BNOTIONS Acquisition	Total
Revenue	1,495	42	1,537	1,495	42	1,537
Expenses	889	44	933	889	44	933
Net income (loss)	606	(2)	604	606	(2)	604
Amortization of intangible assets	141	-	141	141	-	141

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If the acquisitions had taken place at the beginning of the year, consolidated revenue would have been \$13,648, expenses would have been \$17,949, including intangible asset amortization expense of \$1,375, and the net loss for the six-month period ended June 30, 2015 would have been \$(4,301).

4) Related party transactions

A summary of the significant related party transactions is provided here:

On February 26, 2015, the Corporation issued 82,136 common shares with an estimated weighted average fair value of \$0.37 per share for an aggregate value of \$30 to the Directors of the Corporation for services provided from October to December 2014. 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 five-day weighted average closing share price at the quarter-end.

On April 24, 2015, the Corporation announced that it had completed a financing and issued 6,335,073 common shares with a price of \$0.33 per share to CoreLogic for the exercise of its preemptive right under a certain security holder agreement dated April 10, 2012. Gross proceeds from the public offering and exercise of the preemptive right were \$2,091 resulting in cash proceeds. The issuance of these common shares was approved by the TSX Venture Exchange.

For the three-month and six-month periods ended June 30, 2015, the Corporation expensed \$673 and \$1,231, respectively (June 30, 2014 - \$596 and \$1,311) for services under the four-year transition services agreement and database license agreement with MSB. The termination of the transition services agreement is subject to the earlier of i) the time when no customers are using certain existing MSB products, and ii) four (4) years following the effective date, which is on April 10, 2012 and iii) portions of the agreement upon 90 days' notice. On May 31, 2015, the Corporation had provided termination notice for certain services under the four-year transition services agreement and database license agreement to MSB. For the three-month and six-month periods ended June 30, 2015, the Corporation earned nil and \$4, respectively, (June 30, 2014 - nil and \$14) for services provided to MSB. As at June 30, 2015, the Corporation owed \$298 (December 31, 2014 - \$155) to MSB, net of services provided.

See note 13 for subsequent event.

Compensation of key management personnel

Key management personnel includes the Chief Executive Officer, Chief Financial Officer, Chief Executive Officer of Symbility Health, Chief Executive Officer of BNOTIONS, Chief Technology Officer, Chief Strategy Officer, Vice Presidents, and Directors. The compensation paid or payable to key management personnel is shown in the following tables:

	Three-month period ended		Six-month period ended	
	June 30,		June 30,	
	2015	2014	2015	2014
Short-term remuneration and benefits	705	731	1,388	1,472
Share-based payments	91	150	241	847
Total	796	881	1,629	2,319

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June 30, 2015

Stock options held by key management personnel under the stock option plan to purchase ordinary shares have the following expiry dates and exercise prices:

Issuance date	Expiry date	Exercise price	June 30, 2015	December 31, 2014
		\$	Number outstanding	Number outstanding
2010	2020	0.20	35,000	184,466
2011	2021	0.22 - 0.26	1,321,000	1,321,000
2012	2022	0.34 - 0.46	2,800,000	2,800,000
2013	2023	0.45 - 0.50	5,053,500	5,053,500
2014	2024	0.31 - 0.38	1,268,185	1,268,185
2015	2025	0.34 - 0.35	1,979,560	-
Total			12,457,245	10,627,151

On June 30, 2015, 526,000 restricted shares (December 31, 2014 - nil) outstanding under the Canadian Restricted Share Plan were granted to an officer of the Corporation.

5) Property and equipment

	Furniture and fixtures	Computer equipment	Equipment	Leasehold improvements	Total
Cost					
At January 1, 2015	289	1,048	202	466	2,005
Additions	11	109	17	-	137
Addition arising from business combination (see note 3)	30	75	8	-	113
At June 30, 2015	330	1,232	227	466	2,255
Accumulated depreciation					
At January 1, 2015	175	794	129	160	1,258
Depreciation expense	19	96	21	44	180
At June 30, 2015	194	890	150	204	1,438
Net book value					
At January 1, 2015	114	254	73	306	747
At June 30, 2015	136	342	77	262	817

For the six-month period ended June 30, 2015, the Corporation acquired tangible assets with a preliminary estimated fair value of \$113 (see note 3).

Symbility Solutions Inc.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited - In thousands of Canadian dollars unless otherwise stated)

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6) Intangible assets

	Computer software	Trademarks and patent	Customer relationships and backlog	Database and technology licenses	Total
Cost					
As at January 1, 2015	729	95	2,352	9,548	12,724
Additions	66	13	-	-	79
Additions arising from business combinations (see note 3)	-	330	5,810	-	6,140
As at June 30, 2015	795	438	8,162	9,548	18,943
Accumulated amortization					
As at January 1, 2015	281	13	1,257	2,516	4,067
Amortization expense	104	-	458	518	1,080
As at June 30, 2015	385	13	1,715	3,034	5,147
Net book value					
As at January 1, 2015	448	82	1,095	7,032	8,657
As at June 30, 2015	410	425	6,447	6,514	13,796

For the six-month period ended June 30, 2015, the Corporation acquired intangible assets with a preliminary estimated fair value of \$6,140 (see note 3).

7) Issued capital

Authorized

Unlimited common shares, no par value

Unlimited preferred shares, no par value

Issued (excluding Restricted Shares described below)

	Common shares	
	#	\$
Share Capital Balance - December 31, 2014	210,023,482	49,802
Share issuance for services rendered	82,136	30
Share options exercised	164,466	36
Shares issued in business combination	5,500,000	1,733
Shares issued for cash	21,676,073	7,153
Share issuance costs	-	(729)
Share Capital Balance - June 30, 2015	237,446,157	58,025

As at June 30, 2015, there were 2,000,000 (December 31, 2014 - nil) Restricted Shares outstanding in addition to the above.

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Restricted Share Award Plans

On June 10, 2015, the shareholders approved the 2015 Canadian Restricted Share Plan (the "2015 Canadian RS Plan") and the 2015 United States Restricted Share Plan (the "2015 United States RS Plan") (collectively, the "2015 RSA Plans"). Awards granted pursuant to the 2015 RSA Plans shall not exceed 2,000,000 common shares.

The 2015 RSA Plans provide that the Restricted shares ("RS") issued to Participants (as such term is defined in the RSA Plans) under the 2015 RSA Plans will be subject to forfeiture over a period to be specified in an RS Agreement, beginning June 26, 2015 and ending on June 26, 2018. The vesting criteria were set by the Board of Directors and are set forth in the applicable RS Agreement. Each RS grant shall be composed of three tranches. The risk of forfeiture with respect to 50% of the RS, unless earlier terminated or forfeited in accordance with the RS Plans, shall lapse on the first anniversary of the date of grant. The risk of forfeiture with respect to 25% of the RS, unless earlier terminated or forfeited in accordance with the RS Plans, shall lapse on each of the second and third anniversaries of the date of grant.

The Canadian RS Plan and United States RS Plan contain essentially the same terms, with the primary exception being the escrow arrangement in the 2015 Canadian RS Plan, which provides that upon the lapse of the risk of forfeiture, subject to the conditions provided in the 2015 Canadian RS Plan, the restrictions on each RS shall be lifted and one common share for each such RS shall be released from Escrow (as such term is defined in the 2015 Canadian RS Plan) and delivered to the Participant. The 2015 United States RS Plan provides that upon the lapse of the risk of forfeiture, subject to the conditions provided in the 2015 United States RS Plan, the restrictions on each RS shall be lifted and one common share for each such RS shall be delivered to the Participant.

On June 26, 2015, 2,000,000 RSs were issued under the 2015 Canadian RS Plan. As of June 30, 2015, there were 2,000,000 RSs outstanding and the weighted average remaining contractual life for the RSs outstanding is 3 years.

The following table summarizes activity related to the 2015 RSA Plans for the six-month period ended June 30, 2015:

	June 30, 2015
	Restricted Shares outstanding
	#
Balance - beginning of period	-
Granted	2,000,000
Balance - end of period	2,000,000

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Share issuances for cash

On April 23, 2015, the Corporation announced that it had completed the closing of its public offering of 15,341,000 common shares with a price of \$0.33 per share. In addition, on April 24, 2015, the Corporation announced that it had completed a financing and issued 6,335,073 common shares with a price of \$0.33 per share to CoreLogic for the exercise of its preemptive right under a certain security holder agreement dated April 10, 2012. Gross proceeds from the public offering and exercise of the preemptive right were \$7,153 resulting in cash proceeds of \$6,769, net of issuance costs. The issuance of these common shares was approved by the TSX Venture Exchange.

Stock option plan

The Corporation has a stock option plan (the "Plan"), which provides that the Board may grant from time to time, at its discretion, stock options to purchase common shares of the Corporation to Directors, senior officers, employees, and consultants.

Stock-based compensation

The total stock-based compensation expense for the Plan and the 2015 RS Plans for the three-month and six-month periods ended June 30, 2015 was \$127 and \$385 respectively (June 30, 2014 – \$280 and \$1,374) with a corresponding credit to contributed surplus.

	Three-month period ended June 30,		Six-month period ended June 30,	
	2015	2014	2015	2014
Cost of sales	4	-	4	-
Sales and marketing	72	108	147	435
General and administration	50	98	158	612
Research and development	1	74	76	327
Total	127	280	385	1,374

The Corporation used the Black-Scholes option valuation model to estimate the fair value of the options granted based on the following weighted average assumptions:

	Three-month period ended June 30		Six-month period ended June 30	
	2015	2014	2015	2014
Risk-free interest rate	1.14%	1.97%	1.14%	1.95%
Expected life	6.0 years	6.0 years	6.0 years	6.0 years
Volatility	86%	102%	86%	105%
Expected dividends	Nil	Nil	Nil	Nil
Weighted average				
Share price	\$0.34	\$0.37	\$0.34	\$0.37
Exercise price	\$0.35	\$0.34	\$0.35	\$0.36
Fair value	\$0.25	\$0.30	\$0.25	\$0.30

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The following table summarizes activity related to stock options for the six-month period ended June 30, 2015 and for the twelve-month period ended December 31, 2014:

	<u>June 30, 2015</u>		<u>December 31, 2014</u>	
	<u>Stock options outstanding #</u>	<u>Weighted average exercise price \$</u>	<u>Stock options outstanding #</u>	<u>Weighted average exercise price \$</u>
Balance – Beginning of period	16,839,701	0.42	15,963,399	0.41
Granted	4,009,560	0.35	3,184,935	0.36
Exercised	(164,466)	0.11	(1,331,133)	0.16
Forfeited	(358,619)	0.38	(291,394)	0.44
Expired	(253,274)	0.34	(686,106)	0.42
Balance – End of period	<u>20,072,902</u>	<u>0.41</u>	<u>16,839,701</u>	<u>0.42</u>
Exercisable – End of period	<u>13,255,929</u>	<u>0.43</u>	<u>10,666,179</u>	<u>0.41</u>

The weighted average remaining contractual life for the stock options outstanding as at June 30, 2015 is 8.02 years (December 31, 2014 – 7.99 years). The weighted average share price of options exercised during the six-month period ended June 30, 2015 was \$0.33 (June 30, 2014 - \$0.34).

Warrants

On June 26, 2015, the Corporation issued 1,000,000 warrants to Bogaroo Inc. as part of the compensation costs related to the acquisition (see note 3). Each Warrant is exercisable to purchase one common share at \$0.40 per warrant for a period of three years from the closing date.

	<u>Six-month period ended June 30, 2015</u>
Risk-free interest rate	0.64%
Expected life	1.5 years
Volatility	59%
Expected dividends	Nil
Weighted average	
Share price	0.32
Exercise price	0.40
Fair value	0.06

Symbility Solutions Inc.**Notes to Interim Condensed Consolidated Financial Statements***(Unaudited - In thousands of Canadian dollars unless otherwise stated)**June 30, 2015*

The following table summarizes activity related to warrants for the six-month period ended June 30, 2015:

	<u>June 30, 2015</u>	
	Warrants outstanding	Weighted average exercise price
	#	\$
Balance – Beginning of period	-	-
Granted	1,000,000	0.40
Balance – End of period	1,000,000	0.40
Exercisable – End of period	-	-

The weighted average remaining contractual life for the warrants outstanding as at June 30, 2015 is 3 years.

8) Financial Instruments and Risk Management*Market risk and foreign currency risk*

Market risk is the risk that changes in market prices, such as foreign exchange rates, will affect the Corporation's income or the value of its financial instruments.

The Corporation's activities that result in exposure to fluctuations in foreign currency exchange rates consist of the sale of products and services to customers invoiced in foreign currencies and the purchase of services invoiced in foreign currencies.

The Corporation's accounts receivable and accounts payable by foreign currency as at June 30, 2015 and December 31, 2014 are as follows:

	<u>June 30, 2015</u>	<u>December 31, 2014</u>
Accounts receivable		
U.K. pound sterling	34%	37%
Euro	7%	12%
U.S. dollars	16%	11%
Accounts payable		
U.K. pound sterling	10%	nil
U.S. dollars	16%	21%

Symbility Solutions Inc.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited - In thousands of Canadian dollars unless otherwise stated)

June 30, 2015

The Corporation's revenue and expense by foreign currency for the three-month and six-month periods ended June 30, 2015 and June 30, 2014 are as follows:

	Three-month period ended June 30,		Six-month period ended June 30,	
	2015	2014	2015	2014
Revenue				
U.K. pound sterling	27%	14%	22%	15%
U.S. dollars	40%	62%	43%	63%
Expenses				
U.K. pound sterling	10%	nil	5%	nil
U.S. dollars	28%	28%	36%	31%

Credit risk

As at June 30, 2015, no customer accounted for more than 10% of the Corporation's total accounts receivable (December 31, 2014 - one customer - 39%).

The following table sets out details of the aging of accounts receivable that are outstanding and related allowance for doubtful accounts:

	June 30, 2015	December 31, 2014
Current	4,497	3,209
31 - 60 days	1,244	373
61 - 90 days	32	344
Over 91 days	27	997
Less: allowance for doubtful accounts	(11)	(44)
Total accounts receivable, net	5,789	4,879

The carrying amount of accounts receivable is reduced through the use of an allowance account and the amount of the loss is recognized in the interim condensed consolidated statements of loss and comprehensive loss within other operating expenses. When a receivable balance is considered uncollectible, it is written off against the allowance for doubtful accounts. Subsequent recoveries of amounts previously written off are credited against other operating expenses in the interim condensed consolidated statements of loss and comprehensive loss.

Liquidity risk

Liquidity risk arises through the excess of financial obligations over available financial assets due at any point in time. The Corporation's objective in managing liquidity risk is to maintain sufficient readily available cash reserves in order to meet its liquidity requirements at any point in time. The Corporation achieves this by maintaining sufficient cash and cash equivalents, managing cash from operations and through the raising of equity financing. As at June 30, 2015, the Corporation was holding cash and cash equivalents of \$7,893 (December 31, 2014 - \$12,612).

Symbility Solutions Inc.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited - In thousands of Canadian dollars unless otherwise stated)

June 30, 2015

9) Segmented information

The Corporation has three reportable segments which offer different products and services: Symbility Property, Symbility Health, and Mobile Innovation.

- Symbility Property (property and casualty software) provides powerful, accurate and easy-to-use claims processing and estimating software for property and casualty insurers.
- Symbility Health (group insurance software) provides an advanced and practical software solution to a network of employee benefits brokers and third party administrator partners in the adjudication of health and dental claims.
- Mobile Innovation (mobile app software) designs and develops leading technologies in the area of mobile, the Internet of Things, Machine-to-machine, and wearables to different industries.

Revenue is generated from external customers in Canada, the United States, and other countries outside of North America. All material assets are located in Canada and the United States.

During the three-month period ended June 30, 2015, no customer accounted for more than 10% of the Corporation's revenue (June 30, 2014 - two customers - \$1,220 and \$2,362. These customers were in the Symbility Property segment).

During the six-month period ended June 30, 2015, no customer accounted for more than 10% of the Corporation's revenue (June 30, 2014 - two customers - \$2,471 and \$4,741. These customers were in the Symbility Property segment).

Symbility Solutions Inc.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited - In thousands of Canadian dollars unless otherwise stated)

June 30, 2015

	Three-month period ended June 30, 2015				
	Symbility Health	Symbility Property	Mobile Innovation	Head office	Total
Revenue	1,266	4,320	42	-	5,628
Cost of sales	590	812	24	-	1,426
	676	3,508	18	-	4,202
Expenses	941	5,633	20	-	6,594
Segment loss before finance costs (income), net and income tax expense	(265)	(2,125)	(2)	-	(2,392)
Finance income, net	-	-	-	(12)	(12)
Income tax expense	-	15	-	-	15
Segment net income (loss)	(265)	(2,140)	(2)	12	(2,395)

	Six-month period ended June 30, 2015				
	Symbility Health	Symbility Property	Mobile Innovation	Head office	Total
Revenue	2,641	7,992	42	-	10,675
Cost of sales	1,189	1,532	24	-	2,745
	1,452	6,460	18	-	7,930
Expenses	1,751	10,502	20	-	12,273
Segment loss before finance costs (income), net and income tax expense	(299)	(4,042)	(2)	-	(4,343)
Finance income, net	-	-	-	(53)	(53)
Income tax expense	-	33	-	-	33
Segment net income (loss)	(299)	(4,075)	(2)	53	(4,323)

	As at June 30, 2015				
	Symbility Health	Symbility Property	Mobile Innovation	Head office	Total
Operating assets	1,800	27,047	4,199	-	33,046
Assets not allocated to segments					
Cash and cash equivalents	-	-		7,893	7,893
Total operating assets	1,800	27,047	4,199	7,893	40,939
Carrying value of intangible assets	47	13,259	490	-	13,796
Carrying value of goodwill	-	7,890	2,861	-	10,751
Total liabilities	1,886	5,575	1,294	-	8,755
Additions to property and equipment, and intangible assets	10	5,856	603	-	6,469

Symbility Solutions Inc.**Notes to Interim Condensed Consolidated Financial Statements***(Unaudited - In thousands of Canadian dollars unless otherwise stated)*

June 30, 2015

There was no Mobile Innovation division in 2014.

	Three-month period ended June 30, 2014			
	Symbility Health	Symbility Property	Head office	Total
Revenue	1,137	5,929	-	7,066
Cost of sales	534	695	-	1,229
	603	5,234	-	5,837
Expenses	923	5,055	-	5,978
Segment loss before finance costs (income), net and income tax expense	(320)	179	-	(141)
Finance income, net	-	-	(41)	(41)
Income tax expense	-	1	-	1
Segment net income (loss)	(320)	178	41	(101)

	Six-month period ended June 30, 2014			
	Symbility Health	Symbility Property	Head office	Total
Revenue	2,284	11,964	-	14,248
Cost of sales	1,049	1,510	-	2,559
	1,235	10,454	-	11,689
Expenses	1,754	10,810	-	12,564
Segment loss before finance costs (income), net and income tax expense	(519)	(356)	-	(875)
Finance income, net	-	-	(80)	(80)
Income tax expense	-	4	-	4
Segment net income (loss)	(519)	(360)	80	(799)

	As at December 31, 2014			
	Symbility Health	Symbility Property	Head office	Total
Operating assets	1,821	21,099	-	22,920
Assets not allocated to segments				
Cash and cash equivalents	-	-	12,612	12,612
Total operating assets	1,821	21,099	12,612	35,532
Carrying value of intangible assets	50	8,607	-	8,657
Carrying value of goodwill	-	6,948	-	6,948
Total liabilities	1,518	6,162	-	7,680
Additions to property and equipment, intangible assets and goodwill	26	1,814	-	1,840

Symbility Solutions Inc.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited - In thousands of Canadian dollars unless otherwise stated)

June 30, 2015

Geographic Information

The Corporation's revenue by geographic area for the three-month and six-month periods ended June 30, 2015 and June 30, 2014 and non-current asset by geographic area as at June 30, 2015 and December 31, 2014 are as follows:

	Revenue for three-month period ended		Revenue for six-month period ended		Non-current assets as at	
	June 30, 2015	June 30, 2014	June 30, 2015	June 30, 2014	June 30, 2015	December 31, 2014
Canada	1,572	1,408	3,195	2,784	11,064	8,201
United States	2,273	4,409	4,624	8,937	7,613	7,895
International	1,783	1,249	2,856	2,527	6,767	346
Total	5,628	7,066	10,675	14,248	25,444	16,442

10) Supplementary cash flow information

	Three-month period ended June 30,		Six-month period ended June 30,	
	2015	2014	2015	2014
Interest paid (recovered)	(1)	-	-	1
Interest received	14	39	61	84
Income taxes paid (recovered)	(7)	1	61	13

11) Depreciation, amortization, and foreign exchange loss (gain)

	Three-month period ended June 30,		Six-month period ended June 30,	
	2015	2014	2015	2014
Depreciation and amortization	141	108	283	215
Foreign exchange loss (gain), net	(78)	163	(100)	(226)
Total depreciation, amortization, foreign exchange loss (gain)	63	271	183	(11)

Symbility Solutions Inc.

Notes to Interim Condensed Consolidated Financial Statements

(Unaudited - In thousands of Canadian dollars unless otherwise stated)

June 30, 2015

12) Restructuring cost

For the three-month and six-month periods ended June 30, 2015, the Corporation has recorded restructuring cost of \$332 and \$332, respectively (June 30, 2014 - nil and nil). Restructuring costs are related to a re-alignment of resources (both personnel and real estate) to better match the sources of revenue following recent acquisitions in Europe and the reduction of revenue in the United States. Included in restructuring costs are severance cost for terminated employees and termination of certain services under the four-year transition services agreement with MSB.

13) Subsequent event

On July 27, 2015, the Corporation issued 95,185 common shares with an estimated weighted average fair value of \$0.35 per share for an aggregate value of \$33 to the Directors of the Corporation for services provided from January to March 2015. 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 five-day weighted average closing share price of the quarter-end.