



**Symbility Solutions Inc.**

Interim Condensed Consolidated Financial Statements  
(Unaudited)

**Quarter ended September 30, 2015**

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

	<u>Note(s)</u>	As at	
		September 30, 2015	December 31, 2014
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	4,529	12,612
Accounts receivable	8	9,636	4,879
Prepaid expenses		1,042	704
Taxes receivables		1,195	895
		<u>16,402</u>	<u>19,090</u>
<b>Long-term assets</b>			
Security deposits and other assets		144	90
Property and equipment	3, 5	744	747
Intangible assets	3, 6	13,098	8,657
Goodwill	3	10,751	6,948
		<u>41,139</u>	<u>35,532</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	4, 8	5,482	5,136
Deferred revenue		3,591	2,135
		<u>9,073</u>	<u>7,271</u>
<b>Long-term liabilities</b>			
Accrued liabilities and others		22	64
Customer deposits		345	345
		<u>9,440</u>	<u>7,680</u>
<b>Shareholders' equity</b>	7	<u>31,699</u>	<u>27,852</u>
		<u>41,139</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		Nine-month period ended	
		September 30,		September 30,	
		2015	2014	2015	2014
<b>Revenue</b>					
Software and other	8, 9	6,325	6,608	16,957	20,856
Professional services	8, 9	1,462	-	1,505	-
<b>Total revenue</b>	8, 9	<b>7,787</b>	6,608	<b>18,462</b>	20,856
<b>Cost of sales</b>					
Software and other		1,397	1,222	4,118	3,781
Professional services		865	-	890	-
<b>Total cost of sales</b>		<b>2,262</b>	1,222	<b>5,008</b>	3,781
<b>Gross margin</b>		<b>5,525</b>	5,386	<b>13,454</b>	17,075
<b>Expenses</b>					
Sales and marketing	7(e)	3,343	2,377	8,719	7,994
General and administration	7(e)	1,843	1,689	5,267	5,338
Research and development	7(e)	943	1,299	3,208	4,609
Depreciation, amortization, and foreign exchange	11	34	169	216	158
Other	3, 12	202	139	1,227	139
		<b>6,365</b>	5,673	<b>18,637</b>	18,238
<b>Loss before finance income and income tax expense</b>		<b>(840)</b>	(287)	<b>(5,183)</b>	(1,163)
Finance income, net		(6)	(37)	(59)	(117)
Income tax expense		30	9	63	12
<b>Net loss and comprehensive loss for the period</b>		<b>(864)</b>	(259)	<b>(5,187)</b>	(1,058)
<b>Basic and diluted loss and comprehensive loss per common share</b>		<b>(0.00)</b>	(0.00)	<b>(0.02)</b>	(0.01)
<b>Weighted average number of common shares outstanding</b>					
Basic and diluted		<b>237,520,650</b>	209,675,404	<b>224,947,856</b>	208,170,608

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
<b>December 31, 2013</b>		48,224	235	12,063	(34,046)	26,476
Share issuance for services		66	-	-	-	66
Share options exercised		344	-	(151)	-	193
Restricted shares released		1,102	-	(1,102)	-	-
Share issuance costs		(1)	-	-	-	(1)
Stock-based compensation	7(e)	-	-	1,637	-	1,637
Net loss for the period		-	-	-	(1,058)	(1,058)
<b>September 30, 2014</b>		49,735	235	12,447	(35,104)	27,313
<b>December 31, 2014</b>		49,802	-	12,929	(34,879)	27,852
Share issuance for services	4, 7(a)	64	-	-	-	64
Share options exercised	7(a)	36	-	(18)	-	18
Share issuance for business combination	3	1,733	-	-	-	1,733
Share issuance for cash	7(b)	7,153	-	-	-	7,153
Share issuance costs	7(a)	(710)	-	-	-	(710)
Warrants	7(f)	-	65	-	-	65
Stock-based compensation	7(e)	-	-	711	-	711
Net loss for the period		-	-	-	(5,187)	(5,187)
<b>September 30, 2015</b>		<b>58,078</b>	<b>65</b>	<b>13,622</b>	<b>(40,066)</b>	<b>31,699</b>

*See accompanying notes*

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

	Note(s)	Three-month period ended		Nine-month period ended	
		September 30,		September 30,	
		2015	2014	2015	2014
<b>Operating activities</b>					
Net loss for the period		(864)	(259)	(5,187)	(1,058)
Items not affecting cash					
Stock-based compensation	7(e)	326	263	711	1,637
Issuance of shares for services	7(a)	34	33	64	66
Depreciation and amortization	5, 6	824	482	2,083	1,400
		<b>320</b>	<b>519</b>	<b>(2,329)</b>	<b>2,045</b>
Changes in non-cash working capital items					
Accounts receivable		(3,675)	(2,334)	(3,845)	(2,466)
Prepaid expenses		(313)	(111)	(296)	52
Taxes receivables		(100)	-	(300)	-
Security deposits		(63)	-	(62)	(17)
Accounts payable and accrued liabilities		(603)	809	(663)	898
Deferred revenue		1,412	(1,415)	1,085	1,852
		<b>(3,342)</b>	<b>(3,051)</b>	<b>(4,081)</b>	<b>319</b>
<b>Cash provided by (used in) operating activities</b>					
		<b>(3,022)</b>	<b>(2,532)</b>	<b>(6,410)</b>	<b>2,364</b>
<b>Investing activities</b>					
Purchase of property and equipment	5	(40)	-	(176)	(353)
Purchase of intangible assets	6	(20)	(261)	(101)	(799)
Business combination	3	(347)	(354)	(7,939)	(354)
<b>Cash used in investing activities</b>					
		<b>(407)</b>	<b>(615)</b>	<b>(8,216)</b>	<b>(1,506)</b>
<b>Financing activities</b>					
Proceeds from issuance of common shares	7(a)	-	-	7,153	-
Proceeds from exercise of share options		-	1	18	193
Recovery (Payments) of issuance costs		19	(1)	(710)	(1)
Long-term finance lease payments		(1)	(13)	(3)	(40)
<b>Cash provided by (used in) financing activities</b>					
		<b>18</b>	<b>(13)</b>	<b>6,458</b>	<b>152</b>
Effect of exchange rate changes on cash and cash equivalents					
		<b>47</b>	<b>(27)</b>	<b>85</b>	<b>(261)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>					
		<b>(3,364)</b>	<b>(3,187)</b>	<b>(8,083)</b>	<b>749</b>
Cash and cash equivalents, beginning of period					
		<b>7,893</b>	<b>16,109</b>	<b>12,612</b>	<b>12,173</b>
<b>Cash and cash equivalents, end of period</b>					
		<b>4,529</b>	<b>12,922</b>	<b>4,529</b>	<b>12,922</b>
<b>Supplementary cash flow information</b>					
See accompanying notes					

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## **Symbility Solutions Inc.**

### **Notes to Interim Condensed Consolidated Financial Statements**

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

*September 30, 2015*

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#### **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 strategy and development services for mobile application in a broad range of 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 September 30, 2015, CoreLogic, Inc. and its affiliates (collectively "CoreLogic") own 67,739,821 common shares representing approximately 28% 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 nine-month periods ended September 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 nine-month periods ended September 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)*

*September 30, 2015*

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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 November 12, 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 nine-month periods ended September 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 at September 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.

## **Symbility Solutions Inc.**

### **Notes to Interim Condensed Consolidated Financial Statements**

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

*September 30, 2015*

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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 mobile applications 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.



## Symbility Solutions Inc.

### Notes to Interim Condensed Consolidated Financial Statements

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

September 30, 2015

The preliminary purchase equation is summarized below:

Fair value recognized on acquisition	UK IS Acquisition	BNOTIONS Acquisition	Total
<b>Assets</b>			
Accounts receivable	-	625	625
Prepaid expenses	160	13	173
Property and equipment	-	113	113
Trademarks	-	330	330
Customer relationships	5,650	-	5,650
Customer backlog	-	160	160
<b>Liabilities</b>			
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
<b>Purchase consideration</b>	<b>6,568</b>	<b>3,867</b>	<b>10,435</b>

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 nine-month periods ended September 30, 2015, acquisition costs of \$110 and \$378, 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 \$- 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 nine-month periods ended September 30, 2015, acquisition costs of \$92 and \$518, 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 nine-month period ended September 30, 2015, are as follow:

	Three-month period ended September 30, 2015			Nine-month period ended September 30, 2015		
	UK IS Acquisition	BNOTIONS Acquisition	Total	UK IS Acquisition	BNOTIONS Acquisition	Total
Revenue	1,633	1,472	3,105	3,128	1,515	4,643
Expenses	589	1,517	2,106	1,477	1,561	3,038
Net income (loss)	1,044	(45)	999	1,651	(46)	1,605
Amortization of intangible assets	153	86	239	294	86	380

## Symbility Solutions Inc.

### Notes to Interim Condensed Consolidated Financial Statements

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

September 30, 2015

If the acquisitions had taken place at the beginning of the year, consolidated revenue would have been \$21,435, expenses would have been \$26,602, including intangible asset amortization expense of \$2,091, and the net loss for the nine-month period ended September 30, 2015 would have been \$(5,167).

#### 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 and cash proceeds from the exercise of the preemptive right was \$2,091. The issuance of these common shares was approved by the TSX Venture Exchange.

On July 21, 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.

For the three-month and nine-month periods ended September 30, 2015, the Corporation expensed \$441 and \$1,672, respectively (September 30, 2014 - \$568 and \$1,879) for services under the four-year transition services agreement and database license agreement and for products under a reseller 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 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 nine-month periods ended September 30, 2015, the Corporation earned \$107 and \$111, respectively, (September 30, 2014 - nil and \$14) for services provided to MSB. As at September 30, 2015, the Corporation owed \$101 (December 31, 2014 - \$155) to MSB, net of services provided.

#### 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		Nine-month period ended	
	September 30,		September 30,	
	2015	2014	2015	2014
Short-term remuneration and benefits	659	704	2,047	2,174
Share-based payments	131	160	372	1,006
<b>Total</b>	<b>790</b>	<b>864</b>	<b>2,419</b>	<b>3,180</b>

## Symbility Solutions Inc.

### Notes to Interim Condensed Consolidated Financial Statements

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

September 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	September 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	-
<b>Total</b>			<b>12,457,245</b>	<b>10,627,151</b>

On September 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
<b>Cost</b>					
At January 1, 2015	289	1,048	202	466	2,005
Additions	17	140	17	-	174
Addition arising from business combination (see note 3)	30	75	8	-	113
Disposals	(6)	(7)	-	-	(13)
<b>At September 30, 2015</b>	<b>330</b>	<b>1,256</b>	<b>227</b>	<b>466</b>	<b>2,279</b>
<b>Accumulated depreciation</b>					
At January 1, 2015	175	794	129	160	1,258
Depreciation expense	32	154	34	65	285
Disposals	(3)	(5)	-	-	(8)
<b>At September 30, 2015</b>	<b>204</b>	<b>943</b>	<b>163</b>	<b>225</b>	<b>1,535</b>
<b>Net book value</b>					
At January 1, 2015	114	254	73	306	747
<b>At September 30, 2015</b>	<b>126</b>	<b>313</b>	<b>64</b>	<b>241</b>	<b>744</b>

For the nine-month period ended September 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
<b>Cost</b>					
As at January 1, 2015	729	95	2,352	9,548	12,724
Additions	86	13	-	-	99
Additions arising from business combinations (see note 3)	-	330	5,810	-	6,140
<b>As at September 30, 2015</b>	<b>815</b>	<b>438</b>	<b>8,162</b>	<b>9,548</b>	<b>18,963</b>
<b>Accumulated amortization</b>					
As at January 1, 2015	281	13	1,257	2,516	4,067
Amortization expense	158	-	863	777	1,798
<b>As at September 30, 2015</b>	<b>439</b>	<b>13</b>	<b>2,120</b>	<b>3,293</b>	<b>5,865</b>
<b>Net book value</b>					
As at January 1, 2015	448	82	1,095	7,032	8,657
<b>As at September 30, 2015</b>	<b>376</b>	<b>425</b>	<b>6,042</b>	<b>6,255</b>	<b>13,098</b>

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

#### 7) Shareholders' equity

##### (a) Issued capital

Authorized  
 Unlimited common shares, no par value  
 Unlimited preferred shares, no par value

Issued (excluding Restricted Shares described below)

	Common shares	
	#	\$
<b>Share Capital Balance - December 31, 2014</b>	210,023,482	49,802
Share issuance for services rendered	177,321	64
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	-	(710)
<b>Share Capital Balance - September 30, 2015</b>	<b>237,541,342</b>	<b>58,078</b>

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

## Symbility Solutions Inc.

### Notes to Interim Condensed Consolidated Financial Statements

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

September 30, 2015

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**(b) 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 \$6,774, net of issuance costs. The issuance of these common shares was approved by the TSX Venture Exchange.

**(c) 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 includes an 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.

On June 26, 2015, 2,000,000 RSs were issued under the 2015 Canadian RS Plan. As of September 30, 2015, there were 2,000,000 RSs outstanding and the weighted average remaining contractual life for the RSs outstanding is 2.74 years.

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

	<u>September 30, 2015</u>
	<b>Restricted Shares</b>
	<b>outstanding</b>
	<b>#</b>
Balance - beginning of period	-
Granted	<b>2,000,000</b>
Balance - end of period	<b>2,000,000</b>

## Symbility Solutions Inc.

### Notes to Interim Condensed Consolidated Financial Statements

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

September 30, 2015

#### (d) 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.

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 September 30		Nine-month period ended September 30	
	2015	2014	2015	2014
Risk-free interest rate	1.22%	1.89%	1.14%	1.94%
Expected life	6.0 years	6.0 years	6.0 years	6.0 years
Volatility	82%	98%	86%	105%
Expected dividends	Nil	Nil	Nil	Nil
Weighted average				
Share price	\$0.28	\$0.27	\$0.33	\$0.37
Exercise price	\$0.30	\$0.29	\$0.34	\$0.36
Fair value	\$0.21	\$0.21	\$0.25	\$0.30

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

	September 30, 2015		December 31, 2014	
	Stock options outstanding #	Weighted average exercise price \$	Stock options outstanding #	Weighted average exercise price \$
Balance – Beginning of period	16,839,701	0.42	15,963,399	0.41
Granted	4,044,560	0.34	3,184,935	0.36
Exercised	(164,466)	0.11	(1,331,133)	0.16
Forfeited	(453,619)	0.37	(291,394)	0.44
Expired	(461,607)	0.40	(686,106)	0.42
Balance – End of period	19,804,569	0.41	16,839,701	0.42
Exercisable – End of period	13,112,754	0.43	10,666,179	0.41

The weighted average remaining contractual life for the stock options outstanding as at September 30, 2015 is 7.76 years (December 31, 2014 – 7.99 years). The weighted average share price of options exercised during the nine-month period ended September 30, 2015 was \$0.33 (September 30, 2014 - \$0.34).

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

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**(e) Stock-based compensation**

The total stock-based compensation expense for the Plan and the 2015 RS Plans for the three-month and nine-month periods ended September 30, 2015 was \$326 and \$711 respectively (September 30, 2014 – \$263 and \$1,637) with a corresponding credit to contributed surplus.

	<b>Three-month period ended September 30,</b>		<b>Nine-month period ended September 30,</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
Cost of sales	<b>95</b>	-	<b>99</b>	-
Sales and marketing	<b>140</b>	109	<b>289</b>	544
General and administration	<b>66</b>	87	<b>223</b>	699
Research and development	<b>25</b>	67	<b>100</b>	394
<b>Total</b>	<b>326</b>	263	<b>711</b>	1,637

**(f) 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.

	<b>Nine-month period ended September 30, 2015</b>
Risk-free interest rate	<b>0.64%</b>
Expected life	<b>1.5 years</b>
Volatility	<b>59%</b>
Expected dividends	<b>Nil</b>
Weighted average	
Share price	<b>0.32</b>
Exercise price	<b>0.40</b>
Fair value	<b>0.065</b>

## Symbility Solutions Inc.

### Notes to Interim Condensed Consolidated Financial Statements

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

September 30, 2015

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

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

The weighted average remaining contractual life for the warrants outstanding as at September 30, 2015 is 2.74 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 September 30, 2015 and December 31, 2014 are as follows:

	<u>September 30, 2015</u>	<u>December 31, 2014</u>
<b>Accounts receivable</b>		
U.K. pound sterling	<b>35%</b>	37%
Euro	<b>1%</b>	12%
U.S. dollars	<b>31%</b>	11%
<b>Accounts payable</b>		
U.S. dollars	<b>17%</b>	21%



## Symbility Solutions Inc.

### Notes to Interim Condensed Consolidated Financial Statements

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

September 30, 2015

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

	Three-month period ended		Nine-month period ended	
	September 30,		September 30,	
Revenue	2015	2014	2015	2014
U.K. pound sterling	21%	13%	21%	14%
U.S. dollars	37%	64%	41%	63%
<b>Expenses</b>				
U.K. pound sterling	11%	nil	7%	nil
U.S. dollars	36%	32%	36%	31%

#### *Credit risk*

As at September 30, 2015, the largest amounts due from two customers accounted for 18% and 11% 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:

	September 30, 2015	December 31, 2014
Current	6,605	3,209
31 - 60 days	2,261	373
61 - 90 days	147	344
Over 91 days	652	997
Less: allowance for doubtful accounts	(29)	(44)
<b>Total accounts receivable, net</b>	<b>9,636</b>	<b>4,879</b>

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 September 30, 2015, the Corporation was holding cash and cash equivalents of \$4,529 (December 31, 2014 - \$12,612).

## **Symbility Solutions Inc.**

### **Notes to Interim Condensed Consolidated Financial Statements**

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

*September 30, 2015*

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#### **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 application 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 September 30, 2015, no customer accounted for more than 10% of the Corporation's revenue (September 30, 2014 - two customers - \$977 and \$2,394. These customers were in the Symbility Property segment).

During the nine-month period ended September 30, 2015, no customer accounted for more than 10% of the Corporation's revenue (September 30, 2014 - two customers - \$3,448 and \$7,135. 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)

September 30, 2015

In the following tables, the Corporation discloses segment results, which are reconciled to the consolidated results reported in accordance with IFRS. The Health, Property and Mobile Innovation columns represent the segment results of each such operating segment. The Other column adds in those line items that are managed on a consolidated basis only: interest expense and other income (expense) – net, and cash and cash equivalents. This column also eliminates any intercompany transactions included in each segment's.

	<b>Three-month period ended September 30, 2015</b>				
	<b>Symbility Health</b>	<b>Symbility Property</b>	<b>Mobile Innovation</b>	<b>Other</b>	<b>Total</b>
Revenue					
Software and other	1,253	5,072	-	-	6,325
Professional services	-	-	1,472	(10)	1,462
Total revenue	1,253	5,072	1,472	(10)	7,787
Cost of sales					
Software and other	612	785	-	-	1,397
Professional services	-	-	865	-	865
Total cost of sales	612	785	865	-	2,262
	641	4,287	607	(10)	5,525
Expenses	918	4,806	651	(10)	6,365
Segment loss before finance costs (income), net and income tax expense	(277)	(519)	(44)	-	(840)
Finance income, net	-	-	-	(6)	(6)
Income tax expense	-	30	-	-	30
Segment net income (loss)	(277)	(549)	(44)	6	(864)

	<b>Nine-month period ended September 30, 2015</b>				
	<b>Symbility Health</b>	<b>Symbility Property</b>	<b>Mobile Innovation</b>	<b>Other</b>	<b>Total</b>
Revenue					
Software and other	3,895	13,062	-	-	16,957
Professional services	-	-	1,515	(10)	1,505
Total revenue	3,895	13,062	1,515	(10)	18,462
Cost of sales					
Software and other	1,800	2,318	-	-	4,118
Professional services	-	-	890	-	890
Total cost of sales	1,800	2,318	890	-	5,008
	2,095	10,744	625	(10)	13,454
Expenses	2,668	15,308	671	(10)	18,637
Segment loss before finance costs (income), net and income tax expense	(573)	(4,564)	(46)	-	(5,183)
Finance income, net	-	-	-	(59)	(59)
Income tax expense	-	63	-	-	63
Segment net income (loss)	(573)	(4,627)	(46)	59	(5,187)

## Symbility Solutions Inc.

### Notes to Interim Condensed Consolidated Financial Statements

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

September 30, 2015

	As at September 30, 2015				
	Symbility Health	Symbility Property	Mobile Innovation	Other	Total
Operating assets	1,958	30,188	4,464	-	36,610
Assets not allocated to segments					
Cash and cash equivalents	-	-	-	4,529	4,529
Total operating assets	1,958	30,188	4,464	4,529	41,139
Carrying value of intangible assets	45	12,649	404	-	13,098
Carrying value of goodwill	-	7,890	2,861	-	10,751
Total liabilities	1,585	6,703	1,152	-	9,440
Additions to property and equipment, intangible assets, and goodwill	10	9,701	618	-	10,329

There was no Mobile Innovation division in 2014.

	Three-month period ended September 30, 2014			
	Symbility Health	Symbility Property	Other	Total
Revenue				
Software and other	1,123	5,485	-	6,608
Total revenue	1,123	5,485	-	6,608
Cost of sales				
Software and other	531	691	-	1,222
Total cost of sales	531	691	-	1,222
Expenses	592	4,794	-	5,386
Segment loss before finance costs (income), net and income tax expense	768	4,905	-	5,673
Finance income, net	(176)	(111)	-	(287)
Income tax expense	-	-	(37)	(37)
Segment net income (loss)	-	9	-	9
	(176)	(120)	37	(259)

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

	<b>Nine-month period ended September 30, 2014</b>			
	<b>Symbility Health</b>	<b>Symbility Property</b>	<b>Other</b>	<b>Total</b>
Revenue				
Software and other	3,407	17,449	-	20,856
Total revenue	3,407	17,449	-	20,856
Cost of sales				
Software and other	1,580	2,201	-	3,781
Total cost of sales	1,580	2,201	-	3,781
Expenses	1,827	15,248	-	17,075
Segment loss before finance costs (income), net and income tax expense	2,522	15,716	-	18,238
Finance income, net	(695)	(468)	-	(1,163)
Income tax expense	-	-	(117)	(117)
Segment net income (loss)	-	12	-	12
	(695)	(480)	117	(1,058)

	<b>As at December 31, 2014</b>			
	<b>Symbility Health</b>	<b>Symbility Property</b>	<b>Other</b>	<b>Total</b>
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)

September 30, 2015

#### Geographic Information

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

	Revenue for three-month period ended		Revenue for nine-month period ended		Non-current assets as at	
	September 30, 2015	2014	September 30, 2015	2014	September 30, 2015	December 31, 2014
Canada	2,939	1,365	6,135	4,149	10,662	8,201
United States	2,875	4,243	7,498	13,180	7,435	7,895
International	1,973	1,000	4,829	3,527	6,640	346
<b>Total</b>	<b>7,787</b>	<b>6,608</b>	<b>18,462</b>	<b>20,856</b>	<b>24,737</b>	<b>16,442</b>

#### 10) Supplementary cash flow information

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2015	2014	2015	2014
Interest paid	-	-	-	1
Interest received	8	36	70	120
Income taxes paid	6	9	66	21

#### 11) Depreciation, amortization, and foreign exchange

	Three-month period ended September 30,		Nine-month period ended September 30,	
	2015	2014	2015	2014
Depreciation and amortization	162	107	445	322
Foreign exchange loss (gain), net	(128)	62	(229)	(164)
<b>Total</b>	<b>34</b>	<b>169</b>	<b>216</b>	<b>158</b>

#### 12) Restructuring cost

For the three-month and nine-month periods ended September 30, 2015, the Corporation has recorded restructuring cost of nil and \$332, respectively (September 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.