



**Symbility Solutions Inc.**

Interim Condensed Consolidated Financial Statements  
(Unaudited)

**Quarter ended March 31, 2013**

**Symbility Solutions Inc.**

## Interim Condensed Consolidated Statements of Financial Position

*(Unaudited - In thousands of Canadian dollars)*

	<u>Note</u>	As at	
		March 31, 2013	December 31, 2012
<b>Assets</b>			
<b>Current assets</b>			
Cash and cash equivalents	5	13,020	15,008
Accounts receivable and other	5	3,624	3,340
Loans receivable	3	146	148
Prepaid expenses and other assets		682	576
		<u>17,472</u>	<u>19,072</u>
<b>Security deposits</b>		19	19
<b>Property and equipment</b>		518	399
<b>Intangible assets</b>		9,833	10,148
<b>Goodwill</b>		6,771	6,771
		<u>34,613</u>	<u>36,409</u>
<b>Liabilities</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	3	3,366	3,884
Other current liabilities		33	18
Current portion of deferred revenue		3,305	4,118
		<u>6,704</u>	<u>8,020</u>
<b>Long-term liabilities</b>			
Deferred revenue		109	208
Finance lease obligations		36	49
Customer deposits		323	202
		<u>7,172</u>	<u>8,479</u>
<b>Shareholders' equity</b>		<u>27,441</u>	<u>27,930</u>
		<u>34,613</u>	<u>36,409</u>

*See accompanying notes*

**Symbility Solutions Inc.**

## Interim Condensed Consolidated Statements of Loss and Comprehensive Loss

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

	<u>Note</u>	<b>Three-month period ended</b>	
		<b>March 31,</b>	
		<b>2013</b>	<b>2012</b>
<b>Revenue</b>		<b>4,974</b>	<b>2,361</b>
<b>Cost of sales</b>		<b>997</b>	<b>371</b>
		<b>3,977</b>	<b>1,990</b>
<b>Expenses</b>			
General and administration	4	<b>2,168</b>	1,004
Research and development	4	<b>1,013</b>	488
Sales and marketing	4	<b>2,735</b>	689
Transaction related expenses		-	912
Other operating expenses		<b>62</b>	51
		<b>5,978</b>	<b>3,144</b>
<b>Loss before finance costs (income), net and income tax expense</b>		<b>(2,001)</b>	<b>(1,154)</b>
Finance costs (income), net		<b>(32)</b>	1
Current income tax expense		<b>3</b>	-
<b>Net loss and comprehensive loss for the period</b>		<b>(1,972)</b>	<b>(1,155)</b>
<b>Basic and diluted loss and comprehensive loss per common share</b>		<b>(0.01)</b>	<b>(0.01)</b>
<b>Weighted average number of common shares outstanding</b>			
<b>Basic and diluted</b>		<b>203,970,455</b>	<b>118,457,278</b>

*See accompanying notes*

**Symbility Solutions Inc.**

## Interim Condensed Consolidated Statements of Changes in Shareholders' Equity

*(Unaudited - In thousands of Canadian dollars)*

	Note	Common shares	Broker warrants	Contributed surplus	Deficit	Total shareholders' equity
<b>December 31, 2011</b>		16,359	-	9,247	(24,780)	826
Share issuance for services		68	-	-	-	68
Share options exercised	4	5	-	(3)	-	2
Share issuance costs		(1)	-	-	-	(1)
Stock-based compensation	4	-	-	146	-	146
Net loss for the period		-	-	-	(1,155)	(1,155)
<b>March 31, 2012</b>		16,431	-	9,390	(25,935)	(114)
<b>December 31, 2012</b>		47,611	235	9,443	(29,359)	27,930
Share issuance for services		50	-	-	-	50
Share options exercised	4	13	-	(5)	-	8
Restricted shares released	4	381	-	(381)	-	-
Share issuance costs		(1)	-	-	-	(1)
Stock-based compensation	4	-	-	1,426	-	1,426
Net loss for the period		-	-	-	(1,972)	(1,972)
<b>March 31, 2013</b>		<b>48,054</b>	<b>235</b>	<b>10,483</b>	<b>(31,331)</b>	<b>27,441</b>

*See accompanying notes*

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

	<b>Note</b>	<b>Three-month period ended</b>	
		<b>March 31,</b>	
		<b>2013</b>	<b>2012</b>
<b>Operating activities</b>			
Net loss for the period		(1,972)	(1,155)
Items not affecting cash			
Stock-based compensation	4	1,426	146
Issuance of shares for services		50	68
Depreciation and amortization		375	26
		<u>(121)</u>	<u>(915)</u>
Net change in non-cash working capital items			
Accounts receivable and other		(284)	648
Prepaid expenses and other assets		(106)	(182)
Accounts payable and accrued liabilities		(504)	(363)
Deferred revenue		(912)	(148)
Customer deposits		121	1
		<u>(1,685)</u>	<u>(44)</u>
<b>Cash used in operating activities</b>		<u>(1,806)</u>	<u>(959)</u>
<b>Investing activities</b>			
Purchase of property and equipment		(159)	(25)
Purchase of intangible assets		(20)	(7)
Loans receivable	4	2	40
Transaction related payables		-	507
<b>Cash provided by (used in) investing activities</b>		<u>(177)</u>	<u>515</u>
<b>Financing activities</b>			
Proceeds from exercise of share options		8	2
Cost of issuance of shares	4	(1)	(1)
Finance lease payments		(12)	(12)
<b>Cash used in financing activities</b>		<u>(5)</u>	<u>(11)</u>
<b>Net decrease in cash and cash equivalents</b>		<u>(1,988)</u>	<u>(455)</u>
Cash and cash equivalents at beginning of period		15,008	1,301
<b>Cash and cash equivalents at end of period</b>		<u>13,020</u>	<u>846</u>
<b>Supplementary cash flow information</b>	7		

*See accompanying notes*

## **Symbility Solutions Inc.**

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

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

March 31, 2013

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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. 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". On February 5, 2013, the Corporation began trading in the United States on the OTCQX International exchange under the stock symbol "ATBEF".

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, Milwaukee, Wisconsin, and Tyler, Texas.

The Corporation has two wholly owned subsidiaries, Automated Benefits Inc. ("Adjudicare") located in Toronto, Ontario and Symbility Solutions Corp. ("Symbility USA") located in Milwaukee, Wisconsin.

As at March 31, 2013, Decision Insight Information Group and its affiliates (collectively "Decision Insight"), own 61,404,748 common shares representing approximately 29% of the outstanding shares of the Corporation. Marshall & Swift/Boeckh ("MSB"), a wholly owned subsidiary of Decision Insight is a related party as a result of a common significant shareholder.

#### **2) Basis of Presentation and changes to accounting policies**

##### **a) Statement of compliance**

These interim condensed consolidated financial statements for the three-month period ended March 31, 2013 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, 2012, 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 period ended March 31, 2013 should be read together with the annual consolidated financial statements for the year ended December 31, 2012.

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 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 issuance by the Board of Directors (the "Board") of the Corporation on May 13, 2013.

## **Symbility Solutions Inc.**

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

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

*March 31, 2013*

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

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation as the Corporation has adopted the new standards and amended IFRS pronouncements listed below effective as of January 1, 2013.

The Corporation applies, for the first time, certain standards and amendments that require restatement of previous financial statements. These include IFRS 10 Consolidated Financial Statements, IFRS 13 Fair Value Measurement and amendments to IAS 1 Presentation of Financial Statements. As required by IAS 34, the nature and the effect of these changes are disclosed below. In addition, the application of IFRS 12 Disclosure of Interest in Other Entities would result in additional disclosures in the annual consolidated financial statements.

Several other new standards and amendments apply for the first time in 2013. However, they do not impact the annual consolidated financial statements of the Corporation or the interim condensed consolidated financial statements of the Corporation.

The nature and the impact of each new standard/amendment is described below:

i) IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Corporation's financial position or performance.

ii) IAS 34 Interim financial reporting and segment information for total assets and liabilities (Amendment)

The amendment clarifies the requirements in IAS 34 relating to segment information for total assets and liabilities for each reportable segment to enhance consistency with the requirements in IFRS 8 Operating Segments. Total assets and liabilities for a reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change in the total amount disclosed in the entity's previous annual consolidated financial statements for that reportable segment. The Corporation provides this disclosure as total segment assets were reported to the chief operating decision maker (CODM). As a result of this amendment, the Corporation now also includes disclosure of total segment liabilities as these are reported to the CODM. See note 6.

## **Symbility Solutions Inc.**

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

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

*March 31, 2013*

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#### iii) IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements

IFRS 10, Consolidated Financial Statements ("IFRS 10") replaced portions of IAS 27, Consolidated and Separate Financial Statements, that addressed consolidation, and superseded SIC-12, Consolidation – Special Purpose Entities ("SPE"), in its entirety. IFRS 10 provides a single model to be applied in the analysis of control of all investees, including entities that currently are SPEs in the scope of SIC-12. An investor must possess the following three elements to conclude if it controls an investee: power over the investee's financial and operating decisions, exposure or rights to variable returns from involvement with the investee, and the ability to use power over the investee and its exposure or rights to variable returns.

The adoption of IFRS 10 had no impact on the interim condensed consolidated financial statements for the period or prior periods presented as the adoption did not result in a change in the consolidation status of any of our subsidiaries or investees or the identification of any subsidiaries.

#### iv) IFRS 12 Disclosure of Interests in Other Entities

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. None of these disclosure requirements are applicable for interim condensed consolidated financial statements, unless significant events and transactions in the interim period requires that they are provided. Accordingly, the Corporation has not made such disclosures.

#### v) IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Corporation.

IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34.16A(j), thereby affecting the interim condensed consolidated financial statements period. See note 5.

The Corporation has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

### **3) Related party transactions**

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

For the three-month period ended March 31, 2013, the Corporation expensed \$564 (March 31, 2012 - \$Nil), respectively, 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 was on April 10, 2012 and iii) portions of the agreement upon 90 days' notice. At March 31, 2013, the Corporation owed \$207 (December 31, 2012 - \$158) to the related party.



## Symbility Solutions Inc.

### Notes to Interim Condensed Consolidated Financial Statements

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

March 31, 2013

On June 29, 2012, 2,823,265 restricted shares under the Canadian Restricted Shares Plan and United States Restricted Shares Plan were granted to certain Directors and officers of the Corporation. As of March 31, 2013, the value of these Canadian Restricted Share loans was \$114 (March 31, 2012 - \$Nil), with an annual interest rate of 2.5%. The loans are secured by the pledge agreements on the Restricted Shares. The maturity date of these loans is the earlier of i) on the first date that one or more Shares in respect of the Participant's benefit under the Plan are released from Escrow and delivered to the Participant and ii) March 31, 2017. There is no loan to recipients of the US Restricted Shares. On April 12, 2013, the Directors and officers repaid the loans of \$70.

#### Compensation of key management personnel

Key management personnel includes the Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Chief Technology Officer, Vice Presidents, and Directors. The compensation paid or payable to key management is shown in the following table:

	Three-month period ended	
	March 31,	
	2013	2012
Short term remuneration and benefits	766	511
Share-based payments	794	113
<b>Total</b>	<b>1,560</b>	<b>624</b>

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	March 31, 2013	December 31, 2012
		\$	Number outstanding	Number outstanding
2009	2014	0.12 - 0.19	1,050,000	1,050,000
2010	2015 - 2020	0.11 - 0.20	333,932	333,932
2011	2021	0.22 - 0.26	1,371,000	1,371,000
2012	2022	0.34 - 0.46	2,850,000	2,850,000
2013	2023	0.47 - 0.50	4,853,500	-
<b>Total</b>			<b>10,458,432</b>	<b>5,604,932</b>

On March 31, 2013, 2,164,507 (December 31, 2012 - 2,823,265) restricted shares under the Canadian Restricted Shares Plan and United States Restricted Shares Plan were outstanding to certain Directors and officers of the Corporation.

## Symbility Solutions Inc.

### Notes to Interim Condensed Consolidated Financial Statements

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

March 31, 2013

#### 4) Issued capital

Authorized

Unlimited number of common shares, no par value

Unlimited number of preferred shares, no par value

Issued and outstanding (excluding Restricted Shares described below)

	Common shares	
	#	\$
<b>Share Capital Balance - December 31, 2012</b>	203,873,159	47,611
Shares issued for services rendered	111,438	50
Share options exercised	16,666	13
Restricted shares released	1,001,738	381
Share issuance costs	-	(1)
<b>Share Capital Balance - March 31, 2013</b>	<b>205,003,001</b>	<b>48,054</b>

As at March 31, 2013, there were 3,291,527 (December 31, 2012 - 4,293,265) Restricted Shares outstanding in addition to the above.

#### Restricted Share Plans

On March 27, 2012, the Shareholders approved the Canadian Restricted Share Plan (the "Canadian RS Plan") and the United States Restricted Share Plan (the "United States RS Plan", and together with the Canadian RS Plan, the "RS Plans"). Awards granted pursuant to the RS Plans, together with all other security based compensation granted by the Corporation, shall not exceed 10% of the issued and outstanding Common Shares on the date of grant.

The following table summarizes activity related to RS for the three-month period ended March 31, 2013 and for the twelve-month period ended December 31, 2012:

	March 31, 2013	December 31, 2012
	Restricted Shares outstanding #	Restricted Shares outstanding #
Balance at beginning of period	4,293,265	-
Granted	-	4,393,265
Forfeited	-	(100,000)
Released	(1,001,738)	-
Balance at end of period	<b>3,291,527</b>	4,293,265

## Symbility Solutions Inc.

### Notes to Interim Condensed Consolidated Financial Statements

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

March 31, 2013

#### 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

	Three-month period ended March 31,	
	2013	2012
General and administration	800	103
Research and development	297	15
Sales and marketing	329	28
Total	<u>1,426</u>	<u>146</u>

The total stock-based compensation expense for the Stock option plan and the Restricted Share Plans for the three-month period ended March 31, 2013 was \$1,426 (March 31, 2012 – \$146), with a corresponding credit to contributed surplus.

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

	Three-month period ended March 31,	
	2013	2012
Risk-free interest rate	1.49%	1.57%
Expected life	5.5 years	5.5 years
Volatility	113%	117%
Expected dividends	Nil	Nil
Weighted average share price	\$0.49	\$0.35
Weighted average exercised price	\$0.50	\$0.35
Weighted average fair value	\$0.40	\$0.29

The following table summarizes activity related to stock options for the three-month period ended March 31, 2013 and for the twelve-month period ended December 31, 2012:

	March 31, 2013		December 31, 2012	
	Stock options outstanding #	Weighted average exercise price \$	Stock options outstanding #	Weighted average exercise price \$
Balance – Beginning of period	8,638,399	0.32	7,143,864	0.20
Granted	6,947,500	0.50	4,800,000	0.43
Exercised	(16,666)	0.46	(3,145,465)	0.20
Forfeited	(200,003)	0.46	(80,001)	0.42
Expired	(83,331)	0.46	(79,999)	0.30
Balance – End of period	<u>15,285,899</u>	<u>0.40</u>	<u>8,638,399</u>	<u>0.32</u>
Balance – Exercisable	<u>7,183,843</u>	<u>0.33</u>	<u>4,731,365</u>	<u>0.25</u>

## Symbility Solutions Inc.

### Notes to Interim Condensed Consolidated Financial Statements

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

March 31, 2013

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The weighted average remaining contractual life for the stock options outstanding as at March 31, 2013 is 8.43 years (December 31, 2012 – 7.46 years).

#### 5) 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. Of the Corporation's accounts receivable and accounts payable at March 31, 2013, 58% is denominated in U.S. dollars (December 31, 2012 - 59%) and 27% is denominated in U.S. dollars (December 31, 2012 - 21%), respectively. During the three-month period ended March 31, 2013, revenue was approximately 76% in U.S. dollars (March 31, 2012 - 58%) and expenses were approximately 38% in U.S. dollars (March 31, 2012 - 25%).

For the three-month period ended March 31, 2013, the effect in net loss and comprehensive loss of a weakening (strengthening) of the U.S. dollar by 1% would have been \$Nil (March 31, 2012 - \$26) and a weakening (strengthening) of the U.K. pound sterling by 1% would have been \$8 (March 31, 2012 - \$Nil). The Corporation's exposure to foreign currency changes for all other currencies is not material.

##### *Credit risk*

As at March 31, 2013, the largest amounts due from two customers accounted for 22% and 12%, respectively, of the Corporation's total accounts receivable (December 31, 2012 - two customers - 19% and 11%, respectively).

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

	<b>March 31, 2013</b>	<b>December 31, 2012</b>
Current	<b>2,163</b>	1,920
31 - 60 days	<b>847</b>	646
61 - 90 days	<b>179</b>	187
Over 91 days	<b>517</b>	781
Less: allowance for doubtful accounts	<b>(93)</b>	(202)
<b>Total accounts receivable, net</b>	<b>3,613</b>	3,332

Included in accounts receivable as at March 31, 2013 is \$64 (December 31, 2012 - \$130) for customers on quarterly payment plans for annual contracts. These amounts are also included in deferred revenue, which offsets the credit risk on these receivables.

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.

## **Symbility Solutions Inc.**

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

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

*March 31, 2013*

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#### *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 March 31, 2013, the Corporation was holding cash and cash equivalents of \$13,020 (December 31, 2012 - \$15,008).

#### **6) Segmented and seasonality information**

The Corporation has two reportable segments which offer different products and services: the group insurance division and the property and casualty division.

- Adjudicare provides an advanced and practical software solution to a network of Employee Benefits Brokers and Third Party Administrator partners to enable them to adjudicate and pay health and dental claims.
- Symbility provides powerful, accurate and easy-to-use claims processing, estimating software solutions and analytical services for Property and Casualty Insurers. The collaborative workflow management, mobile estimating, claims triage solutions and analytical services allow insurers to reduce costs while delivering a market-leading claims experience.

In 2013, the Corporation changed the composition of its reportable segments based on the information being provided to the Chief Decision Making Officer. Previously a number of costs remained in an unallocated segment called head office. These costs have been allocated to the operating segments above and the corresponding disclosure of comparable periods has been restated.

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

**Symbility Solutions Inc.****Notes to Interim Condensed Consolidated Financial Statements***(Unaudited - In thousands of Canadian dollars unless otherwise stated)***March 31, 2013**

During the three-month period ended March 31, 2013, there were two customers (March 31, 2012 - two customers) who accounted for more than 10% or \$1,879 (March 31, 2012 - \$1,039) of the Corporation's revenue. These customers are in the Symbility operating segment.

	<b>Three-month period ended March 31, 2013</b>			
	<b>Adjudicare</b>	<b>Symbility</b>	<b>Head office</b>	<b>Total</b>
Revenue	995	3,979	-	4,974
Cost of sales	438	559	-	997
	557	3,420	-	3,977
Expenses	535	5,443	-	5,978
Segment income (loss) before finance costs (income), net and income tax expense	22	(2,023)	-	(2,001)
Finance costs (income), net	-	-	(32)	(32)
Income tax expense, current	-	3	-	3
Segment income (loss)	22	(2,026)	32	(1,972)

**As at March 31, 2013**

Assets	1,495	20,098	-	21,593
Assets not allocated to segments				
Cash and cash equivalents	-	-	13,020	13,020
Total assets	1,495	20,098	13,020	34,613
Total liabilities	1,364	5,808	-	7,172
Additions to property and equipment and intangible assets	5	174	-	179

	<b>Three-month period ended March 31, 2012</b>			
	<b>Adjudicare</b>	<b>Symbility</b>	<b>Head office</b>	<b>Total</b>
Revenue	879	1,482	-	2,361
Cost of sales	353	18	-	371
	526	1,464	-	1,990
Expenses	418	2,726	-	3,144
Segment income (loss) before finance costs (income), net	108	(1,262)	-	(1,154)
Finance costs (income), net	-	-	1	1
Segment income (loss)	108	(1,262)	(1)	(1,155)

**As at December 31, 2012**

Assets	1,385	20,016	-	21,401
Assets not allocated to segments				
Cash and cash equivalents	-	-	15,008	15,008
Total assets	1,385	20,016	15,008	36,409
Total liabilities	1,063	7,416	-	8,479
Additions to property and equipment, intangible assets and goodwill	13	18,052	-	18,065

## Symbility Solutions Inc.

### Notes to Interim Condensed Consolidated Financial Statements

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

March 31, 2013

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#### Geographic Information

The Corporation's revenues by geographic areas for the three-month period ended March 31, 2013 and 2012 and non-current assets as at March 31, 2013 and December 31, 2012 are as follows:

	Revenue for the three-month period ended		Non-current assets as at	
	March 31, 2013	March 31, 2012	March 31, 2013	December 31, 2012
Canada	1,174	984	8,503	8,591
United States	3,189	1,135	8,638	8,746
International	611	242	-	-
Total	4,974	2,361	17,141	17,337

#### Seasonality

Symbility revenue is based in part on claims volumes and typically has higher claims in the second and third quarter based on seasonal weather effects. Symbility expects that the growth in breadth and depth of our customer base and the evolution of our pricing model we will reduce this seasonality in the future.

#### 7) Supplementary cash flow information

	Three-month period ended March 31,	
	2013	2012
Interest paid	1	2
Interest received	30	1
Income taxes paid	3	-

#### 8) Comparative interim condensed consolidated financial statements

The comparative interim condensed consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the 2013 interim condensed consolidated financial statements.