

Symbility Solutions Inc.

Management's Discussion and Analysis

March 28, 2018

This Management's Discussion and Analysis ("MD&A") for Symbility Solutions Inc. (the "Corporation") should be read with the audited consolidated financial statements for the year ended December 31, 2017. The consolidated financial statements for the year ended December 31, 2017 of the Corporation were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). Any reference to the Corporation specifically relates to the company as separate from its operating segments. All operating results refer to the consolidated financials of the parent company and its subsidiaries unless specifically noted otherwise. Additional information about the Corporation is available on SEDAR at www.sedar.com.

All amounts are expressed in thousands of Canadian dollars unless otherwise noted.

This document is intended to assist the reader in better understanding the operations and key financial results as of the date of this report. The consolidated financial statements and this MD&A have been reviewed by the Corporation's Audit Committee and approved by its Board of Directors.

As at December 31, 2017, 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"), and CoreLogic Asia are wholly owned subsidiaries of CoreLogic, and are related parties as a result of a common significant shareholder.

Forward-looking Statements

This MD&A contains certain information that may constitute forward-looking information within the meaning of securities laws. In some cases, forward-looking information can be identified by the use of terms such as "may", "will", "should", "expect", "plan", "anticipate", "believe", "intend", "estimate", "predict", "potential", "continue" or other similar expressions concerning matters that are not historical facts. Forward-looking information may relate to management's future outlook and anticipated events or results, and may include statements or information regarding the future financial position, business strategy and strategic goals, research and development activities, projected costs and capital expenditures, financial results, the ability to raise capital, taxes and plans and objectives of or involving the Corporation.

Without limitation, information regarding the Corporation's future cost structure, future sales and marketing activities, increased penetration into certain markets through strategic partnerships, the impact of the introduction of new products, the ability of new management to leverage sales opportunities, increase in the size of certain markets, expected increases in revenue, expected revenue from certain contracts, customer rollout plans for specific products, expected increase in gross margins, Symbility Health software product placement targets and Symbility Property product placement targets are forward-looking information.

Forward looking-information is subject to certain factors, including risks and uncertainties that could cause actual results, events or developments to be materially different from what we currently expect. These risks include,

among others, product development risk, potential product liability, risks related to third party contractual performance, customer demand, competition and the risks posed by potential technological advances, risks relating to the protection of the Corporation's intellectual property, risks relating to fluctuation in foreign currency exchange rates, and exposure to increased credit and liquidity risk. You should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Corporation may elect to, the Corporation does not undertake to update this information at any particular time unless required by law. Unless otherwise indicated, this MD&A was prepared by management from information available up to March 28, 2018.

Non-IFRS Measures

In addition to disclosing results in accordance with IFRS as issued by the IASB, the Corporation also provides supplementary non-IFRS measures as a method of evaluating the Corporation's performance. Management uses Adjusted EBITDA as a measure of enterprise-wide performance. Adjusted EBITDA is defined as earnings before interest income, taxes, depreciation and amortization, impairment losses, stock-based compensation, restructuring costs included in general and administration expense and other non-recurring gains or losses including transaction costs related to acquisitions. Management believes Adjusted EBITDA is a useful measure that facilitates period-to-period operating comparisons. Adjusted EBITDA does not have any standardized meaning prescribed by IFRS and is not necessarily comparable to similar measures presented by other companies. Adjusted EBITDA should not be considered in isolation or as a substitute for net income (loss) prepared in accordance with IFRS as issued by the IASB.

Selected Annual Financial Information

This financial information has been prepared in accordance with IFRS as issued by IASB. For further information and significant accounting policies, please see Notes 2 and 3 of the audited consolidated financial statements for the years ended December 31, 2017 and 2016 ("Financial Statements").

In thousands of dollars, except per share amounts.

<i>For the years ended December 31,</i>	2017	2016	2015
Consolidated Revenue	\$41,754	\$34,295	\$26,537
Cost of Sales	\$12,124	\$11,203	\$7,766
Expenses	\$29,704	\$26,445	\$24,846
Net Loss	\$(96)	\$(3,366)	\$(6,063)
Adjusted EBITDA	\$3,709	\$62	\$(380)
Earnings (loss) per share ⁽¹⁾	\$(0.00)	\$(0.01)	\$(0.03)
<i>As at December 31,</i>	2017	2016	2015
Cash and cash equivalents	\$8,238	\$7,976	\$6,553
Total Assets	\$37,971	\$38,021	\$39,155
Total Long Term Liabilities	\$389	\$396	\$354

⁽¹⁾ Rounded to the nearest cent in each year

Overall Performance

For the year ended December 31, 2017, consolidated revenue increased by \$7,459 or 22% (2016 – \$7,758 or 29%) as a result of growth from new and existing customers related to greater use of existing products in Symbility Property and high demand for professional services in Symbility Strategic Services.

Cost of sales increased by \$921 or 8% (2016 - \$3,437 or 44%) as compared to the prior year mainly due to increased professional service costs associated with increased revenue in Symbility Strategic Services and incremental resale revenue from Symbility Property.

Operating expenses, including non-cash expenses, increased \$3,259 or 12% (2016 – \$1,599 or 6%) as compared to the prior year. The increase was for sales and marketing expenses of \$957, general and administration of \$1,368 and transaction expenses of \$973. The focus on sales and marketing is to expand our markets and generate future revenue in an industry with extremely long sales cycles. Transaction expenses include incremental professional expenses, advisors and corporate costs related to potential transactions.

Adjusted EBITDA was \$3,709 for the year ended December 31, 2017 (2016 – \$62). The increase in Adjusted EBITDA is due to growth in revenue as described above.

The net loss was \$96 for the year ended December 31, 2017 (2016 – \$3,366). The decrease in the net loss is due to the growth in revenue and increased Adjusted EBITDA.

The Corporation had 174 employees as at December 31, 2017 (2016 – 156). The Corporation ended the year with cash and cash equivalents of \$8,238 (2016 – \$7,976).

Adjusted EBITDA

The Corporation has provided a reconciliation of Adjusted EBITDA to IFRS net loss in the following table:

<i>For the years ended December 31,</i>	2017	2016
IFRS Net Loss	\$(96)	\$(3,366)
Finance and other income	(8)	(18)
Depreciation and amortization	2,008	2,674
Stock-based compensation	803	741
Transaction related expenses	972	-
Income tax expense	30	31
Adjusted EBITDA	\$3,709	\$62

The Corporation believes Adjusted EBITDA is a useful measure as a proxy for operating cash flow and facilitates period-to-period operating comparisons. We believe Adjusted EBITDA is useful to an investor in evaluating our operating performance because:

- it is widely used by investors in our industry to measure a company's operating performance without regard to items such as depreciation and amortization which can vary substantially from company to company depending upon accounting methods and book value of assets, financing methods, capital structure and the method by which assets were acquired;

- it helps investors more meaningfully evaluate and compare the results of our operations from period-to-period by removing the impact of our asset base (primarily depreciation and amortization) and actions that do not affect liquidity (stock-based compensation expenses) from our operating results; and
- it helps investors identify items that are within our operational control. Depreciation and amortization charges, while a component of operating income are determined at the time of the asset purchase in accordance with the depreciable lives of the related asset and as such are not a directly controllable period operating charge.

The Corporation uses Adjusted EBITDA in calculating incentive compensation for its management.

Outlook

As described below, the Corporation has provided activities associated with each segment's outlook. In 2018, the Corporation will continue to invest in its global expansion, increased shared revenues under VAR arrangements; and R&D expenses associated with product localization and enhancements, all of which will impact expenses. The Corporation believes these investments will provide a foundation for increased revenue growth in 2019.

Operating Segments

Symbility Solutions believes in creating world-class experiences that simplify business and improve lives. With a history in modernizing insurance claims solutions for the property and health industries, Symbility has established itself as a partner that puts security, efficiency and customer experience first. With three business segments pushing industries forward, Symbility proves that change for the better is entirely possible. Symbility's three operating segments, are as follows:

- Symbility Property™, brings smarter thinking to the property and casualty (P&C) insurance industry by providing powerful, accurate and easy to use claims processing and estimating software for Property and Casualty Insurers.
- Symbility Health™, helps group benefits professionals build their brands and businesses by providing an advanced and practical software that enables Insurers, Third-Party Administrators, Employee Benefits Brokers, and the Pharma industry to re-define collaboration in the healthcare system.
- Symbility Strategic Services, empowers a variety of businesses with smarter mobile and IoT product development strategy, design thinking and engineering excellence.

The Corporation's operating segments, reported the following business developments in 2017:

Symbility Property

Market Position

The world of property insurance is quickly changing. Technology is advancing, allowing Insurance carriers to do more than ever before in quicker, smarter, and more efficient ways. Policyholders are also evolving, demanding a more personal, involved, and high-tech customer experience.

Global insurance carriers are focusing their investments on enriching the customer experience, improving process efficiency and enhancing decision making in response to demands for "better, faster, cheaper" service based on

financial considerations and policyholder expectations. Technology is being adopted at a rapid pace throughout the entire claims processing workflow; in personal lines notably, reduced cycle-time is paramount.

Designed by experts in insurance software, Symbility Property's technology platform streamlines and accelerates claims processing, from remote field estimate to claim settlement.

Symbility Property's open architecture and cloud-based model eliminates software maintenance, streamlines integration with existing infrastructures, including policy administration systems, and minimizes the burden on IT resources. Insurance carriers, mitigation specialists, restoration contractors, independent adjusters, third-party administrators, material suppliers and additional partner vendors have immediate access to Symbility Property's timely product updates and enhancements, ensuring that their businesses benefit from the latest technology improvements. Symbility Property's industry-leading usability, reinforced by deep technical support capabilities, ensures a frictionless experience for all users and optimizes ROI for all our customers.

In 2016, Symbility successfully completed the ISO surveillance audits (ISO27001, ISO 27034 and ISO 22301). The ISO 22301:2012 Certificate is for "Symbility business continuity management system (BCMS) including recovery of global critical business functions, infrastructure and customer related support consisting of development, management, maintenance and delivery of Symbility products, services, applications and data". The license is valid until October 2019. Symbility received renewals on the previously announced ISO/IEC 27001:2013 and ISO/IEC 27034-01:2011 Certifications, as well as the expansion of the ISO/IEC 27001:2013 scope to include Symbility locations in Europe, UK and Germany. Both certification renewals are valid until October 2018.

In 2017, Symbility solutions announced the following developments;

Symbility joined the Guidewire PartnerConnect™ program as a Solution partner. Symbility Claims Connect® is the first property claim and estimating solution to have a Ready for Guidewire accelerator. With this accelerator, insurers looking to integrate Guidewire ClaimCenter® with Symbility Claims Connect® can do so in less time and at a reduced cost. The accelerator gives Guidewire customers the ability to push claims, either automatically or manually, from ClaimCenter to Claims Connect, and receive updates in ClaimCenter, reducing adjuster workload.

Established a new relationship with NSR Management Ltd. (NSRM) in the United Kingdom. This collaboration will see Symbility's UK customers gain access to an enhanced, comprehensive and continuously updated pricing database or 'Schedule of Rates,' focused on the UK property insurance repair industry. Symbility and NSRM have worked together bringing their respective expertise to bear to deliver a market-leading pricing solution meeting the needs of Symbility's UK customer base. This database incorporates both Symbility's expertise in estimating practices and software usability with NSRM's proven track record in the pricing of repair works to deliver the most current and accurate pricing, whilst maintaining a focus on applicability, usability and quality throughout. This new database will be seamlessly delivered via Symbility's range of cloud-based claims collaboration and estimating applications.

Completed an integration with EagleView Technologies. EagleView is the leading provider of aerial imagery and data analytics for government, insurance and commercial sectors. The collaboration gives our customers access to EagleView's extensive image library and measurement data that comprises more

than 350 million aerial images, directly from the Symbility application. EagleView serves 19 of the top 20 P&C insurance carriers in the United States.

Worked with CoreLogic® the leading global property information, analytics and data-enabled solutions provider to provide property information directly to insurers through Symbility's claims management cloud platform to ensure carriers were able to quickly organize to help policyholders that had been affected by Hurricanes Harvey and Irma. Property insurance field adjusters could directly access the latest residential and commercial property data from the RCT Express® and Commercial Express® Structural Risk and Valuation platforms by CoreLogic, that have been automatically added into the claim file within Symbility Mobile Claims®. This vital data allowed carriers and adjusters in the field to initiate the claim even before adjusters arrived on-site.

Product Strategy

Our core strategy for Symbility Property is built around our key products:

- Symbility *Claims Connect*® is a robust workflow management solution enabling end-to-end collaboration across the entire claims processing environment and fast, accurate analysis of key claims processing performance metrics. With *Claims Connect*, all participants — from field estimators, to staff adjusters to building contractors and even the insured — gain rapid, secure and rights-defined access to claims data, enhancing communication to reduce time-to-resolution of the claim.
- Symbility *Mobile Claims*® is an intuitive field estimating solution designed to enhance adjuster and third-party contractor productivity; it allows field staff to capture claims information using advanced mobile features like virtual diagramming, voice annotation, photo documentation and full pricing capabilities in order to quickly and accurately generate on-site estimates, even in extreme conditions with no Internet access.
- Symbility *Assemblies*, an innovative question and answer feature in Symbility *Mobile Claims* that brings an unparalleled level of accuracy and consistency to the estimating process over conventional estimating methods. The *Assemblies* interface guides users through the estimating process by prompting them to answer questions specific to their estimate and repairs. These questions quickly adapt to meet the needs of almost any loss – saving valuable time and improving accuracy.
- Water Mitigation Module allows contractors and restoration professionals to create effective drying plans as well as cost and schedule estimates based on the IICRCS500 standard. Both the restoration company and the insurer are able to view the drying progress in near real time which inevitably leads to faster claim resolution – a significant benefit for everyone involved, particularly the homeowner. The Water Mitigation Module saves all parties valuable time and increases the speed, accuracy and efficiency in administering the drying process by eliminating the reconciliation step between the estimate and the drying record.
- Symbility *Desk Adjuster*™, Helps insurers centralize small loss handling so they can cut down on outsourcing costs and speed up claim cycle times. This module leverages a patent-pending, logic-based question and answer estimating methodology to establish a consistent, simplified and optimized desk

adjusting process. Desk Adjuster helps companies maximize the effectiveness of their desk claims organization, creating scalability that was not previously possible while helping to accelerate claim cycle and improve policyholder satisfaction.

- Symbility's *Video Connect*[™], enables desk adjusters to capture details of the damaged property without leaving the office. Through a simple call from the mobile device of almost any individual at the loss location, the desk adjuster will see the exact damage visually and virtually document it and quickly process the claim.
- Symbility *Business Intelligence*[™], a module available through Symbility's Claims Connect platform, provides a set of interactive tools that allow managers at every level of an organization to quantify and analyze claims performance aspects relevant to their specific requirements. Symbility Business Intelligence offers access to a wide range of interactive and customizable dashboards, report templates, comparative analyses against industry performance, as well as tools enabling detailed mining and export of claims data. With Symbility Business Intelligence, customers can visualize, report, and analyze their business' performance more efficiently and effectively than ever before.
- Symbility *LINK*[™], is a white-label web application that allows insurance carriers to increase their transparency during claim processing. By providing policyholders access to a detailed repair calendar, notes, photos and other documentation, they become active participants in their own claim process. LINK can even push important events and milestones directly to the insured through instant notifications so they are never left in the dark.
- Symbility *Quality Connect*[™] enables organizations to run effective and accurate quality assurance programs from a feature set that is integrated within the product suite and without disrupting the claims process. Quality Connect can be used at any point during the claims process and the functionality includes the ability to manage the re-inspection process, track changes, review notes, check for errors and verify conformity to the company's set best practices. The cumulative data from re-inspections can then be accessed to produce reports and statistics, to identify issues, and to improve processes. Empowers organizations to: measure performances of internal adjusters and vendors, improve claim quality results in accordance with best practices and guidelines, improve customer satisfaction, and achieve better claim outcomes.

Symbility Property also offers analytics and change management services through our analytics team. Our professional and experienced team members help our global customers with custom reports that improve the accuracy of claim handling and the fairness of indemnity payouts, measure current performance and identify areas for improvement, specific company best practice targets; compare target best practices against the industry results and increase compliance and consistency.

Sales & Marketing Initiatives

In 2017, Symbility Property incurred \$498 (2016 - \$560) in sales and marketing expenses for a customer advisory event, participation at industry trade shows and marketing consultants. This expenditure included Symbility Property's PLRB Claims Conference and video development for brand awareness campaign.

In January 2016, the Corporation announced a strategic relationship with CoreLogic Asia, a wholly owned subsidiary of CoreLogic Inc. and provider of global property information, analytics and data-enabled services, to distribute and implement Symbility's cloud-based technology in Australia and New Zealand. CoreLogic Asia (formerly RP Data), is headquartered in Sydney, Australia, and is a leading provider of residential and commercial property information, including real estate data, electronic property valuations and consumer reports, throughout Australia and New Zealand. CoreLogic Asia will act as a value-added reseller of Symbility's product suite with initial deployment focused primarily on insurance carriers and the supporting vendor network. CoreLogic Asia serves more than 160,000 end users, including real estate agents, values, financial institutions, insurance companies and government entities.

Outlook

The focus of 2018 will be on signing additional new insurance carriers to grow 2018 revenue in North America, Europe and internationally. The Corporation expects to achieve revenue growth through its existing clients and adding new clients to the platform.

Symbility Health

Market Position

Symbility Health's aim is to create collaborative technologies that deliver a different kind claims experience for the group benefits market. Symbility Health simplifies the group benefit process by giving its clients, Third Party Administrators ("TPAs") and employee benefit brokers, the tools to control their group benefit business. We work with our clients to provide, through a web-based portal, access to the status of their health benefit claims. Our clients in turn offer Symbility Health's solution to their customers. As a result, our software adjudication has come to redefine the marketplace because it is simple to use, simple to understand and proven to increase output as it decreases costs. Also, Symbility Health can be fully integrated into a client's existing system. Symbility Health's solutions provide clients with total control over the entire group benefit claims management experience and business brand.

Product Strategy

Our core Product Strategy for Symbility Health's software is built around four key modules:

- Symbility Health *Adjudicare*[®] – the adjudication and claims payment product that simplifies the group benefit process by giving its users tools to control their business. As a result, our software adjudication has come to redefine the marketplace because it is simple to use, simple to understand and proven to increase output as it decreases costs. Also, Adjudicare can be fully integrated into an established system.
 - Health & Dental Claims
 - Cost plus and Health Care Spending Accounts (HCSA)
 - First Nations benefit plans

- Symbility Health *Mobile Claims*[®] – a mobile application to provide plan members access to their claims information that is the next generation in online claims submission:
 - seamless integration to allow for real-time claims processing
 - patent pending front-end audit functionality
 - ability to complement existing consumer mobile apps being used by plan members
 - access through major mobile platforms

- Symbility Health *Claims Connect*[®] – a cloud-based collaborative workflow management tool that opens the lines of communication between third-party administrators, plan sponsors, plan members and insurance carriers. Claims Connect acts as a communications hub, data warehouse, analytics engine and collaboration application enabling users to communicate and work together to manage their entire business process while also enabling accountability within the benefits administration process. The benefit of Claims Connect are:
 - Average claims settlement time is reduced through enhanced collaboration between parties in the healthcare eco-system;
 - Average claims administration cost is reduced significantly by elimination of manual intervention and reconciliation;
 - Claim spend is reduced by 1-2% through elimination of re-keying errors;
 - Data from multiple systems and applications resides in one platform and can be shared efficiently between participants to facilitate enhanced reporting and analytics; and
 - Secure, reliable, audit-ready data.

- Symbility Health *Online Claims Access and Portal* – provides total control on a personalized basis.
 - Member Administrator Portal
 - Easy access for up-to-the-minute coverage status and pertinent member details.
 - Employee claims can be viewed and filtered by category, benefit type, service date and payment details.
 - Plan Administrator Portal
 - Degree of access defined by partners.
 - Administrators can access claims reports, HCSA reports, Invoicing reports and Member Profiles reports.

In 2016, Symbility Health was granted a patent for an automatic fraud detection invention found in the Symbility Health Mobile Claims application. As the health insurance industry progresses in the direction of digital claims submission, Symbility's Health segment developed a unique feature that leverages optical character recognition (OCR) and artificial intelligence to automatically detect and flag the claim for human review. This layer of automation and protection will create efficiencies in the adjudication process and enable Third-Party Administrators, Payers or Insurance Carriers to gain a distinct competitive advantage by enabling real-time claims processing with automatic fraud detection, a first in the Canadian health insurance marketplace. The feature can be found embedded in the Symbility Health Mobile Claims application, that allows members to capture their proof of payment using their mobile device's camera and view their coverage and dependent information, recent claims history, as well as the remaining benefit balances for commonly claimed items.

In 2017, Symbility Health unveiled the new Mobile Claims mobile application on April 3, 2017. The application has been built so that any Third-Party Administrator (TPA) or Third-Party Payer (TPP) in the Canadian group benefits industry can white-label the application and provide a dramatically improved member experience to their employee groups. While the new Symbility Health Mobile Claims has many advantages for TPAs and TPPs, the real benefit will come to their employee groups using the application. The new design puts convenience and ease-of-use front and center. With easy to read dashboards to monitor health benefit spending and remaining balances, the ability to securely make claims by taking and uploading photos of receipts, and storage for easy retrieval of health card information, there has never been a more simplified and connected way for people to use their health benefits.

Benefit Plan Services

Symbility Health also provides group benefit administrators with a simple, cost-effective solution to increase productivity and control. Symbility Health leverages volume and purchasing power from its national network of partners to enable our clients to offer services and products to their customers. The Benefit Plan Services include products such as:

- Group Insurance Plan
- Medical Second Opinion Service
- Employee/Business Owner Assistance Plan
- Out-of-Country Group Travel Insurance
- Stop-Loss Program
- Wellness Solutions

Symbility Health provides administrative services to the providers of these Benefit Plans in dealing with the TPAs.

On July 12, 2016, Symbility Health announced that it had signed an agreement with Microtrends Computing Services Inc., to directly distribute and support a fully web-based customized version of the FlexTPA product suite, called Symbility Health's AdminCare™. Tightly integrated into Symbility Health's Adjudicare, Symbility Health AdminCare will enable Symbility Health's nation-wide network of TPAs, TPPs and Brokers access to the industry's leading group benefits administration solution, and our robust claims adjudication platform. With single sign-on capability, our customers will avoid replication of key data elements from one system to another and be able to manage various aspects of employee group benefits with greater efficiency, effectiveness, and lower cost of ownership.

Also in 2017, Symbility Health announced the launch of pilot program with a select group of Symbility's Third-Party Administrator partners, to provide a fully insured drug product through The Empire Life Insurance Company (Empire Life). Group benefit plans are under enormous pressure from escalating drug costs that increase exposure while rates continue to rise, customer expectations continue to grow and employers demand more from their providers. Third Party Payers are looking for ways to protect and differentiate their business in today's marketplace. With the introduction of this pilot program, Empire Life is providing a new insured solution to Symbility Health customers to assist with cost containment and plan sustainability.

Sales & Marketing Initiatives

Symbility Health has determined that the market opportunity has expanded due to the product strategy, AdminCare offerings, updated Mobile Claims and Benefit Plan Services. Offerings such as *Mobile Claims* and *Claims Connect* add value to the TPA's and benefits brokers who may use an alternative adjudication system but need to provide their clients with the opportunity to leverage mobile technologies to enhance collaboration.

Outlook

Management has focused its plans for 2018 on the core products described above and believes that 2018 is a year to maximize the existing opportunities and focus on client satisfaction and quality.

Symbility Strategic Services

Market Position

Symbility Strategic Services has a mobile strategy and application development is the segment focused on the designing and building leading applications in the areas of mobile, the Internet of Things (IoT), Machine-to-Machine (M2M), and wearables. Symbility Strategic Services' customer base includes multiple verticals with the insurance, health, and finance industries making up over 70 percent of revenues.

Product/Service Strategy

Symbility Strategic Services segment builds strategies, designs and develops mobile, social and Web-based applications. It has become one of the largest independent specialty development shops in Canada with both remarkable creative and engineering talent under one roof. Its strength lies in the exceptional team it has put in place and which it continues to grow. The segment has built a reputation for being a high performing environment, which has allowed it to become a magnet for creative and engineering talent in Canada.

They have become a trusted developer for some of North America's top brands and financial institutions. They are known for their product-centric development approach. It has continued to over-deliver on its clients' project expectations by consistently developing high performing, innovative & scalable applications, and technology solutions.

In 2017, Symbility Strategic Services successfully completed certification for ISO 27001, 2013 certification for its global operations and infrastructure – including the development, management, maintenance and delivery of Symbility's products, services, applications and data. Symbility has also achieved ISO/IEC 27034 conformance that demonstrates the company's continuing commitment to apply security techniques during the software development process. Symbility has also recently achieved ISO/IEC 27034-1:2011 for application security techniques during all software development processes at the organization.

The ISO/IEC 27001:2013 standard specifies a formal information security management system that identifies, designs and implements the security controls necessary to help ensure the confidentiality, integrity and availability of information assets, including customer data. Symbility's certification was awarded after an extensive audit

by PECB, an independent provider of management systems assessment and certification.

The product centric process begins with its strategy and innovation offering. Clients come to Symbility Strategic Services looking for a partner that can help bring start-up like and innovative thinking to their businesses. The team of strategists, analysts, and product UX and UI designers drive core innovation and execution strategies for the solution and application development.

Sales & Marketing Initiatives

The Symbility Strategic Services team is extremely active in engaging the tech community and is looked upon as thought leaders among its peers. It is responsible for founding and organizing a number of key industry events, including AndroidTO, one of the largest Android conferences in North America, other than Google's own, as well as jQueryTO, the largest Javascript event in Canada.

Having played an instrumental role in founding a large part of the Toronto tech scene, Symbility Strategic Services is active in running conferences and managing event sponsorships for some of the top tier tech conferences in Toronto. Android TO and JQuery TO, both founded by BNOTIONS, have quickly become two of the world's largest conferences of their kind. BNOTIONS' participation in events such as DX3, Social Media Week, TedEx TO, and the multitude of meetups in the tech community, allows it to keep the pulse and sustain the lifeline of the tech community in Toronto and beyond.

Symbility Strategic Services announced that they have won the Liquor Control Board of Ontario's ("LCBO"), first ever IT Partner Award at LCBO's 2017 Partner Summit. The award recognizes a technology partner that collaborates effectively and efficiently with the LCBO, one of the world's largest buyers and retailers of beverage alcohol, to help them achieve their IT business goals. Intersect worked in close partnership with the LCBO to build a Centre of Excellence for mobile enablement and create a digital factory for the agile development and efficient digital transformation. This included helping redesign, develop and deploy the LCBO app for both the iOS and Android platforms. Not a typical-looking partner for a government enterprise, Intersect offered a startup-like makeup that not only helped deliver a great product but had a positive impact on the development culture at the LCBO. The relationship has influenced the people, process and tool sets and methodologies in place at the LCBO.

Outlook

Management believes that Symbility Strategic Services has a unique opportunity in providing its services to not only its historical account base, but to clients in the Symbility Property and Symbility Health segments.

Discussion of Operations

The following discussion includes and explanation of the primary factors in changes in operations. Additional, less significant changes are not articulated.

Revenue

<i>For the years ended December 31,</i>	2017	2016
Symbility Property	\$25,887	\$21,893
Symbility Health	6,142	6,260
Symbility Strategic Services	9,725	6,142
Total	\$41,754	\$34,295

Symbility Property's revenue growth of \$3,994 relates to greater use of existing and new products of \$3,469 and incremental revenue from resold products of \$525 in different geographic regions. The impact of weather events in 2017 also resulted in incremental revenue of approximately \$750

Symbility Health's revenue declined by (\$118) or (2%). The change relates to a decline in non-recurring professional fees (\$224) which is offset by an increase in resold products of \$145.

Symbility Strategic Services revenue growth of \$3,583 is from professional services. The organic revenue growth in Symbility Strategic Services was 58%.

Cost of Sales

<i>For the years ended December 31,</i>	2017	2016
Symbility Property	\$3,728	\$4,684
Symbility Health	2,813	2,729
Symbility Strategic Services	5,583	3,790
Total	\$12,124	\$11,203

Symbility Property incurs cost of sales for the following types of expenses:

- data centers in Canada, the United States, the United Kingdom and Europe,
- shared costs under the data license with MSB for updating the database and charges for specific enhancements to the database,
- costs to technology providers for resold products,
- costs associated with the provision of software to clients, and
- non-cash intangible amortization expense of the technology and data licenses.

Symbility Property's decrease in cost of sales (\$956) relates to decreased costs associated with the provision of software to clients of (\$1,387) and offset by the increase in resold products of \$342. Symbility Property's cost of sales includes non-cash amortization expense of the database and technology licenses of \$880 (2016 - \$880). Cost of sales is 14% of revenue (2016 – 21%).

Symbility Health cost of sales represents costs of Benefit Plans which it administers as well as the cost of fees paid to third parties. Cost of sales is directly variable with revenue for Symbility Health. Symbility Health cost of sales changed to 46% (2016 – 44%) due to mix of revenue from administration of Benefit Plans, services and software.

Symbility Strategic Services changes relate to personnel and contractor costs for delivery of services and includes \$137 (2016 - \$256) for non-cash stock based compensation expense. Cost of sales increased by \$1,793 as headcount increased to support high volume of contracts in 2017 and expected in 2018.

Sales and Marketing

<i>For the years ended December 31,</i>	2017	2016
Symbility Property	\$10,963	\$10,590
Symbility Health	1,258	1,336
Symbility Strategic Services	\$2,256	\$1,594
Total	\$14,477	\$13,520

Symbility Property had changes in Sales and Marketing expenses consisting of personnel compensation of \$618, computer expenses of \$105, consulting fees of \$88 and travel \$40, and offset by changes in non-cash stock based compensation expenses of (\$442).

Symbility Health had changes in Sales and Marketing expenses related to personnel (\$73), marketing expense of (\$37), travel of (\$21) and offset by changes in consulting fees of \$20 as part of our cost control efforts..

Symbility Strategic Services had changes in Sales and Marketing expenses related to personnel of \$721 and travel of \$64 and offset by changes in marketing expenses (\$26) and non-cash stock based compensation of (\$57). Sales and Marketing expenses were incurred due to increased projects, increased project size and supported by increased revenue.

Research and Development

<i>For the years ended December 31,</i>	2017	2016
Symbility Property	\$2,961	\$2,430
Symbility Health	1,393	1,513
Total	\$4,354	\$3,943

Symbility Property had changes in Research and Development expenses related to personnel compensation of \$333, consulting fees of \$144, computer expenses of \$24 and non-cash stock based compensation of \$31. Symbility Property continues to invest in new products and enhancements of existing products.

Symbility Health had changes in Research and Development expenses related to consulting fee of (\$176) and computer expenses of (\$20), but were offset by personnel compensation of \$64 and non-cash stock based compensation of \$13. Symbility Health began investing in its new Mobile application in 2016 in advance of its roll out in April 2017 as described above.

There are no Research and Development expenses in Symbility Strategic Services.

General and Administration

<i>For the years ended December 31,</i>	2017	2016
Symbility Property	\$4,508	\$4,258
Symbility Health	840	469
Symbility Strategic Services	1,308	934
Corporate	2,834	2,461
Total	\$9,490	\$8,122

Symbility Property had changes in General and Administration expenses consisting of personnel compensation of \$268 and computer expenses of \$106 but was offset by professional fees of (\$60) and facility costs of (\$73).

Symbility Health had changes in provision for doubtful accounts of \$215, professional fees of \$95, and non-cash stock based compensation of \$28.

Symbility Strategic Services had changes in General and Administration expenses related to personnel compensation of \$144, professional fees of \$63, computer expenses of \$86, and facilities costs of \$82.

Corporate had General and Administration expenses related to professional fees of \$230, marketing expenses of \$201 and non-cash stock based compensation of \$54, but were offset by personnel compensation of (\$100).

Depreciation, Amortization and Foreign Exchange Expenses

<i>For the years ended December 31,</i>	2017	2016
Depreciation and amortization	\$467	\$612
Foreign exchange (gain) loss, net	(56)	248
Total	\$411	\$860

Other operating expenses include depreciation and amortization (excluding intangible assets acquired in acquisitions which is included in Sales and marketing expenses) and foreign exchange. In 2017, the Corporation recorded a gain of \$56 (2016 – loss of \$248), respectively, related to the consolidation of foreign financial statements into the functional currency.

In addition to the depreciation and amortization expenses above, the amortization expense of database and technology licenses for 2017 were \$880 (2016 - \$880) are included in the cost of sales, and amortization expenses of customer relationships and backlog for 2017 was \$661 (2016 - \$1,182) are included in the sales and marketing expenses.

Transaction expenses

<i>For the years ended December 31,</i>	2017	2016
Total	\$ 972	\$ -

Transaction expenses include incremental professional expenses, advisors and corporate costs related to potential transactions.

Summary of Quarterly Results

The following table shows selected financial information for each of the eight most recently completed quarters reported below in thousands of dollars, except per share amounts. All inter-segment transactions have been eliminated.

	<u>Fiscal 2017</u>				<u>Fiscal 2016</u>			
	<u>Dec 31,</u> <u>2017</u>	<u>Sep 30,</u> <u>2017</u>	<u>Jun 30,</u> <u>2017</u>	<u>Mar 31,</u> <u>2017</u>	<u>Dec 31,</u> <u>2016</u>	<u>Sep 30,</u> <u>2016</u>	<u>Jun 30,</u> <u>2016</u>	<u>Mar 31,</u> <u>2016</u>
Symbility Property	\$6,871	\$6,973	\$6,390	\$5,652	\$5,537	\$5,416	\$5,643	\$5,297
Symbility Health	\$1,489	\$1,466	\$1,591	\$1,597	\$1,612	\$1,510	\$1,576	\$1,562
Symbility Strategic Services	\$2,989	\$2,835	\$1,815	\$2,086	\$1,877	\$1,767	\$1,446	\$1,052
Consolidated Revenue	\$11,349	\$11,274	\$9,796	\$9,335	\$9,026	\$8,693	\$8,665	\$7,911
Adjusted EBITDA	\$2,075	\$1,608	\$389	(\$363)	\$65	\$264	\$286	(\$553)
Net Income (Loss)	\$1,357	\$580	(\$899)	(\$1,134)	(\$597)	(\$530)	(\$718)	(\$1,521)
Net Loss per share ⁽¹⁾	\$0.01	\$0.00	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.01)

⁽¹⁾ Basic and fully diluted per share, rounded to the nearest cent in each quarter

Over the past eight quarters, revenue has changed for the following reasons:

- Symbility Property had grown revenue from the growth in its customers and users.
- For the quarter ended September 30, 2017, the weather events contributed to growth in the quarter, with a small contribution to the quarter ended December 31, 2017.
- Symbility Health has had consistent annual revenue, impacted slightly by lower non-recurring programming services. Claims and license revenues were consistent with prior quarters.
- Symbility Strategic Services revenue is impacted by the timing of new contracts.

Historically, Symbility Property revenue was based in part on claims volumes and typically has higher claims in the second and third quarter based on seasonal weather effects. As the result of the growth in breadth and depth of our customer base and the evolution of the pricing model to annual licenses, this seasonality is expected to be reduced from historical levels. Notwithstanding these changes, significant weather events still have a modest impact on quarterly revenues. Symbility Health has limited seasonality other than the timing of health claims. Symbility Strategic Services has limited seasonality associated with the number of billable days in a quarter and timing of new contracts.

Adjusted EBITDA is impacted by the seasonality of claim volume which impacts revenue, the cost base of the segment and the timing of activities such as marketing events generally determined by the industry.

Discussion of Operations - Fourth Quarter

The following discussion includes and explanation of the primary factors in changes in operations for the three months ended December 31, 2017 (Q4 2017) compared to the three months ended December 31, 2016 (Q4 2016). Additional, less significant changes are not articulated.

Revenue

<i>For the three months ended December 31,</i>	2017	2016
Symbility Property	\$6,871	\$5,537
Symbility Health	1,489	1,612
Symbility Strategic Services	2,989	1,877
Total	\$11,349	\$9,026

Symbility Property changes in revenue relates to the incremental revenue from new and existing clients of \$1,334, related to greater use of existing products in different geographic regions

Symbility Health revenue declined of (8%) was primarily due to lower professional services revenue of (\$122).

Symbility Strategic Services revenue growth of 59% is from professional services with new clients and new projects with existing clients.

Cost of Sales

<i>For the three months ended December 31,</i>	2017	2016
Symbility Property	\$507	\$1,452
Symbility Health	717	693
Symbility Strategic Services	1,402	1,100
Total	\$2,626	\$3,245

Symbility Property's decrease in cost of sales (\$945) relates to decreased costs associated with the provision of software to clients of (\$808) and resale costs (\$152). Symbility Property's cost of sales includes non-cash amortization expense of the database and technology licenses of \$220 (2016 - \$220). Cost of sales is 7% of revenue (2016 – 26%).

Symbility Health cost of sales represents costs of certain resold insurance premiums as well as the cost of fees paid to third parties. Cost of sales is directly variable with revenue for Symbility Health. Symbility Health cost of sales increased to 48% in Q4 2017 (Q4 2016 – 43%) due to mix of revenue from administrative services and software.

Symbility Strategic Services changes relate to personnel and contractor costs for delivery of services of \$312 and includes \$25 (Q4 2016 - \$28) for non-cash stock based compensation expense. Cost of sales represents 47% (Q4 2016 - 59%) of revenue.

Sales and Marketing

<i>For the three months ended December 31,</i>	2017	2016
Symbility Property	\$2,831	\$2,418
Symbility Health	310	373
Symbility Strategic Services	680	452
Total	\$3,821	\$3,243

Symbility Property had changes in Sales and Marketing expenses related to increase in personnel compensation \$430, consulting fees of \$24, and travel of \$61, offset by decrease in marketing events of (\$41) and non-cash stock based compensation of (\$66).

Symbility Health had changes in Sales and Marketing expenses related to personnel (\$72), offset by non-cash stock based compensation of (\$19).

Symbility Strategic Services had changes in Sales and Marketing related to personnel of \$227 and travel of \$22 offset by decrease in marketing events of (\$26).

Research and Development

<i>For the three months ended December 31,</i>	2017	2016
Symbility Property	\$698	\$678
Symbility Health	315	589
Total	\$1,013	\$1,267

Symbility Property had changes in Research and Development expenses related to personnel compensation of \$17 and non-cash stock based compensation of \$12.

Symbility Health had changes in Research and Development expenses related to consulting fees of (\$267).

There are no Research and Development expenses in the Strategic Services.

General and Administration

<i>For the three months ended December 31,</i>	2017	2016
Symbility Property	\$1,072	\$1,090
Symbility Health	327	132
Symbility Strategic Services	344	(117)
Corporate	691	632
Total	\$2,434	\$1,737

Symbility Property had changes in General and Administration expenses consisting of personnel compensation of \$56, computer expenses of \$21 but was offset by professional fees of (\$91).

Symbility Health had changes in provision for doubtful accounts of \$177.

Symbility Strategic Services had changes in General and Administration expenses related to decreased provision for doubtful accounts of \$380, personnel compensation of \$45, and computer expenses of \$29.

Corporate had General and Administration expenses related to professional fees of \$101, marketing expenses of \$37 and non-cash stock based compensation of \$26, offset by personnel compensation of (\$90).

Depreciation, Amortization and Foreign Exchange Expenses

<i>For the three months ended December 31,</i>	2017	2016
Depreciation and amortization	\$104	\$136
Foreign exchange (gain) loss, net	(78)	3
Total	\$26	\$139

Other operating expenses include depreciation and amortization (excluding intangible assets acquired in acquisitions which is included in Sales and marketing expenses) and foreign exchange. In Q4 2017, the Corporation recorded a gain of \$78 (Q4 2016 – loss of \$3), respectively, related to the consolidation of foreign financial statements into the functional currency.

In addition to the depreciation and amortization expenses above, the amortization expense of database and technology licenses for Q4 2017 were \$220 (Q4 2016 - \$880) are included in the cost of sales, and amortization expenses of customer relationships and backlog for Q4 2017 was \$126 (Q4 2016 - \$268) are included in the sales and marketing expenses.

Transaction expenses

<i>For the three months ended December 31,</i>	2017	2016
Total	\$ 58	\$ -

Transaction expenses include incremental professional expenses, advisors and corporate costs related to potential transactions.

Liquidity and Capital Resources

The Corporation has working capital of \$9,962 at December 31, 2017 (2016 - \$7,432).

The Corporation's current assets consist of cash and cash equivalents of \$8,238, accounts receivable of \$7,651 tax credits receivable of \$665 and prepaid and other assets of \$1,614. Current liabilities consist of accounts payable of \$1,786, accrued liabilities of \$4,079, provisions of \$220 and deferred revenue of \$2,121.

The Corporation believes it is sufficiently capitalized with a working capital surplus of \$9,962 at December 31, 2017.

Commitments

The Corporation has entered into operating leases on office space and equipment which have remaining terms of between one and five years. The Corporation also has non-cancellable purchase obligations under supplier agreements over the next year.

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Total</u>
Finance lease obligations	\$ 3	\$ 4	\$ 4	\$ -	\$ -	\$ 11
Operating leases	815	915	688	26	20	2,464
Purchase obligations	701	775	619	-	-	2,095
Total	\$1,519	\$1,694	\$1,311	\$26	\$20	\$4,570

Subsequent to December 31, 2017, the Corporation has entered into commitments for capital expenditures of approximately \$100.

Capital Resources

Management has decided that it is essential to invest in additional computer equipment and software to increase hosting capacity to support the growth of the Corporation. As well, additional property and equipment will be required as the Corporation replaces equipment at the end of its useful life. There are no other significant demands for capital assets.

Off Balance Sheet Arrangements

The Corporation did not enter into any off balance sheet arrangements during the period ended December 31, 2017 and has not done so historically.

Related Party Transactions

For the year ended December 31, 2017, the Corporation expensed \$2,305 (2016 - \$2,418) for services under the services agreement, the database license agreement and for products resold by the Corporation under a reseller agreement with MSB. As at December 31, 2017, the Corporation owed \$180 (2016 - \$349) to MSB, net of services provided.

For the year ended December 31, 2017, the Corporation earned \$896 (2016 - \$447) for software and services provided to CoreLogic. As at December 31, 2017, the Corporation had receivables of \$14 (2016 - \$18) due from CoreLogic for software provided.

All of the above transactions were recorded at the exchange amount.

Critical Accounting Estimates

The preparation of the consolidated financial statements requires the use of estimates and assumptions to be made in applying the accounting policies that affect the reported amounts of assets, liabilities, revenue, expenses and the disclosure of contingent assets and liabilities. The estimates and related assumptions are based on previous experience and other factors considered reasonable under the circumstances, the results of which form

the basis of making the assumptions about carrying values of assets and liabilities that are not readily apparent from other sources.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgments made by management in the application of IFRS that have a significant effect on the consolidated financial statements relate to the following:

Impairment of non-financial assets

The Corporation's impairment test is based on value-in-use calculations that use a discounted cash flow model. The cash flows are derived from the projections for the next five years and are sensitive to the discount rate used as well as the expected future cash inflows and the growth rate used for extrapolation purposes.

Useful lives of key property and equipment and intangible assets

The depreciation method and useful lives reflect the pattern in which management expects the asset's future economic benefits to be consumed by the Corporation.

Share-based compensation

The Corporation measures the cost of equity-settled transactions with employees by reference to the fair value of equity instruments at the date at which they are granted. Estimating fair value for share-based compensation requires determining the most appropriate valuation model for a grant of these instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model, including the risk-free interest rate expected life of the option, volatility, performance probability and dividend yield.

New Standards, interpretations and amendments adopted by the Corporation

The following new accounting standards applied or adopted during the year ended December 31, 2017 had no material impact on the consolidated financial statements.

Disclosure Initiative Amendments to IAS 7: Statement of Cash Flows ("IAS 7")

In 2016, the IASB issued amendments to IAS 7. The amendments are intended to enable users of financial statements to evaluate changes in liabilities arising from financing activities. The amendments will require entities to provide disclosures that enable investors to evaluate changes in liabilities arising from financing activities, including changes arising from cash flows and non-cash changes.

Changes in Accounting Policies Not Yet Adopted

The following accounting pronouncements issued by the IASB were not effective as of December 31, 2017.

Amendments to IFRS 2 Share-based Payment ("IFRS 2")

In 2016, the IASB issued the final amendments to IFRS 2 Share-based Payment ("IFRS 2") in relation to the classification and measurement of share-based payment transactions. The amendments are intended to eliminate

diversity in practice in three main areas: the effects of vesting conditions on the measurement of cash-settled share-based payments; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and the accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash-settled to equity-settled. The amendments are effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. The amendments are to be applied prospectively. However, retrospective application is permitted if elected for all three amendments and other criteria are met. The adoption of this standard will not have a material impact 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 adoption of this standard will not have a material impact on the Corporation's consolidated financial statements.

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, 2018 with earlier adoption permitted. 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 adoption of this standard will not have a material impact on the Corporation's consolidated financial statements.

IFRS 16 Leases ("IFRS 16")

In 2016, the IASB issued IFRS 16, Leases, replacing IAS 17, Leases and related interpretations. The standard introduces a single on-balance sheet recognition and measurement model for lessees, eliminating the distinction between operating and finance leases. Lessors continue to classify leases as finance and operating leases. IFRS 16 becomes effective for annual periods beginning on or after January 1, 2019, and is to be applied retrospectively. Early adoption is permitted if IFRS 15, Revenue from Contracts with Customers ("IFRS 15") has been adopted. The Corporation is in the process of evaluating the impact that IFRS 16 may have on the Corporation's consolidated financial statements.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration ("IFRIC 22")

In 2016, the IASB issued IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration ("IFRIC 22"), which provides requirements about which exchange rate to use when recognizing revenue in circumstances where an entity has received advance consideration in a foreign currency. IFRIC 22 is effective for annual periods beginning on or after January 1, 2018, with earlier adoption permitted. On initial application, entities have the option to apply either retrospectively or prospectively. The adoption of this standard will not have a material impact on the Corporation's consolidated financial statements.

Financial Instruments and Risk Management

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable, loan receivables, accounts payable and accrued liabilities and finance lease obligations and their carrying value approximates fair value due to their immediate or short-term maturity.

Risk arising from Financial Instruments and Risk Management

The Corporation's activities expose it to a variety of financial risks: market risk (including foreign exchange), credit risk and liquidity risk. The Corporation's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Corporation's financial performance. Risk management is the responsibility of the corporate finance function. Material risks are monitored and are regularly discussed with the Audit Committee of the Board.

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 by foreign currency are as follows:

<i>At December 31</i>	2017	2016
Accounts Receivable		
U.K. pound sterling	32%	17%
U.S. dollars	14%	15%
Account payable and accrued liabilities		
U.K. pound sterling	12%	6%
U.S. dollars	20%	18%

The Corporation's revenue and expense by foreign currency are as follows:

<i>For the years ended December 31,</i>	2017	2016
Revenue		
U.K. pound sterling	16%	17%
U.S. dollars	38%	39%
Expenses		
U.S. dollars	17%	22%

During the year ended December 31, 2017, a 1% appreciation (depreciation) in U.S. dollar to Canadian dollar foreign exchange rate, all else being equal, would have affected net income by \$2 (2016 – \$9). The Corporation's exposure to foreign currency changes for all other currencies is not material.

Credit risk

As at December 31, 2017, the largest amounts due from one customer accounted for 14% of the Corporation's total accounts receivable (2016 – no customer accounted for more than 10% of the Corporation's total accounts receivable). Subsequent to December 31, 2017, this customer has paid the full account balance. 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 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 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 December 31, 2017, the Corporation had cash and cash equivalents of \$8,238 (2016 – \$7,976).

For more information, see Note 14 of the audited consolidated financial statements for the year ended December 31, 2017.

Disclosure of Outstanding Share Data

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

EQUITY SECURITY	NUMBER OUTSTANDING	EQUITY SECURITY	NUMBER OUTSTANDING
Common Shares	239,973,840	Warrants	1,000,000
Restricted Shares	500,000	Stock Options	19,745,855

Addition Information

Additional information concerning the Corporation, including its Annual Information Form, is available on SEDAR at www.sedar.com.