

Symbility Solutions Inc.

Management's Discussion and Analysis

May 14, 2014

The following Management's Discussion and Analysis ("MD&A") of Symbility Solutions Inc. (the "Corporation") should be read in conjunction with the interim condensed consolidated financial statements and accompanying notes, which are prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") applicable to the preparation of interim financial statements, including International Accounting Standard 34, "Interim Financial Reporting" ("IAS 34") for the three months ended March 31, 2014, the 2013 Annual MD&A and the Corporation's audited consolidated financial statements and accompanying notes as of December 31, 2013 and 2012 ("Audited Financial Statements"), and the Annual Information Form dated December 31, 2013, all available on SEDAR. 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 operations and key financial results as of the date of this report. The interim condensed consolidated financial statements and this MD&A have been reviewed by the Corporation's Audit Committee and approved by its Board of Directors.

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 May 14, 2014.

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, and other non-recurring gains or losses including transaction costs related to acquisition. 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.

Management uses the annual contract value (ACV) and the total contract value (TCV) as a measure of sales performance. The ACV is an estimated variable amount impacted by: (1) the actual number of claims processed; (2) the impact of severe weather on insurance property claims; (3) the number of claims assigned by an insurance carrier to an independent adjuster or contractor; (4) the time required to integrate the Corporation's system with Symbility Solutions platform, any of which may result of a time delay between the signed agreement and revenue recognition. The TCV is the total of the estimated ACV over the term of each the contracts. TCV also includes expected changes from the use of Symbility's products and/or price increases.

Overall Performance

This financial information has been prepared in accordance with IAS 34. For further information and significant accounting policies, please see Notes 2 and 3 of the Audited Financial Statements.

<i>Selected Financial Information</i>	Three months ended	
	March 31,	
	2014	2013
Revenue	\$7,182	\$4,974
Cost of Sales	\$1,329	\$997
Expenses	\$6,551	\$5,949
Net Loss	(\$698)	(\$1,972)
Adjusted EBITDA	\$808	(\$200)
Loss per share ⁽¹⁾	(\$0.00)	(\$0.01)

⁽¹⁾ in Canadian dollars, rounded to the nearest cent

<i>As at March 31, 2014 and December 31, 2013</i>	2014	2013
Cash and cash equivalents	\$18,090	\$12,173
Total assets	\$40,395	\$33,613
Total long term liabilities	\$349	\$350

In the quarter ended March 31, 2014, consolidated revenue grew 44% as a result of customer deployments. Operating expenses (including non-cash expenses) increased 10% as compared to the comparative quarter due to compensation related to increased headcount, increase use of specialized subcontractors and offset by foreign exchange gains. Adjusted EBITDA was \$808 compared to (\$200) for the comparative quarter. The net loss for the quarter ended March 31, 2014 is \$698 compared to net loss of \$1,972 for the comparable quarter. The Corporation had 121 employees as at March 31, 2014 (March 31, 2013 – 86).

As at March 31, 2014, CoreLogic, Inc. and its affiliates (collectively "CoreLogic"), 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 CoreLogic, is a related party as a result of a common significant shareholder.

The Corporation ended the three months ended March 31, 2014 with cash and cash equivalents of \$18,090 (December 31, 2013 - \$12,173). Cash generated by operating activities was \$843 and generated in non-cash working capital changes was \$5,894 - primarily an increase in deferred revenue of \$5,747, increase in accounts payable and accrued liabilities of \$800 and offset by an increase in accounts receivable of (\$638). In the three months ended March 31, 2014, the Corporation received a payment of \$8.6 million for services to be provided in 2014, which increased the Corporation's deferred revenue and cash balance. This revenue will be realized over the fiscal year. In addition, the Corporation purchased additional capital assets (\$594), including \$500 for a 5 year exclusive technology license. Overall, cash increased by \$5,917 for the three months ended March 31, 2014.

Adjusted EBITDA

The reconciliation of Adjusted EBITDA to IFRS net loss is presented in the following table:

	Three months ended March 31,	
	2014	2013
IFRS Net Loss	(\$698)	(\$1,972)
Finance costs (income), net	(38)	(32)
Depreciation and amortization	447	375
Stock-based compensation	1,094	1,426
Income tax expense	3	3
Adjusted EBITDA	\$808	(\$200)

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; and
- 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.

The Corporation uses Adjusted EBITDA in calculating incentive compensation for its officers and employees and under the Restricted Share Plans to measure achievement.

Overall Outlook

As announced on April 2, 2014, the Corporation signed twenty-one domestic and international customer contracts in the first quarter of 2014. The contracts represent new business for Symbility in Canada, USA, UK and Germany, including a number of different insurers, independent adjusting firms, contractors and other P&C supply chain vendors for the Property Division, and new third-party administrators for Symbility Health. The contracts range in duration from one to five years and the combined annual net new ACV of these agreements is \$1.3 million, with a TCV of \$4.5 million.

The Corporation estimates that it will achieve revenue in 2014 in the range of \$28 to \$29 million and Adjusted EBITDA in the range of \$3.0 to \$4.0 million.

Operating segments

The Corporation has two reportable segments which offer products and services to different segments of the insurance industry: Symbility Property and Symbility Health

- Symbility Property™ (property and casualty software) provides powerful, accurate and easy-to-use claims processing and estimating software for Property and Casualty Insurers.
- Symbility Health™ (group insurance software) provides an advanced and practical software solution to a network of Employee Benefits Brokers and Third Party Administrator partners in the adjudication of health and dental claims.

The Corporation allocates all expenses (including corporate costs) to each of these two operating segments. See Discussion of Operations for details on the financial performance of each operating segment. The Corporation's operating segments reported the following business developments in 2014:

Symbility Property

Symbility Property's Market Position, Sales & Marketing Initiatives and Product Strategy disclosed in the 2013 Annual MD&A issued on March 27, 2014 are substantially unchanged at this time.

Outlook

Management feels that on-going investments being made in sales and marketing initiatives create opportunities for Symbility Property. The 4th annual customer event in Q1 2014 had record attendance. The two-day event ran from January 13-15 and brought together more than 170 insurance industry leaders, including carriers, independent adjusters, restoration contractors and partner vendors from across the United States, Canada and Europe for an opportunity to network, share insights, and learn about the hottest topics and trends currently affecting the property and casualty insurance industry. In addition to thought-provoking presentations by subject matters experts from the claims insurance landscape and an update on Symbility's latest product launches and strategy overview, the Symposium also featured a keynote session from the renowned venture capitalist and co-host of the ABC show "Shark Tank", Kevin O'Leary.

The focus of 2014 will be on signing additional new carriers and large supply chain clients in North America and continuing to expand the client base internationally. The reseller agreements in international markets, along with the marketing efforts in 2013 and continuing into 2014, will be important in achieving future revenue.

Our customer base continues to expand with 1,490 customers (December 31, 2013 – 1,373).

Symbility Health

Symbility Health's Market Position, Product Strategy and Sales and Marketing Initiatives disclosed in the 2013 Annual MD&A issued on March 27, 2014 are substantially unchanged at this time.

Outlook

Management feels that the efforts made in the past several years have created a enhanced benefits platform for our partners and generated a significant amount of momentum going into 2014:

- With the addition of technology such as online claims access and new Benefit Plan Services, our product offering is now able to fully compete with comparable offerings from insurance carriers and other third party administrators.
- Additional investments in sales and marketing personnel and marketing initiatives such as the Symbility Health partner event have already demonstrated that they have enabled our clients to network and work together to grow their business with Symbility Health.

With all of these components in place, management believes that Symbility Health will continue to grow in 2014.

Discussion of Operations

The following discussion includes an explanation of the primary factors in changes in operations in the three months ended March 31, 2014 ("Q1 2014") over the comparable periods. Additional, less significant changes are not articulated.

Revenue

	Three months ended March 31,	
	2014	2013
Symbility Property	\$6,036	\$3,979
Symbility Health	1,146	995
Total	\$7,182	\$4,974

Symbility Property's revenue increase of 52% relates to increased revenue from existing customers and incremental revenue from acquisition of new customers. Revenue increased by 109% from our international customers and 42% from our US customers.

Symbility Health's revenue growth of 15% is from its existing customers, a number of new small clients and new services being provided in Q1 2014.

Cost of Sales

	Three months ended March 31,	
	2014	2013
Symbility Property	\$814	\$559
Symbility Health	515	438
Total	\$1,329	\$997

Symbility Property's cost of sales increase relates to the incremental cost the database maintenance and enhancements (\$178), costs associated with new technology (\$40) and increased data centre costs (\$22). Notwithstanding the increased cost, Symbility Property's gross margin improved to 87% from 86%. Included in Q1 2014 Cost of Sales are non-cash charges of \$220 (2013 - \$220) for amortization of the database license.

Symbility Health's cost of sales increased due to higher costs on resale of certain products. Symbility Health's gross margin is 55%, decreased slightly from 56%.

Sales and Marketing

	Three months ended March 31	
	2014	2013
Symbility Property	\$2,820	\$2,510
Symbility Health	318	\$224
Total	\$3,138	\$2,734

Symbility Property's increase relates to additional personnel and related expenses (\$518), but reduced travel expenses (\$36), outside consultants (\$11), marketing events (\$98) and recruiting fees (\$81).

Symbility Health's increase relates to investment of additional sales personnel (\$98) and a reduction in travel expenses (\$25).

Included in Q1 2014 sales and marketing expense are non-cash charges of \$120 (2013 - \$109) for amortization of customer relationships and non-cash charges of \$327 (2013 - \$329) for stock-based compensation expense.

Symbility Property and Symbility Health have increased its focus on sales and marketing to enable future growth aggressively for the past year.

General and Administration

	Three months ended March 31,	
	2014	2013
Symbility Property	\$1,736	\$2,018
Symbility Health	210	177
Total	\$1,946	\$2,195

Symbility Property's reduction is due to a decrease in non-cash charges for stock-based compensation expense (\$286) and professional and public company costs (\$91), offset by increases in personnel costs (\$25) and insurance (\$27).

Symbility Health's increase is due to additional personnel (\$19), travel costs (\$13), increased bad debt provision (\$19) and offset by reduced professional fees (\$27).

Included in Q1 2014 general and admin expense are non-cash charges of \$514 (2013 - \$800) for stock-based compensation expense.

Research and Development

	Three months ended March 31,	
	2014	2013
Symbility Property	\$1,485	\$856
Symbility Health	300	131
Total	\$1,785	\$987

Symbility Property's increase is due to additional personnel hired to support product development initiatives and quality assurance (\$375) and an increase in the use of consultants on projects (\$279).

Symbility Health's increase is due to additional personnel hired to support product development initiatives and quality assurance (\$59) and development consultants (\$113).

Included in Q1 2014 research and development expense are non-cash charges of \$253 (2013 - \$297) for stock-based compensation expense.

Other Operating (Income) Expenses

	Three months ended March 31,	
	2014	2013
Total	(\$283)	\$62

Other operating (income) expenses include depreciation and amortization (excluding intangible assets acquired in the Transaction) and foreign exchange. In Q1 2014 the Corporation realized a gain of \$390 on strengthen of the US dollar and pound sterling against the Canadian dollar.

Finance costs (income), net

	Three months ended March 31,	
	2014	2013
Total	(\$38)	(\$32)

There is no material change in Finance costs (income), net.

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.

	FISCAL 2014		FISCAL 2013			FISCAL 2012		
	<u>Mar 31,</u> <u>2014</u> (Q1)	<u>Dec 31,</u> <u>2013</u> (Q4)	<u>Sep 30,</u> <u>2013</u> (Q3)	<u>Jun 30,</u> <u>2013</u> (Q2)	<u>Mar 31,</u> <u>2013</u> (Q1)	<u>Dec 31,</u> <u>2012</u> (Q4)	<u>Sep 30,</u> <u>2012</u> (Q3)	<u>Jun 30,</u> <u>2012</u> (Q2)
Symbility Property Revenue	\$6,036	\$4,355	\$4,474	\$5,020	\$3,979	\$3,728	\$4,052	\$3,674
Symbility Health Revenue	\$1,146	\$1,116	\$956	\$999	\$995	\$928	\$882	\$912
Consolidated Revenue	\$7,182	\$5,471	\$5,430	\$6,019	\$4,974	\$4,656	\$4,934	\$4,586
Adjusted EBITDA	\$808	(\$460)	(\$112)	\$635	(\$200)	\$161	\$469	\$272
Net Loss	(\$698)	(\$1,347)	(\$1,032)	(\$334)	(\$1,972)	(\$761)	(\$159)	(\$1,318)
Net Loss per share ⁽¹⁾	(\$0.00)	(\$0.01)	(\$0.01)	(\$0.00)	(\$0.01)	(\$0.00)	(\$0.00)	(\$0.01)

⁽¹⁾ In Canadian Dollars, rounded to the nearest cent in each quarter.

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

- Symbility Property continues to recognize revenue from the rollout of its new customers and users. In addition to the growth in customers, 2014 includes the realization of the contract renewal announced on January 2, 2014.
- Symbility Health has a small growth its customer base and incremental growth in existing customers.

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 in 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 in 2014. Symbility Health has limited seasonality due to the nature of the business.

Adjusted EBITDA is impacted by the seasonality of the Symbility Property revenue, the impact of foreign exchange and the timing of activities such as marketing events generally determined by the industry. In Q1 2014, 81% of the Corporation's revenue was from outside Canada.

Liquidity and Capital Resources

The Corporation has a working capital surplus of \$10,597 at March 31, 2014 as compared to \$10,330 of working capital surplus at December 31, 2013.

The Corporation's current assets consist of cash and cash equivalents of \$18,090, accounts receivable and other assets of \$4,827, and prepaid and other assets of \$818. Current liabilities consist of accounts payable and accrued liabilities of \$4,595 and deferred revenue of \$8,543. In Q1 2014 the Corporation received a lump sum payment for services to be provided during 2014. This has increased the cash balance and deferred revenue, but has no impact on working capital.

The Corporation believes it is sufficiently capitalized with a working capital surplus of \$10,597 at March 31, 2014. The Corporation's commitments disclosed in the 2013 Annual MD&A issued on March 27, 2014 are substantially unchanged at this time.

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. Subsequent to March 31, 2014, the Corporation has entered into commitments for capital expenditures under this plan of approximately \$140.

Off Balance Sheet Arrangements

The Corporation did not enter into any off balance sheet arrangements during the period ended March 31, 2014

Related Party Transactions

For the three-month period ended March 31, 2014, the Corporation expensed \$715 (2013 - \$564), 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. For the three-month period ended March 31, 2014, the Corporation earned \$14 (2013 - \$Nil), for services provided to MSB. As at March 31, 2014, the Corporation owed \$226 (December 31, 2013 - \$322) to MSB, net of services provided.

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

Significant Accounting Policies and Critical Accounting Estimates

We describe our significant accounting policies and critical accounting estimates in Note 3 to the audited consolidated financial statements and the MD&A for the year ended December 31, 2013. The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Corporation's annual consolidated financial statements for the year ended December 31, 2013. There are no significant changes in our accounting policies and critical accounting estimates for the three months ended March 31, 2014

Changes in Accounting Policies Not Yet Adopted

The following accounting pronouncements issued by the IASB were not effective as of March 31, 2014. Management is currently evaluating the potential impact the adoption of these accounting pronouncements will have on the Corporation's consolidated financial statements:

IFRS 9, Financial Instruments, was issued in November 2009 and addresses classification and measurement of financial assets. It replaces the multiple category and measurement models in IAS 39, Financial Instruments - Recognition and Measurement, for debt instruments with a new mixed measurement model having only two categories: amortized cost and fair value through profit or loss. IFRS 9 also replaces the models for measuring equity instruments. Such instruments are either recognized at fair value through profit or loss or at fair value through other comprehensive income. Where equity instruments are measured at fair value through other comprehensive income, dividends are recognized in profit or loss to the extent that they do not clearly represent a return on investment. However, other gains and losses (including impairments) associated with such instruments remain in accumulated other comprehensive income indefinitely.

Requirements for financial liabilities were added to IFRS 9 in October 2010 and they largely carried forward existing requirements in IAS 39, Financial Instruments - Recognition and Measurement, except that fair value changes due to credit for liabilities designated at fair value through income and loss are generally recorded in other comprehensive income.

IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after January 1, 2013, but in 2013, the IASB deferred the effective date of this amendment. However, instead of specifying a new effective date, the IASB will allow companies to apply IFRS 9 at the start of any reporting period until the issue date of the final version of IFRS 9 is known. This deferral would take effect until the outstanding phases of IFRS 9(excluding accounting for macro hedging) are finalized. The Corporation will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued. IAS 32 Financial Instruments: Presentation ("IAS 32").

Financial Instruments and Risk Management

The Corporation's financial instruments consist of cash and cash equivalents, accounts receivable and other, 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.

Risks and Uncertainties

The results of operations and financial condition of the Corporation are subject to a number of risks and uncertainties, and are affected by a number of factors outside of the control of Management. For a detailed discussion regarding the relevant risks and uncertainties, see the Corporation's annual MD&A and Annual Information Form for the year ended December 31, 2013. There have been no changes during the period ended March 31, 2014.

Foreign Currency risk

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 at March 31, 2014, 16% is denominated in U.S. dollars (December 31, 2013 - 22%) and 46% is denominated in U.K. pound sterling (December 31, 2013 - 36%). Of the Corporation's accounts payable at March 31, 2014, 22% is denominated in U.S. dollars (December 31, 2013 - 33%).

During the three-month period ended March 31, 2014, revenue was 63% in U.S. dollars (March 31, 2013 - 64%) and 16% of revenue was in U.K. pound sterling (March 31, 2013 - 12%). During the three-month period ended March 31, 2014, 33% of expenses was in U.S. dollars. (March 31, 2013 - 38%).

Credit risk

As at March 31, 2014, the largest amounts due from one customer accounted for 51% of the Corporation's total accounts receivable (December 31, 2013 – one customer - 41%)

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, 2014, the Corporation was holding cash and cash equivalents of \$18,090 (December 31, 2013 - \$12,173).

Disclosure of Outstanding Share Data

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

Common Shares	208,686,655
Stock Options	17,573,334
Broker Warrants	1,136,375

Addition Information

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