Symbility Solutions Inc.

Annual Audited Consolidated Financial Statements

December 31, 2013

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Symbility Solutions Inc.

We have audited the accompanying consolidated financial statements of Symbility Solutions Inc., which comprise the consolidated statements of financial position as at December 31, 2013 and 2012, and the consolidated statements of loss and comprehensive loss, changes in shareholders' equity, and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Symbility Solutions Inc. as at December 31, 2013 and 2012, and its financial performance and its cash flow for the years then ended in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board.

/s/ Ernst & Young LLP
Chartered Accountants
Licensed Public Accountants

Toronto, Canada,
March 27, 2014.

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

	Note	As at December 31, 2013	As at December 31, 2012
Assets			
Current assets			
Cash and cash equivalents	15	**12,173**	15,008
Accounts receivable and other assets	15	**4,153**	3,340
Loans receivable		**-**	148
Prepaid expenses and other assets	22	**791**	576
		17,117	19,072
Long-term assets			
Security deposits		**33**	19
Property and equipment	7	**675**	399
Intangible assets	8	**9,017**	10,148
Goodwill	5	**6,771**	6,771
		33,613	36,409
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities	10	**3,755**	3,902
Current portion of deferred revenue		**3,032**	4,118
		6,787	8,020
Long-term liabilities			
Deferred revenue		**-**	208
Finance lease obligations	10	**5**	49
Customer deposits		**345**	202
		7,137	8,479
Commitments	10, 11		
Shareholders' equity		**26,476**	27,930
		33,613	36,409

See accompanying notes

On behalf of the Board:

(signed) "G. Scott Paterson"

G. Scott Paterson
Director

(signed) "R. Larry Binnion"

R. Larry Binnion
Director

Symbility Solutions Inc.
Consolidated Statements of Loss and Comprehensive Loss
(In thousands of Canadian dollars, except per share data)

	Note	For the years ended December 31, 2013	2012
Revenue		**21,894**	16,537
Cost of sales		**4,224**	3,202
		17,670	13,335
Expenses			
Sales and marketing	13	**10,055**	6,239
General and administration	13	**7,600**	5,745
Research and development	13, 22	**4,552**	2,718
Transaction related	5	**-**	1,831
Other operating	19	**254**	197
		22,461	16,730
Loss before finance costs (income), net and income tax expense		**(4,791)**	(3,395)
Finance costs (income), net	20, 21	**(117)**	(9)
Current income tax expense	12	**13**	7
Net loss and comprehensive loss for the year		**(4,687)**	(3,393)
Basic and diluted loss and comprehensive loss per common share	14	**(0.02)**	(0.02)
Weighted average number of common shares outstanding			
Basic and diluted	14	**204,897,076**	164,561,810

See accompanying notes

Symbility Solutions Inc.
Consolidated Statements of Changes in Shareholders' Equity
(In thousands of Canadian dollars)

	Note	Common shares	Broker warrants	Contributed surplus	Deficit	Total shareholders' equity
At January 1, 2012		16,359	-	9,247	(24,779)	827
Issuance of shares for services	13	133	-	-	-	133
Share options exercised	13	1,719	-	(1,100)	-	619
Shares issued in business combination	5, 13	20,724	-	-	-	20,724
Shares issued for cash	13	10,000	-	-	-	10,000
Share issuance costs	13	(1,324)	-	-	-	(1,324)
Broker warrants	13	-	235	-	-	235
Stock-based compensation	13	-	-	1,296	-	1,296
Dividends paid to shareholders	13	-	-	-	(1,187)	(1,187)
Net loss for the year		-	-	-	(3,393)	(3,393)
At December 31, 2012		47,611	235	9,443	(29,359)	27,930
Issuance of shares for services	13	50	-	-	-	50
Share options exercised	13	160	-	(48)	-	112
Restricted shares released	13	381	-	(381)	-	-
Share issuance costs	13	22	-	-	-	22
Stock-based compensation	13	-	-	3,049	-	3,049
Net loss for the year		-	-	-	(4,687)	(4,687)
At December 31, 2013		**48,224**	**235**	**12,063**	**(34,046)**	**26,476**

See accompanying notes

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

	Note	For the years ended December 31, 2013	2012
Operating activities			
Net loss for the year		**(4,687)**	(3,393)
Items not affecting cash			
Stock-based compensation	13	**3,049**	1,296
Issuance of shares for services		**50**	133
Depreciation and amortization	7, 8	**1,605**	1,099
Transaction related expenses		**-**	562
		17	(303)
Changes in non-cash working capital items			
Accounts receivable and other assets		**(739)**	388
Prepaid expenses and other assets		**(201)**	27
Accounts payable and accrued liabilities		**(184)**	1,740
Deferred revenue		**(1,504)**	1,045
Customer deposits		**143**	23
Cash provided by (used in) operating activities		**(2,468)**	2,920
Investing activities			
Purchase of property and equipment	7	**(511)**	(197)
Purchase of intangible assets	8	**(241)**	(87)
Loans receivable	13	**148**	(148)
Security deposits		**(14)**	(17)
Note receivable		**-**	40
Transaction related payables		**-**	(488)
Business combination	5, 13	**-**	3,183
Cash provided by (used in) investing activities		**(618)**	2,286
Financing activities			
Proceeds from issuance of common shares	13	**-**	10,000
Proceeds from exercise of share options		**112**	619
Cost of issuance of shares	5, 13	**(1)**	(1,089)
Long-term finance lease payments		**(51)**	(49)
Release of restricted cash deposits		**-**	207
Dividends paid to shareholders	13	**-**	(1,187)
Cash provided by financing activities		**60**	8,501
Effect of exchange rate changes on cash and cash equivalents		**191**	-
Net increase (decrease) in cash and cash equivalents		**(2,835)**	13,707
Cash and cash equivalents, beginning of year		**15,008**	1,301
Cash and cash equivalents, end of year		**12,173**	15,008
Supplementary cash flow information	18		

See accompanying notes

1) Nature of operations and corporate information

Symbility Solutions Inc. (the "Corporation") develops and markets software designed to improve effectiveness and reduce costs of administration of claims in both the employee benefits and property and casualty insurance markets. The Corporation was incorporated under the Alberta Business Corporations Act on July 15, 1999 and commenced operations on January 1, 2000. The Corporation is a publicly traded company domiciled in Canada with common shares listed on the TSX Venture Exchange under the stock symbol “SY” and in the United States on the OTCQX International exchange under the stock symbol “ATBEF” until March 7, 2014 when the Corporation withdrew its listing.

The Corporation's registered office is located at 3400 First Canadian Centre 350 - 7th Avenue SW, Calgary, Alberta, T2P 3N9. The Corporation has executive and operating offices in Toronto, Ontario, and operating offices in Montreal, Québec, Milwaukee, Wisconsin, and Tyler, Texas.

The Corporation has two wholly owned subsidiaries, Symbility Health Inc. which is incorporated in the Province of Alberta and Symbility Solutions Corp. which is incorporated in the State of Delaware. Symbility Health Inc. has a wholly owned subsidiary, Automated Benefits Ltd., incorporated in the province of Alberta.

As at December 31, 2013, Decision Insight Information Group and its affiliates (collectively "Decision Insight"), own 61,404,748 common shares representing approximately 29% of the outstanding shares of the Corporation. Marshall & Swift/Boeckh ("MSB"), a wholly owned subsidiary of Decision Insight, is a related party as a result of a common significant shareholder (See notes 5 and 6).

2) Basis of Presentation

a) Statement of compliance

These consolidated financial statements present the financial position, results of operations and cash flows of the Corporation for the year ended December 31, 2013 along with comparative results for the year ended December 31, 2012. These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

These consolidated financial statements were approved and authorized for issuance by the Board of Directors of the Corporation on March 27, 2014.

b) Basis of measurement

The consolidated financial statements have been prepared on the basis of historical cost, except for derivative financial instruments, available for sale financial assets and business combinations, which have been measured at fair value.

c) Functional and presentation currency

The Canadian dollar is the functional and presentation currency of the Corporation. All currency amounts in these consolidated financial statements are presented in Canadian dollars and rounded to the nearest thousand, unless otherwise stated.

d) Use of estimates and judgments

The preparation of consolidated financial statements requires management to make critical judgments, estimates and assumptions that affect the reported amounts of certain assets and liabilities, disclosure of contingent assets and liabilities and the reported amounts of revenue and expenses recorded during the year. The critical estimates and judgments applied in preparing the Corporation's consolidated financial statements affect the assessment of net recoverable amounts, net realizable values and fair values, depreciation rates and useful lives, determination of functional currency and the selection of accounting policies.

The critical estimates and judgments made in the preparation of the Corporation's consolidated financial statements include, among other things, reported amounts of assets, liabilities, revenue and expenses, and the disclosure of contingent assets and liabilities as at the end of the reporting period. It also requires management to exercise judgment in applying the Corporation's accounting policies. These estimates and judgments have been applied in a manner consistent with prior periods and there are no known trends, commitments, events or uncertainties that management believes will materially affect the methodology or assumptions utilized in making the estimates and judgments in these consolidated financial statements. Actual results could differ from those estimates.

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.

3) Significant accounting policies

The accounting policies set out below are applied consistently to the years presented in these consolidated financial statements.

a) Consolidation

The consolidated financial statements incorporate the assets and liabilities of the Corporation and its wholly owned subsidiaries, Symbility Solutions Corp., Symbility Health Inc. and Automated Benefits Ltd. as at December 31, 2013 and 2012 and the results of these subsidiaries for the years then ended.

Subsidiaries are all those entities over which the Corporation has control. The Corporation controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Corporation. All intra-Corporation assets and liabilities, revenue, income, expenses and cash flow relating to transactions between subsidiaries of the Corporation are eliminated in full on consolidation.

b) Cash and cash equivalents

Cash and cash equivalents consist of cash and highly liquid investments with maturity dates less than three months from the original date of purchase that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

c) Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration paid, measured at the acquisition date fair value. Acquisition costs incurred are expensed in net income (loss) for the year. When the Corporation acquires a business, it assesses the fair value of the acquired assets and liabilities assumed for appropriate classification in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

d) Intangible assets

The cost of intangible assets acquired in a business combination represents the fair value as at the date of acquisition. Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets acquired are comprised mainly of database licenses and customer relationships.

Intangible assets with finite lives are amortized over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Customer relationships and database licenses are amortized on a straight-line basis over five years and ten years, respectively. Computer software and computer software under finance lease are amortized on a straight-line basis at 30% per year.

Intangible assets with indefinite lives consist of trademarks and copyrights and are not amortized, but subject to an annual impairment test. The impairment test for indefinite-life intangible assets is based on a comparison of their carrying value with their fair value.

e) Goodwill

Goodwill is initially measured at cost, being the excess of the consideration paid in a business combination over the fair value of the net identifiable assets acquired. If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized as a gain.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Corporation’s cash generating units ("CGU") that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Goodwill is tested for impairment annually at December 31 or whenever events or changes in circumstances indicate that the carrying value might be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. Where the recoverable amount of the CGU is less than their carrying amount, an impairment loss is recognized. Impairment losses relating to goodwill cannot be reversed in future periods.

f) Impairment of assets and non-financial assets

The Corporation assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that have occurred after the initial recognition of the asset (a loss event) and that loss event has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

The amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the current market assessment of the time-value of money and the risks specific to the asset. The asset's carrying amount is reduced and the amount of the loss is recognized in the consolidated statements of loss and comprehensive loss.

If, in subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the reversal of the previously recognized impairment is recognized in the consolidated statements of loss and comprehensive loss.

Intangible assets that have an indefinite useful life, including goodwill, are not subject to amortization and are tested for impairment at least annually or more frequently if an indication of impairment exists. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognized in the consolidated statements of loss and comprehensive loss. The recoverable amount of an asset is the higher of its fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash inflows (CGUs).

Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

g) Revenue recognition

The Corporation has two divisions: Symbility Property and Symbility Health, which provide Software as a Service/SaaS-based technology.

Symbility Property derives its revenue from (i) subscription fees from customers accessing the Symbility Property cloud computing services, and (ii) professional services, which include programming services and training fees. Subscription revenue is driven by either the number of claims processed in a period, an annual fixed fee license or a combination of both. Claims revenue is invoiced and recognized in the month that a claim is initiated. Fixed fee licenses are invoiced in advance and recognized ratably over the period of the license. Most Symbility Property contracts are for a multi-year period. Professional services revenue is recognized as the services are performed on a percentage of completion basis.

Symbility Health derives its revenue from (i) transaction fees from customers accessing the Symbility Health cloud computing services, and (ii) the resale of premium insurance products. Transaction fee revenue is driven by the value of claims processed in a period. Claims revenue is invoiced and recognized in the month that a claim occurs. The resale of premium insurance products is invoiced to the customer at the beginning of a policy and recognized ratably over the term of the policy.

Software as a Service arrangement may involve the delivery of multiple services and products occurring at different points in time and/or over different periods of time. Revenue recognition for these arrangements is determined based on an evaluation of the individual elements of the arrangements. If the service or product delivered has stand-alone value to the customer and the fair value associated with the product or service can be measured reliably, the amount recognized as revenue for each component is the fair value of the element in relation to the fair value of the arrangement as a whole. Otherwise, the entire arrangement is treated as one unit of accounting and revenue is deferred and recognized ratably over the remaining term of the contract, commencing when all elements are delivered.

h) Property and equipment

Property and equipment are recorded at original cost. Depreciation is provided for on a straight-line basis at the following annual rates:

Furniture and fixtures	20%
Computer equipment	30%
Equipment	30%
Leasehold improvements	Term of the lease

i) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date, whether fulfillment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Finance leases which transfer to the Corporation substantially all of the risks and benefits incidental to ownership of the leased item are capitalized at the commencement of the lease at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized in finance costs in the consolidated statements of loss and comprehensive loss.

Operating lease payments are recognized as an operating expense in the consolidated statements of loss and comprehensive loss on a straight-line basis over the lease term.

j) Income taxes

The asset and liability method is used for determining income taxes. Under this method, deferred tax assets and liabilities are recognized for the estimated tax recoverable or payable that would arise if assets and liabilities were recovered and settled as at the consolidated financial statement carrying amounts. Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. Changes to these tax rates are recognized in income in the period in which they occur. The amount of deferred tax assets recognized is limited to the amount that is more likely than not to be realized.

k) Loss per share

The computation of basic loss per share is based on the weighted average number of common shares outstanding during the year. Diluted loss per share is calculated in a similar way to basic loss per share except that the weighted average number of common shares outstanding are increased to include additional shares assuming the exercise of stock options and warrants, if dilutive.

l) Stock-based compensation and other stock-based payments

The Corporation accounts for share-based payments as equity-settled transactions where the fair value of options granted is charged to salary expense over the option vesting period, with the offsetting amount recognized in contributed surplus. For awards with graded vesting, each tranche of an award is considered a separate grant with a different vesting date and fair value. The fair value of each tranche is recognized over its respective vesting period. The fair value of each tranche is estimated at the date of grant using the Black-Scholes option pricing model incorporating assumptions regarding risk-free interest rates, dividend yield, expected volatility of the Corporation’s stock, and a weighted average expected life of options. For each reporting period, the Corporation reassesses its estimates of the number of awards that are expected to vest and recognizes the impact of any revision in the consolidated statements of changes in shareholders' equity with a corresponding adjustment to income.

m) Foreign currency translation

The consolidated financial statements are presented in Canadian dollars, which is the Corporation’s functional and presentation currency. The functional currency of each entity within the Corporation is determined based on the currency of the primary economic environment in which that entity operates. Transactions in foreign currencies are initially recorded by the entities at their respective functional rates prevailing at the date of the transaction. Monetary items are translated into Canadian dollars at the exchange rate in effect as at the date of the consolidated statements of financial position and non-monetary items are translated as at the rate of exchange in effect when the assets were acquired or the obligation was incurred. Revenue and expenses are translated at the foreign exchange rate in effect at the time of the transaction. Foreign exchange gains or losses are recorded in the consolidated statements of loss and comprehensive loss.

n) Investment tax credits

Assistance in the form of federal and provincial tax credits on research and development expenditures is recorded by the Corporation when there is reasonable assurance of collection. The Corporation accounts for investment tax credits relating to research and development expenses as a deduction in the consolidated statements of loss and comprehensive loss and those relating to capital expenditures as a reduction of the cost of the asset acquired.

o) Financial instruments

Financial assets and financial liabilities classified as held-for-trading are measured at fair value as at the statements of financial position date with all realized and unrealized gains and losses resulting from the change in fair value included in income in the period in which they arise; these include cash and cash equivalents. Accounts receivable and other assets have been classified as loans and receivables, which are initially recognized at fair value plus transaction costs. They are subsequently measured at amortized cost using the effective interest rate method less any impairment. Receivables are reduced by provisions for estimated bad debts which are determined by reference to past experience and expectations. Accounts payable and accrued liabilities, dividends payable to shareholders, debt and long-term debt have been classified as other financial liabilities which are accounted for on an amortized cost basis using the effective interest rate method.

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. Fair values are determined based on prevailing market rates for instruments with similar characteristics and risk profiles.

The Corporation categorizes its fair value measurements according to a three-level hierarchy. The hierarchy prioritizes the inputs used by the Corporation's valuation techniques. A level is assigned to each fair value measurement based on the lowest-level input significant to the fair value measurement in its entirety. The three levels of the fair value hierarchy are defined as follows:

Level 1 - Unadjusted quoted prices as at the measurement date for identical assets or liabilities in active markets.

Level 2 - Observable inputs other than quoted prices included in Level 1, such as quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets and liabilities in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3 - Significant unobservable inputs which are supported by little or no market activity.

The fair value hierarchy also requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value.

4) New Standards, interpretations and amendments adopted by the Corporation

The following new accounting standards applied or adopted during the year ended December 31, 2013 had no material impact on the consolidated financial statements.

- Amendments to IAS 1, Presentation of Financial Statements
- Amendments to IFRS 7, Disclosures - Offsetting Financial Assets and Financial Liabilities
- IFRS 10, Consolidated Financial Statements
- IFRS 11, Joint Arrangements
- IFRS 12, Disclosure of Involvement with Other Entities
- IFRS 13, Fair Value Measurement
- Amendments to IAS 27, Separate Financial Statements
- Amendments to IAS 28, Investments in Associates and Joint Ventures

IAS 36, Recoverable Amount of Disclosures for Non-Financial Assets ("IAS 36")

The Corporation has adopted the amendments to IAS 36 effective January 1, 2013. These amendments amend the disclosure requirement relating to non-financial assets such that companies are required to disclose the recoverable amount of an asset (or CGU) only in periods in which impairment has been recorded or reversed in respect of that asset (or CGU). The amendments also expand and clarify the disclosure requirements when an asset's (or CGU's) recoverable amount has been determined on the basis of fair value less cost of disposal. The amendment is effective for annual periods beginning on or after January 1, 2014, retrospectively, with early adoption permitted. The Corporation has elected to early adopt the provisions of these amendments in these consolidated financial statements.

Future Accounting Policies

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

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")

Amendments to *IAS 32 Financial Instruments: Presentation* clarify the criteria that should be considered in determining whether an entity has a legally enforceable right of set off in respect of its financial statements. Amendments to IAS 32 are applicable to annual periods beginning on or after January 1, 2014, with retrospective application required. Early adoption is permitted. The Corporation has not yet assessed the impact this standard will have on the consolidated financial statements.

(In thousands of Canadian dollars unless otherwise stated)

5) Business combinations

On April 10, 2012, the Corporation completed the acquisition of MSB's claims division ("MSB Claims Business") from MSB (the "Acquisition"). MSB Claims Business provides workflow software for property claims estimation and claims analytics services. To support these products and services, MSB utilizes various proprietary databases. Under the terms of the data license agreement a perpetual license to utilize the databases currently used in the MSB Claims Business was granted to the Corporation.

The results of the acquired MSB Claims Business, as well as the assets and liabilities acquired, have been consolidated from April 10, 2012 and are included in the Corporation's financial performance and consolidated financial statements.

On April 10, 2012, the Corporation issued 52,189,286 common shares with a fair value of $0.35 per common share for a total fair value of $18,266 for the Acquisition and 7,021,530 common shares with a fair value of $0.35 per common share for a total fair value of $2,458 for a private placement to Decision Insight and MSB for cash proceeds of $3,183 (together the "Transaction"). The issuance of these common shares to Decision Insight and MSB were approved by the TSX Venture Exchange. The fair value was determined based on the share price on the date of issuance.

The final purchase equation is summarized below:

Fair value recognized on acquisition	Total
Assets	
Cash	3,183
Accounts receivable	753
Prepaid expenses, capital and other assets	630
Intangible assets	10,973
Liabilities	
Deferred revenue	(1,586)
Net identifiable assets	13,953
Goodwill arising on acquisition	6,771
Purchase consideration transferred	**20,724**

The Corporation identified intangible assets of $2,175 for customer relationships and $8,798 for the database license. Goodwill of $6,771 relates to workforce, expected synergies and other assets that are not individually identified and separately recognized. Goodwill is not expected to be deductible for tax purposes. Acquisition costs of $1,831 were accounted for as a period expense when the costs were incurred, except for the cost to issue equity of $50, which was recorded as a deduction from share capital.

6) Related party transactions

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

For the year ended December 31, 2013, the Corporation expensed $2,512 (2012 - $1,751) 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 year ended December 31, 2013, the Corporation earned $312 (2012 - $Nil) for services provided to MSB. As at December 31, 2013, the Corporation owed $322 (2012 - $158) to MSB, net of services provided.

(In thousands of Canadian dollars unless otherwise stated)

On January 25, 2013, the Corporation issued 111,438 common shares with an estimated weighted average fair value of $0.45 per share for an aggregate value of $50 to the Directors of the Corporation for services provided from July to December 2012. The issuance of these common shares to the Directors was approved by the TSX Venture Exchange. The estimated fair value was determined based on the share price on the date of issuance.

On July 2, 2013, Decision Insight announced that it had signed a definitive agreement to sell, among other assets, all of its indirect ownership interest in the Corporation to a subsidiary of CoreLogic, Inc. ("CoreLogic"). The sale of the Corporation's common shares is part of the proposed transaction announced by CoreLogic, pursuant to which CoreLogic will acquire Decision Insight's MSB and DataQuick Information Systems businesses (the "Proposed Transaction"). The Proposed Transaction, of which the sale of common shares of the Corporation forms a part, was completed on March 25, 2014.

On June 29, 2012, 2,823,265 restricted shares under the Canadian Restricted Share Plan (the "Canadian RS Plan") and United States Restricted Shares Plan (the "United States RS Plan", and together with the Canadian RS Plan, the "RS Plans") were granted to certain Directors and officers of the Corporation and a loan equal to the income taxes payable was made to the Canadian Directors and officers. The value of the loans was fully repaid in 2013.

Compensation of key management personnel

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

	For the years ended December 31, 2013	For the years ended December 31, 2012
Short term remuneration and benefits	**2,820**	2,402
Share-based payments	**1,973**	756
Total	**4,793**	3,158

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

Year of Issuance	Year of expiry	Range of exercise price	December 31, 2013	December 31, 2012
		$	Number outstanding	Number outstanding
2009	2014	0.12 - 0.19	**950,000**	1,050,000
2010	2015 - 2020	0.11 - 0.20	**333,932**	333,932
2011	2021	0.22 - 0.26	**1,321,000**	1,371,000
2012	2022	0.34 - 0.46	**2,800,000**	2,850,000
2013	2023	0.45 - 0.50	**5,053,500**	-
Total			**10,458,432**	5,604,932

(In thousands of Canadian dollars unless otherwise stated)

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

7) Property and equipment

	Furniture and fixtures	Computer equipment(1)	Equipment(2)	Leasehold improvements	Total
Cost					
At January 1, 2012	170	561	37	131	899
Additions	33	153	1	10	197
Additions arising from business combination	-	-	37	-	37
Disposals	(24)	-	-	-	(24)
At December 31, 2012	179	714	75	141	1,109
Additions	71	249	88	102	510
At December 31, 2013	250	963	163	243	1,619
Accumulated depreciation					
At January 1, 2012	131	411	22	37	601
Depreciation expense	12	74	25	22	133
Disposals	(24)	-	-	-	(24)
At December 31, 2012	119	485	47	59	710
Depreciation expense	22	135	43	34	234
At December 31, 2013	141	620	90	93	944
Net book value					
At December 31, 2012	60	229	28	82	399
At December 31, 2013	109	343	73	150	675

(1) Includes computer equipment under finance lease with a cost of $107 (2012 - $107), accumulated amortization of $70 (2012 - $38) and net book value of $37 (2012 - $69).

(2) Includes equipment under finance lease with a cost of $21 (2012 - $21), accumulated amortization of $18 (2012 - $12) and net book value of $3 (2012 - $9).

(In thousands of Canadian dollars unless otherwise stated)

8) Intangible assets

	Computer software[1]	Trademarks and patent	Customer relationships	Database license	Total
Cost					
At January 1, 2012	158	40	-	-	198
Additions	51	36	-	-	87
Additions arising from business combination	-	-	2,175	8,798	10,973
Disposals	(51)	-	-	-	(51)
At December 31, 2012	158	76	2,175	8,798	11,207
Additions	223	17	-	-	240
At December 31, 2013	**381**	**93**	**2,175**	**8,798**	**11,447**
Accumulated amortization					
At January 1, 2012	131	13	-	-	144
Amortization expense	17	-	314	635	966
Disposals	(51)	-	-	-	(51)
At December 31, 2012	97	13	314	635	1,059
Amortization expense	50	-	441	880	1,371
At December 31, 2013	**147**	**13**	**755**	**1,515**	**2,430**
Net book value					
At December 31, 2012	61	63	1,861	8,163	10,148
At December 31, 2013	**234**	**80**	**1,420**	**7,283**	**9,017**

[1] Includes computer software under finance lease with a cost of $17 (2012 - $17), accumulated amortization of $11 (2012 - $6) and net book value of $6 (2012 - $11).

9) Impairment tests

The Corporation performed its annual impairment tests at December 31, 2013 in accordance with the accounting policy as described in note 3. The results of these tests are shown below.

Goodwill was allocated to the following CGUs or group of CGUs aggregated to the level that the goodwill is monitored by management:

	December 31, 2013	December 31, 2012
Symbility Property	**6,771**	6,771
Symbility Health	**-**	-
	6,771	6,771

(In thousands of Canadian dollars unless otherwise stated)

The recoverable amount of each CGU, or group of CGUs, is determined based on value in use ("VIU") using discounted cash flow projection calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The key assumptions used for the VIU calculation at December 31, 2013 and December 31, 2012 were as follows:

December 31, 2013	**5 Year Growth Rate**	**Perpetual Growth Rate**	**Discount Rate**
Symbility Property	(10%) - 30%	3%	19%
Symbility Health	15% - 20%	3%	19%

December 31, 2012	**5 Year Growth Rate**	**Perpetual Growth Rate**	**Discount Rate**
Symbility Property	10% - 58%	3%	23%
Symbility Health	15% - 24%	3%	23%

Goodwill and intangible assets

The growth rates used are consistent with forecasts developed by management based on historical experience and future anticipated results. The pre-tax discount rates used reflect the specific risks relating to the relevant CGUs or group of CGUs. Based on the impairment tests performed, the Corporation determined that the VIU of Symbility Property and Symbility Health was higher than the carrying value of its net assets.

10) Finance lease obligations

The Corporation has entered into finance leases on certain office equipment with lease terms of five years. The Corporation has the option to purchase the machines for a nominal amount at the conclusion of the lease agreements. The interest charged on these finance leases is at a rate of 7.75% annually. Future minimum lease payments under finance leases together with the present value of the net minimum lease payments are as follows:

	December 31, 2013		**December 31, 2012**	
	Minimum payments	**Present value of payments**	**Minimum payments**	**Present value of payments**
Within one year	**46**	**44**	54	50
After one year but not more than five years	**5**	**5**	51	49
More than five years	**-**	**-**	-	-
Total minimum lease payments	**51**	**49**	105	99
Less finance costs	**(2)**	**-**	(6)	-
Present value of minimum lease payments	**49**	**49**	99	99

(In thousands of Canadian dollars unless otherwise stated)

11) Commitments

Operating lease obligations

The Corporation has entered into operating leases on office space and equipment excluding commitments under the transition services agreement. These leases have remaining terms of between one and five years. Future minimum annual lease payments under operating leases are as follows:

	December 31, 2013	December 31, 2012
Within one year	**478**	405
After one year but not more than five years	**1,233**	1,373
More than five years	**-**	-
	1,711	1,778

For the year ended December 31, 2013, the Corporation has expensed $411 (2012 - $320) related to the operating leases.

Transition services agreement

As part of the Transaction, the Corporation has entered into a four-year transition services agreement with MSB with a minimum annualized commitment of $712 (2012 - $1,118). The termination of the agreement is subject to the earlier of i) the time when no customers of the MSB claim business or the new claims business are using certain existing MSB products, ii) four (4) years following the effective date which is on April 10, 2012 and iii) portions of the agreement upon 90 days' notice. The minimum commitment for the 90 day notice period is included in the obligation above.

Also as part of the Transaction, the Corporation entered into the database licence agreement which requires payment by the Corporation to MSB to maintain the currency of the database. This is a variable cost based on various factors but has no minimum commitment (See note 6).

Other commitments

The Corporation also has non-cancellable purchase obligations under supplier agreements excluding the transition services agreement totaling $343 (2012 - $433) to be paid over the next three years ending December 31, 2016.

Contingent claims

In the ordinary course of business, from time to time the Corporation is involved in various claims related to software, intellectual property rights, commercial, employment or other claims. Although such matters cannot be predicted with certainty, management does not consider the Corporation's exposure to these claims to be material to these consolidated financial statements.

(In thousands of Canadian dollars unless otherwise stated)

12) Income taxes

The expense for the year can be reconciled to the accounting loss as follows:

The major components of income tax expense are as follows:

	For the years ended December 31,	
	2013	**2012**
Current income tax	**13**	7
Deferred tax		
Origination and reversal of temporary differences	**249**	450
Unrecognized benefit of deferred tax assets	**(249)**	(450)
	13	7

A reconciliation between tax expense and the product of accounting profit multiplied by Canada's domestic tax rate for the years ended December 31, 2013 and 2012 are as follows:

	For the years ended December 31,	
	2013	**2012**
Loss before income tax expenses	**(4,674)**	(3,386)
Income tax rate	**27.85%**	26.78%
Income tax expense	**(1,302)**	(907)
Effect of expenses that are not deductible (taxable) in determining taxable income	**1,066**	464
Unrecognized benefit of current year's losses and other	**249**	450
Total income tax expense	**13**	7

The 2013 statutory rate of 27.85% differs from the 2012 statutory rate of 26.78% because of enacted rate reductions in the Federal and Ontario income tax rates.

The Corporation offsets tax assets and tax liabilities if, and only if, it has a legal enforceable right to set off current tax assets and current tax liabilities or the deferred tax assets and deferred tax liabilities and they relate to taxes levied by the same tax authority.

The benefits of the following temporary differences have not been recognized in the consolidated financial statements:

	December 31, 2013	**December 31, 2012**
Scientific research and experimental development	**4,136**	4,330
Non-capital losses	**16,371**	12,395
Other	**5,710**	6,316
Net unrecognized temporary differences	**26,217**	23,041

(In thousands of Canadian dollars unless otherwise stated)

As at December 31, 2013, the Corporation has the following Federal investment tax credits available to reduce future Federal taxes payable, Federal and Ontario non-capital losses available for carry forward, U.S. non-capital losses available for carry forward and Ontario research and development tax credits which will expire as follows:

Year	Canadian Federal Investment tax credits	Canadian Federal and Ontario Non-capital loss carry forwards	U.S. Federal Loss carry forwards	Ontario Research and Development tax credits
2014	-	246	-	-
2015	-	2,094	-	-
2023	2	-	-	-
2024	29	-	-	-
2025	74	-	-	-
2026	115	3,435	-	-
2027	224	2,829	408	-
2028	259	1,087	204	-
2029	232	974	243	26
2030	227	908	-	38
2031	200	1,150	-	14
2032	44	2,502	-	2
2033	-	291	-	-
	1,406	15,516	855	80

The Corporation has Quebec non-capital losses of $8,298 (2012 - $7,230) available for carry forward. The Corporation is subject to federal and provincial income taxes, as well as U.S. taxes. Tax laws are complex and can be subject to different interpretations. The Corporation has prepared its tax provision on the interpretations of tax law which it believes represents the probable outcome. The Corporation may be required to change its provision for income taxes if the tax authorities ultimately are not in agreement with the Corporation's interpretation.

The Corporation has not recorded a deferred tax asset on its taxable temporary differences. The Corporation has determined that the recognition of its net deferred tax assets does not meet the criteria of recognition being "probable". This assessment is based on management's estimates of future taxable income.

(In thousands of Canadian dollars unless otherwise stated)

13) Issued capital

Authorized

Unlimited number of common shares, no par value
Unlimited number of preferred shares, no par value

Issued (excluding Restricted Shares described below)

	Common shares	
	#	**$**
Balance - January 1, 2012	118,444,148	16,359
Shares issued for services rendered	345,230	133
Share options exercised	3,145,465	1,719
Shares issued in business combination	59,210,816	20,724
Shares issued for cash	22,727,500	10,000
Share issuance costs	-	(1,324)
Share Capital Balance - December 31, 2012	203,873,159	47,611
Shares issued for services rendered	111,438	50
Share options exercised	499,999	160
Restricted Shares released	1,001,738	381
Share issuance costs	-	22
Share Capital Balance - December 31, 2013	205,486,334	48,224

As at December 31, 2013, there were 3,253,193 (2012 - 4,293,265) Restricted Shares outstanding in addition to the above shares.

Dividend

On March 28, 2012, the Corporation declared a discretionary cash dividend, payable to Shareholders of record as of April 9, 2012, in the amount of C$0.01 for each common share issued and outstanding as of April 9, 2012. The Corporation paid a dividend of $1,187 on April 21, 2012 to the Shareholders of record at the close of business on April 9, 2012.

Restricted Share Plans

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

(In thousands of Canadian dollars unless otherwise stated)

The RS Plans provide that the RSs issued to Participants (as such term is defined in the RS Plans) under RS Plans will be subject to forfeiture over a period to be specified in the Restricted Share Agreement (the "RS Agreement"), beginning April 1, 2012 and ending on or before March 31, 2017, unless certain vesting criteria have been achieved. The vesting criteria were set by the Board of Directors and are set forth in the applicable RS Agreement. Each RS grant shall be composed of three equal tranches. The risk of forfeiture with respect to 20% of the first tranche (1/3 of the RSs granted), unless earlier terminated or forfeited in accordance with the RS Plans, shall lapse on each of March 31, 2013, 2014, 2015, 2016 and 2017 in five equal parts. The risk of forfeiture with respect to the second tranche (1/3 of the RSs granted) shall lapse upon the achievement of certain performance goals related to the integration of the operations of the Corporation and its subsidiaries with the MSB Prior Claims Business (as such term is defined in the RS Plans) on or before April 10, 2014. The risk of forfeiture with respect to the third tranche (1/3 of the RSs granted) shall lapse upon the achievement of certain financial performance-based targets for the Corporation's twelve-month periods ended March 31, 2013, 2014, 2015, 2016 and 2017. Such performance goals and financial performance-based targets are set by the Board of Directors and are set forth in the applicable RS Agreements.

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

On June 29, 2012, 3,073,265 RSs were issued under the Canadian RS Plan and 1,320,000 RSs were issued under the United States RS Plan, for a total of 4,393,265 RSs outstanding.

The following table summarizes activity related to the RS for the years ended December 31, 2013 and 2012:

	December 31, 2013	**December 31, 2012**
	Restricted Shares outstanding	**Restricted Shares outstanding**
	#	**#**
Balance - beginning of year	**4,293,265**	-
Granted	**-**	4,393,265
Forfeited	**(38,334)**	(100,000)
Released	**(1,001,738)**	-
Balance - end of year	**3,253,193**	4,293,265

Share issuance for cash

On December 11, 2012, the Corporation announced that it had completed the closing of its public offering of 22,727,500 common shares at a price of $0.44 per share. Gross proceeds from the offering were approximately $10,000 resulting in cash proceeds of $8,961, net of transaction costs.

(In thousands of Canadian dollars unless otherwise stated)

Stock option plan

The Corporation has a stock option plan (the "Plan"), which provides that the Board of Directors may grant from time to time, at its discretion, stock options to purchase common shares of the Corporation to directors, senior officers, employees, and consultants. The number of common shares reserved for issuance under the Plan shall not exceed 10% of the issued and outstanding common shares on a non-diluted basis at any time. In addition, the number of common shares reserved for issuance to any one person in any 12-month period shall not exceed 5% of the issued and outstanding common shares. There are additional restrictions on the number of options that may be granted to insiders. The exercise price shall be determined by the Board of Directors, but shall not be lower than the lowest price permitted by the TSX Venture Exchange.

The exercise price of the stock options is equal to the closing market price of the underlying shares on the date before the options were granted. For employee stock options, the contractual term of options vary from five to ten years and the vesting period is either at a rate of 1/3 immediately and 1/3 on each of the 12 and 24 month anniversary of the date of the grant or upon achievement of specific performance targets. For non-employee stock options, the contractual term of options vary from five to ten years and the vesting period varies with the term of the option contract.

Stock-based compensation	**For the years ended December 31,**	
	2013	**2012**
General and administration	**1,493**	459
Research and development	**677**	175
Sales and marketing	**879**	662
Total	**3,049**	1,296

The total stock-based compensation expense for the Stock option Plan and the Restricted Share Plans for the year ended December 31, 2013 was $3,049 (2012 – $1,296), with a corresponding credit to contributed surplus.

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

	For the years ended December 31,	
	2013	**2012**
Risk-free interest rate	**1.55%**	1.61%
Expected life	**5.5 years**	5.5 years
Volatility	**112%**	117%
Expected dividends	**Nil**	Nil
Weighted average share price	**$0.48**	$0.41
Weighted average exercise price	**$0.49**	$0.43
Weighted average fair value	**$0.39**	$0.34

The expected life of the stock options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome.

(In thousands of Canadian dollars unless otherwise stated)

The following table summarizes activity related to stock options for the years ended December 31, 2013 and 2012:

	December 31, 2013		December 31, 2012	
	Stock options outstanding #	Weighted average exercise price $	Stock options outstanding #	Weighted average exercise price $
Balance – beginning of year	**8,638,399**	**0.32**	7,143,864	0.20
Granted	**8,365,000**	**0.49**	4,800,000	0.43
Exercised	**(499,999)**	**0.22**	(3,145,465)	0.20
Forfeited	**(355,007)**	**0.45**	(80,001)	0.42
Expired	**(184,994)**	**0.43**	(79,999)	0.30
Balance – end of year	**15,963,399**	**0.41**	8,638,399	0.32
Exercisable – end of year	**8,647,290**	**0.35**	4,731,365	0.25

The weighted average remaining contractual life for the stock options outstanding as at December 31, 2013 is 8.03 years (2012 – 7.46 years). The weighted average share price of options exercised during the year ended December 31, 2013 was $0.44 (2012 – $0.42).

The following table summarizes information about the Corporation's stock options outstanding as at December 31, 2013 and 2012:

Range of exercise price $	December 31, 2013 Number outstanding	December 31, 2012 Number outstanding
0.10 - 0.19	**1,815,599**	2,025,599
0.20 - 0.29	**1,642,800**	1,812,800
0.30 - 0.39	**960,000**	1,110,000
0.40 - 0.49	**4,997,500**	3,690,000
0.50 - 0.59	**6,547,500**	-
	15,963,399	8,638,399

Broker warrants

On December 11, 2012, the Corporation issued 1,136,375 broker warrants to the underwriters as part of the compensation costs related to the public offering of $10,000. Each broker warrant is exercisable to purchase one common share at $0.44 per broker warrant for a period of two years from the Closing Date. On December 11, 2012, the fair value of broker warrants was $235. As at December 31, 2013, there were 1,136,375 (2012 - 1,136,375) broker warrants outstanding.

(In thousands of Canadian dollars unless otherwise stated)

The following table summarizes activity related to broker warrants for the year ended December 31, 2013 and 2012:

	December 31, 2013		**December 31, 2012**	
	Broker warrants outstanding	**Weighted average exercise price**	**Broker warrants outstanding**	**Weighted average exercise price**
	#	**$**	**#**	**$**
Balance – beginning of year	**1,136,375**	**0.44**	-	-
Granted	**-**	**-**	1,136,375	0.44
Balance – end of year	**1,136,375**	**0.44**	1,136,375	0.44
Exercisable – end of year	**1,136,375**	**0.44**	1,136,375	0.44

The weighted average remaining contractual life for the broker warrants outstanding as at December 31, 2013 is 0.95 years (2012 - 1.95 years).

14) Loss per share

	For the years ended December 31,	
	2013	**2012**
Loss attributable to common shareholders (numerator)	**(4,687)**	(3,393)
Weighted average number of common shares outstanding (denominator) Basic and diluted	**204,897,076**	164,561,810
	$	**$**
Basic and diluted loss per common share, in Canadian dollars	**(0.02)**	(0.02)

The conversion of outstanding stock options and warrants has not been included in the calculation of diluted loss per share as to do so would have been anti-dilutive.

15) Financial Instruments and Risk Management

Fair value

Financial assets and liabilities classified as held-for-trading are measured at fair value at the consolidated balance sheet date with all realized and unrealized gains and losses resulting from the change in fair value included in net income in the period in which they arise; these include cash and cash equivalents. Accounts receivable and other assets, loans receivable, prepaid expenses and other assets have been classified as loans and receivables, which are accounted for on an amortized cost basis using the effective interest rate method. Accounts payable and accrued liabilities, deferred revenue, finance lease obligations and customer deposits have been classified as other financial liabilities which are accounted for on an amortized cost basis using the effective interest rate method.

(In thousands of Canadian dollars unless otherwise stated)

Risks arising from financial instruments and risk management

The Corporation's activities expose it to a variety of financial risks: market risk (including foreign exchange risk), 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 of Directors.

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 at December 31, 2013, 22% is denominated in U.S. dollars (2012 - 38%) and 36% is denominated in U.K. pound sterling (2012 - 20%), respectively.

Of the Corporation's accounts payable at December 31, 2013, 33% is denominated in U.S. dollars (2012 - 20%).

During the year ended December 31, 2013, approximately 65% of revenue was in U.S. dollars (2012 - 66%) and approximately 11% of revenue was in U.K. pound sterling (2012 - 9%). During the year ended December 31, 2013, approximately 36% of expenses was in U.S. dollars (2012 - 35%).

During the year ended December 31, 2013, a 1% appreciation (depreciation) in the U.S. dollar to Canadian dollar foreign exchange rate, with all else being equal, would have affected net income by $16 (2012 - $24), and a 1% appreciation (depreciation) in the U.K. pound sterling to Canadian dollar foreign exchange rate, with all else being equal, would have affected net income by $35 (2012 - $14). The Corporation's exposure to foreign currency changes for all other currencies is not material.

Credit risk

As at December 31, 2013, the largest amounts due from one customer accounted for 41% of the Corporation's total accounts receivable (2012 - two customers - 19% and 11%, respectively).

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

	December 31, 2013	**December 31, 2012**
Current	**2,596**	1,928
31 - 60 days	**682**	646
61 - 90 days	**193**	187
Over 91 days	**711**	781
Less: allowance for doubtful accounts	**(29)**	(202)
Total accounts receivable, net	**4,153**	3,340

(In thousands of Canadian dollars unless otherwise stated)

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.

The movement in the Corporation's allowance for doubtful accounts for the years ended December 31, 2013 and 2012 were as follows:

	December 31, 2013	December 31, 2012
Balance – beginning of year	**202**	2
Additions	**100**	202
Recovered	**(40)**	-
Written off	**(233)**	(2)
Balance – end of year	**29**	202

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, 2013, the Corporation was holding cash and cash equivalents of $12,173 (2012 - $15,008).

16) Management of capital

The Corporation defines capital that it manages as the aggregate of its shareholders' equity and interest-bearing debt. The Corporation's objectives when managing capital are to ensure that it can provide products and services to its customers and returns to its shareholders.

As at December 31, 2013, total managed capital was $26,525 (2012 - $28,030) comprised of shareholders' equity of $26,476 (2012 - $27,930) and interest-bearing debt of $49 (2012 - $100), which is included in accounts payable and accrued liabilities.

The Corporation manages its capital structure and makes adjustments to it in light of economic conditions and operating results. The Corporation, upon approval from its Board of Directors, will balance its overall capital structure through new share issues, share repurchases, the issue of debt or by undertaking other activities as deemed appropriate under the specific circumstances.

The Corporation is not subject to externally imposed capital requirements and the Corporation's overall strategy and objectives with respect to capital risk management remained unchanged for the year ended December 31, 2013.

17) Segmented information

The Corporation has two reportable segments which offer different products and services: 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. Symbility Health was previously identified as Adjudicare.

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

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

During the year ended December 31, 2013, there were two customers who accounted for more than 10% or $2,591 and $5,788, respectively (2012 - one customer - $5,126) of the Corporation's revenue. These customers are in the Symbility Property division.

(In thousands of Canadian dollars unless otherwise stated)

	For the year ended December 31, 2013			
	Symbility Health	Symbility Property	Head office	Total
Revenue	4,066	17,828	-	21,894
Cost of sales	1,829	2,395	-	4,224
	2,237	15,433	-	17,670
Expenses	2,462	19,999	-	22,461
Segment loss before finance costs (income), net and income tax expense	(225)	(4,566)	-	(4,791)
Finance costs (income), net	2	(2)	(117)	(117)
Income tax expense, current	-	13	-	13
Segment net loss	(227)	(4,577)	117	(4,687)
As at December 31, 2013				
Operating assets	1,497	19,943	-	21,440
Assets not allocated to segments				
Cash and cash equivalents	-	-	12,173	12,173
Total operating assets	1,497	19,943	12,173	33,613
Carrying value of intangible assets	33	8,984	-	9,017
Carrying value of goodwill	-	6,771	-	6,771
Total operating liabilities	1,345	5,792	-	7,137
Additions to property and equipment, and intangible assets	36	716	-	752

	For the year ended December 31, 2012			
	Symbility Health	Symbility Property	Head office	Total
Revenue	3,601	12,936	-	16,537
Cost of sales	1,537	1,665	-	3,202
	2,064	11,271	-	13,335
Expenses	1,961	14,769	-	16,730
Segment income (loss) before finance costs (income), net and income tax expense	103	(3,498)	-	(3,395)
Finance costs (income), net	(1)	(2)	(6)	(9)
Income tax expense, current	-	7	-	7
Segment income (loss)	104	(3,503)	6	(3,393)
As at December 31, 2012				
Operating assets	1,385	20,016	-	21,401
Assets not allocated to segments				
Cash and cash equivalents	-	-	15,008	15,008
Total operating assets	1,385	20,016	15,008	36,409
Carrying value of intangible assets	16	10,132	-	10,148
Carrying value of goodwill	-	6,771	-	6,771
Total operating liabilities	1,063	7,416	-	8,479
Additions to property and equipment, intangible assets and goodwill	13	18,052	-	18,065

(In thousands of Canadian dollars unless otherwise stated)

Geographic Information

The Corporation's revenue and non-current assets by geographic areas as at December 31, 2013 and 2012, and for the years then ended, are as follows:

	Revenue for the years ended December 31,		Non-current assets as at December 31,	
	2013	**2012**	**2013**	**2012**
Canada	**5,032**	4,195	**8,079**	8,591
United States	**14,161**	10,880	**8,417**	8,746
International	**2,701**	1,462	**-**	-
Total	**21,894**	16,537	**16,496**	17,337

Seasonality

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

18) Supplementary cash flow information

	For the years ended December 31,	
	2013	**2012**
Interest paid	**7**	6
Interest received	**122**	9
Income taxes paid	**11**	8

19) Other operating expenses

	For the years ended December 31,	
	2013	**2012**
Depreciation and amortization	**284**	147
Foreign exchange (gain) loss, net	**(30)**	50
Total other operating expenses	**254**	197

(In thousands of Canadian dollars unless otherwise stated)

20) Finance income

	For the years ended December 31, 2013	2012
Interest income on cash and cash equivalents	**121**	1
Interest income on restricted cash deposits	**-**	12
Other finance and other income	**3**	2
Total finance income and other income	**124**	15

21) Finance costs

	For the years ended December 31, 2013	2012
Interest expense on finance lease obligations	**4**	6
Other finance charges	**3**	-
Total finance costs	**7**	6

22) Scientific research and experimental development tax credits

For the year ended December 31, 2013, the Corporation has recorded investment tax credits of $47 (2012 - investment tax expense of $4) and reduced (increased) research and development expenditures by this amount. The Corporation has accumulated $1,406 (2012 - $1,362) of non-refundable investment tax credits, which can be carried forward to reduce future federal income taxes payable that will begin to expire in 2023. As at December 31, 2013, the Corporation had $40 (2012 - $61) of tax credits recorded within the other assets.

23) Comparative consolidated financial statements

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

24) Subsequent events

On February 10, 2014, 300,000 options were granted to Directors of the Corporation in accordance with the Corporation's stock option plan. Each option entitles its holder to purchase one common share of the Corporation at an exercise price of $0.31 per share for a period of ten years from the date of grant. The options vest at a rate of one third per annum, on the anniversary date of the grant.

On March 20, 2014, the Board of Directors evaluated the criteria of the Canadian RS Plan and United States RS Plan and determined that:

- 279,557 RSs had not met the vesting criteria and will be forfeited on March 31, 2014 pursuant to the R.S. Plan,,
- 978,428 RSs had met the vesting criteria and will be released on March 31, 2014 pursuant to the R.S. Plan, and
- 1,956,874 RSs, subject to the TSX Venture Exchange approval, were to be released.

On March 27, 2014, 2,259,935 options were approved to be granted on March 31, 2014 to Directors, officers, and employees of the Corporation in accordance with the Corporation's stock option plan. Each option will entitle its holder to purchase one common share of the Corporation at the closing price of the common shares on March 31, 2014 for a period of ten years from the date of grant. The options vest at a rate of one third per annum, on the anniversary date of the grant.