Symbility Solutions Inc.
Management's Discussion and Analysis
November 15, 2012

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 quarter ended September 30, 2012, the 2011 Annual MD&A and the Corporation's audited financial statements and accompanying notes as of December 31, 2011 and 2010, the Annual Information Form dated December 31, 2011 and the Business Acquisition Report dated May 29, 2012, all available on SEDAR. All amounts are expressed in Canadian dollars unless otherwise noted. Any reference to the Corporation specifically relates to the parent company as separate from its operating subsidiaries. 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.

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 the MD&A have been reviewed by the Corporation's Audit Committee and approved by its Board of Directors.

Corporate Overview

Symbility Solutions Inc. is a holding company with its head office located in Toronto, Ontario and is dedicated to acquiring and profitably growing companies which provide software applications to the insurance industry. Prior to September 19, 2012, the Corporation operated under the name Automated Benefits Corp. Its wholly-owned subsidiary, Automated Benefits Inc. ("Adjudicare®"), is also located in Toronto, Ontario and provides claims management software for health and dental plans in addition to other insurance products for employer groups. The Corporation's other wholly-owned subsidiary, Symbility Solutions Ltd. ("Symbility Canada") and its wholly-owned subsidiary, Symbility Solutions Corp. ("Symbility USA") (Symbility Canada and Symbility USA are jointly referred to on a consolidated basis as "Symbility") are software development companies focused on mobile communication and efficiency tools for the North American and International property and casualty insurance industry. The Corporation has offices in Toronto, Ontario, Montreal, Québec, Milwaukee, Wisconsin and Tyler, Texas. Symbility USA has its registered office in the State of Delaware.

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, Adjudicare software product placement targets and Symbility product placement targets is forward-looking information.

Aside from specific commentary in sections of this document and the 2011 Annual MD&A that provides additional detail, management has made the following material factors and assumptions in providing forward-looking information:

- The markets for the software products sold by its subsidiaries do not materially change or decline in size.
- The Corporation's competitors do not significantly change their business model making it harder for the Corporation to succeed.
- The Corporation does not require significant financing to execute on its business plans.
- The software sold by the Corporation's subsidiaries continues to meet the service level obligations contained within the contracts with their customers.
- The Canadian dollar does not strengthen significantly creating a material impact from foreign exchange associated with revenue from its U.S. and European customer contracts.
- The Corporation had one customer that represents more than 10% of consolidated revenue in the first three quarters of 2012 and management has assumed that these contracts continue generating revenue at similar levels in 2012 and 2013.
- That Symbility is able to successfully integrate the recent acquisition into its operations.

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 November 15, 2012.

Non-IFRS Measures

In addition to disclosing results in accordance with IFRS, the Corporation also provides supplementary non-IFRS measures as a method of evaluating the Corporation's performance. Management uses Adjusted EBITDA as a measure of enterprise-wide performance. Adjusted EBITDA is defined as earnings before interest income, taxes, depreciation and amortization, impairment losses, stock-based compensation, restructuring costs included in general and administration expense and other non-recurring gains or losses including transaction costs related to 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 earnings (loss) prepared in accordance with IFRS.

Recent Events

The Corporations operating subsidiaries, Symbility® and Adjudicare® report the following recent business developments:

Symbility

- In April of 2012, Symbility announced it had completed the acquisition of the claims division of Marshall, Swift & Boeckh ("MSB"), a wholly owned subsidiary of Decision Insight Information Group (the "Transaction"). This Transaction augments Symbility's existing expertise in claims processing, loss estimating solutions, and process analytics technologies. Symbility claims solutions, used in conjunction with MSB's Underwriting Solutions, means property insurers now have an alternative enterprise solution to provide their policyholders a better claims experience. On April 10, 2012, the Corporation issued 7,021,530 common shares with an estimated fair value of $0.35 per share totaling $2,457,536 to Decision Insight related to the private placement in connection to the Transaction. Decision Insight Information Group, became the largest shareholder with a one-third equity stake in Symbility's parent company, the Corporation. MSB also has entered into a long-term strategic data license agreement to integrate MSB's claims estimation data into Symbility's mobile claims software.
- September 20, 2012, the Corporation announced that its shareholders had approved changing the name of the Corporation to Symbility Solutions Inc. at the Annual and Special General Meeting. On September 24, 2012, our stock symbol changed to TSX-V:SY and our corporate website is now www.symbilitysolutions.com.
- Symbility has announced a number of customer related contracts since our last MD&A. Shelter Insurance® group of companies has signed a multi-year agreement with Symbility, a leader in the insurance industry, providing customers with exceptional insurance and financial products and services since 1946. Farmers Alliance Companies, who has specialized in providing personal, commercial, and farm insurance for rural America for more than a century, also signed a multi-year agreement to integrate the Symbility platform into its operations. Mountain West Farm Bureau Mutual Insurance Company, a multi-line insurance organization, serving the needs of individuals, families, and businesses throughout Wyoming and Montana, had also signed a multi-year agreement to integrate Symbility into its operations. First Choice Repair, a national third party administrator, offering a Managed Repair Program through a network of credentialed contractors, had signed a multi-year agreement to integrate Symbility into its operations, in order to enhance third-party contractor productivity. Shelter Insurance, Farmers Alliance, Mountain West Farm Bureau were previous MSB Claims Business customers.

- On October 4, 2012, Symbility announced it had expanded the sales Leadership team with the addition of John Burega, as Symbility's Senior Vice President, Global Sales & Marketing and the promotion of Jeff Brinkman, to Vice President, US Sales.

Adjudicare

- Adjudicare has announced a number of customer related contracts since our last MD&A. Edgewater Employee Services Inc. has signed a multi-year agreement to integrate the Adjudicare platform into operations. Edgewater Employee Services were the first to create a Canadian network of preferred paramedical providers. Automated Administration Services Inc. ("AAS") signed a multi-year agreement to adopt the Adjudicare system into its operations. Considered pioneers in the Third Party Administrators ("TPAs") marketplace and a charter member of the Third Party Administrators' Association of Canada ("TPAAC"), AAS will be instrumental in helping Adjudicare develop and execute a roll-up strategy to provide access to industry knowledge and best practices to our valued partners. Foresight Health Incorporated ("FHI"), a firm specializing in unique proprietary wellness solutions for Canadian businesses, signed a multi-year strategic partnership. Adjudicare will distribute FHI's Foresight Health Navigator, an on-line health risk appraisal system, to our national network of Third-Party Administrators and Brokers.

- On October 3, 2012, Adjudicare announced that it had celebrated its second annual Adjudicare Partner Summit. From September 24 - 27, a wide variety of Adjudicare partners and strategic vendors from across Canada gathered at the historic Fairmount Banff Springs Resort in Banff in Alberta. The conference offered participants the opportunity to hear from industry experts on a series of current topics that included; drug plan design and cost containment, practical workplace wellness solutions, and working with other industry participants such as Labour Unions and TPAAC. Our development team also announced new product updates, including online claims submission technology, designed to help them differentiate themselves in the ever-competitive Canadian group benefits industry.

- On October 17, 2012, Adjudicare announced that it had signed a multi-year agreement to integrate the Adjudicare platform into Assure Group Benefits. Founded in 2007, Assure provides flexible, cost-effective and comprehensive employee benefit packages to various groups in the greater Vancouver area.

Overall Performance

The third quarter ended September 30, 2012 was a strong revenue growth quarter for the Corporation compared to the third quarter ended September 30, 2011. For the three months and nine months ended September 30, 2012, the consolidated revenue grew approximately 144% and 108% respectively. Operating expenses (including transaction related expenses) increased 168% and 175% respectively as compared to the prior year, however excluding transaction related expenses, operating expenses increased by 166% and 134% respectively. The net loss for the three months and nine months ended September 30, 2012 is approximately $159,000 and $2,632,000 compared to net income of $88,000 and $197,000 respectively for the comparable periods. Adjusted EBITDA was $469,000 and $672,000 for the three months and nine months ended September 30, 2012 compared to $146,000 and $483,000 for the comparable periods. The Corporation had 78 employees as at September 30, 2012 (2011 – 41). The Corporation ended the period with a cash balance of $2,770,000.

The Product Strategy, Marketing Initiatives, New Product Development, Strategic Customer and Vendors and economic and industry factors disclosed in the 2011 Annual MD&A issued on April 26, 2012 are substantially unchanged at this time.

Operating Segments

The Corporation has two operating segments which offer different products and services:

- The Adjudicare division (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 Symbility division (property and casualty software) provides powerful, accurate and easy-to-use claims processing and estimating software for Property and Casualty Insurers.

The Corporation also incurs costs in the head office which are not allocated to the operating segments for some of the expenses for executives and employees, general and administrative expenses and stock based compensation.

See Results of Operations for details on the financial performance of each operating segment.

Outlook

Symbility

Management continues to feel that all of the pieces are in place to create significant growth in Symbility in North America:

- Based on ongoing input from customers, our products now better meet their requirements.
- The rollout of Farmers Insurance Exchange ("Farmers") is a validation of our technology by one of the world's largest insurance carrier.
- The claims processing supply chain in the U.S. is starting to use our products.
- The strategic partnership with MSB provides access to a credible pricing database in North America.
- Completion of the Transaction adding approximately $7 million of annualized revenue.

Outside of North America, the Corporation has committed to a long term relationship with Innovation Group for some regions and is evaluating opportunities and partners for other regions. Symbility has shown its existing and prospective customers that we are investing in the international market. Management expects that the significant win with Direct Line Insurance Group plc in the United Kingdom and Europe creates an exciting opportunity to gain credibility and market share in these international geographies. The success in strong reference accounts should create additional opportunities to acquire other new customers in the United Kingdom, Europe and other geographies.

The Corporation has started to expand sales personnel, marketing personnel and marketing activities, to accelerate revenue growth in 2013 and 2014.

Adjudicare

Management feels that the efforts made last year have created a complete benefits platform for our partners and generated a significant amount of momentum going into 2012:

- With the successful rollout of the development projects undertaken in 2011, management believes that the ability of our partners to scale their business has improved significantly.
- With the addition of technology such as online claims access and new third party offerings for Employee Assistance Programs and Second Opinion services, our product offering is now able to fully compete with comparable offerings from insurance carriers and other TPAs.
- New functionality developed in 2011 enables expansion into new market segments such as unions and new geographies such as Quebec.
- The acquisition of new customers in the past eighteen months further validates management's belief that with our strategic vision in place and our value proposition more clearly defined, the opportunity to provide a compelling business case to existing and new potential channel partners is significantly enhanced.
- Additional investments into marketing such as the Adjudicare partner event have enabled our partners to network and work together to grow their business with Adjudicare.

With all of these components in place, management is optimistic that Adjudicare can continue to grow in 2013.

Selected Financial Information

This financial information has been prepared in accordance with IAS 34. For further information and significant accounting policies, please see Notes 1, 2, and 21 of the audited consolidated financial statements for the years ended December 31, 2011 and 2010.

The following table shows selected financial information for the three months and nine months ended September 30, 2012 and a comparison to the comparable periods in the prior year.

In thousands of dollars, except per share amounts.

	THREE MONTHS ENDED SEPT. 30, 2012	THREE MONTHS ENDED SEPT. 30, 2011	**NINE MONTHS ENDED SEPT. 30, 2012**	NINE MONTHS ENDED SEPT. 30, 2011
Symbility Revenue	**4,052**	1,201	**9,208**	3,327
Adjudicare Revenue	**882**	819	**2,673**	2,374
Consolidated Revenue	**4,934**	2,020	**11,881**	5,701
Adjusted EBITDA	**469**	146	**672**	483
Net Income (loss)	**(159)**	88	**(2,632)**	197
Earnings (loss) per Share	**(0.00)**	0.00	**(0.02)**	0.00
Total Assets	**26,822**	3,943	**26,822**	3,943
Total Long-Term Liabilities	**559**	424	**559**	424

Results of Operations

Interim Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

Revenue

Consolidated Revenue for the three months and nine months ended September 30, 2012 increased to $4,934,000 and $11,881,000 respectively. Consolidated revenue was $2,020,000 and $5,701,000 for the comparable periods in the previous year. This represents an increase of $2,914,000 and $6,180,000 or 144% and 108%.

Symbility
For the three months and nine months ended September 30, 2012, Symbility had revenue of $4,052,000 and $9,208,000 respectively. Symbility Revenue was $1,201,000 and $3,327,000 for the comparable periods in the previous year. This represents an increase of 237% and 177%.

This increase relates to the incremental revenue from the newly acquired MSB Claims business and increased revenue from the contract with Farmers.

Adjudicare
For the three months and nine months ended September 30, 2012, Adjudicare had revenue of $882,000 and $2,673,000 respectively. Adjudicare Revenue was $819,000 and $2,374,000 for the comparable periods in the previous year. This represents an increase of 8% and 13%.

Adjudicare's revenue growth is from its existing customers and due to a number of new small clients.

Cost of Sales

The consolidated cost of sales for the three months and nine months ended September 30, 2012 increased to $883,000 and $2,233,000 respectively, and represents 18% and 19% of revenue. Consolidated cost of sales was $358,000 and $1,047,000 for the comparable periods in the previous year, which represented 18% and 18% of revenue.

Symbility
Due to the recent acquisition of the MSB Claims Business, Symbility now incurs cost of sales for:

- Data centers under a Transitional Support Agreement ("TSA") with MSB to support the MSB Claims Business. The Corporation intends to migrate customers from the MSB Claims Business software to the Symbility software over the next 12 – 15 months to reduce cost of sales and achieve operational efficiencies and synergies,
- Shared costs under the data license with MSB for updating the database, and
- A fixed, non-cash intangible amortization expense of the MSB database

Generally for increases in revenue there is no significant incremental cost of sales, however additional operating expenses are incurred.

Symbility's cost of sales for the three months and nine months ended September 30, 2012 increased to $488,000 and $1,104,000 respectively, and represents 12% and 12% of Symbility Revenue. Cost of sales was $18,000 and $69,000 for the comparable periods in the previous year, which represented 2% and 2% of Symbility Revenue.

Symbility's cost of sales attributed to data centers and database licenses during the three months and nine months ended September 30, 2012 was $269,000 and $689,000, respectively. The fixed non-cash amortization expense of the database license was $219,000 and $415,000 in the three months and nine months ended September 30, 2012 (2011 – nil and nil).

Adjudicare

Adjudicare's cost of sales represents costs of certain insurance products, which are in turn sold to broker customers of Adjudicare, as well as the cost of certain fees paid to third parties. Cost of sales is directly variable with revenue for Adjudicare.

Adjudicare's costs related to direct insurance and distribution in three months and nine months ended September 30, 2012 were $395,000 and $1,129,000 and represents 45% and 42% of Adjudicare Revenue. Adjudicare's cost of sales was $340,000 and $978,000 in the comparable periods in the previous year which represents 42% and 41% of Adjudicare Revenue. The increase in the cost of sales is due to an increase in the resale of certain insurance products and an increase in the administration cost of health and dental claim services.

General and Administration

Consolidated general and administration ("G&A") expenses for the three months and nine months ended September 30, 2012 was $1,808,000 and $4,472,000 respectively. Consolidated G&A expenses were $826,000 and $2,379,000 for the comparable periods in the previous year for an increase of $982,000 and $2,093,000.

Symbility

Symbility's G&A expenses for the three months and nine months ended September 30, 2012 increased to $1,037,000 and $2,299,000 respectively, and represents 26% and 25% of Symbility Revenue. Symbility's G&A expenses were $343,000 and $890,000 for the comparable periods in the previous year, which represented 29% and 27% of Symbility Revenue.

The increase relates mainly to wages and related expenses of personnel, travel expenses and services received under the TSA with MSB, all incurred to enable the integration of the MSB Claims Business and growth in Symbility's business.

Adjudicare

Adjudicare's G&A expenses for the three months and nine months ended September 30, 2012 increased to $228,000 and $686,000 respectively, and represents 26% and 26% of Adjudicare Revenue. Adjudicare's G&A

expenses were $196,000 and $619,000 for the comparable periods in the previous year, which represented 24% and 26% of Adjudicare Revenue.

The increase relates to additional staff and an increase in travel expenses in 2012.

Head Office
Head Office G&A expenses for the three months and nine months ended September 30, 2012 increased to $543,000 and $1,487,000 respectively. Head Office G&A expenses were $287,000 and $870,000 for the comparable periods in the previous year.

The increase relates to annual compensation adjustments, investment in additional personnel and higher stock-based compensation expenses.

Research and Development

Consolidated research and development ("R&D") expenses for the three months and nine months ended September 30, 2012 increased to $535,000 and $1,578,000 respectively. Consolidated R&D expenses were $325,000 and $915,000 for the comparable periods in the previous year, which represented an increase of $210,000 and $663,000.

Symbility
Symbility's R&D expenses for the three months and nine months ended September 30, 2012 increased to $380,000 and $1,156,000 respectively, and represents 9% and 13% of Symbility revenue. Symbility's R&D expenses were $208,000 and $544,000 for the comparable periods in the previous year, which represented 17% and 16% of Symbility revenue.

This increase is due to additional personnel as part of the Transaction and consultants to support product development initiatives and quality assurance, net of an increase in the estimate of scientific research and experimental development tax credits.

Adjudicare
Adjudicare's R&D expenses for the three months and nine months ended September 30, 2012 decreased to $98,000 and $275,000 respectively, and represents 11% and 10% of Adjudicare Revenue. R&D expenses were $114,000 and $346,000 for the comparable periods in the previous year, which represented 14% and 15% of Adjudicare Revenue.

The decrease mainly relates to a decrease in consulting expenses related to R&D.

Head Office
Head Office R&D expenses for the three months and nine months ended September 30, 2012 increased to $57,000 and $147,000 respectively. Head office R&D expenses were $3,000 and $25,000 for the comparable periods in the previous year.

R&D expenses of the head office are stock-based compensation expenses not allocated to the operating divisions.

Sales and Marketing

Consolidated sales and marketing (“S&M”) expenses for the three months and nine months ended September 30, 2012 increased to $1,771,000 and $4,229,000 respectively. Consolidated S&M expenses were $457,000 and $1,160,000 during the comparable periods in the previous year, which represents an increase of $1,314,000 and $3,069,000.

Symbility

Symbility’s S&M expenses for the three months and nine months ended September 30, 2012 increased to $1,503,000 and $3,556,000 respectively, and represents 37% and 39% of Symbility Revenue. S&M expenses were $320,000 and $937,000 for the comparable periods in the previous year, which represented 27% and 28% of Symbility Revenue.

This increase is due to additional personnel as part of the Transaction, non-cash amortization expense of customer relationships, an investment into additional sales and marketing personnel and the costs of increased marketing activities, including the PLRB event in April 2012. For the three months and nine months ended September 30, 2012, the non-cash amortization expense of customer relationships was approximately $108,000 and $205,000 (2011 - nil and nil) respectively.

Adjudicare

Adjudicare’s S&M expenses for the three months and nine months ended September 30, 2012 increased to $194,000 and $404,000 respectively, and represents 22% and 15% of Adjudicare Revenue. Adjudicare’s S&M expenses were $125,000 and $198,000 for the comparable periods in the previous year, which represented 15% and 8% of Adjudicare revenue.

The increase relates to Adjudicare partner event, investment of additional sales and marketing personnel and the related travel expenses. The Corporation also incurred expenses to enhance the marketing and positioning strategy of the division.

Head Office

Head Office S&M expenses for the three months and nine months ended September 30, 2012 increased to $74,000 and $269,000 respectively. Head Office S&M expenses were $12,000 and $25,000 for the comparable periods in the previous year.

This increase is mainly due to higher stock-based compensation expenses which are not allocated to the operating divisions.

Transaction Related Expenses

Consolidated transaction related expenses for the three months and nine months ended September 30, 2012 were $34,000 and $1,832,000 respectively. This compares to nil and nil during the comparable periods in the previous year. The Transaction closed on April 10, 2012; however, costs continue to be incurred for legal services for registrations related to the Transaction.

Other Operating Expenses

Consolidated other operating expenses for the three months and nine months ended September 30, 2012 increased to $62,000 and $167,000 respectively. Other operating (gain) expenses were ($36,000) and $5,000 during the comparable periods in the previous year for an increase of $98,000 and $162,000.

Other operating expenses include depreciation and amortization (excluding intangible assets acquired in the Transaction and foreign exchange). The increase relates to the increase in depreciation for property and equipment and amortization of assets due to assets purchased in 2012 and 2011 and the fluctuation of the foreign exchange rate.

Adjusted EBITDA

The Corporation has provided a reconciliation of Adjusted EBITDA to IFRS net earnings (loss) in the following table (in thousands of dollars):

	Three months ended Sept. 30, 2012	Three months ended Sept. 30, 2011	**Nine months ended Sept. 30, 2012**	Nine months ended Sept. 30, 2011
IFRS Net Income (Loss)	**(159)**	88	**(2,632)**	197
Finance and other income	**(2)**	(1)	**(3)**	(6)
Depreciation and amortization	**359**	15	**728**	39
Stock-based compensation	**237**	44	**746**	199
Restructuring costs	**-**	-	**-**	54
Transaction related expenses	**34**	-	**1,833**	-
Adjusted EBITDA	**469**	146	**672**	483

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

- it is widely used by investors in our industry to measure a company's operating performance without regard to items such as depreciation and amortization which can vary substantially from company to company depending upon accounting methods and book value of assets, financing methods, capital structure and the method by which assets were acquired;
- it helps investors more meaningfully evaluate and compare the results of our operations from period–to-period by removing the impact of our asset base (primarily depreciation and amortization) and actions that do not affect liquidity (stock based compensation expenses) from our operating results; and
- it helps investors identify items that are within our operational control. Depreciation and amortization charges, while a component of operating income, are fixed at the time of the asset purchase in accordance with the depreciable lives of the related asset and as such are not a directly controllable period operating charge.

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

Consolidated Statements of Financial Position as at September 30, 2012 as compared to December 31, 2011

Current Assets

Accounts receivable and others have increased by $2,287,000 since December 31, 2011. This increase is principally explained by the incremental receivables from the newly acquired business of MSB Claims division.

Loan receivable has increased by $149,000 since December 31, 2011. This loan is to certain Canadian directors, officers and employees of the Corporation to satisfy their income tax obligation in connection with the Restricted Shares. The annual interest rate of the loan is 2.5%. The loans are secured by the pledge agreements on the Restricted Shares and is a full recourse loan. The maturity date of these loans is the earlier of i) on the first date that one or more Shares in respect of the Participant's benefit under the Plan are released from Escrow and delivered to the Participant and ii) March 31, 2017. There is no loan to recipients of the US Restricted Shares.

Prepaid expenses and other assets have increased by $254,000. This increase to the accrual of SR&ED tax receivable in 2012, deposits made on future marketing events and prepaid annual license / database fees.

Restricted Cash Deposits

The Corporation's restricted cash deposits remained the same as last year. These deposits relate to the cash collateral required to support a letter of credit and certain corporate credit cards. This restricted cash deposit has been released subsequent to September 30, 2012.

Property and Equipment

The Corporation's property and equipment increased by $71,000 (net of accumulated depreciation of $62,000) since December 31, 2011. This increase relates mainly to the property and equipment acquired as part of the transaction and investment in computer hardware to support the growing business. The Corporation assesses these assets for impairment on an annual basis and when events or changes in circumstances indicate that an asset might be impaired.

Intangible Assets

Intangible assets have increased by $10,424,000 since December 31, 2011. This increase relates mainly to the addition in database license and customer relationships from the Transaction and investment in computer software. The Corporation assesses these assets for impairment on an annual basis and when events or changes in circumstances indicate that an asset might be impaired.

Goodwill

Goodwill has increased by $6,714,000 since December 31, 2011. This increase relates to the Goodwill on the Transaction. The Corporation assesses this asset for impairment on an annual basis and when events or changes in circumstances indicate that an asset might be impaired.

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.

	For the Quarters Ended							
	Fiscal 2012			Fiscal 2011				Fiscal 2010[2]
	Sep 30, 2012	Jun 30, 2012	Mar 31, 2012	Dec 31, 2011	Sep 30, 2011	Jun 30, 2011	Mar 31, 2011	Dec 31, 2010
Symbility Revenue	$4,052	$3,674	$1,482	$1,407	$1,201	$1,238	$888	$892
Adjudicare Revenue	$882	$912	$879	$838	$819	$776	$779	$723
Revenue	$4,934	$4,586	$2,361	$2,245	$2,020	$2,014	$1,667	$1,615
Adjusted EBITDA	$469	$272	($71)	$317	$146	$232	$105	$32
Net Income (Loss)	($159)	($1,318)	($1,155)	($290)	$88	$51	$57	($49)
Net Income (Loss) per Share[1]	($0.00)	($0.01)	($0.01)	$0.00	$0.00	$0.00	$0.00	$0.00

(1) Rounded to the nearest cent in each quarter

(2) All 2010 quarterly amounts have been restated to conform to IFRS for comparative reporting purpose.

Over the past eight quarters, consolidated revenue has increased as Adjudicare has grown its customer base and Symbility has started to recognize the revenue from the rollout of its new users. In April 2012, the Corporation completed the Transaction which contributes to the incremental revenue in the nine months ended September 30, 2012. The quarterly net losses incurred by the Corporation increased in the quarters ended December 31, 2011, March 31, 2012 and June 30, 2012 due to the transaction related expenses including legal, accounting, consulting and travel expenses related to the Transaction.

In Adjudicare there is limited seasonality due to the nature of the business. In Symbility the property and casualty insurance business has higher claims in the second and third quarter based on seasonal weather effects and therefore higher claims.

Symbility's activities that result in exposure to fluctuations in foreign currency exchange rates consist of revenue invoiced in foreign currencies and the purchase of services invoiced in foreign currencies and the U.S. operations acquired in the Transaction. See Financial Instruments and Risk Management. The impact of foreign currency changes will increase in future quarters as more of the Corporations revenues are expected in foreign currencies.

Liquidity and Capital Resources

During the three months and nine months ended September 30, 2012, the Corporation had a net loss of $159,000 and $2,632,000, respectively, and had cash flows of $347,000 and ($197,000) from its operations. At September 30, 2012, the Corporation's consolidated cash position was $2,770,000 compared to $1,301,000 at December 31, 2011. The Corporation's cash position has improved primarily due to the increase in deferred revenue.

At September 30, 2012, current liabilities include accounts payable and accrued liabilities of $3,289,000 and deferred revenue of $3,911,000 for a total of $7,201,000 compared to a total of $4,065,000 at December 31, 2011. The increase in current liabilities is due to the incremental deferred revenue from the newly acquired MSB claims business, which is predominantly invoiced under a quarterly and annually license fees model.

At September 30, 2012, current assets is comprised of cash and cash equivalents of $2,770,000, accounts receivable and others of $5,269,000, loan receivable of $149,000 and prepaid expenses and other assets of $866,000 for a total of $9,054,000 compared to a total of $4,895,000 at December 31, 2011. The increase in current assets is a result of incremental cash flow, the Private Placement (net of the dividend paid) and accounts receivable from the Transaction.

The Corporation has a working capital of $1,853,000 at September 30, 2012 as compared to $830,000 of working capital at December 31, 2011. This increase is primarily attributable to the Private Placement (net of the dividend paid), the Transaction and proceeds on the exercise of stock options.

With current cash and cash equivalent balances and customer contracts, management expects to be able to continue to fund operations for the following reasons:

- Clients like Farmers have added high margin license revenue,
- The Corporation has started to generate positive operating cash flow,
- Clients from the Transaction will generate additional cash flow to the Corporation, and
- The closing of the Transaction increased to the Corporation's working capital due to the receipt of a cash payment equal to any working capital shortfall in the Transaction. This payment was in excess of the fair value of the liabilities assumed and increased working capital.

Commitments

As part of the Transaction, the Corporation has entered into a four-year transition services agreement with MSB with a minimum annualized commitment of $1,017,000. 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 .

Also as part of the Transaction, the Corporation entered in to 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.

Capital Expenditure Plan

Management has decided that it is essential to invest in additional computer equipment and software to increase hosting capacity to support the growth of the Corporation. As well additional property and equipment will be required as the Corporation integrates operations acquired in the Transaction and replaces equipment at the end of its useful life.

Subsequent to September 30, 2012, the Corporation has entered into commitments for capital expenditures under this plan of approximately $150,000.

Off Balance Sheet Arrangements

The Corporation did not enter into any off balance sheet arrangements during the period ended September 30, 2012 and has not done so historically.

Related Party Transactions

Transition Services Agreement and Data Licence Agreement

- For the nine-month period ended September 30, 2012, the Corporation incurred $1,209,149 (2011 - nil) for services under the four-year transition services agreement and database license agreement with MSB described under "Commitments".

Director compensation

- For the nine-month period ended September 30, 2012, the Corporation expensed $193,661 (2011 - $70,402) for services provided by the Directors of the Corporation. The Corporation paid $32,500 of these fees in cash during the period ended September 30, 2012.
- For the nine-month period ended September 30, 2012, the Corporation issued 345,230 (2011 - 80,337) common shares with an estimated weighted average fair value of $0.385 (2011 - $0.255) per share for an aggregate value of $132,914 (2011 - $20,486) to the Directors of the Corporation for services provided in 2012, 2011 and 2010. 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.

Grants of Options

- On March 1, 2012, 300,000 options were granted to the 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 a price of $0.35 per share for a period of ten years from the date of grant.
- On March 28, 2012, 450,000 options were granted to the officers 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 a price of $0.34 per share for a period of ten years from the date of grant.
- On May 29, 2012, 250,000 options were granted to an officer 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 a price of $0.46 per share for a period of ten years from the date of grant.

All of the above options will vest in three equal tranches with one-third vesting immediately, one-third vesting on the first anniversary of the grant date, and one-third vesting on the second anniversary of the grant date.

Grant of Options Subsequent to Septmber 30, 2012

- On October 3, 2012, 1,500,000 options were granted to an officer of the Corporation in accordance with the Corporation's stock option plan. Two-thirds of these options vest upon achievement of specific performance targets where one third have time-based vesting. Each option entitles its holder to purchase one common share of the Corporation at a price of $0.45 per share for a period of ten years from the date of grant.

Exercise of Options

- For the nine-month period ended September 30, 2012, an officer and a Director exercised 2,243,932 stock options for a value of $450,786.
- In October 2012, a Director and an officer exercised 475,000 stock options for a value of $114,000.

Restricted Shares and Related Party Loans

- On June 29, 2012, 2,823,265 Restricted Shares under the Canadian Restricted Shares Plan and United States Restricted Shares Plan were granted to certain Directors and officers of the Corporation. As of September 30, 2012, the value of these Canadian Restricted Share loans to certain Directors and officers of the Corporation was $114,483 with an annual interest rate of 2.5%. The loans are secured by the pledge agreements on the Restricted Shares. The maturity date of these loans is the earlier of i) On the first date that one or more Shares in respect of the Participant's benefit under the Plan are released from Escrow and delivered to the Participant and ii) March 31, 2017. There is no loan to recipients of the US Restricted Shares.
- On July 29, 2011, the Corporation agreed to loan $40,000 to its Chief Executive Officer. This promissory note had a maturity of April 30, 2012 with an annual interest rate of 2.5%. The loan of $40,000 was secured by 150,943 shares of the Corporation owned by the Chief Executive Officer. On March 30, 2012, the Corporation's Chief Executive Officer repaid the promissory note for $40,000 plus $677 in accrued interest and the Corporation returned the shares to the Chief Executive Officer.

All of the above transactions with the Directors and officers of the Corporation were recorded at the exchange amount.

Business Combinations

On April 10, 2012, the Corporation completed the acquisition of MSB's claims division (the "Acquisition") from Marshall & Swift/Boeckh ("MSB"), a wholly-owned subsidiary of Decision Insight Information Group ("Decision Insight"). The 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 (see Material Contracts) a license to utilize the databases currently used in the MSB claims business was granted to the Corporation.

The results of the MSB claims division, as well as the assets and liabilities acquired, have been consolidated from April 10, 2012 and are included in the Corporation's results of operations 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 an aggregate value of $18,266,250 and 7,021,530 common shares with a fair value of $0.35 per common share for an aggregate value of $2,457,536 for a private placement to Decision Insight and MSB related to 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 preliminary purchase equation, which has been accounted for using the purchase method, is summarized below:

Fair value recognized on acquisition	**Total**
Assets	
Cash	3,182,548
Accounts receivable	809,758
Prepaid, capital and other assets	630,634
Intangible assets	10,972,638
Liabilities	
Deferred revenue	(1,586,338)
Net identifiable assets	14,009,240
Goodwill arising on acquisition	6,714,546
Purchase consideration transferred	**20,723,786**

The Corporation identified intangible assets of $2,175,073 for customer relationships, $8,797,564 for the database license and goodwill of $6,714,546. Goodwill 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 $1,832,751 have been accounted for as period expenses when the costs were incurred, except for the cost to issue equity of $50,130 which is recorded as a deduction from share capital.

For the three months ended September 30, 2012, revenue of $1,543,790, expenses of $1,686,232, which includes intangible asset amortization of $327,538 and a loss of $(142,442) have been included in these Consolidated Financial Statements related to the Acquisition. For the nine months ended September 30, 2012, revenue of $2,819,582, expenses of $3,308,441, which includes intangible asset amortization of $620,555 and a loss of $(488,859) have been included in these Consolidated Financial Statements related to the Acquisition. If the combination had taken place at the beginning of the year, revenue would have been $14,006,680, expenses of $16,832,717, which includes intangible asset amortization expense of $1,402,193, and the net loss for the period would have been $(2,826,037).

Significant Accounting Policies

The following accounting policies have been implemented in the period ended September 30, 2012:

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 acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the acquirer measures the non-controlling interests in the acquiree either at fair value or at the proportionate share of the acquiree's net identifiable assets. Acquisition costs incurred are expensed in net income.

When the Corporation acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

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 trade names, licences, customer relationships, database and software.

Intangible assets with finite lives, such as customer relationships, database and software, are amortized over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The customer relationships and database licenses are amortized on a straight-line basis over five years and ten years respectively.

Intangible assets with indefinite useful lives, such as trade names, are not amortized but instead are tested for impairment at least annually, either individually or at the cash-generating unit ["CGU"] level. The assessment of an indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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 Company's 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 [as 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 [or group of CGUs] 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.

Impairment of assets

The Corporation assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Corporation estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU fair value less costs to sell or its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model may be used.

The Corporation bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Corporation's CGU to which the individual assets are allocated. These budgets and forecast calculations are generally covering a period of five years. For longer periods, a long term growth rate is calculated and applied to the project future cash flows after the fifth year. Impairment losses of continuing operations are recognized in net income in those expense categories consistent with the function of the impaired asset.

Changes in Accounting Policies Not Yet Adopted

The following accounting pronouncements that have been released but have not yet been adopted by the Corporation:

Financial instruments

IFRS 9 – *Financial Instruments* as issued, reflects the IASB's work to date on the replacement of International Accounting Standard 39 – Financial Instruments: *Recognition and Measurement* ("IAS 39"), and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The approach in IFRS 9 is based on how an entity manages its financial instruments in the context of its business model and the contractual cash flow characteristics of its financial assets. The standard is effective for annual periods beginning on or after January 1, 2015. In subsequent phases, the IASB will address impairment and hedge accounting. The Corporation is evaluating the impact of adopting IFRS 9 on the consolidated financial statements.

Financial Instruments – Disclosures

In December 2011, the IASB issued amendments to the disclosure requirements in IFRS 7- *Financial Instruments: Disclosures* (“IFRS 7”). The amendments require information about all recognized financial instruments that are set off in accordance with paragraph 42 of IAS 32, Financial Instruments - Presentation (“IAS 32”). The amendments also require disclosure of information about recognized financial instruments subject to enforceable master netting arrangements and similar agreements even if they are not set off under IAS 32. These amendments are effective for annual periods beginning on or after January 1, 2013. The Corporation is evaluating the impact of adopting IFRS 7 on the consolidated financial statements.

Consolidated financial statements

In May 2011, the IASB issued IFRS 10, Consolidated Financial Statements (“IFRS 10”). IFRS 10, which replaces the consolidation requirements of SIC-12 Consolidation – Special Purpose Entities and IAS 27, Consolidation and Separate Financial Statements, and establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more entities. This new standard is effective for the Corporation’s interim and annual consolidated financial statements commencing on or after January 1, 2013. The Corporation is evaluating the impact of adopting IFRS 10 on the consolidated financial statements.

Fair Value Measurement

IFRS 13 - *Fair Value Measurement* (“IFRS 13”) provides guidance on how to measure fair value of financial and non-financial assets and liabilities when fair value is required or permitted per IFRS. While many of the concepts in IFRS 13 are consistent with current practice, certain principles could have a significant effect on some entities adopting the standard. IFRS 13 is effective January 1, 2013 and will be adopted prospectively. The Corporation is evaluating the impact of adopting IFRS 13 on the consolidated financial statements.

Presentation of Financial Statements

In June 2011, the IASB amended *Presentation of Financial Statements* ("IAS 1") by revising how certain items are presented in other comprehensive income. Items within other comprehensive income that may be reclassified to profit and loss will be separated from items that will not. The standard is effective for financial years beginning on or after July 1, 2012 with early adoption permitted.

In December 2011, the IASB issued amendments to IAS 32 - *Financial Instruments – Presentation* (“IAS 32”). The amendments require entities to disclose gross amounts subject to rights of set-off, amounts set off in accordance with the accounting standards followed, and the related net credit exposure. This information will help investors understand the extent to which an entity has set off in its financial position and the effects of rights of set-off on the entity’s rights and obligations. These amendments are effective for annual periods beginning on or after January 1, 2014 and are required to be applied retrospectively. The Corporation is currently assessing the impact of the amendment on the consolidated financial statements.

Deferred Tax: Recovery of Underlying Assets

In December 2010, the IASB issued amendments to IAS 12 - *Income Taxes* (“IAS 12”) as *Deferred Tax: Recovery of Underlying Assets – Amendments* to IAS 12. The amendments provide an exception to the general principle in IAS 12 that the measurement of deferred tax assets and deferred tax liabilities should reflect the tax consequences that would follow from the manner in which the entity expects to recover the carrying amount of an asset. These amendments are effective for annual periods beginning on or after January 1, 2012. The Corporation is evaluating the impact of adopting IAS 12 on the consolidated financial statements.

Disclosure of interests in other entities

In May 2011, the IASB issued IFRS 12, Disclosure of Interests in Other Entities (“IFRS 12”). IFRS 12 is a new and comprehensive standard on disclosure requirements for all forms of interests in other entities, including subsidiaries, joint arrangements, associates and unconsolidated structured entities. This new standard is effective for the Corporation’s interim and annual consolidated financial statements commencing on or after January 1, 2013. The Corporation is evaluating the impact of adopting IFRS 12 on the consolidated financial statements.

Disclosure of Outstanding Share Data

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

EQUITY SECURITY	NUMBER OUTSTANDING
Common Shares	180,658,659
Restricted Shares	4,343,265
Stock Options	8,940,399

In April of 2012, with a portion of the proceeds from the Private Placement, the Corporation distributed a cash dividend in the amount of $0.01 per Common Share totaling $1,186,529 to shareholders of record as at the close of business on April 9, 2012.

On June 29, 2012, 4,393,265 Restricted Shares were granted to certain staff, senior management and Directors of the Corporation in accordance with the Corporation's Restricted Share Plan ("Restricted Shares"). Of these Restricted Shares, 2,823,625 were granted to officers of the Corporation. Each Restricted Share is subject to forfeiture. For Canadian employees, the Corporation has agreed to loan each employee an amount equal to the employee’s Canadian income tax liability due upon the grant of the Restricted Share, repayable on terms equivalent to when the risk of forfeiture lapses. The approximate value of these loans is $149,000. There is no tax liability immediately payable for employees based in the United States and therefore no loan.

Financial Instruments and Risk Management

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

Market Risk and Foreign Currency risk

The Corporation operates primarily within Canada, the United States and the United Kingdom, and is therefore exposed to foreign currency risk. As at September 30, 2012, the fluctuation of the U.S. dollar of 1% will result in a gain or loss of approximately $48,000 in net loss and comprehensive loss. The Corporation's exposure to foreign currency changes for all other currencies is not material. With the acquisition of the MSB Claims business and the growth in US revenue, this exposure may increase in future quarters.

Credit risk

The Corporation is exposed to credit risk in the event of non-performance by customers. The Corporation monitors the credit risk of customers on a regular basis. The maximum credit risk is the carrying value of the accounts receivable. In the first three quarters of 2012 and 2011, as indicated in the Corporation's interim condensed consolidated financial statements and accompanying notes for the period ended September 30, 2012, no single customer of Adjudicare accounted for 10% or more of the Corporation's consolidated revenue. In the three quarters of 2012, there was one customer of Symbility which accounted for more than 10% of the Corporation's consolidated revenue. In the first three quarters of 2011, there were two customers of Symbility which accounted for more than 10% of the Corporation's revenue.

Liquidity risk

The Corporation's objective in managing liquidity risk is to maintain sufficient readily available 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.

For more information, see Note 8 of the interim condensed consolidated financial statements for the quarter ended September 30, 2012.

Risks and Uncertainties

Readers are referred to risk factors found in the Corporation's December 31, 2011 MD&A filed April 26, 2012 on SEDAR, which is available in electronic form at www.sedar.com.