SMART EMPLOYEE BENEFITS INC.

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Management Discussion and Analysis

For the fiscal years ended November 30, 2017 and 2016

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Management Discussion and Analysis

This Management Discussion and Analysis ("MD&A") of Smart Employee Benefits Inc. (the "Company" or "SEB") covers the Company's financial performance during and subsequent to the fiscal year ended November 30, 2017 up to the date of this report April 2, 2018. This MD&A should be read in conjunction with SEB's Fiscal 2017 Audited Consolidated Financial Statements ("FS").

The Company is a reporting issuer in Ontario, Alberta and British Columbia, and is listed on the TSX-V under the symbol "SEB". All dollar amounts are in Canadian dollars unless otherwise indicated.
SEB documents and securities filings can be viewed on the SEDAR website (www.sedar.com) and additional information on the Company can be obtained at www.SEB-inc.com.

Forward Looking Statement Disclaimer
Certain statements in this MD&A may constitute "forward-looking" statements that involve known and unknown risks, uncertainties and other factors. The actual results, performance or achievements of SEB or the industry, may be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. These statements include, but are not limited to, comments concerning the Company's objectives, strategies to achieve those objectives, as well as Management's beliefs, plans, estimates, and intentions, and similar statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. When used in this MD&A, such statements use words such as "may", "will", "expect", "believe", "plan" or similar terminology.

These statements reflect Management's current expectations regarding future events and operating performance and speak only as of the date of this MD&A, and, except in compliance with applicable law, SEB assumes no obligations to update or revise them to reflect new events or circumstances. Additionally, SEB undertakes no obligation to comment on analysis, expectations or statements made by third parties in respect of its financial/operating results or securities.

Non-IFRS Financial Measures
SEB's FS are prepared using International Financial Reporting Standards ("IFRS"); whereas, this MD&A refers to certain non-IFRS measures such as Adjusted EBITDA and EBITDA (defined under the "Non-IFRS Financial Measures Definitions and Reconciliation" section of this report). Non-IFRS measures are used externally to provide a supplemental measure of the Company's operating performance, facilitate comparisons, and enable analysis of the Company's ability to meet future debt service, capital expenditures, and working capital requirements. Management uses them internally to prepare operating budgets and assess performance. These measures do not have standardized meanings prescribed by IFRS and are therefore unlikely to be comparable to similar measures presented by other companies. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS.

Company Overview

SEB is a technology company which builds, implements and manages fully-integrated data processing solutions. The Company's game-changing technology-based solutions are offered across multiple industry sectors with a focus on health care. The Company's global infrastructure is comprised of a corporate office and two operating divisions: Technology and Benefits.

The Technology Division ("TD") is a standalone unit which provides professional resources and specialty data management expertise, including software development/solutions, systems integration, managed services and infrastructure hosting to corporate and government clients across Canada and internationally. Initially grown via an aggressive acquisition strategy, today the TD has significant annuity revenue streams, multi-year back-log and is delivering strong EBITDA performance. It now holds the requisite security clearances, vendor of record arrangements and project references to successfully compete on some of the most restrictive corporate and government tenders. These indicators bode well for continued organic growth.

The Benefits Division ("BD") delivers Software as a Service ("SaaS") and Business Process Outsourcing ("BPO") solutions to both corporate and government-funded health benefit environments. It has combined the services of multiple standalone companies to develop SEB's Benefits Exchange Platform which provides clients with Health Benefits Administration, Claims Adjudication, Wellness Technology, Predictive Analytics and Fraud Identification. These modular solutions can operate as an integrated environment or on a standalone basis. The BD leverages the references, vendor arrangements and resources of the TD to support the provision of these services.

The combination of the two operating divisions allows SEB to provide end-to-end total processing solutions, all managed in one technology environment. The efficiencies generated from leveraging resources inter-divisionally are proving to be a competitive advantage in the marketplace.

Strategic Vision

SEB's strategic vision is to become a global force in the processing and administration of health care benefits for privately and publicly funded plans. Management estimates that over $80.0 billion is spent annually in its Canadian target market of which $5.0 billion is spent on processing and commissions. They estimate the annual spend in the USA is greater than $1.0 trillion, and the global market is even larger.

Prior to fiscal 2017, SEB acquired the technological infrastructure and professional services to support this vision. In the second quarter of fiscal 2017, it made its first large step into the benefits market through the acquisition of Aon Hewitt Inc.'s ("AON") mid-market health benefits administration business in Canada. This book of business has 48 globally recognized clients and represents over 250,000 plan members.

In addition to the book of business, the Company also acquired AON's benefit administration software which is being combined with SEB's existing administration software and adjudication platform. This enhanced integrated modular solution (which is both web and cloud-enabled) allows SEB to fully compete against the largest players in the Canadian marketplace. A significant competitive advantage is SEB's Benefit Exchange Platform. Management estimates that revenue per plan member per annum ("PPPA") which is currently $44 could rapidly grow to over $200 PPPA once the additional modules are leveraged. Given the highly scalable nature of the technology, Management forecasts that, once the fixed charges of operating the platform are covered, a significant portion of the incremental increases in revenue will flow directly to EBITDA.

SEB intends to facilitate further growth by increasing its client base and expanding its service offerings to existing clients.

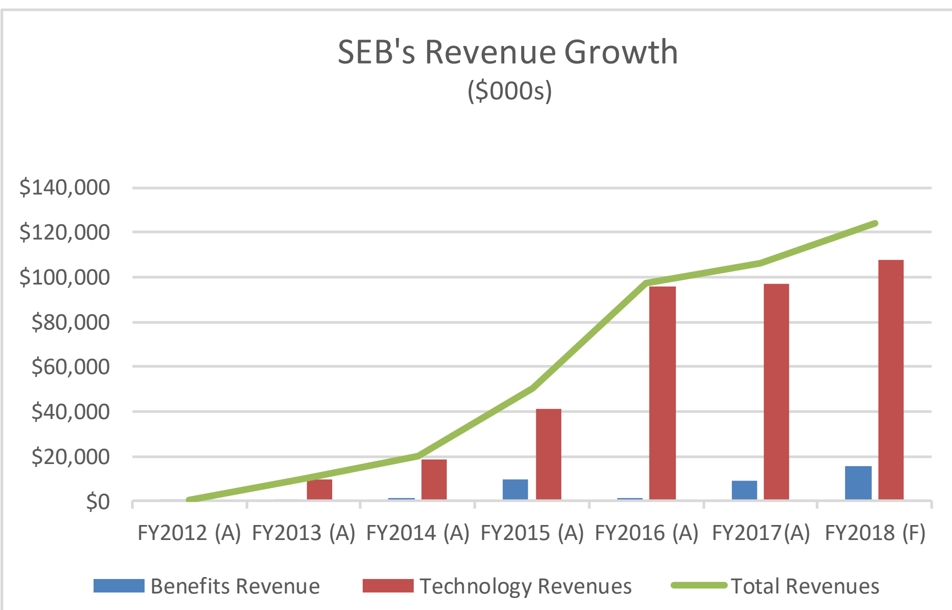
Milestones toward Achieving the Strategic Vision

Since inception in 2011, SEB has enhanced its proprietary health benefits software and acquired successful companies which support SEB's processing technology and/or provide sales channels through existing vendor relationships, project references and complementary health services.

The following is a timeline of accomplished milestones:

- 2011—Purchased the most advanced health claims adjudication technology available and began enhancements while developing a complementary administration module.
- 2012—Through a reverse takeover, became listed on the TSX Venture Exchange.
- 2013—Acquired Logitek Technology Ltd. ("Logitek"), SOMOS Consulting Group Ltd. ("SOMOS"), and 50% of Inforica Inc. ("Inforica"), technology companies which would provide the Benefits Division with the necessary infrastructure, resources and sales channels.
- 2014—Acquired technology companies APS-Antian Professional Services Inc. ("Antian") and Stroma Service Consulting Inc. ("Stroma"); and health/benefits companies Adeeva Nutritionals Canada Inc. ("Adeeva") and 75% of Meschino Health and Wellness Corporation ("Meschino").
- 2015—Acquired 50% of health consulting company SEB Benefits and HR Consulting Inc. ("SEBCON"); acquired 50% of SEB Analytics Inc. ("Analytics"); sold the non-core Electronic Data Interchange ("EDI") business of Logitek; acquired technology company Paradigm Consulting Group Inc. ("Paradigm").
- 2016—Acquired Maplesoft Group Inc. ("Maplesoft") a technology company with significant government references and vendor arrangements.
- 2017—Acquired the Canadian midmarket health benefits administration business from AON and signed a Letter of Agreement ("LOA") with NeST Technology Corp. ("NeST") to establish a Joint Venture ("JV") which would offer SEB's Benefit Processing Solutions to the US marketplace.

The above progress is reflected in SEB's revenue growth, as shown below:



Financial Discussion

As shown by the following table containing selected financial information from the Statements of Comprehensive Loss for the years ended November 30, 2017, 2016 and 2015, not only are SEB's revenues growing, but the Company's gross margin, Adjusted EBITDA and EBITDA are also showing improvements year over year:

	For the Years ended November 30		
	2017	***2016***	***2015***
Revenue	**$ 106,282,838**	**$ 97,227,776**	**$ 42,579,694**
Cost of revenues	79,332,109	78,319,077	31,961,805
Gross Margin	**26,950,729**	**18,908,699**	**10,617,889**
Gross Margin as a % of Revenue	*25.4%*	*19.4%*	*24.9%*
Operating costs	23,350,386	15,423,596	9,762,238
One-time costs related to AON integration	(724,092)	-	-
Adjusted operating costs	22,626,294	15,423,596	9,762,238
Professional fees	1,302,449	1,404,975	1,658,136
Adjusted EBITDA	**3,021,986**	**2,080,128**	**(802,485)**
AON transition costs	1,990,354	-	-
One-time costs related to AON integration	724,092	-	-
Total AON-related integration and transition	2,714,446	-	-
Change in fair value of contingent liability	(2,102,505)	476,052	(128,350)
Gain on sale of portion of business	-	-	(1,124,837)
Share based compensation	320,321	270,890	673,659
Transaction costs	1,535,883	1,836,737	1,010,127
Write down of intangibles	-	-	551,516
EBITDA	**$ 553,840**	**$ (503,552)**	**$ (1,784,601)**

Please see Page 19--Non-IFRS Financial Measures Definitions and Reconciliations.

Schedule A *at the end of this report provides detailed quarterly statements of comprehensive income (loss) for the eight quarters ended November 30, 2017.*

Revenue

Since its inception in 2011, Smart Employee Benefits has pursued an acquisition-based strategy which has led to dynamic growth. Consolidated revenues have grown from $294 K in FY2011 to $106.3 mm in FY2017. The increase of $9.1 mm over the previous year can be primarily attributed to the acquisition of the AON book of business in the second quarter. Management anticipates the full annualized revenue of $11.3 mm will be generated by the acquired book in FY2018.

Cost of revenues ("COR")

Over 95% of COR is comprised of employee/contractor costs in the TD. The increase of $1.0 mm over FY2016 corresponds to the growth in the TD's revenues.

Gross Margin ("GM")

The Company's GM for FY2017 was $27.0 mm, an impressive increase of $8.0 mm over the prior year. This increase is primarily due to the acquisition of the AON business ($7.5 mm), and slight increases both in the BD (e.g. SEB Analytics contributed >$250 K) and the TD.

YTD Gross Margin % ("GM %") for the consolidated group of companies was 25.4% in fiscal 2017 compared to 19.4% in fiscal 2016. The acquisition of the mid-market business within the BD was the primary contributor to the increase. The TD's GM% remained flat year over year at 19%, while the AON acquisition dramatically impacted the BD's GM% which jumped from 52.6% to 92.3%.

Adjusted operating costs
Adjusted operating costs are salaries and compensation costs plus office and general expenses with the one-time costs related to the AON transition removed. Adjusted operating costs increased $7.1 mm from the prior year. While total adjusted operating costs within the BD increased by $7.3 mm because of the new book of business, operating expenses as a % of sales within the division showed improvement from 203.4% in fiscal 2016 to 109.4%. Operating expenses in the TD increased by 8.8%. This increase was the impact of changes within two of Paradigm's clients which lead to under utilized resources in the first half of fiscal 2017. Compensation adjustments for these resources coupled with an aggressive sales and marketing program resulted in multiple new clients which corrected the situation in the second half of the year. The Corporate Office's ("CO") operating costs decreased by $1.1 mm.

Professional fees
Professional fees include legal, audit, and valuation services. During FY2017 $103 K less was expensed compared to prior year.

AON transition costs
As part of the AON acquisition agreement, Aon Hewitt Inc. continued to host the administration team and infrastructure within their environment until SEB could fully integrate both. It is Management's belief that by leveraging the TD, the book of business acquired can be run at substantially lower costs than was historically possible. The integration took place in the second and third quarter in both Canada and India and was successfully completed. Associated costs were recorded as AON transition costs during that period. As can be seen from the quarter over quarter table below, Adjusted EBITDA dramatically improves in the fourth quarter once these costs no longer impact results.

	Q4/17	***Q3/17***	***Q2/17***
Revenue	**$ 29,719,017**	**$ 26,542,583**	**$ 26,873,279**
Cost of revenues	21,312,152	18,983,404	19,608,988
Gross Margin	**8,406,865**	**7,559,179**	**7,264,291**
Operating costs	6,892,222	5,987,852	7,267,483
One-time costs related to AON integration	-	(247,712)	(476,380)
Adjusted operating costs	6,892,222	5,740,140	6,791,103
Professional fees	(379,937)	521,236	703,043
Total costs	6,512,285	6,261,376	7,494,146
Adjusted EBITDA	**1,894,580**	**1,297,803**	**(229,855)**
One-time costs related to AON integration	-	247,712	476,380
AON transition costs	-	1,487,852	502,502
Total AON-related integration costs	-	1,735,564	978,882
Adjusted EBITDA less AON-related costs	**$ 1,894,580**	**$ (437,760)**	**$ (1,208,737)**

Please see Page 19--Non-IFRS Financial Measures Definitions and Reconciliations.

Transaction costs
Transaction costs are one-time expenses associated with acquisitions and financing activities. During FY2017 the Company recorded $1.5 mm of expenses compared to $1.8 mm in FY2016. Expenses incurred during 2017 related to the acquisition of the AON book of business and both the restructuring and repayment of debt via the expansion of the bank loans and multiple equity raises.

Net loss from continuing operations
Loss from continuing operations for the year ended November 30, 2017 was $8.5 mm compared to $8.0 mm in the prior year. These losses were anticipated due to the investments made on the AON acquisition, its transition into the SEB environment and the debt restructuring. A significant portion of the losses in both the current and prior year is the intangible asset amortization of $4.5 mm ($4.3 mm in FY2016). Intangible amortization is expected to continue to negatively impact net income until FY2020.

Liquidity and Capital Resources

Part of SEB's initial strategy for growth involved the acquisition of companies with significant income earning potential once fully integrated into the Company's operating model. With this targeted strategy, SEB has acquired companies (some with existing debt or negative margins) at what Management believes are value purchase prices. It is with this foresight, that Maplesoft was acquired.

On December 1, 2015, SEB acquired Maplesoft for $4.0 mm which was satisfied by Company shares and a promissory note. The Company also assumed debt of $6.8 mm and an operating facility of $6.8 mm of which a substantial portion was recorded as a current liability. Debt restructuring has been Management's top priority since the acquisition. They have been successful in negotiating new bank lines at lower rates substantially reducing on-going interest payments and replacing the short-term debt with longer terms. As a result, not only has the working capital improved by over $4.7 mm since prior year, Management also forecasts a savings of over $1.0 mm in interest and financing expenses.

The following table highlights the total debt reduction of $2.7 mm ($31.0 mm to $28.3 mm) since the acquisition:

					Bank Financing	
	Term notes	**Convertible debt (1)**	**Royalty advance**	**Equipment leases**	**Term loan**	**Operating loan**
Balance Nov 30, 2015	**$ 1,650,729**	**$ 6,100,620**	**$ -**	**$ 22,187**	**$ 3,412,500**	**$ 4,209,997**
Fiscal 2016						
Maplesoft acquisition - Dec 1, 2015	8,762,922	-	-	-	-	6,845,349
Balance after transactions	10,413,651	6,100,620	-	22,187	3,412,500	11,055,346
Add/(Repaid)	634,632	(1,937,122)	-	(8,253)	(1,136,500)	98,794
Converted	-	(10,000)	-	-	-	-
Balance Nov 30, 2016	**11,048,283**	**4,153,498**	**-**	**13,934**	**2,276,000**	**11,154,140**
Fiscal 2017						
Add/(Repaid)	(7,600,256)	(1,463,516)	-	142,612	7,536,500	646,419
Royalty advance	-	-	1,600,000	-	-	-
Balance Nov 30, 2017	**3,448,027**	**2,689,982**	**1,600,000**	**156,546**	**9,812,500**	**11,800,559**
To Mar 30, 2018						
Added/(Repaid)	-	(821,297)	-	(22,369)	(343,749)	-
Balance March 30, 2018	**$ 3,448,027**	**$ 1,868,685**	**$ 1,600,000**	**$ 134,177**	**$ 9,468,751**	**$ 11,800,559**

(1) Ties to face value of convertible debt

Working Capital

Selected financial information from the Statements of Financial Position as at November 30, 2017 and 2016:

	Note	***Nov 30, 2017***	***Nov 30, 2016***	***Change***
Cash	1	$ 2,735,391	$ 2,442,757	$ 292,634
Accounts receivable	2	22,953,230	17,330,315	5,622,915
Other current assets	3	1,659,969	1,247,031	412,938
		27,348,590	21,020,103	6,328,487
Non-current assets	4	31,777,878	33,880,731	(2,102,853)
		$ 59,126,468	$ 54,900,834	$ 4,225,634
Current bank debt	5	$ 13,675,559	$ 12,204,140	$ (1,471,419)
Accounts payable and accrued liabilities	6	21,619,993	17,211,167	(4,408,826)
Other current liabilities	7	7,170,957	11,440,489	4,269,532
		42,466,509	40,855,796	(1,610,713)
Non-current liabilities	5, 8	13,171,499	11,403,230	(1,768,269)
		$ 55,638,008	$ 52,259,026	$ (3,378,982)
Working Capital		$ (15,117,919)	$ (19,835,693)	$ 4,717,774

Schedule B *at the end of this report provides a detailed quarterly statements of financial position for the eight quarters ended November 30, 2017.*

1. Cash

The cash and cash equivalent balance has remained steady year over year. Excess cash has been reinvested into the operations and utilized for the acquisition and integration of the AON book of business. Below is selected financial information from the Statement of Cash flows as at November 30, 2017 and 2016:

	Nov 30, 2017	***Nov 30, 2016***
Operating activities before changes in non-cash working capital	$ (5,542,776)	$ (2,547,910)
Non-cash working capital	(1,545,063)	(353,551)
Operating activities	(7,087,839)	(2,901,462)
Investing activities	(980,530)	2,600,367
Financing activities	8,361,003	866,682
Net change for the year	$ 292,634	$ 565,587

Schedule C *at the end of this report provides a detailed quarterly statements of cash flows for the eight quarters ended November 30, 2017.*

Cash flows from operating activities

Cash used in operating activities before changes in non-cash working capital in FY2017 was $5.5 mm compared to $2.5 mm in the prior year. The TD generated positive operating cashflow of $7.9 mm ($4.8 mm FY2016). Historically, the BD's resources were focused on product development. In the current year, the BD's resources were focused on the smooth integration and transition of the acquired book of business from AON. As a result, the BD utilized $4.9 mm cash in the current year on the operations and $2.3 mm in FY2016. The corporate office utilized $2.5 mm ($3.0 mm FY2016). The Company is anticipating operations to generate positive cash flow in the near future.

Cash flows from investing activity
Cash outflows in FY2017 from investing activity of continuing operations was $1.0 mm compared to inflows of $2.6 mm in the prior year. Investments in new software and equipment to support the newly acquired book of business ($1.1 mm) and were the primary outflows.

Cash flows from financing activity
SEB's two primary financing sources are equity and debt. Equity financing (discussed in more detail under Capital Raises) involves stock issuance or option/warrant exercise. Debt financing includes convertible debt, bank financing (revolving and term), short-term notes, royalty advance and equipment leases. Net cash generated in FY2017 from financing activity was $8.4 mm compared to $0.9 mm in the prior year. Net inflow from bank debt was $7.5 mm ($1.0 mm outflow in FY2016), net equity financing was $9.4 mm ($3.1 mm in FY2016) and Management was able to successfully sell a Royalty Advance which generated $1.6 mm. These inflows facilitated the repayment of $1.4 mm of convertible debt and $8.7 mm of short-term notes and provided additional working capital for the operations.

2. Accounts receivable
The accounts receivable balance at November 30, 2017 was $23.5 mm, an increase of $6.2 mm from November 30, 2016. The increase stems from the newly acquired mid-market benefits processing book of business. To ensure a seamless transition to the client base acquired, AON continued to manage the billings of some customers even after the transition period was complete. As a result, a $5.5 mm receivable from AON is reflected in the November 30, 2017 balance. Subsequent to year end, this balance has been reduced, and SEB operations expect to bill the majority of clients directly.

A provision for uncollectible accounts has been put in place for any amounts in dispute or where collectability is questionable, but due to the nature of SEB's typical client (i.e. government and large blue-chip corporations), there has been a history of only minor uncollectible accounts.

3. Other current assets
Other current assets include prepaid/deposits, inventory and short-term notes receivable. The increase of $413 K is comprised of premise deposits associated with the lease of new facilities offset by a reclassification of advances to former Maplesoft shareholders. Inventory remained relatively flat during Fiscal 2017.

4. Non-current assets
Non-current assets include equipment, intangibles, premise deposits and long-term notes receivable. This asset category decreased by $2.1 mm in FY2017, primarily as a result of equipment depreciation and intangible amortization (together $4.7 mm) offset by investments in equipment and software, and deposits for the newly leased premises in Montreal, QC and Mississauga, ON for the AON book of business.

5. Bank debt
At November 30, 2017, the total bank debt was $21.6 mm, compared to $13.4 mm at November 30, 2016. This is the result of new credit facilities, which formed part of the Debt Restructuring Program. The operating line was used to increase, merge and replace the existing facilities and provide the necessary working capital support to the growing organization, while the term debt allowed shorter term debt to be restructured into longer term at more favourable rates. The current portion of $13.7 mm is composed of $11.8 mm revolving line of credit and $1.9 mm due within the next twelve months on the bank term debt.

6. Accounts payable and accrued liabilities
Accounts payable and accrued liabilities at November 30, 2017 increased from November 30, 2016 by $4.3 mm. The increase is largely due to the investments in the newly acquired mid-market benefits processing business.

7. Other current liabilities
Other current liabilities are comprised of the current portion of convertible debt and short-term notes. Short-term debt decreased by $7.2 mm from November 30, 2016, while current convertible debt had a nominal increase of less than $500 K. Subsequent to year end, additional repayments of $0.8 mm were made.

8. Non-current liabilities

Non-current liabilities include bank debt (discussed above), equipment leases, contingent payables and other forms of debt. As mentioned, Management's goal was to repay/restructure the short-term acquired in acquisitions. The year over year increase of $6.8 mm includes the net increase of $7.2 mm in bank term debt which was part of the restructuring program.

Capital Raises

In late fiscal 2016 and 2017, SEB raised $11.0 mm through six equity offerings with proceeds used for debt repayment, acquisition and integration costs of AON's book of business and working capital. These raises are summarized below.

Raise Description	Terms	Date	Shares	Warrants	Fees	Total
$5.0mm Unit Offering	$.020 /unit; warrants exercisable for 18 months @ $0.30 - Tranche 1	01-Nov-16	8,264,425	8,264,425		$ 1,652,885
		fees		227,500	$ 45,500	
First Tranche of Unit Offering closed in Q4, 2016			8,264,425	8,491,925	$ 45,500	$ 1,652,885
FISCAL 2017						
	Tranche 2	23-Dec-16	7,757,800	7,757,800		$ 1,551,560
	Tranche 3	06-Feb-17	9,004,315	9,004,315		$ 1,800,863
				350,000	$ 70,050	
			16,762,115	17,112,115	70,050	3,352,423
$1.5mm Unit Offering	$.020 /unit; warrants exercisable for 18 months @ $0.30	23-Mar-17	1,125,000	1,125,000		$ 225,000
	Tranche 2	30-Mar-17	2,500,000	2,500,000		$ 500,000
	Tranche 3	28-Apr-17	900,000	900,000		$ 180,000
	Tranche 4	31-May-17	250,000	250,000		$ 50,000
		fees		21,000	$ 4,200	
			4,775,000	4,796,000	$ 4,200	$ 955,000
$1.0mm Equity Offering	Equity issued @ $0.16 per share	01-Jun-17	2,000,000			$ 320,000
	Tranche 2	06-Jun-17	1,000,000			$ 160,000
	Tranche 3	27-Jun-17	2,745,000			$ 439,200
		fees	231,000	231,000		
			5,976,000	231,000	$ -	$ 919,200
$1.5mm Equity Offering	Equity issued @ $0.16 per share	31-Jul-17	1,500,625			$ 240,100
		fees	91,000	91,000		
			1,591,625	91,000	$ -	$ 240,100
$2.0mm Equity Offering	Equity issued @ $0.16 per share; warrants exercisable for 18 months @ $0.30	03-Oct-17	5,000,000			$ 800,000
	Tranche 2	06-Oct-17	1,500,000			$ 240,000
	Tranche 3	11-Oct-17	6,000,000			$ 960,000
		fees	411,250	411,250		
			12,911,250	411,250	$ -	$ 2,000,000
$2.0mm Equity Offering	$.021 /unit; warrants exercisable for 18 months @ $0.30	30-Nov-17	8,970,952	4,485,476		$ 1,883,900
		fees	292,633	292,633		
			9,263,585	4,778,109	$ -	$ 1,883,900
Equity raises in fiscal 2017			**51,279,575**	**27,419,474**	**$ 74,250**	**$ 9,350,623**

Operations Discussion

The Company is made up of a corporate office and two distinct divisions: Benefits and Technology. The Benefits Division offers a suite of services and solutions to clients ranging from claims processing to benefits consulting. The Technology Division encompasses professional services, system development, hosting and infrastructure support, while the Corporate Office manages the overall strategic direction of the subsidiaries, executes acquisitions, negotiates financings and is accountable to the Board and Shareholders.

Segmented Results for the years ended November 30, 2017 and 2016

For the year ended November 30, 2017

	Benefits	*Technology*	*Corporate*	*Total*
Revenues	**$ 9,271,446**	**$ 97,011,392**	**$ -**	**$ 106,282,838**
Cost of revenues	710,848	78,621,261	-	79,332,109
Gross Margin	**8,560,598**	**18,390,131**	**-**	**26,950,729**
Gross Margin %	*92.3%*	*19.0%*		*25.4%*
Operating costs	10,140,703	12,228,053	1,559,989	23,928,745
Adjusted EBITDA	**(1,580,105)**	**6,162,078**	**(1,559,989)**	**3,021,984**
AON transition costs	2,714,446	-	-	2,714,446
Change in fair value of contingent liability	-	(2,102,505)	-	(2,102,505)
Share-based compensation	-	-	320,321	320,321
Transaction costs	610,881	345,858	579,144	1,535,883
EBITDA	**(4,905,432)**	**7,918,725**	**(2,459,454)**	**553,839**
Interest and financing costs	518,400	2,844,851	1,181,943	4,545,194
Income tax expense (recovery)	-	(235,365)	-	(235,365)
Amortization and depreciation	469,064	4,273,065	3,364	4,745,493
Net comprehensive income (loss)	**$ (5,892,896)**	**$ 1,036,174**	**$ (3,644,761)**	**$ (8,501,482)**

	For the year ended November 30, 2016			
	Benefits	***Technology***	***Corporate***	***Total***
Revenues	**$ 1,420,036**	**$ 95,807,740**	**$ -**	**$ 97,227,776**
Cost of revenues	673,701	77,645,376	-	78,319,077
Gross Margin	**746,335**	**18,162,364**	**-**	**18,908,699**
Gross Margin %	*52.6%*	*19.0%*		*19.4%*
Operating costs	2,887,752	11,240,866	2,699,951	16,828,570
Adjusted EBITDA	**(2,141,417)**	**6,921,498**	**(2,699,951)**	**2,080,129**
Change in fair value of contingent liability	(18,390)	494,444	-	476,054
Share-based compensation	-	-	270,890	270,890
Transaction costs	168,179	1,668,558	-	1,836,737
EBITDA	**(2,291,206)**	**4,758,496**	**(2,970,841)**	**(503,551)**
Interest and financing costs	11,940	2,075,677	1,038,032	3,125,649
Income tax expense (recovery)	-	(237,850)	-	(237,850)
Amortization and depreciation	299,167	4,301,836	-	4,601,003
Net comprehensive income (loss)	**$ (2,602,313)**	**$ (1,381,167)**	**$ (4,008,873)**	**$ (7,992,353)**

The Benefits Division

The Benefits Division has combined the services of multiple standalone companies to develop SEB's Benefits Exchange Platform. This globally applicable platform offers a unique value proposition to clients whom, with a single sign-on, gain access to multiple benefit modules including administration, adjudication, payment processing, reporting, analytics, health and wellness, voluntary products, disability/absentee management, human resource solutions and employee discount programs. Clients can choose optimal plan designs with unlimited choices in Flex, Traditional, Multi-employer packages, and receive real time reporting with built in analytics and fraud detection. The structure of the platform makes it efficient and cost effective for SEB customers.

The BD includes the following active companies:

- Adeeva Nutritionals Canada Inc.
- Meschino Health and Wellness Corporation
- SEB Administration Services Inc. ("SEB Admin")
- SEB Analytics Inc.
- SEB Benefits and HR Consulting Inc.
- SES Benefits Canada Corporation

During the second quarter, SEB Admin acquired AON's mid-market health benefits administration business in Canada and formed a strategic alliance with AON. As part of this transaction, the company also acquired several complementary technology platforms, a bi-lingual call-centre and added approximately 150 employees across Canada and India.

During fiscal 2017 the Division generated $9.3 mm revenues compared to $1.4 mm in the prior year. These substantial increases are attributed to the acquisition. The AON book of business generated $7.5 mm during the eight months since acquisition ($11.3 mm annualized) and added 250,000 plan members. Since the acquisition, SEB has won a further 61,000 members and structured partnerships with additional national benefit consultants.

A significant investment was made to transition the operations from AON's locations and infrastructure into the SEB environment. This involved leasing new premises in Toronto, Montreal and India, enhancing SEB's existing infrastructure to host the acquired business, leasing equipment and transitioning employees. By the end of the third quarter, both the Canadian and Indian operations had been successfully transitioned. The process to integrate the newly acquired technology platforms into the Benefits Exchange Platform has begun. Due to the transition and integration costs, the BD recorded a negative EBITDA of $4.9 mm.

The BD has over 50 of Canada's corporate elite as clients and $65 mm revenue in existing contract backlog (the majority with two to five-year terms and automatically renewing). Management believes that over 95% of the current revenue base will be recurring. As this book of business generates administration revenue only, it is believed that there are growth/cost savings opportunities which include marketing other modules within SEB's Benefit Exchange Platform and leveraging the call-centre operations. Other opportunities to leverage SEB's Benefit Exchange within Canada, the USA and globally are aggressively being pursued including multiple white label ventures. One example of progress on this front was the signing of an LOA with NeST in the fourth quarter to establish a JV to offer SEB's Benefit Processing Solutions to the US marketplace.

The Technology Division

The TD has a solid base of business with over $450 mm of backlog. The Division continues to deliver strong results from the three segments it focuses on: Consulting/Professional Services, Systems Integration Practice and Infrastructure.

The Consulting/Professional Services segment has approximately 385 contract consultants and 260 employees providing technical consulting services across multiple specialty practice areas to a national client base of over 200 active corporate and government clients.

The Systems Integration Practice provides customers with customized solutions for highly specialized environments. It facilitates data flow of multiple technology platforms utilizing proprietary technologies (i.e. BPO, Security, ITIL, PeopleSoft, energy billing solutions, application support, business intelligence, ERP [Oracle, SAP], portal solutions). The Company maintains partnerships with Microsoft, Sequence Kinetics, DiCentral etc.

The Infrastructure Team operates a self assessed PCI compliant (Payment Card Industry) data centre and has mitigated risk with a state-of-the-art disaster recovery program. It has offices in India and the UAE with almost 50 multi-certified support staff, a 24/7 Call Centre, and supply-chain portals which connect international suppliers across multi-currency, multi-lingual environments.

The TD includes the following active companies:

- APS—Antian Professional Services Inc.
- Inforica Inc., Inforica Technology Solutions Inc., and Inforica Energy Solutions
- Logitek Technology Ltd.
- Maplesoft Group Inc., Maplesoft Consulting Inc., Northern Brainwaves Consulting Group Inc., and Group Maplesoft Quebec Inc.
- Paradigm Consulting Group Inc.
- SOMOS Consulting Group Ltd.
- Stroma Service Consulting Inc.

Revenues in the Technology Division showed a slight increase for the twelve months ended November 30, 2017 compared to prior year ($97.0 mm vs. $95.8 mm). The slight increase is the net result of revenue growth within Inforica, offset by a decline in the Western Canadian operations.

Gross Margins remained relatively flat at 19% of revenues. The division is currently aggressively pursuing multiple long-term contracts within the Canadian government RFP process.

Adjusted EBITDA was $6.2 mm in fiscal 2017 ($6.9 mm in FY2016). It is anticipated that Adjusted EBITDA will resume to 2016 levels in fiscal 2018. Changes continue to be made to each of the entities to streamline operations, reduce costs, and leverage synergies between the companies. Subsequent to year end, on December 1, 2017 SOMOS and Antian were amalgamated.

The Corporate Office

The Board of Directors is accountable to the shareholders and oversees the performance of Management. Management is responsible for the operational decisions of the organization in accordance with the Board's mandate.

The CO includes Board and Management expenses, expenses pertaining to operating the public entity and costs which benefit the whole organization. The CO includes the following active companies:

- Smart Employee Benefits Inc.
- Smart Employee Solutions Inc.

The CO has been largely funded through new capital issuance, but Management is targeting having sufficient operating working capital to fund these expenses in fiscal 2018.

Risk and Uncertainties

The Company's growth is subject to several risks including sufficient working capital, customer demand, financing costs, acquisition and integration challenges, technological obsolescence, obtaining/retaining competent staff and legal compliance in an evolving industry.

Liquidity and Capital Requirements

The consolidated financial statements have been prepared on a going concern basis which presumes that the Company will continue in operation for the foreseeable future and will be able to realize assets and discharge liabilities in the normal course of its operations. The Company has made significant progress in restructuring its debt and decreasing its working capital deficiency ($4.7 mm reduction from November 30, 2016); however, SEB's accumulated deficit increased to $38.4 mm at November 30, 2017 from $29.6 mm at November 30, 2016.

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company currently settles its financial obligations such as accounts payable out of working capital. The Company's future liquidity is dependent on factors such as the ability to generate cash from operations and to raise money through debt or equity financing.

Below is a table outlining the debt repayment commitments as at November 30, 2017:

	Notes payable *(Note 1)*	**Convertible debt** *(Note 2)*	**Royalty advance** *(Note 3)*	**Equipment lease**	**Term bank loans** *(Note 4)*	**Total**
Fiscal 2018	2,076,517	2,663,154	1,600,000	67,108	1,875,000	8,281,779
Fiscal 2019	-	84,835	200,000	67,108	1,374,996	1,726,939
Fiscal 2020	1,371,510	-	200,000	22,330	1,374,996	2,968,836
Fiscal 2021	-	-	-	-	187,508	187,508
Fiscal 2022	-	-	-	-	5,000,000	5,000,000
	$ 3,448,027	**$ 2,747,989**	**$ 2,000,000**	**$ 156,546**	**$ 9,812,500**	**$ 18,165,062**

Note 1 -- includes accrued interest of $690,684
Note 2 -- ties to face value of convertible debt
Note 3 -- includes the bonus fee
Note 4 -- includes $500K of cash sweep in Fiscal 2018

The borrowings of the Company under the debt facilities are secured by a general security agreement ("GSA") over substantially all the assets of some of the Company's subsidiaries. Should the Company not meet its financial covenants or obligations under these borrowing agreements, there is the risk that its lenders may realize on their security and liquidate the assets of the Company.

The Company was successful in raising $9.4 mm in fiscal 2017 through multiple private placements. These activities form part of the Company's strategy to reduce its short-term debt and lower its financing costs.

The future capital requirements of the Company will depend on many factors, including the number and size of acquisitions consummated, rate of client base growth, the costs of expanding into businesses. In order to meet such capital requirements, the Company may consider additional public or private financing (including the incurrence of debt and the issuance of additional common shares) to fund working capital deficiencies, which could entail dilution of current investors' interest in the Company. There can be no assurance that additional funding will be available, the Company may have to reduce substantially or otherwise eliminate certain expenditures. Further, due to regulatory impediments and lack of investor appetite, the ability of the Company to issue additional common shares or other securities exchangeable for or convertible into common shares, acquisitions may be restricted.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. For financial assets, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. In the normal course of business, the Company is exposed to credit risk from its customers and the related accounts receivable are subject to normal industry credit risk. To mitigate this risk the Company primarily deals with blue chip and government clients and reviews the creditworthiness of material new customers, monitors customer payment performance and, where appropriate, reviews the financial condition of existing customers. In addition, SEB has secured accounts receivable insurance to minimize the impact of uncollectible accounts. The Company recorded an allowance for doubtful accounts that corresponds to the specific credit risk of its customers and economic circumstances. Approximately 5.1% of the receivables were greater than 90 days, however, management believes that the majority are collectible. As at November 30, 2017 the allowance for doubtful accounts was $470,291 (November 30, 2016 - $383,589).

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The bank loan bears interest at floating rates and as such is subject to interest rate cash flow risk resulting from market fluctuations in interest rates. A 1% appreciation (depreciation) in the interest rate would result in a change in interest expense of approximately of $166,131 ($283,482 at November 30, 2016). Management believes that the Company is not currently exposed to any significant interest rate risk.

Acquisitions and Integration Risks

The Company has and expects to continue to consider investments of various sizes that fit within SEB's overall strategy. There is no assurance that it will be able to acquire businesses on satisfactory terms or at all. These investments will involve the commitment of capital and other resources and could have a major financial impact both during and post-acquisition. The speed and effectiveness with which SEB integrates these acquired companies into its existing businesses may have a significant short-term impact on the Company's ability to achieve its growth and profitability targets.

Acquisitions can often be a lengthy process. Significant investments of resources are made to analyze and finalize a transaction. The costs associated with these processes could have an adverse impact on the Company`s operating results, with no positive offset if the deal is not completed.

The successful integration and management of acquired businesses involves risks that could adversely affect SEB's growth and profitability, including that:
(a) Management may not be able to manage successfully the acquired operations and the integration may place significant demands on Management, thereby diverting its attention from existing operations;
(b) Operational, financial and management systems may be incompatible with or inadequate to integrate into the Company's systems and Management may not be able to utilize acquired systems effectively;

(c) Acquisitions may require substantial financial resources that could otherwise be used in the development of other aspects of the business;
(d) Acquisitions may result in liabilities and contingencies which could be significant to the Company's operations; and
(e) Personnel from SEB's acquisitions and its existing businesses may not be integrated as efficiently or at the rate foreseen.

The acquisition of companies or assets involves a long cost recovery cycle. To mitigate this risk, the Company performs significant due diligence on acquisition targets, and identifies both risks and opportunities before finalization. Integration plans and targets are detailed and begin immediately upon closure.

Information Technology Systems
SEB's businesses depend, in part, on the continued and uninterrupted performance of its information technology systems. Sustained system failures or interruptions could disrupt the Company's ability to operate effectively, which in turn could adversely affect its business, results of operations and financial condition.

The Company's computer systems may be vulnerable to damage from a variety of sources, including physical or electronic break-ins, computer viruses and similar disruptive problems. Despite precautions taken, unanticipated problems affecting the information technology systems could cause interruptions for which the Company's insurance policies may not provide adequate compensation.

SEB's risk mitigation strategy for its information systems includes the maintenance of secure infrastructure, third party monitoring, and disaster recovery strategies.

Confidentiality of Personal and Health Information
The Company and its subsidiaries' employees have access, in the course of their duties, to personal information of clients and specifically their claims histories. If a client's privacy is violated, or if SEB is found to have violated any law or regulation, it could be liable for damages or for criminal fines or penalties.

SEB takes client privacy very seriously and complies with all aspects of the PIPEDA legislation and other relevant regulation. It is SEB's intention that all employees are trained on privacy; and sign written acknowledgement and non-disclosure agreements. Data is maintained in restricted areas on a secure infrastructure.

Key Personnel
The Company believes that its future success will depend significantly upon its ability to attract, motivate and retain highly skilled Management. In addition, the success of each business unit depends on employing or contracting qualified professionals. The Company will compete with other potential employers for employees and it may not be successful in keeping the services of the executives and other employees, including professionals that it requires. The loss of highly skilled executives and professionals or the inability to recruit these individuals in markets that the Company operates in could adversely affect the Company's ability to operate its business efficiently and profitably. To mitigate these risks, SEB provides a competitive compensation package.

Accounting, Tax and Legal Rules and Laws
Any changes to accounting and/or tax standards and pronouncements introduced by authorized bodies may impact on the Company's financial performance. Additionally, changes to any of the federal and provincial laws, regulations or policies in jurisdictions where the Company operates could materially affect the Company's operations and its financial performance. The Company may also incur significant costs to comply with any proposed changes. The Company's failure to comply with laws, regulations or policies may expose the Company to legal or regulatory proceedings which could have a material impact on the Company's financial performance. It is the Company's intention that through continuous education and training, SEB employees are kept abreast of the changing legal and regulatory environment before changes come into effect, allowing the Company to sufficiently plan for any anticipated impact.

Internal Control over Financial Reporting and Disclosure Controls and Procedures
The Company may face risks if there are deficiencies in its internal control over financial reporting and disclosure controls and procedures. Internal controls over financial reporting are designed to provide reasonable assurance

regarding the reliability of financial reporting and the preparation of the financial statements for external reporting purposes. Management is responsible for establishing and maintaining adequate internal controls over financial reporting appropriate to the nature and size of the Company. Management does not expect that Company's disclosure controls and procedures and internal controls over financial reporting will prevent all error and all fraud. A control system, no matter how well designed and implemented, can provide only reasonable, not absolute, assurance that its objectives will be met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Due to the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues within a company are detected. The inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of simple errors or mistakes. Controls can also be circumvented by individual acts, by collusion of two or more people or by Management's override of the controls. Due to the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected. Any deficiencies, if uncorrected, could result in the Company's financial statements being inaccurate and in future adjustments or restatements of its financial statements, which could adversely affect the price of the shares and SEB's business, financial condition and results of operations.

The Company needs to comply with financial reporting and other requirements as a public company. The Company is subject to reporting and other obligations under applicable Canadian securities laws and TSX-V rules, including National Instrument 52-109 (Certification of Disclosure in Issuers' Annual and Interim Filings). These reporting and other obligations place significant demands on the Company's Management, administrative, operational and accounting resources. Moreover, any failure to maintain effective internal controls could cause the Company to fail to meet its reporting obligations or result in material misstatements in its consolidated financial statements. If the Company cannot provide reliable financial reports or prevent fraud, its reputation and operating results could be materially harmed, which could also cause investors to lose confidence in the Company's reported financial information, which could result in a lower trading price of its securities.

To mitigate these risks, the Company hires seasoned professionals as employees/contractors, and has a strong working relationship with its auditors, which provide annual control assessments and recommendations to the Management and the Audit Committee. The Management and Board, in conjunction with its Audit Committee, are responsible for assessing the progress and sufficiency of internal controls over financial reporting and disclosure controls and procedures and adjust as necessary.

Ethical Business Conduct

A violation of law, the breach of Company policies or unethical behavior may impact on the Company's reputation which in turn could negatively affect the Company's financial performance. The Company has established policies and procedures, including a Code of Business Conduct, to support a culture with high ethical standards.

Volatile Market Price for Securities of the Company

The market price for securities may be volatile and subject to wide fluctuations in response to numerous factors, many of which are beyond the Company's control, including the following:

- actual or anticipated fluctuations in the Company's quarterly results of operations;
- changes in estimates of future results of operations by the Company or securities research analysts;
- changes in the economic performance or market valuations of other companies that investors deem comparable to the Company;
- addition or departure of the Company's executive officers and other key personnel;
- release or other transfer restrictions on outstanding securities;
- sales or perceived sales of additional securities;
- significant acquisitions or business combinations, strategic partnerships, joint ventures or capital commitments by or involving the Company or its competitors; and,
- news reports relating to trends, concerns or competitive developments, regulatory changes and other related issues in the Company's industry or target markets.

Financial markets experience significant price and volume fluctuations that particularly affect the market prices of securities of companies regardless of operating performance, underlying asset values or prospects of such companies.

Accordingly, the market price of the securities of the of the Company may decline even if the Company's operating results, underlying asset values or prospects have not changed.
These and other related factors, may cause decreases in asset values that are deemed to be other than temporary, resulting in impairment losses. As well, certain institutional investors may rate a company's environmental, governance, and social practices or performance against such institutions' respective investment guidelines and criteria. Failure to meet such criteria may result in limited or no investment.

Future Sales of the Company's Securities by Directors and Executive Officers
Subject to compliance with applicable securities laws, Directors, Executive Officers and their affiliates may sell some or all of their securities in the Company in the future. No prediction can be made as to the effect, if any, such future sales will have on the market price of the Company's securities prevailing from time to time. However, the future sale of a substantial number of securities by the Company's Directors and Executive Officers and their controlled entities, or the perception that such sales could occur, could adversely affect prevailing market prices for the Company's securities.

To mitigate this risk, SEB has put in place policies, procedures and guidelines which prevent trading of securities during certain periods.

Directors and Officers may have a Conflict of Interest
Certain of the Directors and Officers of the Company may also serve as Directors and/or Officers of other companies and consequently there exists the possibility for such Directors and Officers to be in a position of conflict. Any decision made by any of such Directors and Officers involving the Company are being made in accordance with their duties and obligations to deal fairly and in good faith with a view to the best interests of the Company.

Non-IFRS Financial Measures Definitions and Reconciliation

This MD&A includes certain measures which have not been prepared in accordance with IFRS such as EBITDA and Adjusted EBITDA. These measures are not recognized under IFRS and, accordingly, users are cautioned that these measures should not be construed as alternatives to net income determined in accordance with IFRS. As these measures do not have standardized meaning prescribed under IFRS, and may not be comparable to similar measures used by other companies, the following definitions and a reconciliation are presented below:

"EBITDA" is defined as earnings from continuing operations before interest and financing fees, income tax expenses, depreciation and amortization.

"Adjusted EBITDA" is EBITDA before one-time or non-cash expenses. It is defined as earnings from continuing operations before AON transition costs, change in fair value of contingent consideration, gain on sale of portion of business, share based compensation, transaction costs, write down of intangibles, interest and financing fees, income taxes, depreciation and amortization. The Company believes that Adjusted EBITDA is a meaningful financial metric as it measures cash generated normally from operations which the Company can use to fund working capital requirements, service interest and principal debt repayments and fund future growth initiatives.

"Transaction costs" are legal and other professional costs associated with the acquisition of a new business or debt issuance/repayment.

The below table reconciles both EBITDA and Adjusted EBITDA to Net loss before discontinued operations as presented in the Consolidated Statements of Comprehensive Loss:

	Twelve months ended		
	30-Nov-17	***30-Nov-16***	***20-Nov-15***
Net loss before discontinued operations	**$ (8,501,481)**	**$ (7,992,353)**	**$ (5,856,127)**
Interest and financing fees	4,545,194	3,125,650	1,778,876
Income tax expense (recovery)	(235,365)	(237,850)	(365,285)
Depreciation and amortization	4,745,493	4,601,002	2,657,936
EBITDA	**553,840**	**(503,551)**	**(1,784,600)**
AON-related integration and transition costs	2,714,446	-	-
Change in fair value of contingent liability	(2,102,505)	476,052	(128,350)
Gain on sale of portion of business	-	-	(1,124,837)
Share based compensation	320,321	270,890	673,659
Transaction costs	1,535,883	1,836,737	1,010,127
Write down of intangibles	-	-	551,516
Adjusted EBITDA	**$ 3,021,986**	**$ 2,080,128**	**$ (802,485)**

	Q4/17	***Q3/17***	***Q2/17***
Net income (loss)	**$ 688,057**	**$ (2,805,457)**	**$ (4,181,159)**
Interest and financing fees	1,716,088	739,386	1,176,004
Income tax expense (recovery)	(459,647)	223,560	88
Depreciation and amortization	1,237,584	1,136,765	1,238,096
EBITDA	**3,182,081**	**(705,747)**	**(1,766,972)**
Change in fair value of contingent liability	(2,102,505)	-	-
Share based compensation	119,449	41,422	104,577
Transaction costs	695,556	226,564	453,658
Adjusted EBITDA less AON-related integration and transition costs	**1,894,580**	**(437,761)**	**(1,208,737)**
AON-related integration and transition costs	-	1,735,564	978,882
Adjusted EBITDA	**$ 1,894,580**	**$ 1,297,803**	**$ (229,855)**

Schedule A - Quarterly Statements of Comprehensive Income (Loss)

	Sept 1, 2017 to Nov 30, 2017	*June 1, 2017 to Aug 31, 2017*	*Mar 1, 2017 to May 31, 2017*	*Dec 1, 2016 to Feb 28, 2017*	*Sep 1, 2016 to Nov 30, 2016*	*June 1, 2016 to Aug 31, 2016*	*Mar 1, 2016 to May 31, 2016*	*Dec 1, 2015 to Feb 29, 2016*
Revenue	**$ 29,719,017**	**$ 26,542,583**	**$ 26,873,279**	**$ 23,147,959**	**$ 24,282,360**	**$ 24,432,755**	**$ 25,144,842**	**$ 23,367,818**
Cost of revenues	21,312,152	18,983,404	19,608,988	19,427,565	19,871,547	19,743,135	19,982,898	18,721,497
Gross Margin	**8,406,865**	**7,559,179**	**7,264,291**	**3,720,394**	**4,410,813**	**4,689,620**	**5,161,944**	**4,646,321**
Gross Margin as a % of Revenue	*28.3%*	*28.5%*	*27.0%*	*16.1%*	*18.2%*	*19.2%*	*20.5%*	*19.9%*
Salaries and other compensation costs *(Note 1)*	4,510,787	4,192,327	5,127,195	2,064,527	3,570,807	1,959,456	2,420,981	2,427,712
Professional fees	(379,937)	521,236	703,043	458,107	392,354	362,103	201,392	449,126
Office and general	2,381,433	1,547,811	1,663,906	1,138,307	1,625,131	1,131,372	1,120,531	1,167,597
Adjusted EBITDA:	**1,894,580**	**1,297,803**	**(229,855)**	**59,451**	**(1,177,481)**	**1,236,687**	**1,419,039**	**601,884**
AON transition costs *(Note 1)*	-	1,735,564	978,882	-	-	-	-	-
Change in fair value of contingent liability	(2,102,505)	-	-	-	476,052	-	-	-
Share based compensation	119,449	41,422	104,577	54,873	(4,642)	139,959	108,972	26,601
Transaction costs	695,556	226,564	453,658	160,105	664,890	558,153	295,967	317,727
EBITDA:	**3,182,081**	**(705,747)**	**(1,766,972)**	**(155,527)**	**(2,313,782)**	**538,575**	**1,014,100**	**257,556**
Interest and financing fees	1,716,088	739,386	1,176,004	913,715	634,183	776,133	764,243	951,094
Income tax	(459,647)	223,560	88	634	(239,629)	639	1,140	-
Depreciation and amortization	1,237,584	1,136,765	1,238,096	1,133,045	1,332,601	1,088,034	1,072,452	1,107,916
Net loss before discontinued operations	**688,057**	**(2,805,457)**	**(4,181,159)**	**(2,202,920)**	**(4,040,935)**	**(1,326,230)**	**(823,734)**	**(1,801,453)**
Income (Loss) from discontinued operations net of tax	-	-	-	-	-	36,273	(187,069)	150,797
Net comprehensive loss	**$ 688,057**	**$ (2,805,457)**	**$ (4,181,159)**	**$ (2,202,920)**	**$ (4,040,935)**	**$ (1,289,957)**	**$ (1,010,803)**	**$ (1,650,656)**
Attributed to non-controlling interest	12,866	205,660	44,338	7,511	(79,919)	67,874	2,134	20,123
Attributed to SEB shareholders	675,191	(3,011,117)	(4,225,497)	(2,210,431)	(3,961,016)	(1,357,831)	(1,012,937)	(1,670,779)
	$ 688,057	**$ (2,805,457)**	**$ (4,181,159)**	**$ (2,202,920)**	**$ (4,040,935)**	**$ (1,289,957)**	**$ (1,010,803)**	**$ (1,650,656)**
Weighted average number of shares - basic	146,428,250	136,725,150	129,287,048	117,950,024	103,287,242	102,735,236	103,413,661	103,392,483
Loss per common share - basic and diluted	$ (0.01)	$ (0.03)	$ (0.03)	$ (0.02)	$ (0.03)	$ (0.02)	$ (0.01)	$ (0.02)

Note 1 - one-time costs associated with the AON transition ($476,380 for Q3/7 and $247,712 for Q2/17) have been reclassified from salaries and other compensation costs as management believes the adjusted operating costs provide a better basis for quarter over quarter comparative analysis.

Schedule B - Quarterly Statements of Financial Position

	Nov 30, 2017	*Aug 31, 2017*	*May 31, 2017*	*Feb 28, 2017*	*Nov 30, 2016*	*Aug 31, 2016*	*May 31, 2016*	*Feb 29, 2016*
Cash and cash equivalents	$ 2,735,391	$ 2,115,753	$ 897,261	$ 842,719	$ 2,442,757	$ 1,438,321	$ 2,198,451	$ 1,210,273
Accounts receivable	22,953,230	21,291,221	22,473,583	19,681,817	17,330,315	18,580,467	20,065,792	22,973,836
Short-term notes receivable	-	-	-	-	347,112	324,445	310,671	-
Inventory	235,834	298,729	243,569	308,760	247,817	456,678	314,224	89,665
Prepaids and deposits	1,424,135	1,176,880	1,246,926	947,076	652,102	970,956	823,643	977,879
Investment in discontinued operations	-	-	-	-	-	-	2,643,452	2,607,180
Total Current Assets	**27,348,590**	**24,882,583**	**24,861,339**	**21,780,372**	**21,020,103**	**21,770,867**	**26,356,233**	**27,858,833**
Long-term deposits	184,196	184,196	93,412	93,412	93,412	93,412	140,146	194,148
Long-term notes receivable	3,786,762	3,507,086	3,377,257	3,360,541	2,806,067	-	-	-
Equipment and software	3,211,193	3,220,267	2,685,538	2,474,569	2,577,019	2,724,819	2,798,214	2,843,629
Intangible assets	24,595,727	25,705,518	26,709,876	27,412,625	28,404,233	28,475,462	29,413,309	30,352,917
Total Assets	**$ 59,126,468**	**$ 57,499,650**	**$ 57,727,422**	**$ 55,121,519**	**$ 54,900,834**	**$ 53,064,560**	**$ 58,707,902**	**$ 61,249,527**
Current portion of bank debt	$ 13,675,559	$ 12,917,505	$ 13,103,575	$ 12,997,327	$ 12,204,140	$ 10,265,525	$ 11,780,825	$ 13,884,837
Accounts payable and accrued liabilities	21,619,993	21,878,212	22,822,889	18,064,288	16,769,147	14,894,483	14,197,657	15,867,466
Deferred revenue	754,310	404,654	341,899	426,881	435,234	436,054	411,587	642,597
Current portion of equipment leases	67,107	67,107	3,661	3,661	6,786	6,979	11,562	16,874
Current portion of convertible debt	2,673,023	2,605,637	2,547,368	1,723,334	2,224,492	3,079,838	3,912,952	3,907,304
Short-term notes	2,076,517	1,997,583	1,599,728	8,651,013	9,215,997	9,377,061	9,007,952	8,166,518
Royalty advance	1,600,000	-	-	-	-	-	-	-
Total Current Liabilities	**42,466,509**	**39,870,698**	**40,419,120**	**41,866,504**	**40,855,796**	**38,059,940**	**39,322,535**	**42,485,596**
Term bank loan	7,937,500	8,781,250	9,125,000	1,051,000	1,226,000	1,401,000	1,837,500	-
Equipment leases	89,439	113,090	5,707	6,338	7,148	-	-	-
Contingent consideration payable	1,317,207	3,559,257	2,047,064	2,106,302	3,649,340	4,502,444	4,713,722	4,738,346
Convertible debt	16,959	34,466	56,001	1,374,898	1,640,238	1,617,189	1,719,664	1,680,533
Royalty advance	-	1,600,000	-	-	-	-	-	-
Notes payable	1,371,510	1,421,486	1,371,510	1,832,286	1,832,286	1,826,510	2,761,144	3,063,510
Deferred income taxes	2,088,884	2,698,219	2,698,219	2,698,219	2,698,218	1,890,334	1,890,334	1,890,334
Preferred shares	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Total Long Term Liabilities	**13,171,499**	**18,557,768**	**15,653,501**	**9,419,043**	**11,403,230**	**11,587,477**	**13,272,364**	**11,722,723**
Share capital, warrants, options, associated costs and contributed surplus	41,963,122	38,233,900	37,033,178	36,022,285	32,614,990	30,982,100	31,890,845	31,707,918
Deficit	(38,383,061)	(39,058,249)	(35,068,248)	(31,831,847)	(29,611,206)	(26,930,114)	(25,075,125)	(24,005,625)
Total Shareholders' Equity	**3,580,061**	**(824,349)**	**1,964,930**	**4,190,438**	**3,003,784**	**4,051,986**	**6,815,720**	**7,702,293**
Non-controlling interest in subsidiaries	**(91,601)**	**(104,467)**	**(310,128)**	**(354,465)**	**(361,976)**	**(634,843)**	**(702,717)**	**(661,086)**
Total Liabilities and Shareholders' Equity	**$ 59,126,468**	**$ 57,499,650**	**$ 57,727,422**	**$ 55,121,519**	**$ 54,900,834**	**$ 53,064,560**	**$ 58,707,902**	**$ 61,249,526**

Schedule C - Quarterly Statements of Cash flows

	Quarters							
	Sep 1, 2017 to Nov 30, 2017	*June 1, 2017 to Aug 31, 2017*	*Mar 1, 2017 to May 31, 2017*	*Dec 1, 2016 to Feb 28, 2017*	*Sep 1, 2016 to Nov 30, 2016*	*June 1, 2016 to Aug 31, 2016*	*Mar 1, 2016 to May 31, 2016*	*Dec 1, 2015 to Feb 29, 2016*
Net income (loss)	**$ 688,057**	**$ (3,784,343)**	**$ (3,202,276)**	**$ (2,202,918)**	**$ (4,040,935)**	**$ (1,289,957)**	**$ (1,010,803)**	**$ (1,650,656)**
Add items not involving cash:								
Income tax recovery	(235,365)	-	-	-	(301,236)	-	-	-
Amortization and depreciation	1,237,587	1,136,765	1,238,096	1,133,045	1,332,601	1,088,034	1,072,452	1,107,916
Accreted interest	(160,848)	83,437	161,979	146,192	55,178	98,010	55,041	189,504
Change in contingent liability	(2,102,505)	-	-	-	476,052	-	-	-
Share-based compensation	119,449	41,422	104,579	54,871	(6,544)	141,861	108,972	26,601
Cash flow from operating activities of continuing operations before the following:	(453,624)	(2,522,719)	(1,697,624)	(868,810)	(2,484,884)	37,948	225,662	(326,635)
Change in non-cash working capital	(917,154)	1,376,641	1,239,857	(3,244,407)	(2,068,581)	998,796	1,417,662	(701,428)
Cash flows from operating activities of continuing operations	(1,370,778)	(1,146,078)	(457,767)	(4,113,217)	(4,553,465)	1,036,744	1,643,324	(1,028,063)
Cash flows from operating activities of discontinued operations	-	-	-	-	-	(36,272)	187,069	(150,797)
Cash flows from (used in) operating activities	**(1,370,778)**	**(1,146,078)**	**(457,767)**	**(4,113,217)**	**(4,553,465)**	**1,000,472**	**1,830,393**	**(1,178,860)**
Cash flows from investing activities								
Collection from acquisition target	-	-	-	-	1,125,671	-	-	-
Proceeds from sale of business	150,000	-	-	-	-	75,000	-	75,000
Purchase of AON's mid-market business	-	-	(55,153)	-	-	-	-	-
Purchase of software and equipment	(751,466)	(279,929)	(43,982)	-	1,761	(51,787)	(54,731)	(195,547)
Cash flows from investing activities of continuing operations	(601,466)	(279,929)	(99,135)	-	1,127,432	23,213	(54,731)	(120,547)
Cash flows from investing activities of discontinued operations	-	-	-	-	-	1,625,000	-	-
Cash flows from (used in) investing activities	**(601,466)**	**(279,929)**	**(99,135)**	**-**	**1,127,432**	**1,648,213**	**(54,731)**	**(120,547)**
Cash flows from financing activities								
Convertible debt issued/converted (repaid)	(16,958)	(16,834)	(550,040)	(821,677)	(893,260)	(1,027,815)	(16,047)	-
Net proceeds from equity financings	3,958,150	1,159,300	950,800	3,282,373	1,979,494	-	-	1,145,321
Proceeds (Repayment) of bank debt	(752,835)	(529,819)	8,180,248	618,187	2,612,839	(2,376,412)	(691,124)	(583,009)
Proceeds (Repayment) of equipment leases	(26,666)	(15,983)	(3,846)	(721)	1,067	(4,583)	(5,313)	(4,800)
Proceeds (Repayment) of short-term notes	(1,023,463)	447,831	(7,512,061)	(564,984)	730,324	-	(75,000)	75,000
Proceeds from royalty advance	-	1,600,000	-	-	-	-	-	-
Cash flows from (used in) financing activities	**2,138,228**	**2,644,495**	**1,065,101**	**2,513,179**	**4,430,464**	**(3,408,810)**	**(787,484)**	**632,512**
Net change in cash for the period	165,984	1,218,488	508,200	(1,600,038)	1,004,431	(760,125)	988,178	(666,895)
Cash, beginning of period	2,569,407	1,350,919	842,719	2,442,758	1,438,326	2,198,451	1,210,273	1,877,168
Cash, end of period	**$ 2,735,391**	**$ 2,569,407**	**$ 1,350,919**	**$ 842,720**	**$ 2,442,756**	**$ 1,438,326**	**$ 2,198,451**	**$ 1,210,273**

**Certain numbers have been reclassified to be conform with current periods presentation