SMART EMPLOYEE BENEFITS INC.

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Management Discussion and Analysis

For the Years ended November 30, 2018 and 2017

Contents

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, 2018 up to the date of this report April 3, 2019. This MD&A should be read in conjunction with SEB's Fiscal 2018 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 debt service, and meet future capital 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 the Corporate Office ("CO") and two operating divisions: Technology and Benefits.

The Technology Division ("TD") is a standalone unit which provides professional resources and specialty data management expertise (e.g. 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, 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. As a result, the TD has significant annuity revenue streams, multi-year back-log in excess of $300mm and delivers positive EBITDA performance.

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 under a single infrastructure. The efficiencies generated from leveraging resources inter-divisionally have proven 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. Industry reports indicate the Canadian Human Resource and Benefits Administration market is approximately $11.0 billion. The market has grown 3% in the past five years, and it is believed that the industry is poised for growth due to higher levels of corporate profits being expected to drive demands for outsourced HR services.

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 had 48 globally recognized clients representing over 250,000 plan members when first acquired. Since then, 22 of the 23 client contracts which had matured have been renewed (representing approximately 100,000 plan members), and five new clients (representing approximately 60,000 plan members) have been added. Management expects the high renewal rate will continue.

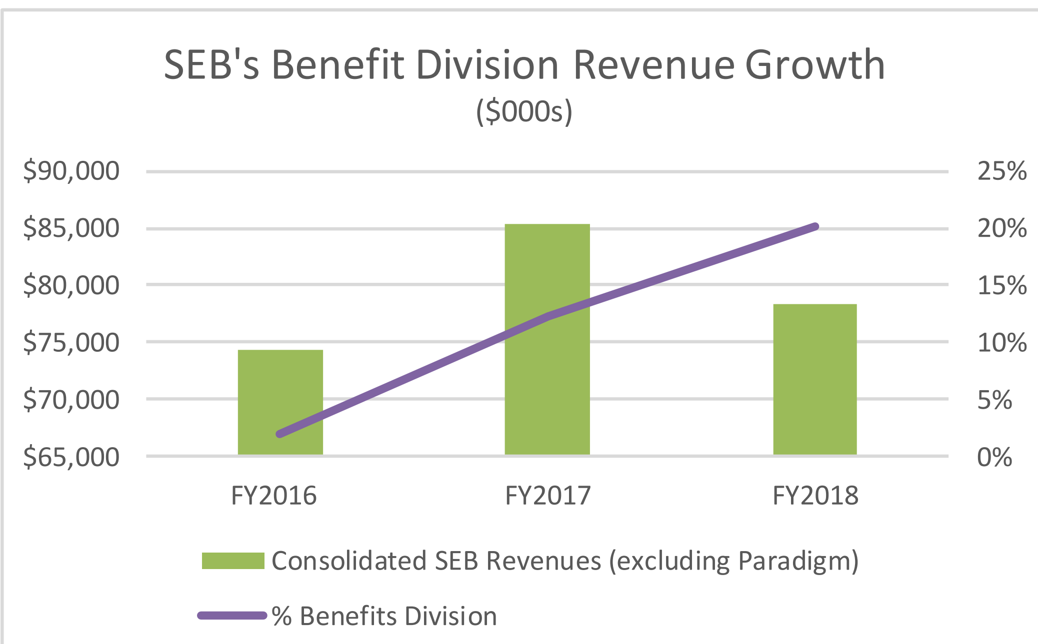
In addition to the book of business, the Company also acquired AON's benefit administration software which is being combined with SEB's existing administration software and adjudication platform. This enhanced integrated modular solution (which is both web and cloud-enabled) allows SEB to fully compete against the largest players in the Canadian marketplace. A significant competitive advantage is SEB's Benefit Exchange Platform. Management estimates that revenue per participant per annum ("PPPA") which is currently $44 could 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's growth objectives are to increase its client base and expand 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 mid-market health benefits administration business from AON.
- 2018—Focused business model to concentrate on the higher margin Benefits Division. Signed a Letter of Intent (LOI) with Golden Opportunities Fund to sell Paradigm *(NB. Effective Q4, 2018 Paradigm is disclosed as discontinued operations)*.
- 2019—Engaged Scotia Capital Inc. to find a strategic investment partner to capitalize on market opportunities and facilitate future growth.

The above progress is reflected below in SEB's Benefit Division revenue growth chart:



Financial Discussion

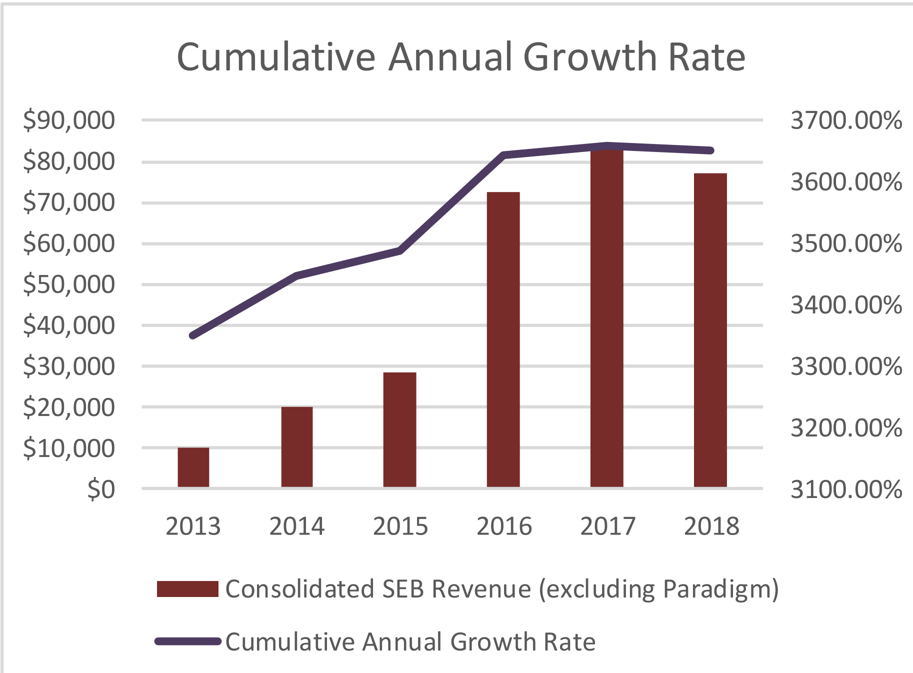
During Fiscal 2018, an LOI was signed with Golden Opportunities Fund to sell Paradigm, leading to a change in financial presentation. In compliance with IFRS, the results of Paradigm and its associated assets/liabilities have been disclosed as assets held for sale in the financial statements.

The Company is investing heavily in the development of its technical solutions to service the benefits marketplace. In 2018, it leveraged the Technology Division's resources to expand the existing Benefits Division infrastructure. The margin charged by the TD to the BD for its services was lower than what could have been charged to external clients; however, had the BD externally outsourced its requirements, the cost would have been substantially higher. The delta between the lower margin in the TD, and the savings within the BD was positive. The utilization of the TD resources internally contributed to a drop of 13.5% in revenue for the TD; however, the strategy is yielding dividends as shown by the 42.8% increase in the higher margin Benefits Division's revenues. Selected financial information from the Consolidated Statements of Net Loss and Comprehensive Loss for the years ended November 30, 2018, and 2017 are presented below:

Fiscal year ended November 30	***2018***	***2017***
Revenue	**$ 77,079,295**	**$ 83,497,820**
Cost of revenues	53,675,187	61,643,885
Gross Margin	**23,404,108**	**21,853,935**
Gross Margin as a % of Revenue	*30.4%*	*26.2%*
Operating costs	23,025,101	20,354,498
Professional fees	1,394,127	1,027,860
Adjusted EBITDA	**(1,015,120)**	**471,577**
Change in fair value of contingency	(480,374)	(400,906)
Write down of assets	6,671,890	-
Share-based compensation	570,768	320,321
AON transition/decommissioning costs	161,750	1,990,354
Transaction costs	-	1,253,363
EBITDA	**$ (7,939,154)**	**$ (2,691,555)**
Net loss from continuing operations	**$ (11,425,363)**	**$ (9,829,225)**

Schedule A *at the end of this report provides detailed quarterly consolidated statements of net loss and comprehensive loss for the eight quarters ended November 30, 2018.*

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 exponentially as shown by the Cumulative Annual Growth Rate Chart below:



It is this exceptional growth which has once again enabled SEB to make the list of the top 250 ITC companies in Canada, ranking 67th on Branham300.

During the fiscal year, consolidated revenues from continuing operations decreased compared to prior year by $6.4mm. In the TD, revenues decreased by $10.3mm partially as result of technical resources being used internally to build-out and integrate systems which support the BD at lower margins than would have been charged to external parties. The intensive effort has expanded the BD's offering to clients which contributed to the Division's year over year increase of $4.0mm. The Company is focused on the higher margin business within the Benefits Division and considers the decrease in TD's revenues as an investment in the future.

Due to the signing of an LOI to divest Paradigm, Paradigm's operations have been disclosed as discontinued operations. Year over year, the entity's revenue has remained fairly consistent generating between $22.3mm and $22.5mm.

Cost of revenues ("COR")
Consolidated COR from continuing operations decreased by $8.0mm over prior year. Over 95% of COR is comprised of employee/contractor costs in the TD. Due to the decrease in revenues within the division, the TD's COR decreased by $7.7mm over the prior year.

Gross margin ("GM")
Gross Margin % ("GM %") for continuing operations of the consolidated group of companies was 30.4% in Fiscal 2018 compared to 26.2% in Fiscal 2017 (17.6% in Fiscal 2016). The inclusion of a full year of the mid-market business within the BD was the primary contributor of the increase. The TD's GM% decreased slightly year over year from 18.1% in Fiscal 2017 to 17.0% in Fiscal 2018. The BD's GM% improved to 94.8% in Fiscal 2018 from 91.9% in Fiscal 2017. This is a significant increase compared to Fiscal 2016 when the BD's GM% was 50.5%.

Operating costs
Operating costs are comprised of salaries and compensation costs plus office and general expenses. Operating costs increased by $2.7mm. An increase of $3.3mm was recorded in the BD primarily due to a full year of operations of the former AON business compared to seven months in Fiscal 2017. The TD has implemented a number of cost cutting initiatives which resulted in year over year savings of $193K.

Professional fees
Professional fees include legal, audit, and valuation services. During Fiscal 2018, $366K more was expensed compared to prior year. The expense swing resulted from legal fees associated with the equity/debt raises and intended asset divestitures.

Change in fair value of contingency
The Company established contingent consideration provisions for three entities upon their acquisition. Each year, an independent valuator establishes the provisions fair market value. In Fiscal 2018, the valuator's report indicated that the discounted fair value of the anticipated contingent payments was lower than the provision amount. This resulted in a cost recovery of $480K.

Write down of assets
The Company recorded a write down of $6.7mm and its adoption of IFRS resulted in a transition adjustment to opening retained earnings of $601K. The independent valuation reports on the CGUs indicated that the carrying value of those units were higher than was supportable using a discounted cash flow analysis based on contracted revenue. As a result, $3.3mm of goodwill/intangible assets and $1.3mm of contract costs were written down. In addition, the Company established a provision of $2.1mm against notes receivable, as the security value of the notes had decreased.

Share based compensation
Share based compensation is the non-cash value of stock options issued to Directors, Officers, employees and consultants. The valuation method used is the Black Scholes option pricing model. The inputs for the model were amended in the current year as Management believed that the historic volatility frequency used was not reflective of future stock movement. This expense is amortized over the vesting periods of the stock options and does not directly correlate to the period when the options were issued.

AON transition/decommissioning costs
The AON acquisition took place in April 2017. It involved the acquisition of resources, clients and multiple technology platforms. Transition costs associated with moving the resources and infrastructure into the SEB environment were expensed in fiscal 2017. During 2018, SEB focused on streamlining the technology, and consolidated clients onto a single platform decommissioning the others. There was no allocation of the original purchase price to these decommissioned platforms. The cost to consolidate and decommission the platforms is considered a one-time expense and deducted from Adjusted EBITDA.

Transaction costs
Transaction costs are one-time expenses associated with acquisition and financing activities. Year over year transaction costs were reduced by $1.3mm. Expenses incurred during 2017 related to 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 Fiscal 2018 was $1.6mm greater than prior year. A significant portion of the losses ($3.1mm in 2018; $3.3mm in 2017) resulted from fixed assets depreciation and intangible assets amortization. The current year's write down of intangible assets will serve to reduce these expenses in future years.

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. These acquisitions and their associated debt, have placed stress on the balance sheet. Debt restructuring has been and continues to be Management's top priority.

During the year, debt was reduced by $946K. The $2.1mm repayment of bank debt was offset by a temporary (six month) term note to assist with the working capital of the Benefits Division. The net impact is shown below:

	Bank debt	Other	Total
November 30, 2017	$ 21,613,059	$ 7,894,555	$ 29,507,614
November 30, 2018	$ 19,505,075	$ 9,056,147	$ 28,561,222
Change	**$ (2,107,984)**	**$ 1,161,592**	**$ (946,392)**

Selected Balance Sheet Information

Selected financial information from the Statements of Financial Position as at November 30, 2018 and November 30, 2017:

	Note	*Nov 30, 2018*	*Nov 30, 2017*	*Change*
Cash	1	$ 750,191	$ 2,735,391	$ (1,985,200)
Accounts receivable	2	16,086,172	22,953,230	(6,867,058)
Other current assets	3	1,483,911	1,659,969	(176,058)
Assets held for sale		10,622,667	-	10,622,667
		28,942,941	27,348,590	1,594,351
Non-current assets	4	17,168,416	31,777,878	(14,609,462)
		$ 46,111,357	$ 59,126,468	$ (13,015,111)
Current bank debt	5	$ 19,505,075	$ 13,675,559	$ 5,829,516
Accounts payable and accrued liabilities	6	18,187,237	19,980,695	(1,793,458)
Other current liabilities	7	9,390,678	8,810,255	580,423
Liabilities directly associaed with assets held for sale		5,921,434	-	5,921,434
		53,004,424	42,466,509	10,537,915
Long term bank debt	5	-	7,937,500	(7,937,500)
Other non-current liabilities	8	2,662,772	5,233,999	(2,571,227)
		$ 55,667,196	$ 55,638,008	$ 29,188

Schedule B *at the end of this report provides detailed quarterly statements of financial position for the eight quarters ended November 30, 2018.*

1. Cash and cash equivalents
The cash and cash equivalent balance decreased from November 30, 2017 by $2.0mm due in part to the recording of Paradigm's cash of $636K under assets held for sale. Changes in cash during Fiscal 2018, are described below:

Cash flows from operating activities
Cash outflows from operating activities was $1.8mm of which $1.9mm is attributed to discontinued operations.

Cash flows from investing activities
Cash outflows for investing activities in the year totaled $1.1mm. This was comprised of investments in software and fixed assets of $464K and note receivable advances.

Cash flows from financing activities
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), term notes, royalty advance and equipment leases. Net cash generated in Fiscal 2018 in financing activities was $1.5mm. During the year, SEB generated $3.0mm in proceeds from a convertible preferred share issue, and $1.9mm in term debt. The Company reduced its bank debt by $2.1mm repaid $1.3mm of convertible and term debt. In the prior year, SEB had generated $8.9mm which was the net of bank and equity financing after repayment of convertible debt and short-term notes.

***Schedule C** at the end of this report provides detailed quarterly statements of cash flows for the eight quarters ended November 30, 2018.*

2. Accounts receivable
The accounts receivable balance at November 30, 2018 was $16.1mm, a decrease of $6.9mm from November 30, 2017 in part due to the recording of Paradigm's receivables of $3.4mm. under assets held for sale.

Due to the adoption of IFRS 9, the Company recorded an additional provision for uncollectible accounts, but due to the nature of SEB's typical clients (i.e. government and large blue-chip corporations), there has been a history of only minor uncollectible amounts.

3. Other current assets
Other current assets include prepaids/deposits, and inventory. Other assets decreased by $176K of which $51K can be attributed to recording Paradigm's prepaids of $51K under assets held for sale.

4. Non-current assets
Non-current assets include equipment, goodwill, intangible assets, premise deposits and notes receivable. Non-current assets decreased by $14.6mm from November 30, 2017 of which $6.5mm can be attributed to Paradigm assets being categorized as "assets held for sale". The remaining decrease results from the write down of goodwill/intangible assets of $3.3mm, amortization of intangibles of $2.8mm and depreciation of fixed assets of $271K.

5. Bank debt
As at November 30, 2018, the total bank debt was $19.5mm, compared to $21.6mm at November 30, 2017. Bank term debt of $1.9mm was repaid. The bank debt is secured by guarantees of the Company and the material subsidiaries of the Company. The facilities contain positive, negative and financial covenants and include other usual and customary terms and conditions. During the fourth quarter of fiscal 2018, the Company did not meet two of its financial covenants with respect to ratios of debt to Adjusted EBITDA.

While the bank operating and term facilities were utilized for the entire Technology Division, the master agreements are with Paradigm which is the prime borrower. During the year the Company announced its intent to sell Paradigm. As a result, the assets, liabilities and results are displayed as "Assets held for sale".

On March 4, 2019, the Company and the Bank executed a Loan Amendment, Modification and Undertaking Agreement ("Amending Agreement") whereby the terms of the Loan Agreements were revised. Under the terms of the Amending Agreement the Company acknowledged not meeting a financial covenant and distributing funds within the Company's subsidiaries contrary to the Loan Agreement provisions. Under the terms of the Amending Agreement the Bank agreed to modify the Loan Agreements such that these actions did not constitute enforceable defaults within the terms of the Loan Agreements. On April 2, 2019, the Company and the Bank executed an Amendment to the Amending Agreement whereby the date for depositing in escrow between $2 million and $5 million of new capital was extended to April 15, 2019 and the date for completing the repayment of the Facilities through obtaining new credit facilities was extended to April 30, 2019, co-incident with the closing of the Paradigm divestiture.

6. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities at November 30, 2018 decreased from November 30, 2017 by $1.8mm, of which $2.5m can be attributable to recording Paradigm's payables under liabilities directly associated with assets held for sale.

7. Other current liabilities

Other current liabilities are comprised of the current portion of convertible debt, short-term notes, deferred revenues, lease commitments, the royalty advance and preferred shares. Other current liabilities increased by $580K from November 30, 2017, primarily because of a $2 million short term financing, (some of which facilitated other short-term debt repayment), offset by the recording of Paradigm's other current liabilities under liabilities directly associated with assets held for sale.

8. Non-current liabilities

Non-current liabilities include contingent payables, notes payable, deferred taxes and preferred shares. The $2.6mm decrease from November 2017 is primarily a result of Paradigm's preferred shares being reclassified as "liabilities directly associated with assets held for sale".

Capital Raises

In Q1, 2018, the Company facilitated the issuance of convertible preferred shares of one of its active subsidiaries which raised gross proceeds of $3.0mm. There were no equity raises in fiscal 2018. Subsequent to year end, the Company raised gross proceeds of $892K through an equity issuance.

Operations Discussion

The Company is made up of a corporate office and two operating 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.

The following tables shows gross segmented results by division. Intercompany sales and costs of sales are eliminated via the "Eliminations" column. Management believes that the presentation of information in this manner allows the user to better understand divisional performance, and cross-company resource utilization.

Segmented Results for the fiscal years ended November 30, 2018 and 2017

Smart Employee Benefits Inc. **Segmented Income Statement Detail** ***For the year ended November 30*** *(in C$)*	*Technology*	*Benefits*	*Corporate*	*Eliminations*	*FY2018*	*Technology*	*Benefits*	*Corporate*	*Eliminations/ Adjustments*	*FY2017*
Revenue	**65,792,367**	**13,302,311**	**-**	**(2,015,383)**	**77,079,295**	**76,086,996**	**9,313,179**	**-**	**(1,902,355)**	**83,497,820**
Cost of revenues										
Compensation	53,845,339	134,195	-	(1,617,108)	52,362,426	62,001,682	167,668	-	(2,293,377)	59,875,972
Other	761,738	551,023	-	-	1,312,761	334,651	584,914	-	848,348	1,767,913
Total costs of revenues	54,607,077	685,218	-	(1,617,108)	53,675,187	62,336,333	752,582	-	(1,445,029)	61,643,885
Gross Margin	**11,185,290**	**12,617,093**	**-**	**(398,275)**	**23,404,108**	**13,750,664**	**8,560,598**	**-**	**(457,326)**	**21,853,935**
% gross margin	*17.0%*	*94.8%*	*n/a*	*n/a*	*30.4%*	*18.1%*	*91.9%*	*n/a*	*n/a*	*26.2%*
Operating Expenses										
Salary and other compensation	5,788,923	10,482,144	1,411,778	(398,275)	17,284,571	6,342,635	8,341,454	1,058,919	(457,525)	15,285,483
Office and general	2,463,488	3,503,429	(226,385)	-	5,740,531	2,102,402	2,336,495	415,279	214,839	5,069,015
Professional fees	259,585	157,060	977,482	-	1,394,127	664,226	186,285	177,349	-	1,027,860
	8,511,996	14,142,634	2,162,875	(398,275)	24,419,229	9,109,263	10,864,233	1,651,548	(242,686)	21,382,358
Adjusted EBITDA	**2,673,294**	**(1,525,541)**	**(2,162,875)**	**-**	**(1,015,121)**	**4,641,401**	**(2,303,636)**	**(1,651,548)**	**(214,640)**	**471,577**
Adjusted EBITDA as a % of gross margin	*23.9%*	*(26.9%)*	*n/a*	*n/a*	*(4.3%)*	*33.8%*	*(26.9%)*	*n/a*	*n/a*	*2.2%*
Change in fair value of contingency	(85,028)	-	(395,346)	-	(480,374)	16,804	-	(451,813)	34,103	(400,906)
Write down of assets	2,722,549	1,737,047	2,212,294	-	6,671,890	-	-	-	-	-
Share based compensation	-	-	570,768	-	570,768	-	-	320,321	-	320,321
AON transition costs/ decommissioning cost	-	161,750	-	-	161,750	-	1,990,354	-	-	1,990,354
Transaction Costs	-	-	-	-	-	63,338	612,981	577,045	-	1,253,363
EBITDA	**35,773**	**(3,424,337)**	**(4,550,591)**	**-**	**(7,939,155)**	**4,561,259**	**(4,906,971)**	**(2,097,100)**	**(248,743)**	**(2,691,555)**
EBITDA as a % of gross margin	*0.3%*	*(27.1%)*	*n/a*	*n/a*	*(33.9%)*	*33.2%*	*(57.3%)*	*n/a*	*n/a*	*(12.3%)*
Interest	1,164,546	156,673	351,083	-	1,672,302	2,034,501	100,340	1,432,415	592,339	4,159,595
Depreciation	184,264	82,486	4,118	-	270,868	209,525	25,874	1,689	(3,442)	233,646
Amortization	494,673	289,413	2,044,490	-	2,828,576	1,738	194,813	2,870,961	24,348	3,091,861
Tax	236,026	-	(1,521,563)	-	(1,285,537)	13,255	94	(462,644)	101,863	(347,432)
Subtotal	2,079,509	528,572	878,128	-	3,486,209	2,259,018	321,122	3,842,421	715,108	7,137,670
Earnings from continuing operations	(2,043,736)	(3,952,909)	(5,428,719)	-	(11,425,364)	2,302,240	(5,228,092)	(5,939,521)	(963,852)	(9,829,225)
Earnings from discontinued operations	(1,711,885)	-	-	-	(1,711,885)	1,327,745	-	-	-	1,327,746
Net income (loss)	**(3,755,621)**	**(3,952,909)**	**(5,428,718)**	**-**	**(13,137,248)**	**3,629,985**	**(5,228,092)**	**(5,939,520)**	**(963,852)**	**(8,501,479)**

In Fiscal 2018, certain employee salaries historically allocated to the Benefits Division were recorded in the Corporate Office.

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.

During the second quarter of 2017, 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 bilingual call-centre and added approximately 150 employees across Canada and India. The AON book of business has generated $19.5mm of revenue since acquisition ($11.9mm in Fiscal 2018).

The purchase agreement included the transition of 48 clients representing 250,000 plan members. Since then, SEB has closed five additional contracts and renewed 22 out of 23 contracts, each with an average term of five years. SEB has also consolidated the client base onto a single platform, and launched additional modules including FlexPlus Chat, FlexPlus Pay and FlexPlus Connect to better service its clients. The Company anticipates that the full legacy technology migration will be completed in 2019.

The BD currently has over 50 of Canada's corporate elite as clients and $85mm 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 also 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.

The Technology Division

The TD continues to deliver strong results from the three segments it focuses on: Consulting/Professional Services, Systems Integration Practice and Infrastructure. The division has a solid base of business with over $450mm of backlog. During the year, the division has closed over $134 million in contracts, of which $68 million are renewals. The contracts range from 2 to 6 years and will begin to contribute to the Company's earnings during 2019. In addition, the division is currently aggressively pursuing multiple long-term contracts through the Canadian government Request for Proposal ("RFP") process.

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 practice 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.

Some of the TD's resources were diverted to focus on the BD contributing to a decrease of revenues and margin for the fiscal year compared to prior year ($65.8mm compared to $76.1mm). Gross Margins decreased from 18.1% of revenues to 17.0%.

Adjusted EBITDA in the TD was $2.7mm in Fiscal 2018 compared to $4.6mm in the prior year. Changes continue to be made to each of the entities to streamline operations, reduce costs, and leverage synergies between the companies. An example of such change was the amalgamation of SOMOS and APS – Antian Professional Services Inc. in Q1, 2018 to save on infrastructure costs.

An LOI was signed to sell Paradigm. Paradigm was acquired on December 1, 2014 to facilitate the Company's entry into the western Canadian professional services market. During the past three years Paradigm's strong team of professionals significantly contributed to the Company's revenues and earnings. In Q3, 2018 the Company revisited its debt strategy and reviewed its investment holdings. Management decided that a continued partnership, as compared to shareholdings, would be appropriate to meet its current objectives, and that the proceeds from the sale of Paradigm would reduce the debt, thereby improving the Company's balance sheet. The assets and earnings of Paradigm have been recorded separately in the financial statements.

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 expects to have sufficient operating cash flows to fund these expenses.

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; however, SEB's accumulated deficit increased to $52.0mm at November 30, 2018 from $38.4mm at November 30, 2017.

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. To enable the Company to capitalize on market opportunities, it engaged Scotia Capital in March 2019 to find a strategic investment partner.

Below is a table outlining the debt repayment commitments as at November 30, 2018:

	Notes Payable	Convertible Debt	Equipment Leases	Term Bank Loans	Royalty Advance	Total
Fiscal 2019	3,504,760	1,561,971	67,108	7,937,500	1,626,667	14,698,006
Fiscal 2020	1,296,104	517,000	29,204	-	160,000	2,002,308
Fiscal 2021	-	-	-	-	160,000	160,000
Fiscal 2022	-	-	-	-	133,333	133,333
	$4,800,864	**$2,078,971**	**$ 96,312**	**$7,937,500**	**$2,080,000**	**$16,993,647**

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 $9.4mm in fiscal 2017 through multiple private placements and an additional $3mm capital was raised in fiscal 2018. Subsequent to year end, an additional $0.9mm was raised. These activities have allowed for short term short-term debt repayments and contributed to the Company's working capital.

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, and 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 2.0% of the receivables were greater than 90 days, however, Management believes that the majority are collectible. As at November 30, 2018, the allowance for doubtful accounts was $523,900 (November 30, 2017 - $470,291).

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 $145,051 ($166,131 at November 30, 2017). 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 on 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 successfully manage 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 operation 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 standards 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 errors or all frauds. 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 errors or frauds 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 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.

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/decommissioning 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 from continuing operations as presented in the Consolidated Statements of Net Loss and Comprehensive Loss:

	Fiscal year ended	
	30-Nov-18	***30-Nov-17***
Net loss from continuing operations	**$ (11,425,363)**	**$ (9,829,225)**
Interest and financing costs	1,672,302	4,159,595
Income tax expense	(1,285,537)	(347,432)
Depreciation and amortization	3,099,444	3,325,507
EBITDA	**(7,939,154)**	**(2,691,555)**
AON transition/decommissioning costs	161,750	1,990,354
Change in fair value of contingent consideration	(480,374)	(400,906)
Write down of assets	6,671,890	-
Share based compensation	570,768	320,321
Transaction costs	-	1,253,364
Adjusted EBITDA	**$ (1,015,120)**	**$ 471,577**

Schedule A – Quarterly Statements of Comprehensive Income (Loss)

	Sep 1, 2018 to Nov 30, 2018	June 1, 2018 to Aug 31, 2018 (Note 1)	Mar 1, 2018 to May 31, 2018 (Note 1)	Dec 1, 2017 to Feb 28, 2018 (Note 1)	Sept 1, 2017 to Nov 30, 2017 (Note 1)	June 1, 2017 to Aug 31, 2017 (Note 1)	Mar 1, 2017 to May 31, 2017 (Note 1)	Dec 1, 2016 to Feb 28, 2017 (Note 1)
Revenue	**$ 18,310,567**	**$ 18,033,874**	**$ 20,183,329**	**$ 20,551,525**	**$ 23,477,721**	**$ 20,753,003**	**$ 21,427,496**	**$ 17,839,600**
Cost of revenues	12,813,199	12,273,532	14,059,647	14,528,809	16,377,036	14,835,583	15,474,228	14,957,039
Gross Margin	**5,497,368**	**5,760,342**	**6,123,682**	**6,022,716**	**7,100,685**	**5,917,420**	**5,953,269**	**2,882,560**
Gross Margin as a % of Revenue	*30.0%*	*31.9%*	*30.3%*	*29.3%*	*30.2%*	*28.5%*	*27.8%*	*16.2%*
Salaries and other compensation costs	4,886,028	4,363,734	3,868,546	4,166,263	4,510,787	4,192,102	4,839,187	1,743,408
Professional fees	580,742	60,214	553,123	200,048	(577,555)	410,665	688,765	505,985
Office and general	1,464,830	1,201,087	1,435,527	1,639,086	1,803,032	1,203,902	1,351,610	710,470
Adjusted EBITDA:	**(1,434,233)**	**135,308**	**266,486**	**17,319**	**1,364,421**	**110,752**	**(926,293)**	**(77,303)**
Write down of assets	6,671,890	-	-	-	-	-	-	-
AON transition costs/decommissioning costs	-	-	161,750	-	-	1,011,472	978,882	-
Change in fair value of contingent liability	(480,374)	-	-	-	(2,102,505)	-	-	1,701,599
Share based compensation	(171,152)	216,998	425,270	99,652	119,449	41,422	104,577	54,873
Transaction costs	-	-	-	-	695,556	(55,824)	453,658	159,973
EBITDA:	**(7,454,596)**	**(81,690)**	**(320,534)**	**(82,333)**	**2,651,922**	**(886,318)**	**(2,463,410)**	**(1,993,749)**
Interest and financing costs	(400,582)	618,939	878,706	575,239	1,479,364	568,221	839,013	1,272,996
Income tax	(1,267,024)	(42,983)	22,706	1,764	(459,647)	223,560	88	(111,433)
Depreciation and amortization	768,675	777,338	757,185	796,246	882,189	781,327	882,683	779,308
Net income (loss) from continuing operations	**(6,555,666)**	**(1,434,984)**	**(1,979,132)**	**(1,455,582)**	**750,015**	**(2,459,425)**	**(4,185,194)**	**(3,934,620)**
Income (Loss) from assets held for sale, net of tax	(1,432,308)	128,204	(312,936)	(94,844)	(61,957)	(346,030)	4,032	1,731,700
Net comprehensive loss	**$ (7,987,974)**	**$ (1,306,780)**	**$ (2,292,068)**	**$ (1,550,426)**	**$ 688,058**	**$ (2,805,456)**	**$ (4,181,162)**	**$ (2,202,919)**
Attributed to non-controlling interest	(136,312)	(8,159)	(8,158)	(8,157)	(8,156)	(8,155)	(8,154)	(8,153)
Attributed to common shareholders	(7,851,662)	(1,298,621)	(2,283,910)	(1,542,269)	696,214	(2,797,301)	(4,173,008)	(2,194,766)
	$ (7,987,974)	**$ (1,306,780)**	**$ (2,292,068)**	**$ (1,550,426)**	**$ 688,058**	**$ (2,805,456)**	**$ (4,181,162)**	**$ (2,202,919)**
Weighted average number of shares - basic	161,017,875	161,058,149	160,996,519	160,953,149	146,428,250	136,725,150	129,287,048	117,950,024
Loss per common share - basic and diluted	$ (0.08)	$ (0.01)	$ (0.01)	$ (0.02)	$ (0.01)	$ (0.03)	$ (0.03)	$ (0.02)

Note 1 - Historic quarters have been restated to reflect the operations of Paradigm Consulting Group as income from discontinued operations

Schedule B – Quarterly Statements of Financial Position

	Nov 30, 2018 (Note 1)	Aug 31, 2018	May 31, 2018	Feb 28, 2018	Nov 30, 2017	Aug 31, 2017	May 31, 2017	Feb 28, 2017
Cash	$ 750,191	$ 1,399,402	$ 955,916	$ 3,168,164	$ 2,735,391	$ 2,115,753	$ 897,261	$ 842,719
Accounts receivable	16,086,172	20,593,680	20,780,464	22,807,637	22,953,230	21,291,221	22,473,583	19,681,817
Inventory	199,174	213,804	216,843	209,764	235,834	298,729	243,569	308,760
Contract assets	-	91,722	-	-	-	-	-	-
Prepaids and deposits	1,284,737	1,650,913	1,172,583	1,468,591	1,424,135	1,176,880	1,246,926	947,076
Assets held for sale	10,622,667	-	-	-	-	-	-	-
Total Current Assets	**28,942,941**	**23,949,521**	**23,125,807**	**27,654,157**	**27,348,590**	**24,882,583**	**24,861,339**	**21,780,372**
Long-term prepaids and deposits	573,748	243,151	271,900	184,196	184,196	184,196	93,412	93,412
Notes receivable	2,291,271	4,323,052	4,165,008	3,891,192	3,786,762	3,507,086	3,377,257	3,360,541
Contract assets	-	1,001,479	739,497	-	-	-	-	-
Equipment and software	2,473,316	3,002,727	3,218,675	3,008,857	3,211,193	3,220,267	2,685,538	2,474,569
Intangible assets	11,830,082	21,813,384	22,725,382	23,640,536	24,595,727	25,705,518	26,709,876	27,412,625
Total Assets	**$ 46,111,358**	**$ 54,333,313**	**$ 54,246,270**	**$ 58,378,938**	**$ 59,126,468**	**$ 57,499,650**	**$ 57,727,422**	**$ 55,121,519**
Current portion of bank debt	$ 19,505,075	$ 12,812,147	$ 13,663,816	$ 13,664,064	$ 13,675,559	$ 12,917,505	$ 13,103,575	$ 12,997,327
Accounts payable and accrued liabilities	19,364,989	19,330,271	19,376,997	19,918,030	21,619,993	21,878,212	22,822,889	18,064,288
Contract liabilities	649,088	743,624	478,724	691,370	754,310	404,654	341,899	426,881
Equipment leases	67,108	67,108	67,108	67,108	67,107	67,107	3,661	3,661
Current portion of convertible debt	1,561,971	1,238,426	1,243,130	2,713,885	2,673,023	2,605,637	2,547,368	1,723,334
Short-term notes payable	3,504,760	3,962,262	1,846,276	2,025,432	2,076,517	1,997,583	1,599,728	8,651,013
Royalty advance	2,080,000	1,600,000	1,600,000	1,600,000	1,600,000	-	-	-
Preferred shares	350,000	350,000	350,000	-	-	-	-	-
Liabilities directly associated with assets held for sale	5,921,434	-	-	-	-	-	-	-
Total Current Liabilities	**53,004,425**	**40,103,837**	**38,626,051**	**40,679,889**	**42,466,509**	**39,870,698**	**40,419,120**	**41,866,504**
Term bank loans	-	6,906,250	7,000,000	7,593,750	7,937,500	8,781,250	9,125,000	1,051,000
Equipment leases	29,204	45,981	62,758	79,534	89,439	113,090	5,707	6,338
Contingent consideration payable	804,219	1,334,707	1,447,355	1,447,352	1,317,207	3,559,257	2,047,064	2,106,302
Convertible debt	517,000	538,000	559,000	-	16,959	34,466	56,001	1,374,898
Royalty advance	-	-	-	-	-	1,600,000	-	-
Notes payable	1,296,104	1,257,332	1,320,346	1,331,987	1,371,510	1,421,486	1,371,510	1,832,286
Deferred income taxes	16,245	2,088,884	2,088,884	2,088,884	2,088,884	2,698,219	2,698,219	2,698,219
Preferred shares	-	2,881,713	2,875,487	2,799,161	350,000	350,000	350,000	350,000
Total Long Term Liabilities	**2,662,772**	**15,052,867**	**15,353,830**	**15,340,668**	**13,171,499**	**18,557,768**	**15,653,501**	**9,419,043**
Share capital, warrants, options, associated costs and contributed surplus	42,657,393	42,800,544	42,583,546	42,383,469	41,963,122	38,233,900	37,033,178	36,022,285
Deficit	(51,960,846)	(44,098,802)	(42,624,274)	(39,984,032)	(38,383,061)	(39,058,249)	(35,068,248)	(31,831,847)
Total Shareholders' Equity	**(9,303,453)**	**(1,298,258)**	**(40,728)**	**2,399,436**	**3,580,061**	**(824,349)**	**1,964,930**	**4,190,438**
Non-controlling interests	**(252,387)**	**474,866**	**307,117**	**(41,056)**	**(91,601)**	**(104,467)**	**(310,128)**	**(354,465)**
Total Liabilities and Shareholders' Equity	**$ 46,111,358**	**$ 54,333,313**	**$ 54,246,270**	**$ 58,378,938**	**$ 59,126,468**	**$ 57,499,650**	**$ 57,727,422**	**$ 55,121,519**

Note 1 - The assets and liabilities associated with Paradigm Consulting Group Inc. have been seperately reported beginning the Q4, 2018

Schedule C – Quarterly Statements of Cash Flows

(Note: Cash Flows are shown at the level of total company, not segregated into continuing and discontinued operations)

Quarters (Total Company--not segregated into continuing and discontinued operations)

	Sep 1, 2018 to Nov 30, 2018	June 1, 2018 to Aug 31, 2018	Mar 1, 2018 to May 31, 2018	Dec 1, 2017 to Feb 28, 2018	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
Net income (loss)	**$ (7,987,975)**	**$ (1,306,780)**	**$ (2,292,066)**	**$ (1,550,426)**	**$ 688,057**	**$ (3,784,343)**	**$ (3,202,276)**	**$ (2,202,940)**
Add items not involving cash:								
Income tax recovery	(2,072,639)	-	-	-	(235,365)	-	-	-
Amortization and depreciation	776,240	1,130,925	1,110,134	1,149,196	1,237,587	1,136,765	1,238,096	1,133,045
Interest accretion	12,538	12,640	10,114	40,978	66,859	53,566	55,179	55,178
Change in contingent liability	(350,226)	(140,808)	-	-	(2,102,505)	-	-	-
Write-down of intangibles	6,671,890	-	-	-	-	-	-	-
Royalty advance bonus	480,000	-	-	-	-	-	-	-
Share-based compensation	(171,152)	216,998	425,270	99,652	119,449	41,422	104,579	54,871
Cash flow from (used in) operating activities before the following:	(2,641,324)	(87,025)	(746,548)	(260,600)	(225,917)	(2,552,590)	(1,804,423)	(959,846)
Change in non-cash working capital	2,822,510	(199,068)	1,052,450	(1,704,967)	(765,478)	1,406,512	494,884	(2,680,981)
Cash flows from (used in) operating activities	**181,186**	**(286,093)**	**305,902**	**(1,965,567)**	**(991,395)**	**(1,146,078)**	**(1,309,539)**	**(3,640,827)**
Cash flows from investing activities								
Advances of notes receivable	(164,854)	(158,044)	(190,797)	(96,363)	(183,583)	(150,000)	(150,000)	(150,000)
Proceeds from sale of business	-	-	-	-	150,000	-	-	-
Purchase of software and equipment	(22,312)	(951)	(408,328)	(32,464)	(751,466)	(279,929)	(43,982)	-
Cash flows from (used in) investing activities	**(187,166)**	**(158,995)**	**(599,125)**	**(128,827)**	**(785,049)**	**(429,929)**	**(193,982)**	**(150,000)**
Cash flows from financing activities								
Convertible debt issued (repaid)	158,378	(38,344)	(847,367)	(17,075)	(300,290)	(16,834)	(266,708)	(821,677)
Net proceeds from preferred share financing	-	-	-	3,000,000	-	-	-	-
Net proceeds from equity financings/conversions	28,000	-	21,000	-	4,117,759	1,159,300	828,565	3,245,000
Proceeds (Repayment) of bank debt	(213,322)	(945,419)	(593,998)	(355,245)	(752,654)	(529,819)	8,180,067	618,187
Proceeds (Repayment) of equipment leases	(16,777)	(16,777)	(16,777)	(9,903)	(26,667)	(15,983)	(3,846)	(721)
Proceeds (Repayment) of term notes	36,221	1,889,108	(481,883)	(90,609)	(642,064)	597,831	(7,180,014)	(850,000)
Proceeds from royalty advance	-	-	-	-	-	1,600,000	-	-
Cash flows from (used in) financing activities	**(7,500)**	**888,568**	**(1,919,025)**	**2,527,168**	**2,396,084**	**2,794,495**	**1,558,064**	**2,190,790**
Net change in cash for the period	(13,480)	443,480	(2,212,248)	432,773	619,642	1,218,488	54,542	(1,600,037)
Cash, beginning of period	1,399,396	955,916	3,168,164	2,735,391	2,115,750	897,261	842,719	2,442,757
Cash, end of period	**$ 1,385,915**	**$ 1,399,396**	**$ 955,916**	**$ 3,168,164**	**$ 2,735,391**	**$ 2,115,750**	**$ 897,261**	**$ 842,719**

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