SMART EMPLOYEE BENEFITS INC.

www.seb-inc.com

Management Discussion and Analysis

For the year ended November 30, 2016 and 2015

Contents

Management Discussion and Analysis

This Management Discussion and Analysis ("MD&A") of Smart Employee Benefits Inc. (the "Company" or "SEB") covers the annual consolidated financial statements and events during and subsequent to the year ended November 30, 2016 up to the date of this report March 30, 2017. This MD&A should be read in conjunction with the annual audited consolidated financial statements and the accompanying notes for the years ended November 30, 2016 and 2015. Except for the non-IFRS measures discussed below, all financial information is prepared in accordance with International Financial Reporting Standards ("IFRS"). All dollar amounts are in Canadian dollars unless otherwise indicated.

The Company is a reporting issuer in Ontario, Alberta and British Columbia, and is listed on the TSX-V under the symbol "SEB". SEB documents and securities filings can be viewed on the SEDAR website (www.sedar.com) and additional information on the Company can be obtained via the Company's website at www.SEB-inc.com.

Forward Looking Statements, Risks and Uncertainties
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 made under the headings "Company Overview" and "Risks and Uncertainties" and other statements 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 other similar terminology.

The risks and uncertainties include: the ability to achieve profitability and manage growth; reliance on and retention of competent staff; competition; performance obligations and client satisfaction; general state of the economy; possible acquisitions; possible future litigation; insurance limits; legislative and regulatory changes; revenue and cash flow volatility; operating risks; protection of intellectual property; valuation mandates; and restrictions on growth. Refer to the detailed discussion of risk factors included in this document. Given these risks and others described elsewhere in this document, investors should not place undue reliance on forward-looking statements as a prediction of actual results.

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 SEB, its financial or operating results, or its securities.

Non-IFRS Financial Measures
This MD&A makes reference to certain non-IFRS measures. These non-IFRS measures are not recognized measures under IFRS and do not have a standardized meaning prescribed by IFRS, and are therefore unlikely to be comparable to similar measures presented by other companies. These measures are provided as additional information to complement existing IFRS measures by providing further understanding of the Company's results of operations from management's perspective. Accordingly, they should not be considered in isolation nor as a substitute for analysis of the Company's financial information reported under IFRS. Management uses non-IFRS measures such as EBITDA, and Adjusted EBITDA (which are defined under the "Non-IFRS Financial Measures Definitions and Reconciliation"

section of this report) to provide investors with a supplemental measure of the Company's operating performance and thus highlight trends in the Company's core business that may not otherwise be apparent when relying solely on IFRS financial measures. Management also believes that securities analysts, investors and other interested parties frequently use non-IFRS measures in the evaluation of issuers. Management also uses non-IFRS measures in order to facilitate operating performance comparisons from period to period, prepare quarterly operating budgets, and to assess its ability to meet future debt service, capital expenditures, and working capital requirements.

Highlights

Financial Performance

Select Financial Highlights of Continuing Operations

	Three months ended November 30			Fiscal Year ended November 30		
	2016	*2015*	*Change*	*2016*	*2015*	*Change*
Revenue	**$ 24,282,360**	**$ 12,506,542**	**$ 11,775,818**	**$ 97,227,776**	**$ 42,579,694**	**$ 54,648,082**
Cost of revenues	20,296,160	9,552,159	(10,744,001)	80,017,528	31,961,805	(48,055,723)
Gross Margin	**3,986,200**	**2,954,383**	**1,031,817**	**17,210,248**	**10,617,889**	**6,592,359**
(1) Gross Margin as a % of Revenue	*16.4%*	*23.6%*	*-7.3%*	*17.7%*	*24.9%*	*-7.1%*
Operating costs	3,497,493	3,396,757	(100,736)	13,725,143	9,762,238	(3,962,905)
Professional fees	392,354	941,013	548,659	1,404,975	1,658,136	253,161
Share based compensation	(4,641)	136,582	141,223	270,891	673,659	402,768
Change in fair value of contingency	476,052	(128,350)	(604,402)	476,052	(128,350)	(604,402)
Adjusted EBITDA	**(375,058)**	**(1,391,619)**	**1,016,561**	**1,333,187**	**(1,347,794)**	**2,680,981**
Gain on sale of a portion of business	-	24,837	(24,837)	-	1,124,837	(1,124,837)
Acquisition and financing costs	664,890	180,000	(484,890)	1,836,737	1,010,127	(826,610)
Write down of intangibles	-	551,516	551,516	-	551,516	551,516
EBITDA	**(1,039,948)**	**(2,098,298)**	**1,058,350**	**(503,550)**	**(1,784,600)**	**1,281,050**
Net loss before discontinued operations	**$ (2,767,099)**	**$ (2,947,006)**	**$ 179,907**	**$ (7,992,352)**	**$ (5,856,126)**	**(2,136,226)**

In the year ended November 30, 2016, Revenue and Adjusted EBITDA from continuing operations increased to $97.2 million and $1.3 million compared to $42.6 million and a loss of $1.3 million over the prior year. These significant increases can primarily be attributed to the acquisition of Maplesoft Group Inc.

These results mark the fifth consecutive year of growth in both Revenues and Adjusted EBITDA with increases primarily from acquisitions. Management expects continued organic growth from each of the segments going forward; however, management also expects the timing and cycles of the contract procurement process could result in some fluctuations of organic growth rate over time.

The Company continued its focus on operational and working capital initiatives which resulted in a reduction of cash used in operations compared to prior year. The Company used $1.1 million in continuing operations for the year ended November 30, 2016, compared to using $2.6 million in the prior year. In addition to improved operational results that affirm the strategic direction of the Company's business model, SEB continued to make tangible progress toward executing on many of its business priorities.

Strategic Acquisitions/Unwinding

Similar to last year when the Company acquired Paradigm Consulting Group Inc. (“Paradigm”), SEB acquired a large profitable professional services firm, Maplesoft Group Inc. (“Maplesoft”) in the first quarter of Fiscal 2016. The consolidation of Maplesoft results and the inclusion of a full year of Paradigm results were both were key contributors to the year over year growth.

On July 26, 2016, the Company unwound its acquisition of Banyan Work Health Solutions Inc. and BITS Licensing Inc. (collectively “Banyan”). A full description of the transaction is discussed later in this report under the heading “Banyan Transaction”. For comparative purposes, Banyan results have been classified as discontinued operations in fiscal 2016 and the comparative prior year figures have been reclassified.

Operating Facilities and Debt Reduction

On July 8, 2016, the Company amended its revolving credit facilities adding up to $3.5 million of additional capacity while reducing the interest rate. The revolving facility will help support the Company's working capital requirements. SEB also reduced its term debt for the acquisition of Paradigm from $4.2 million in March, 2015 to $2.3 million at November 30, 2016.

During the year, the Company repaid $1.9 million of convertible notes, extended the maturity date of the balance with amended convertible notes and extended the maturity date of $4.2 million of term notes. Subsequent to year-end, the Company paid a further $0.4 million of convertible note principal and interest. The amendments and extensions are part of the Company's debt stabilization strategy which is in progress.

During the fourth quarter, the Company announced a private placement of up to $5 million with proceeds to be used for debt repayment and working capital. The private placement involved a $0.20 unit offering, with each unit consisting of one common share and one common share purchase warrant. The warrants are exercisable into one common share at $0.30 per share for 18 months from the date of issuance. The First Tranche closed prior to the year end and raised $1.65 million. Subsequent to the year end, the Company closed the Second and Third Tranche raising a further $3.35 million.

Subsequent to the fiscal year end in March, 2017, the Company closed the First and Second Tranche in the total amount of $0.7 million of a $1.5 million Unit Offering. Each Unit was priced at $0.20 and consisted of one common share and one common share purchase warrant exercisable at $0.30 per share for a period of 18 months from closing.

Organizational Restructuring

SEB continues to restructure the organization by leveraging synergies between the subsidiaries, reducing costs and investing in resources to facilitate further growth. Mr. Mohamad El Chayad was recruited in the role of President of SEB Administrative Services Inc. to lead the subsidiary's expansion efforts. Mr. El Chayad is a seasoned sales professional within the technology health sector and has a solid global Benefits network.

Company Overview

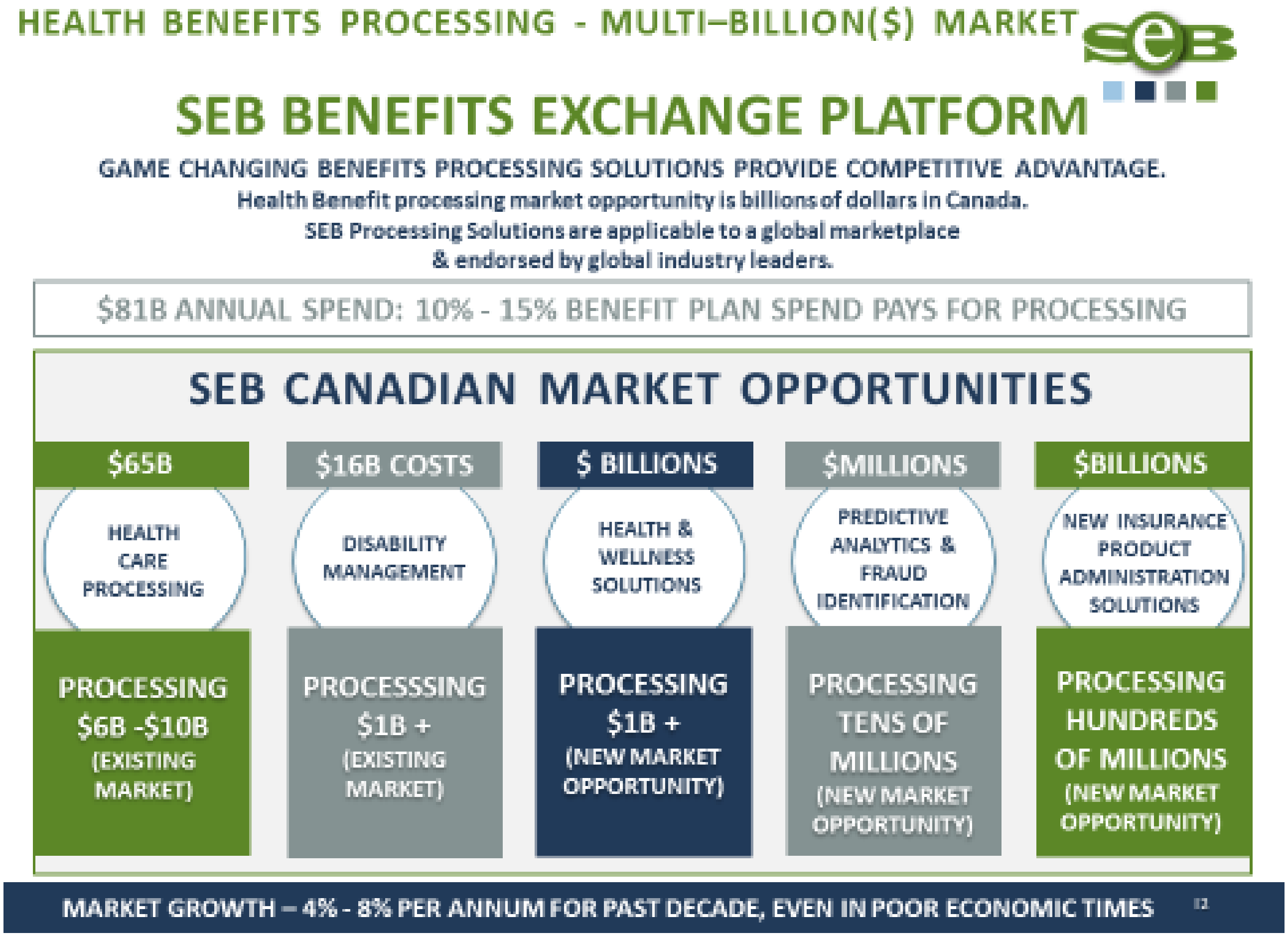
SEB is a technology company which builds, implements and manages fully-integrated data processing solutions. The Company offers game changing technology based solutions across multiple industry sectors with a focus on health care.

The Company's global infrastructure is comprised of a corporate office and two operating divisions: Technology and Benefits. The Technology Division has a growing standalone business providing professional services, software solutions, systems integration, managed services, software development, application support, infrastructure services, and specialty data management expertise to corporate and government clients across Canada and internationally. It also extends its infrastructure, expertise and services to the Benefits Division which delivers Software as a Service ("SaaS") and Business Process Outsourcing ("BPO") solutions to both corporate and government funded health benefit environments. The Technology Division is a critical competitive advantage in supporting the implementation and operation of SEB's Benefit Division solutions. The combination of the two operating divisions allows SEB to provide end-to-end total processing solutions, all managed in one technology environment.

SEB's core benefits technology solutions automate health benefits processing. They tie the administration and processing of all benefit types into one environment and integrate seamlessly with all client legacy systems to allow real-time, self-serve access of data. These modular solutions can operate as an integrated environment or on a standalone basis.

Strategic Vision

SEB's strategic vision is to become a major force in the processing and administration of health care benefits transactions for privately and publicly funded plans. The Canadian target health market has two segments: Employee Group Benefits, in which annual spend is estimated by management to be $35.0 billion, and Government Funded Benefits (federal and provincial), where $25.0 billion is estimated to be spent annually.


HEALTH BENEFITS PROCESSING - MULTI–BILLION($) MARKET
SEB BENEFITS EXCHANGE PLATFORM
GAME CHANGING BENEFITS PROCESSING SOLUTIONS PROVIDE COMPETITIVE ADVANTAGE.
Health Benefit processing market opportunity is billions of dollars in Canada.
SEB Processing Solutions are applicable to a global marketplace
& endorsed by global industry leaders.
$81B ANNUAL SPEND: 10% - 15% BENEFIT PLAN SPEND PAYS FOR PROCESSING
SEB CANADIAN MARKET OPPORTUNITIES
$65B
HEALTH CARE PROCESSING
PROCESSING $6B -$10B (EXISTING MARKET)
$16B COSTS
DISABILITY MANAGEMENT
PROCESSSING $1B + (EXISTING MARKET)
$ BILLIONS
HEALTH & WELLNESS SOLUTIONS
PROCESSING $1B + (NEW MARKET OPPORTUNITY)
$MILLIONS
PREDICTIVE ANALYTICS & FRAUD IDENTIFICATION
PROCESSING TENS OF MILLIONS (NEW MARKET OPPORTUNITY)
$BILLIONS
NEW INSURANCE PRODUCT ADMINISTRATION SOLUTIONS
PROCESSING HUNDREDS OF MILLIONS (NEW MARKET OPPORTUNITY)
MARKET GROWTH – 4% - 8% PER ANNUM FOR PAST DECADE, EVEN IN POOR ECONOMIC TIMES

Milestones toward Achieving the Strategic Vision

Since inception in 2011, SEB has enhanced its proprietary health benefit claims adjudication and administration 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 enhancing the adjudication component and developing the administration segment.
- 2012—Through a reverse takeover, became listed on the Toronto Venture Exchange.
- 2013—Acquired Logitek Technology Ltd. ("Logitek"), SOMOS Consulting Group Ltd. ("SOMOS"), and 50% of Inforica Inc. ("Inforica"), technology companies which provide the Benefits Division with both the necessary infrastructure, 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.

Today

SEB operates a mature Technology Division, with strong growing positive EBITDA performance and multiyear back-log. While it has used an acquisition driven model to expedite growth, the Technology Division has multiple annuity revenue streams driven by the long-term client relationships. It is a solid launching platform for continued organic growth.

The Technology Division also provides the IT infrastructure and support for the Benefits Division, in addition to the requisite security clearances, vendor of record arrangements and project references to successfully compete on corporate and government tenders.

Future Growth

SEB intends to acquire additional client relationships and vendor status, primarily within the Benefits Division, to support a complementary growth environment. Targeted acquisitions are expected to bring synergistic opportunities for cross selling, in addition to references necessary for successful responses to requests for proposals.

- In the Benefits Division, the target is joint ventures with third party administrators, as well as broker and consultant organizations that provide solutions and services to employers. The objective is to secure the client relationships and transition many of the front and back-office business processes to the SEB technology platform over time.
- In the Technology Division, SEB will consider companies which have established vendor relationships, security clearances and project references that are required to bid on government health contracts, in addition to technology providers with operations and/or products which are strategically supportive or complementary to health benefits processing/operations.

Acquisitions and investments in companies are made with the intent of obtaining positive cash flows and improving the operating results of the Company, partially based on restructurings and other initiatives management has executed. However, there are no assurances that management will be successful in achieving this goal.

Financial Discussion

Quarterly Statements of Comprehensive Income (Loss) for the years ended Nov 30, 2016 and 2015

	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 28, 2016*	*Sep 1, 2015 to Nov 30, 2015*	*June 1, 2015 to Aug 31, 2015*	*Mar 1, 2015 to May 31, 2015*	*Dec 1, 2014 to Feb 29, 2015*
Revenue	**$ 24,282,360**	**$ 24,432,755**	**$ 25,144,842**	**$ 23,367,818**	**$ 12,506,542**	**$ 9,680,417**	**$ 11,113,989**	**$ 9,278,747**
Cost of revenues								
Compensation	20,309,847	19,445,114	19,747,868	18,691,262	9,256,887	6,500,414	7,934,270	6,656,255
Other	(13,687)	722,634	659,643	454,847	295,272	474,805	476,892	367,010
	20,296,160	20,167,748	20,407,511	19,146,109	9,552,159	6,975,219	8,411,162	7,023,265
Gross Margin	**3,986,200**	**4,265,007**	**4,737,331**	**4,221,709**	**2,954,382**	**2,705,198**	**2,702,827**	**2,255,482**
Gross Margin as a % of Revenue	*16%*	*17%*	*19%*	*18%*	*24%*	*28%*	*24%*	*24%*
Salaries and other compensation costs	1,872,362	1,959,456	2,420,981	2,427,712	1,837,343	1,586,262	1,063,828	1,271,694
Share-based compensation	(4,641)	139,959	108,972	26,601	136,582	5,637	373,603	157,837
Professional fees	392,354	362,103	201,392	449,126	941,013	352,176	278,130	86,816
Office and general	1,625,131	1,131,372	1,120,531	1,167,597	1,559,414	963,236	858,341	622,114
Change in fair value of contingent liability	476,052	-	-	-	(128,350)	-	-	-
Adjusted EBITDA:	**(375,058)**	**672,117**	**885,455**	**150,673**	**(1,391,620)**	**(202,114)**	**128,924**	**117,020**
Gain on sale of a portion of the business	-	-	-	-	24,837	-	(100,000)	1,200,000
Acquisition and financing costs	664,890	558,153	295,967	317,727	180,000	-	830,127	-
Development cost	-	-	-	-	-	-	-	-
Write-down of intangibles	-	-	-	-	551,516	-	-	-
EBITDA:	**(1,039,948)**	**113,964**	**589,489**	**(167,054)**	**(2,098,299)**	**(202,114)**	**(801,203)**	**1,317,020**
Interest	579,002	693,908	693,417	761,590	291,302	292,616	327,285	115,192
Accretion of interest	55,178	82,225	70,826	189,504	180,572	189,504	187,892	194,512
Less: Provision for (recovery of) income tax	(239,629)	639	1,140	-	(335,285)	(10,000)	(10,000)	(10,000)
Depreciation	64,801	45,810	46,714	103,512	53,269	103,731	65,714	35,008
Amortization	1,267,799	1,042,224	1,025,738	1,004,404	658,849	571,130	606,351	563,883
Net Income (Loss) before discontinued opertions	**(2,767,099)**	**(1,750,842)**	**(1,248,346)**	**(2,226,064)**	**(2,947,006)**	**(1,349,095)**	**(1,978,445)**	**418,425**
Income (Loss) from discontinued operations net of tax	-	36,272	(187,069)	150,797	48,345	(31,203)	48,557	36,526
Net Comprehensive Income (Loss)	**$ (2,767,099)**	**$ (1,714,570)**	**$ (1,435,415)**	**$ (2,075,267)**	**$ (2,898,661)**	**$ (1,380,298)**	**$ (1,929,888)**	**$ 454,951**
Attributed to non-controlling interest	(79,919)	67,874	2,134	20,123	97,740	34,034	170,498	52,486
Attributed to SEB shareholders	(2,687,181)	(1,782,444)	(1,437,549)	(2,095,390)	(2,996,401)	(1,414,332)	(2,100,386)	402,465
	$ (2,767,099)	**$ (1,714,570)**	**$ (1,435,415)**	**$ (2,075,267)**	**$ (2,898,661)**	**$ (1,380,298)**	**$ (1,929,888)**	**$ 454,951**
Weighted average number of shares - basic	103,287,242	102,735,236	103,413,661	103,392,483	95,392,483	88,923,516	88,781,247	83,603,453
Loss per common share - basic and diluted	$ (0.03)	$ (0.02)	$ (0.01)	$ (0.02)	$ (0.03)	$ (0.02)	$ (0.02)	$ 0.01

Revenue
Since its inception in 2011, Smart Employee Benefits has pursued an acquisition based strategy which has led to dynamic growth. During Fiscal 2016, the Company leveraged synergies from its latest acquisition, Maplesoft Group Inc., which was acquired during the first quarter of 2016 (much as SEB did in the prior year following the acquisition of Paradigm Consulting Group Inc.).

The Company's Revenue for the three month period ended November 30, 2016 increased by $11.8 million to $24.3 million from $12.5 million for the same period in the prior year. This increase was primarily due to acquisition growth from the Maplesoft acquisition.

The Company's Revenue from continuing operations for the year ended November 30, 2016 increased $54.6 million to $97.2 million from $42.6 million in the prior year. This increase was due to acquisition growth from the Maplesoft and Paradigm acquisitions (prior year's results only reflected 11 months of Paradigms results).

Cost of revenues
Compensation
Compensation in "Cost of revenues" reflects contractor/employee costs in Maplesoft, Paradigm, SOMOS, Logitek, and Inforica. During Fiscal 2016, compensation costs increased by $47.8 million primarily due to the inclusion of Maplesoft compensation ($45.2 million), and a full year of Paradigm compensation costs ($2.0 million greater than prior year).

These costs increased by $11.1 million from the comparable quarter in the prior year. The increase reflects the impact of consolidating Maplesoft ($11.3 million) offset by restructuring savings.

Other
"Other" under this classification represents expenses directly incurred to earn the revenue stream. This includes sales commissions and cost of inventory. These costs increased minutely by $0.2 million over previous year also as a result of restructuring programs.

Gross margin
The Company's gross margin ("GM") for the three months ended November 30, 2016 increased by $1.0 million over the same period in prior year to $4.0 million. For the year ended, gross margin increased by $6.6 million to $17.2 million. These increase are primarily from the contributions of Maplesoft and Paradigm acquisitions.

Gross margin % ("GM %") for Q4, 2016 was 16.4% (Fiscal year - 17.7%) of revenues, a decrease of 7.3% (Fiscal year - 7.1%) from the prior year. The margin % decrease can be attributable the growing professional services business which has a lower margin. For the three months and year ended November 30, 2016, professional services comprised 92.0% and 91.3% of the revenue in the Technology Division respectively as compared to 79.3% and 67.0% the comparable periods in the prior year.

Operating costs
Operating costs which are comprised of salaries, other compensation costs, and office and general expenses decreased $0.1 million in the three months ended November 30, 2016 from the comparable period prior year, and increased $4.0 million year over year. During the fourth quarter Maplesoft contributed $1.2 million (Fiscal year of $4.7 million) to this variance which was offset by cost reduction programs.

Share based compensation
Options are a non-cash incentive used by the Company to retain key employees. When initially issued, the options are assigned a fair market value using a Black-Scholes calculation. The Company expenses these costs over the vesting periods of the options. Therefore the year to date and quarterly share based compensation cost does not rise and fall according to options issued during that period.

Professional fees
Professional fees are comprised of accounting and legal expenses excluding those categorized as transaction costs. In Fiscal 2016, SEB expensed $253 thousand less than Fiscal 2015. The fluctuation of professional fees is associated with the costs of audit and review of financial statements to meet the requirements of both the TSX-V and the financing agreements.

Adjusted EBITDA
Adjusted EBITDA from continuing operations improved by $1.0 million and $2.7 million for the three month period and year ended November 30, 2016 compared to the same periods in the prior year.

Gain on sale of a portion of business
The sale of Logitek's EDI business added $1.1 million to the EBITDA of the Company in Fiscal 2015.

Acquisition and financing costs
Acquisition and financing costs are one-time expenses associated with acquisitions and financing activities. During Q4, 2016 the Company recorded $0.7 million of expenses ($1.9 million for the year ended) compared to $0.2 million in Q4, 2015 ($1.0 million for Fiscal 2015). Fiscal 2016 expenses primarily relate to the Maplesoft acquisition and associated financing, and Banyan's unwinding, while prior year's expenses pertained to the Paradigm acquisition and associated financing.

Interest
The Company incurred $1.7 million more in interest charges during Fiscal year 2016 than Fiscal year 2015, of which the majority pertains to the debt assumed in the acquisition of Maplesoft.

Accretion of interest
Interest accretion is associated with convertible debt. Due to convertible debt repayments and maturity, interest accretion decreased by $125 thousand in the quarter, and $354 thousand in the year.

Amortization
Amortization expense relates to the systematic write off of intangible assets such as customer relationships, tradenames, etc. which were recorded on the acquisition of entities. In Fiscal year 2016, $4.3 million was expensed as compared to $2.4 million in the previous Fiscal year. The increase is as a result of the amortization of newly acquired intangibles associated with the acquisition of Maplesoft. Details can be found on the notes of the annual consolidated financial statements.

Net loss
Loss from continuing operations for the three month period ended November 30, 2016 was $2.8 million as compared to a loss of $2.9 million for the comparable period in the prior year. Loss for the year ended November 30, 2016 was $8.0 million, or 8.5% of Revenue, compared to $5.8 million, or 13.8% of Revenue, for the same period in the prior year.

Quarterly Statements of Financial Position for the years ended Nov 30, 2016 and 2015

	Nov 30, 2016	*Aug 31, 2016*	*May 31, 2016*	*Feb 29, 2016*	*Nov 30, 2015*	*Aug 31, 2015*	*May 31, 2015*	*Feb 28, 2015*
Cash and cash equivalents	$ 2,442,757	$ 1,438,321	$ 2,198,451	$ 1,210,273	$ 1,877,171	$ 1,850,073	$ 2,411,772	$ 1,909,608
Accounts receivable	17,330,315	18,580,467	20,065,792	22,973,836	9,878,070	8,321,329	8,963,564	10,128,345
Short term notes receivable	347,112	324,445	310,671	-	-	-	-	1,500,000
Inventory	247,817	456,678	314,224	89,665	80,716	83,998	55,244	65,015
Prepaids and deposits	652,102	970,956	823,643	977,879	535,844	598,088	729,986	612,708
Assets held by discontinued operations	-	-	2,643,452	2,607,180	5,603,762	5,503,058	6,263,961	5,493,292
Total Current Assets	**21,020,103**	**21,770,867**	**26,356,233**	**27,858,833**	**17,975,562**	**16,356,547**	**18,424,528**	**19,708,968**
Advances to acquisition target	-	-	-	-	1,125,671	-	-	-
Long term deposits	93,412	93,412	140,146	194,148	194,148	275,352	275,352	275,352
Long term notes receivable	2,806,067	-	-	-	-	-	-	-
Associate investments	-	-	-	-	-	-	-	68,477
Equipment	798,484	832,378	850,686	892,417	614,920	637,548	721,429	757,701
Software	1,778,535	1,892,441	1,947,528	1,951,212	1,925,727	2,253,315	2,263,908	1,928,701
Intellectual property	80,208	69,594	70,583	73,333	76,083	84,333	87,083	89,833
Customer relationships	7,453,382	8,829,165	9,476,948	10,124,731	5,772,514	6,159,393	6,556,698	5,745,670
Trade names	5,257,319	3,986,394	4,275,469	4,564,544	1,853,619	2,683,834	2,865,234	5,018,636
Goodwill	15,613,324	15,590,309	15,590,309	15,590,309	7,286,729	9,160,120	5,860,120	5,863,964
Total Assets	**$ 54,900,834**	**$ 53,064,560**	**$ 58,707,902**	**$ 61,249,527**	**$ 36,824,972**	**$ 37,610,441**	**$ 37,054,352**	**$ 39,457,302**
Bank loan	$ 11,154,140	$ 9,041,525	$ 10,730,825	$ 10,647,337	$ 4,209,997	$ 3,761,694	$ 4,853,464	$ 1,391,300
Accounts payable and accrued liabilities	15,670,001	14,268,407	13,313,517	14,925,808	7,319,205	4,670,286	5,048,068	5,093,505
Current portion of term bank loan	1,050,000	2,625,000	1,050,000	3,237,500	3,412,500	1,050,000	-	-
Deferred revenue	435,234	436,054	411,587	642,597	572,564	454,127	443,885	553,654
Current portion of equipment leases payable	3,661	729	2,187	4,374	6,562	8,749	11,851	23,205
Current portion of equipment loans payable	3,125	6,250	9,375	12,500	15,625	18,750	21,875	25,843
Current portion of convertible debt	2,224,492	3,079,838	3,912,952	3,907,304	4,097,198	3,719,884	4,095,333	1,737,388
Current portion of contingent consideration payable	27,475	27,475	40,246	40,246	120,874	90,000	90,000	90,000
Government remittances and current taxes payable	1,071,671	598,601	843,894	901,412	1,133,933	818,608	889,159	1,023,563
Short-term notes	9,215,997	11,203,571	9,007,952	8,166,518	1,650,729	2,113,229	2,075,729	9,270,211
Liabilities held by discontinued operations	0	-	-	-	2,222,291	4,154,120	3,996,897	2,852,195
Total Current Liabilities	**40,855,796**	**41,287,450**	**39,322,535**	**42,485,596**	**24,761,478**	**20,859,448**	**21,526,261**	**22,060,864**
Term bank loan	1,226,000	-	1,837,500	-	-	2,625,000	2,887,500	-
Equipment leases payable	7,148	-	-	-	-	-	2,187	4,375
Contingent consideration payable	3,649,340	4,502,444	4,713,722	4,738,346	2,171,050	2,017,896	1,988,752	2,780,118
Convertible debt	1,640,238	1,617,189	1,719,664	1,680,533	1,316,920	1,514,700	1,031,200	3,309,132
Notes payable	1,832,286	-	2,761,144	3,063,510	-	-	-	-
Deferred income taxes	2,698,218	1,890,334	1,890,334	1,890,334	1,794,295	3,081,706	581,706	581,706
Preferred shares	350,000	350,000	350,000	350,000	350,000	350,000	350,000	350,000
Total Long Term Liabilities	**11,403,230**	**8,359,967**	**13,272,364**	**11,722,723**	**5,632,265**	**9,589,302**	**6,841,345**	**7,025,331**
Share capital	24,937,594	23,181,505	24,052,875	24,055,375	21,935,275	20,005,568	19,870,506	19,997,823
Share issue costs	(963,492)	(937,916)	(937,916)	(937,916)	(835,519)	(612,979)	(612,979)	(612,979)
Contributed surplus	3,224,582	2,168,909	2,168,909	2,168,909	2,168,909	1,308,502	1,308,502	1,308,502
Warrants	4,141,964	4,591,424	4,768,757	4,720,807	3,590,780	3,996,188	3,996,188	3,996,188
Options	1,274,342	1,978,178	1,838,220	1,700,743	1,700,743	1,792,299	1,786,662	1,413,059
Deficit	(29,611,206)	(26,930,114)	(25,075,125)	(24,005,625)	(21,608,641)	(18,817,278)	(17,144,390)	(15,097,522)
Total Shareholders' Equity	**3,003,784**	**4,051,986**	**6,815,720**	**7,702,293**	**6,951,547**	**7,672,300**	**9,204,489**	**11,005,071**
Non-controlling interest in subsidiaries	**(361,976)**	**(634,843)**	**(702,717)**	**(661,086)**	**(520,319)**	**(510,608)**	**(517,744)**	**(633,963)**
Total Liabilities and Shareholders' Equity	**$ 54,900,834**	**$ 53,064,560**	**$ 58,707,902**	**$ 61,249,526**	**$ 36,824,971**	**$ 37,610,441**	**$ 37,054,352**	**$ 39,457,302**

Cash and cash equivalents
The cash increase of $0.6 million over prior year can be attributed to cash inflows from investing activities of $0.8 million and $0.9 million from financing activities. A more detailed discussion of cash flow can be found later in this report.

Accounts receivable
The accounts receivable balance at November 30, 2016 was $17.3 million, an increase of $7.5 million compared to November 30, 2015. The change is the result of the inclusion of Maplesoft's receivables of $11.5 million, a growth in the accounts receivable balance of Inforica of $0.7 million, offset by a decrease in the accounts receivable balances of Paradigm and SOMOS.

Due to the nature of SEB's typical client (i.e. government or large corporation), less than 2% of the accounts receivable balance is over 90 days. A provision for uncollectible accounts has been put in place for any amounts in dispute or where collectability is questionable.

Short term notes receivable
The short term note receivable balance at November 30, 2016 of $0.4 million represents advances to former Maplesoft shareholders as part of the overall $2.0 million commitment provided in the purchase agreement as described in the notes of the unaudited condensed interim consolidated financial statements.

Inventory
Adeeva, a nutritional supplements supplier, is the only SEB subsidiary which has inventory. During the year, inventory increased by $167 thousand in preparation for the delivery of products through a new retail channel.

Prepaids and deposits
During Fiscal 2016, prepaids and deposits increased by $0.1 million, the majority of which pertain to Maplesoft.

Advances to acquisition target
The advances to acquisition target at November 30, 2015 represents a $1,000,000 capital injection and $125,000 shareholder advance for Maplesoft before the acquisition had been completed.

Long term deposits
The long term deposit account contains the deposit for the corporate premises in Mississauga ON which the Company relocated to in Q3, 2014. In accordance with the tenancy agreement, a portion of the rent payable in Q4, 2015, Q2 and Q3 2016 was deducted from the deposit, hence the reduction of $0.1 million from the previous year.

Equipment
Equipment is comprised of the depreciated value of furniture, computer hardware and computer hardware under capital lease. The equipment at November 30, 2016 decreased by $0.04 million compared to November 30, 2015 as a result of the depreciation expense of all the entities offset by equipment added through the Maplesoft acquisition.

Intangible assets
Prior to November 30, 2016 the Company acquired control of nine companies (Logitek, SOMOS, Inforica, Antian, Adeeva, Stroma, Paradigm, SEBCON and Maplesoft). The difference between the purchase price of these companies and the tangible assets has been attributed to intangible assets such as software, intellectual property, customer relationships, trade names and goodwill. A valuator is contracted subsequent to material acquisition transactions to allocate the value of intangible assets and to annually test for impairment in the value.

Intangible assets increased by $13.3 million at November 30, 2016 over prior year as a result of the Maplesoft acquisition ($4.1 million of customer relationships, $5.0 million of tradenames, and $8.2 million of goodwill) offset by the amortization of existing intangibles.

Bank loan
At November 30, 2016, the consolidated bank debt was $12.4 million, which is an increase of $3.3 million over November 30, 2015. The increase was primarily attributable to debt assumption in the Maplesoft acquisition offset by repayments on the Paradigm facility. Maplesoft bank debt at November 30, 2016 is $6.4 million.

During 2015, the Company obtained credit facilities on behalf of Paradigm Consulting Group and replaced the existing credit arrangements of SOMOS, Logitek and Stroma.

In July, 2016, the Company leveraged the assets of SOMOS, Logitek and Antian to amend the Maplesoft credit facilities. The new operating line is up to $12.5 million, and calculated on billed and unbilled receivables. This new line replaced the former arrangement of SOMOS, Logitek and Antian.

Accounts payable and accrued liabilities
Accounts payable and accrued liabilities at November 30, 2016 increased in comparison to prior year by $8.4 million of which $7.5 million is due to the consolidation of Maplesoft.

Deferred revenue
Deferred revenue is the amount of licensing fees and consulting service revenue paid in advance of services being rendered. Deferred revenue decreased by $137 thousand over the prior year due to Logitek's renegotiation of supplier terms which increased the overall revenue stream, but decreased the upfront payment.

Notes Payable
Notes payable increased by $9.4 million from November 30, 2015. At November 30, 2016 notes payable primarily related to the assumption of Maplesoft debt and associated financing (maturity details are available under Liquidity Risk).

Currently, the Company is engaged in raising financing with the intent of using the funds to retire debt assumed as a result of the acquisition of Maplesoft in December, 2015 (see the notes in the unaudited condensed interim consolidated financial statements), and provide both working capital and an acquisition facility for future expansion.

Equipment leases and loans
Both equipment leases and loans have decreased over prior year by a total of $15 thousand representing repayments. One new equipment lease was entered into.

Government remittances and current taxes payable
The liability for government remittances decreased from prior year by $0.6 million. The decrease stems from the tax liability associated with the EDI business sale in the prior year, offset by scheduled repayments of previously outstanding amounts.

Contingent consideration payable
Contingent consideration payable is discounted liabilities to vendors of acquired companies related to future performance. SEB has recorded contingent consideration payables for Adeeva, Inforica, Paradigm and Maplesoft. Maplesoft accounted for $1.0 million of the increase in contingent consideration payables while Paradigm accounted for $0.3 million from prior year.

Convertible debt
The net decrease in convertible debt for the year of $1.5 million reflects repayments and a small conversion.

Deferred income taxes
Deferred income taxes arises from the timing difference of intangibles amortized for accounting purposes versus for tax.

Quarterly Statements of Cash flows for the years ended Nov 30, 2016 and 2015

	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*	*Sep 1, 2015 to Nov 30, 2015*	*Jun 1, 2015 to Aug 31, 2015*	*Mar 1, 2015 to May 31, 2015*	*Dec 1, 2014 to Feb 28, 2015*
Net income (loss):	**$ (2,767,099)**	**$ (1,787,114)**	**$ (1,061,278)**	**$ (2,426,715)**	**$ (3,000,884)**	**$ (1,380,299)**	**$ (1,929,888)**	**$ 454,945**
Add items not involving cash:								
Income tax recovery	(301,236)	-	-	-	(58,020)	(25,000)	(25,000)	(914)
Amortization of intangible assets	1,267,799	1,042,224	1,025,738	1,004,404	658,849	571,130	606,321	573,298
Depreciation	64,802	45,810	46,714	103,512	43,885	103,731	65,714	35,008
Accretion of interest	55,178	82,225	55,041	205,289	178,958	191,118	187,892	194,512
Accrued interest	-	-	-	-	143,630	145,000	145,000	117,886
Write-down of intangibles	-	-	-	-	551,516	-	-	-
Gain on sale of business	-	-	-	-	75,163	-	-	(1,200,000)
Share-based compensation	(6,544)	139,958	108,972	28,505	136,582	5,637	373,603	157,837
Change in contingent liability	476,052	-	-	-	(82,105)	-	-	-
Non-cash working capital	(1,427,973)	1,572,633	1,665,679	(275,302)	624,295	(1,113,528)	1,817,277	(1,926,966)
Cash flows from operating activities of continuing operations	(2,639,021)	1,095,736	1,840,866	(1,360,307)	(728,131)	(1,502,211)	1,240,919	(1,594,394)
Cash flows from operating activities of discontinuing operations	-	36,272	(187,069)	150,797	214,731	1,412,479	(622,459)	(1,754,406)
Cash flows from (used in) operating activities	**(2,639,021)**	**1,132,008**	**1,653,797**	**(1,209,510)**	**(513,400)**	**(89,732)**	**618,460**	**(3,348,800)**
Cash flows from investing activities								
Proceeds from sale of business	-	75,000	-	75,000	-	100,000	-	1,750,000
Advances to acquisition target	1,125,671	-	-	-	(1,125,671)	-	-	-
Purchase of software and equipment	1,761	(51,787)	(54,731)	(195,547)	(272,767)	(200,391)	(436,028)	(109,504)
Acquisition of Paradigm	-	-	-	-	(7,974,270)	-	-	-
Net cash on acquisition of Paradigm	-	-	-	-	7,974,270	-	(7,974,270)	1,159,848
Increase of notes receivable with related parties	-	-	(75,000)	75,000	-	-	-	-
Acquisition and financiang costs	(664,890)	(558,153)	(248,017)	(365,677)	-	-	-	-
Cash flows from investing activities of continuing operations	462,542	(534,940)	(377,748)	(411,224)	(1,398,438)	(100,391)	(8,410,298)	2,800,344
Cash flows from investing activities of discontinuing operations	-	1,625,000	-	-	(200,000)	(150,000)	-	883,655
Cash flows from (used in) investing activities	**462,542**	**1,090,060**	**(377,748)**	**(411,224)**	**(1,598,438)**	**(250,391)**	**(8,410,298)**	**3,683,999**
Cash flows from financing activities								
Proceeds from equity financings	1,647,408	-	-	1,557,430	2,400,000	-	-	-
Issue costs on equity financings	-	-	-	-	(120,000)	-	-	-
Proceeds from exercised warrants	-	-	-	-	-	-	-	1,262,725
Proceeds from exercised options	-	-	-	-	67,999	135,063	1,313	56,000
Repayments from bank loan	(349,000)	(262,500)	(350,000)	(175,000)	(262,500)	(262,500)	(262,500)	-
Proceeds (Repayment) of operating line	2,112,615	(1,689,300)	83,488	(408,009)	448,303	(41,770)	2,412,164	(90,908)
Repayment of equipment leases	(1,809)	(1,458)	(2,187)	(2,188)	(2,187)	(5,289)	(13,542)	(16,678)
Repayment of equipment loans	(1,125)	(1,125)	(1,125)	(2,612)	(3,125)	(3,125)	(3,968)	(6,782)
Proceeds/repayment of short term notes	730,324	-	-	-	(606,130)	37,500	2,068,630	-
Proceeds from bank term loan	-	-	-	-	-	-	4,200,000	-
Conversion of notes	10,000	-	-	-	-	-	-	-
Financing fee	(80,023)	-	-	-	-	-	-	-
Repayment of convertible debt	(887,475)	(1,027,815)	(16,047)	(15,785)	576	(81,455)	(108,095)	(33,044)
Cash flows from investing activities of continuing operations	3,180,915	(2,982,198)	(285,871)	953,836	1,922,936	(221,576)	8,294,002	1,171,313
Cash flows from investing activities of discontinuing operations	-	-	-	-	216,000	-	-	-
Cash flows from (used in) financing activities	**3,180,915**	**(2,982,198)**	**(285,871)**	**953,836**	**2,138,936**	**(221,576)**	**8,294,002**	**1,171,313**
Net change in cash for the period	1,004,436	(760,130)	988,178	(666,898)	27,098	(561,699)	502,164	1,506,512
Cash, beginning of period	1,438,321	2,198,451	1,210,273	1,877,171	1,850,073	2,411,772	1,909,608	403,096
Cash, end of period	**$ 2,442,757**	**$ 1,438,321**	**$ 2,198,451**	**$ 1,210,273**	**$ 1,877,171**	**$ 1,850,073**	**$ 2,411,772**	**$ 1,909,608**

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

Cash flows from operating activities
Cash used in operating activities for the year was $1.1 million compared to $2.4 million in the prior year.

The Company is in the process of developing/acquiring sustainable revenue for the generation of cash flow. SEB has relied on raising the necessary cash through issues of equity capital, debt which is convertible to equity capital and debt, to fund acquisitions, operations and software development. The Company is targeting operations to be self-sustaining and cash positive.

Cash flows from investing activity
Cash generated in Fiscal 2016 from investing activity was $0.8 million compared to cash used of $6.6 million in the previous year. During the year, the Company spent $1.9 million on the acquisition of Maplesoft and related financing, and received $1.6 million on the unwinding of Banyan. Prior year's cash flow from investing activity included $8.0 million used in the acquisition of Paradigm.

Cash flows from financing activity
SEB's two primary financing sources are equity and debt financing. Equity financing involves stock issuance, option exercise and warrant exercise. Debt financing includes convertible debt, bank financing (revolving and term), short-term notes, and equipment loans and leases. Cash generated in Fiscal 2016 from financing activity was $0.9 million compared to $11.2 in the previous year. The majority of the variance pertained to debt financing ($8.6 million pertained to bank debt, while $3.2 million pertained to convertible debts and notes).

Equity financing
During Q4, 2015, a strategic investor subscribed to SEB stock in the amount of $2.4 million. This was the first tranche of a $4.0 million private placement, the second of which was completed on December 7, 2015. The second tranche financing consists of 4 million units (the "Units") at a price of $0.40 per Unit. Each Unit consisted of (i) one common share of SEB and (ii) one common share purchase warrant of SEB (the "Warrants"). Each Warrant has a term of 24 months from the date of issuance and vests on December 31, 2016 at an exercise price of $0.75 per share. All securities issued in connection with the financing were subject to a four month hold period from the date of closing. While the financing was non-brokered, pursuant to SEB's previous engagement of finders, a cash fee of 4.49% of the gross proceeds raised in the private placement was incurred and finder warrants (the "Finder Warrants") equal to 8.975% of the number of Units of SEB (897,500 warrants) were issued. Each Finder Warrant is exercisable for a period of 18 months from the closing date at an exercise price of $0.40 per share.

During Q4, 2016, the Company announced a $5 million unit offering. Each unit had an issue price of $0.20 and consisted of one common share of the company and a warrant. The Company closed Tranche 1 during the fourth quarter raising $1.7m, and completed remaining raise during Q1, 2017.

No warrants or options were exercised during Fiscal 2016, as compared to prior year, where proceeds of warrant and option exercise amounted to $1.5 million.

Convertible Debt
During the year, $1.9 million convertible debt was repaid compared to $0.2 million in the previous year. While no new convertible debt was issued in either Fiscal 2016 or 2015 for cash, there were amendments and extensions to existing debt in Fiscal 2016. Convertible notes of $2.0 million which originally matured in February, 2016 were extended twice, once until the third quarter 2016 for additional consideration of 1% principal payable on maturity, and a change in interest rate from 8% to 10% on the remaining term, then on July 26, 2016 the Company, through an Amendment and Extension Agreement, amended the terms of the convertible notes due August 12, 2016 (the "August Notes"), such that the maturity date was extended to December 31, 2016 and the interest rate for the period August 12, 2016 to December 31,

2016 was amended from 10% to 12%. As well, the noteholders agreed to waive security against the shares of Banyan Work Health Solutions Inc. and BITS Licensing Inc. In addition, the conversion price was amended to $0.30 per share from August 12, 2016 to December 31, 2016.

In addition, in July, 2016 the Company, through an Amendment and Extension Agreement, amended the terms of the convertible notes due May 13, 2016 (the "May Notes"). The May Notes had been issued in tranches of $1,025,000, $725,000 and $250,000. The noteholders agreed to waive security against the shares of Banyan Work Health Solutions Inc. and BITS Licensing Inc. The maturity date was extended to December 31, 2016. For the period from July 26, 2016 to December 31, 2016, the interest rate was amended to 12% and the conversion price was amended to $0.30 per share.

Bank debt

On March 10, 2015 the Company closed credit facilities with a major Canadian Schedule I Bank in the amount of up to $8,775,000 which was broken down as follows:

i. A $4,200,000 term loan acquisition facility which was used in connection with the Corporation's acquisition of Paradigm. The acquisition facility bears interest at the Canadian Dollar Prime Rate (the "Prime Rate") to Prime Rate plus 1.75%, depending on the amount advanced under the facility, has a term of 3 years and may be repaid at any time without penalty.
ii. A $3,000,000 operating demand facility also obtained by Paradigm bearing interest at the Prime Rate plus 0.75% to 1.75%, depending on Paradigm's debt to EBITDA ratio;
iii. A $50,000 corporate credit card for use by Paradigm;
iv. A $1,500,000 operating demand facility obtained by SOMOS bearing interest at the Prime Rate plus 1.875%; and
v. A $25,000 corporate credit card for use by SOMOS.

Both Paradigm's credit facility and the SOMOS credit facility were secured by a first charge over all of the assets of certain subsidiaries of the Corporation, contained positive, negative and financial covenants, and included other usual and customary terms and conditions. The Corporation, Paradigm, SOMOS and certain other subsidiaries provided guarantees pursuant to the credit facilities.

On July 8, 2016, Maplesoft expanded an existing credit facility with a major international asset based lender to the amount of up to $12,500,000 (the "Maplesoft Facility"). The borrowers under the Maplesoft Facility are Maplesoft Group Inc., SOMOS Consulting Group Ltd, APS - Antian Professional Services Inc. and Logitek Technology Ltd. This Maplesoft Facility replaced an existing operating credit facility of up to $7,500,000 previously in place between the same lender and Maplesoft Group Inc.

The Credit Facility has a two-year term and bears interest at the greater of 0.5% or the one-month U.S. Dollar London Interbank Offered Rate, plus 6.5% per annum. The amount available under the Credit Facility is a revolving loan based on a formula calculated on the billed and un-billed accounts receivable of the borrowers. The Credit Facility is secured by a first charge over all of the assets of certain subsidiaries of the Company, contains positive, negative and financial covenants, and includes other usual and customary terms and conditions. SEB provides a guarantee under the Credit Facility.

Concurrent with the expansion of the Credit Facility, SEB terminated the SOMOS Facility.

At November 30, 2016 the Paradigm facility had an outstanding balance of $5.1 million ($2.8 million operating line and $2.3 million term loan), while the Maplesoft facility had an outstanding balance of $8.6 million. During Fiscal 2016, the Company repaid $1.1 million.

Short term notes

As at November 30, 2016, short term notes was $9.2 million, of which $2.1 were advances from related parties (the Board Chairman, and the Company President). The remainder was assumed on the acquisition of Maplesoft.

Equipment loans and leases

The Company repaid its equipment loans and leases by $20,142 in Fiscal 2016 compared to a $54,696 in the previous year.

Promissory Notes

Of the short term debt assumed by the Company as part of the consideration in the acquisition of Maplesoft Group Inc. on December 3, 2015, agreements have been reached whereby $7.0 million of the debt has been extended to maturity dates to March 5, 2018.

Below is a continuity schedule of SEB's debt:

	Term Notes						**Bank Financing**		
	SEB	**Maplesoft**	**Term Notes**	**Convertible debt (1)**	**Equipment loans**	**Equipmen t leases**	**Term loan**	**Operating loan**	**Total**
Balance Nov 30, 2015	**$ 1,650,729**	**-**	**$ 1,650,729**	**$ 6,100,620**	**$ 15,625**	**$ 6,562**	**$ 3,412,500**	**$ 4,425,997**	**$ 15,612,033**
Maplesoft acquisition	-	8,762,922	8,762,922	-	-	-	-	6,845,349	15,608,271
Banyan unwinding	-	-	-	-	-	-	-	(216,000)	(216,000)
Balance after transactions	**1,650,729**	**8,762,922**	**10,413,651**	**6,100,620**	**15,625**	**6,562**	**3,412,500**	**11,055,346**	**31,004,304**
Activities during Fiscal 2016									
Repaid	-	(44,781)	(44,781)	(1,937,122)	(12,500)	(6,562)	(1,136,500)	-	(3,137,465)
Converted	-	-	-	(10,000)	-	-	-	-	(10,000)
Added	679,413	-	679,413	-	-	10,809	-	114,112	690,222
Total	**679,413**	**(44,781)**	**634,632**	**(1,947,122)**	**(12,500)**	**4,247**	**(1,136,500)**	**114,112**	**(2,457,243)**
Bal Nov 30, 2016	**2,330,142**	**8,718,141**	**11,048,283**	**4,153,498**	**3,125**	**10,809**	**2,276,000**	**11,169,458**	**28,547,061**
Activities in Q1 Fiscal 2017									
Added (Repaid)	(501,560)	(600,000)	(1,101,560)	(920,094)	(3,125)	(810)	(262,500)	778,100	(2,288,089)
Total	**(501,560)**	**(600,000)**	**(1,101,560)**	**(920,094)**	**(3,125)**	**(810)**	**(262,500)**	**778,100**	**(2,288,089)**
Bal Feb 28, 2017	**$ 1,828,582**	**$ 8,118,141**	**$ 9,946,723**	**$ 3,233,404**	**$ 0**	**$ 9,999**	**$ 2,013,500**	**$ 11,947,558**	**$ 26,258,972**

(1) Convertible debt shown at face value

Operations Discussion

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

Select consolidated segmented highlights for the years ended November 30, 2016 and 2015

	For the year ended November 30, 2016				For the year ended November 30, 2015					
	Benefits	*Technology*	*Corporate*	*Held by Continuing Operations*	*Benefits*	*Technology*	*Corporate*	*Continuing Operations*	*Discontinuing Operations*	*Total*
Revenues	$ 1,420,036	$ 95,807,740	$ -	$ 97,227,776	$ 1,652,278	$ 40,927,416	$ -	$ 42,579,694	$ 7,767,605	$ 50,347,299
Cost of revenues	673,701	79,343,828	-	80,017,529	676,337	31,285,468	-	31,961,805	5,751,872	37,713,677
Gross Margin	**746,335**	**16,463,912**	**-**	**17,210,247**	**975,941**	**9,641,948**	**-**	**10,617,889.00**	**2,015,733.00**	**12,633,622**
Gross Margin %	*53%*	*17%*		*18%*	*59%*	*24%*		*25%*	*26%*	*25%*
Operating costs	2,887,752	9,542,414	2,699,951	15,130,117	2,102,959	6,565,123	3,545,938	12,214,020	1,204,684	13,418,704
Share-based compensation	-	-	270,890	270,890	-	-	673,659	673,659	-	673,659
Change in fair value of contingency	(18,390)	494,442	-	476,052	-	(128,350)	-	(128,350)	-	(128,350)
Adjusted EBITDA	**(2,123,027)**	**6,427,056**	**(2,970,841)**	**1,333,188**	**(1,127,018)**	**3,205,175**	**(4,219,597)**	**(2,141,440)**	**811,049**	**(1,330,391)**
Gain on sale of a portion of the business	-	-	-	-	-	1,124,837	-	1,124,837	-	1,124,837
Acquisition and financing costs	168,179	1,668,558	-	1,836,737	-	1,010,127	-	1,010,127	-	1,010,127
Write down of intangibles	-	-	-	-	-	551,516	-	551,516	-	551,516
EBITDA	**(2,291,206)**	**4,758,498**	**(2,970,841)**	**(503,549)**	**(1,127,018)**	**2,768,369**	**(4,219,597)**	**(2,578,246)**	**811,049**	**(1,767,197)**
										-
Interest	11,940	2,075,668	640,309	2,727,917	14,871	410,375	601,150	1,026,396	18,175	1,044,571
Accretion of interest	-	-	397,733	397,733	-	249,588	502,892	752,480		752,480
Income tax (recovery)	-	(237,850)	-	(237,850)	(257,112)	496,112	(604,285)	(365,285)	307,265	(58,020)
Amortization and Depreciation	299,167	4,301,836	-	4,601,003	219,934	2,189,664	-	2,409,598	383,385	2,792,983
Net Income (Loss)	**$ (2,602,313)**	**$ (1,381,156)**	**$ (4,008,883)**	**$ (7,992,352)**	**$ (1,104,711)**	**$ (577,370)**	**$ (4,719,354)**	**$ (6,401,435)**	**$ 102,224**	**$ (6,299,211)**

Benefits Division

The Benefits Division has combined the services of multiple standalone companies to develop SEB’s Benefits Exchange Platform. SEB’s solutions and expertise fall into five categories:

1. Adjudication and Health Benefits Processing – SEB has developed a SaaS/BPO based platform for processing employer and government funded health benefit claims that provides an integrated, end-to-end solution, capable of processing the administration, payments, billing and adjudication of health benefits claims. The platform automates the administration and processing of all benefit types into one environment and provides real-time reporting at the employee/detailed benefit level. This unique object-oriented rules base platform allows trained administrators, not programmers, to create and implement new rules in minutes, and enhance automation.
2. Health and Wellness Solutions – SEB hosts a content-rich, fully automated delivery environment, providing fact-based, actionable health and wellness data for employees, plan members, plan sponsors and insurers, which educates and provides an automated framework to implement and sustain health improvement strategies.
3. Predictive Analytics and Fraud Identification– Analysis of historical big data using algorithms facilitate the creation of fraud identification rules which are incorporated in real-time adjudication environments and may assist in pricing.
4. Enterprise Service Bus – Business Process Data Management Module for tying legacy data systems to new technology solutions, automating access to historic data.
5. Technology Infrastructure and Expertise – Extensive data management expertise including data centers, PCI certified security, systems integration, business intelligence, software development, CRM, BizTalk, PeopleSoft, BPO, ITIL, Professional Services, Hosting, Project Management, etc. This infrastructure and expertise make everything work as an integrated solution.

The Benefits Division includes the following active companies:

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

During the year, the Benefits Division recorded a negative EBITDA of $2.3 million of which the majority represents the on-going development costs of both the Adjudication/Administrative Claims Processing Platform, and the Meschino Wellness Platform.

Benefits Division Expansion

The Company is actively reviewing acquisitions and joint venture opportunities, together with strategic partnerships, as drivers of the Benefits Division's growth strategy. SEB has launched its Broker Affiliate Program and Joint-Venture White Label TPA Program. Both will require additional investment in sales and marketing which may affect the Benefits Divisions results in Fiscal 2017. Management projects reaching a positive EBITDA run rate in Fiscal 2017 as investments in the Fiscal 2016 start to realize returns. Prior to 2016, much of the focus had been on the Technology Division. SEB's competitive advantage is technology, and it was imperative that the Company have a strong, profitable Technology Division to enable SEB to capitalize on growth opportunities in its Benefits Division.

Banyan Transaction

SEB acquired 50% share ownership of Banyan in Q4, 2014.

During the third quarter, the Company unwound the Banyan acquisition. On July 26, 2016, the Banyan shares were returned to the vendor for the following consideration:

1. Cash of $1,625,000;
2. Return for cancellation of 2,000,000 SEB shares;
3. Release of SEB contingent obligations under the original acquisition of the Banyan Shares; and
4. Return for cancellation 555,000 of employee retention warrants.

Banyan results in the current and prior year period have been reported on a discontinued operations basis.

<u>Technology Division</u>
The Technology Division is a profitable business with a multi-year backlog in non-benefits processing areas. It focuses on three segments: Consulting/Professional Services, Systems Integration/Specialty Practices and Infrastructure.

The Consulting/Professional Services segment has over 460 contract consultants and over 300 employees providing technical consulting and services, across multiple specialty practice areas, to the national client base of over 200 active corporate and government clients.

SEB operates as a systems integrator, utilizing its expertise across multiple technology platforms, together with other proprietary technologies, to provide customized solutions for highly specialized environments. Specialty practice expertise in supply chain, data migration, managed services (i.e. BPO, Security, ITIL, PeopleSoft, energy billing solutions, application support, business intelligence, ERP [Oracle], SAP, etc., certified training programs, data centre infrastructure, Call Centre infrastructure, portal solutions, FICO Solutions in fraud analysis, consulting change management, and project management). The Company maintains Gold Partnerships with Microsoft, Sequence Kinetics, DiCentral etc.

The Infrastructure segment operates two PCI (Payment Card Industry) compliant data centres plus a Disaster Recovery site in state-of-the-art environments in Canada which supports mission-critical systems for some of Canada's largest companies. It has an India outsourcing office with almost 50 support employees with multiple skill certifications supporting Canadian and UAE clients; a 24/7 Call Centre; and supply chain integration portals which connect multiple suppliers across multi-currency, multi-lingual environments, integrating with warehousing, inventory and financial systems.

The Technology Division includes the following active companies:
- SOMOS Consulting Group Ltd.
- Stroma Service Consulting Inc.
- APS—Antian Professional Services Inc.
- Logitek Technology Ltd.
- Paradigm Consulting Group Inc.
- Inforica Inc., Inforica Technology Solutions, and Inforica Energy Solutions
- Maplesoft Group Inc., Maplesoft Consulting Inc., Northern Brainwaves, and Group Maplesoft Quebec Inc.

Performance in the Technology Division was strong. Adjusted EBITDA for the year ended November 30, 2016 was $6.4 million, an increase from $1.0 million in the previous year.

Technology Division Expansion
The Company expanded its Technology Division through the acquisition of Maplesoft on December 1, 2015. As one of the largest established consulting firms operating in the federal government environment, Maplesoft is perceived to be a highly valued asset. Maplesoft has a number of large contract vehicles, a well-established workforce, solid client relations and a positive and sustainable EBITDA.

Divisional restructuring
Operating changes continue to be made to each of the entities to streamline operations, reduce costs, and leverage synergies between the companies. It is anticipated that Maplesoft, SOMOS, and Antian will be amalgamated in the near future.

Corporate Division
The Corporate Division includes the following active companies:

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

Financial Discussion
During the year, $3.0 million was expensed in the Corporate Division for salaries, professional services and office and general costs, a $1.2 million decrease over 2015 costs. This decrease is primarily as a reduction in the amount of share based compensation recorded.

Investor Relations
During the year, multiple road shows and investor presentations were held.

Board of Directors
During the year, Keith Harris, a Director of SEB since it was first listed on the TSXV in 2012, resigned. Mr. Harris was originally a Director of the Capital Pool Company with which SEB completed a reverse takeover to become a public company. We thank Mr. Harris for his contribution as a Director.

Risk and Uncertainties

The Company's growth and performance are subject to a number of risks such as consumer demand, client acceptance of the Company's products and services, industry competition, technological obsolescence, obtaining and retaining competent staff and failure to obtain sufficient capital to build the required infrastructure.

Going Concern
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 consolidated financial statements do not reflect the adjustments or reclassifications of assets and liabilities which would be necessary if the Company were unable to continue as a going concern.

SEB's accumulated deficit increased $8.0 million from $21.6 million at November 30, 2015 to $29.6 million at November 30, 2016. For the three months ended November 30, 2016 and 2015, the Company incurred net losses of $2.8 million and $2.9 million respectively. For the Fiscal years, 2016 and 2015, SEB incurred net losses of $8.0 million and $5.8 million respectively.

The Company's working capital deficiency increased by $13.0 million from $6.8 million at November 30, 2015 to $19.8 million at November 30, 2016, due to assumed short term debt resulting from the acquisition of Maplesoft. Cash flow used in operations for Fiscal, 2016 decreased by $1.4 million from the prior year. Although the cash flow from operations improved due to the improved EBITDA from the Technology Division, these conditions still raise doubt about the ability of the Company to continue as a going concern without additional equity or debt financing.

To remain a going concern, the Company will require additional capital to enable it to further develop its software and generate future positive cash flows. It cannot be determined at this time whether these objectives will be realized. Management of the Company has to date been successful in raising capital through equity and debt offerings. However, there is no assurance that the Company will continue to be successful in the future.

The Company continues to make investments in entities which it believes will enhance the earnings capability of SEB. Acquisitions and investments in companies are made with the goal of obtaining positive cash flows which are expected to contribute to the operating results of the Company, partially based on restructurings and other initiatives management has executed following the acquisitions. However, there are no assurances that management will be successful in achieving this goal.

Uncertainty of Liquidity and Capital Requirements

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 cash. 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. The Company has disclosed in Note 1 of the consolidated financial statements the existence of circumstances which cast doubt on its ability to continue as a going concern.

The Company is currently in negotiations to raise capital from several sources, in the form of debt and equity. The Company is actively pursuing alternative financing resources to retire the Maplesoft debt and the convertible debt. There are no assurances that the Company will be successful in achieving this goal.

Below is a table outlining the future debt repayment commitments:

	Term Notes	Maplesoft Debt	Equipment Financing	Convertibles	Bank Term Debt	Total
Fiscal 2017	$ 2,342,232	$ 6,873,720	$ 6,786	$ 2,224,492	$ 1,050,000	$ 12,497,230
Fiscal 2018	-	-	7,148	1,457,295	1,050,000	2,514,443
Fiscal 2019	-	-	-	182,943	176,000	358,943
Fiscal 2020	-	1,832,286	-	-	-	1,832,286
	$ 2,342,232	**$ 8,706,006**	**$ 13,934**	**$ 3,864,730**	**$ 2,276,000**	**$ 17,202,902**

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

The future capital requirements of the Company will depend on many factors, including the number and size of acquisitions consummated, rate of growth of its client base, the costs of expanding into new markets, the growth of the market for healthcare services and the costs of administration. 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 all or a part of a particular venture, 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. There can be no assurance that the Company will be able to raise additional capital if its capital resources are depleted or exhausted. 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 to finance 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. The Company establishes an allowance for doubtful accounts that corresponds to the specific credit risk of its customers and economic circumstances. As at November 30, 2016 the allowance for doubtful accounts was $383,589 (2015 - $61,235). The increase over prior year related to accounts acquired with the Maplesoft acquisition. Accounts that were past due amounted to $565,838 (2015 - $596,587). Given SEB's client based, Management believes the Company is not exposed to any significant credit rate risk.

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 $283,482. Management believes that the Company is not currently exposed to any significant interest rate risk.

Reliance on Contracts with Key Customers
Revenues attributable to the Company's businesses are dependent upon certain significant customers. There can be no assurance that the Company's contracts with its key customers will be renewed or that the Company's services will continue to be utilized by those key customers. There could be material adverse effects on the businesses of the Company if a key customer does not renew its contracts with the Company, or elects to terminate its contracts with the Company in favor of another service provider. Further, there is no assurance that any new agreement or renewal entered into by the Company with its customers will have terms similar to those contained in current arrangements, and the failure to obtain those terms could have an adverse effect on the Company's businesses. Through acquisitions the Company has expanded its sales channels which it intends to leverage for a broader suite of services. By expanding the client base, SEB reduces reliance on specific key customers.

Acquisitions and Integration
The Company has and continues to expect to make acquisitions of various sizes that fit particular niches within SEB's overall corporate strategy. There is no assurance that it will be able to acquire businesses on satisfactory terms or at all. These acquisitions will involve the commitment of capital and other resources, and these acquisitions could have a major financial impact in the year of acquisition and beyond. 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.

The successful integration and management of acquired businesses involves numerous 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. The sales processes for the products that these companies offer are often subject to lengthy customer approval processes. Failures by the Company in achieving signed contracts after the investment of significant time and effort in the sales process could have an adverse impact on the Company`s operating results.

To mitigate the above noted risks, the Company performs significant due diligence on acquisition targets, and identifies both risks and opportunities before finalization.

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 of the Company and specifically their medical histories. There can be no assurance that the Company's existing policies, procedures and systems will be sufficient to address the privacy concerns of existing and future clients. 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. It is the SEB's intention that all employees are trained on privacy, and sign written acknowledgement and non-disclosure agreements. Further 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 executive management. In addition, the success of each business unit depends on employing or contracting, as the case may be, qualified professionals. Currently, there is a shortage of such qualified personnel in Canada. 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 in order 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 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 make adjustments as necessary.

Capital Investment
The timing and amount of capital expenditures by the Company will be dependent upon the Company's ability to utilize credit facilities, raise new debt/equity, generate cash from operations, meet working capital requirements and sell additional shares in order to accommodate these items. There can be no assurance that sufficient capital will be available on acceptable terms to the Company for necessary or desirable capital expenditures or that the amount required will be the same as currently estimated. Lack of these funds could limit the future growth of the Company and its subsidiaries and their respective cash flows. To mitigate the situation, the Company is actively pursuing financing through alternative channels.

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.

Additionally, these factors, as well as other related factors, may cause decreases in asset values that are deemed to be other than temporary, which may result in impairment losses. As well, certain institutional investors may base their investment decisions on consideration of the Company's environmental, governance and social practices and performance against such institutions' respective investment guidelines and criteria, and failure to meet such criteria may result in limited or no investment in the Company's securities by those institutions, which could adversely affect the trading price of the Company's securities. There can be no assurance that continuing fluctuations in price and volume will not occur. If such increased levels of volatility continue, the Company's operations and the trading price of the Company's securities may be adversely affected. To mitigate, the Company has engaged an Investor Relations firm which will assist with communication of the industry, the market and the Company to the investment community.

Future Sales of the Company's Securities by Directors and Executive Officers
Subject to compliance with applicable securities laws, directors and 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 subscribed under IFRS, and may not be comparable to similar measures used by other companies, the following definitions are provided, and a reconciliation table is noted below:

"EBITDA" is defined as earnings before interest, interest accretion, income taxes, and depreciation of equipment and amortization of intangibles.

"Adjusted EBITDA" is operating earnings before one-time expenses. It is defined as earnings before gain on sale of a portion of the business, transaction costs, write-down of intangibles, interest, interest accretion, income taxes and depreciation of equipment and amortization of intangible assets. 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.

"Acquisition and financing costs" is defined as transaction costs such as legal and other professional costs associated with the acquisition of a new company or debt.

The below table, reconciles both EBITDA and Adjusted EBITDA to "Net Loss and Comprehensive Loss" as presented in the Audited Consolidated Statements of Comprehensive Loss:

		Nov 30, 2016		*Nov 30, 2015*
Net Loss and Comprehensive Loss	**$**	**(7,992,352)**	**$**	**(5,856,126)**
Interest		2,727,917		1,026,396
Accretion of interest		397,733		752,480
Income tax expense (recovery)		(237,850)		(365,285)
Depreciation		260,838		248,338
Amortization		4,340,165		2,409,598
EBITDA:		**(503,550)**		**(1,784,600)**
Gain on sale of a portion of business		-		(1,124,837)
Acquisition and Financing costs		1,836,737		1,010,127
Write down of intangibles		-		551,516
Adjusted EBITDA:	**$**	**1,333,187**	**$**	**(1,347,794)**