Smart Employee Benefits Inc.

Consolidated Financial Statements

November 30, 2018 and 2017

Management’s Responsibility

To the Shareholders of Smart Employee Benefits Inc.:

Management is responsible for the preparation and presentation of the accompanying consolidated financial statements, including responsibility for significant accounting judgments and estimates in accordance with International Financial Reporting Standards and ensuring that all information in the corresponding Management Discussion and Analysis (“MD&A”) is consistent with the consolidated financial statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the consolidated financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded, and financial records are properly maintained to provide reliable information.

The Board of Directors is composed primarily of Directors who are neither Management nor employees of the Company. The Board is responsible for overseeing Management in the performance of its financial reporting responsibilities, and for approving the consolidated financial statements and MD&A. The Board fulfills these responsibilities by reviewing the financial information prepared by Management and discussing relevant matters with Management and external auditors. The Board is also responsible for recommending the appointment of the Company’s external auditor.

MNP LLP, the independent firm of Chartered Professional Accountants which have been appointed as auditors of the Company’s Annual Consolidated Financial Statements, report directly to the Board of Directors.

April 3, 2019

“*John McKimm”*	*“Robert Prentice”*
Chief Executive Officer	Chief Financial Officer

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Independent Auditor’s Report

To the Shareholders of Smart Employee Benefits Inc.:

We have audited the accompanying consolidated financial statements of Smart Employee Benefits Inc., which comprise the consolidated statement of financial position as at November 30, 2018 and 2017, and the consolidated statements of net loss and comprehensive loss, changes in shareholders' (deficiency) equity and cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

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

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

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

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

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Smart Employee Benefits Inc. as at November 30, 2018 and 2017 and its financial performance and its cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matter
Without modifying our opinion, we draw attention to Note 2 to the consolidated financial statements which indicates that Smart Employee Benefits Inc. has a working capital deficiency, accumulated deficit and has incurred losses and negative cash flows from operations. These conditions, along with other matters as set forth in Note 2 to the consolidated financial statements, indicate the existence of a material uncertainty that casts significant doubt about Smart Employee Benefits Inc.'s ability to continue as a going concern.

MNP LLP

Toronto, Ontario — Chartered Professional Accountants

April 3, 2019 — Licensed Public Accountants

MNP

Smart Employee Benefits Inc.

Consolidated Statements of Financial Position

As at November 30, 2018 and 2017

	Notes	Nov 30, 2018	Nov 30, 2017
Cash		$ 750,191	$ 2,735,391
Trade receivables	**18**	16,086,172	22,953,230
Inventories		199,174	235,834
Prepaids and deposits		1,284,737	1,424,135
		18,320,274	27,348,590
Assets held for sale	**26**	10,622,667	-
Total Current Assets		**28,942,941**	**27,348,590**
Long-term prepaids and deposits		573,748	184,196
Notes receivable	**20**	2,291,271	3,786,762
Equipment	**7**	824,380	1,016,062
Software	**8**	1,648,936	2,195,131
Intellectual property	**8**	-	27,500
Customer relationships	**9**	1,705,681	5,084,845
Trade names	**10**	2,006,000	3,702,158
Goodwill	**5**	8,118,400	15,781,224
Total Assets		**$ 46,111,357**	**$ 59,126,468**
Operating loan	**11**	$ 11,567,575	$ 11,800,559
Current portion of term bank loans	**11**	7,937,500	1,875,000
Accounts payable and accrued liabilities		18,187,238	19,980,695
Contract liabilities	**12**	649,088	754,310
Notes payable	**15**	3,504,760	1,890,804
Equipment leases		67,108	67,107
Government remittances and current taxes payable	**17**	1,028,842	1,382,195
Royalty advance	**25**	2,080,000	1,600,000
Current portion of contingent consideration	**24**	148,909	257,103
Current portion of convertible debt	**14**	1,561,971	2,858,736
Preferred shares	**13**	350,000	-
		47,082,991	42,466,509
Liabilities directly associated with assets held for sale	**26**	5,921,434	-
Total Current Liabilities		**53,004,425**	**42,466,509**
Equipment leases		29,204	89,439
Contingent consideration	**24**	804,219	1,317,207
Convertible debt	**14**	517,000	16,959
Term bank loans	**11**	-	7,937,500
Notes payable	**15**	1,296,104	1,371,510
Deferred income taxes		16,245	2,088,884
Preferred shares	**13**	-	350,000
Total Long-term Liabilities		**2,662,772**	**13,171,499**
Share capital	**16**	33,071,172	33,007,364
Share issue costs	**16**	(1,660,894)	(1,660,894)
Contributed surplus		9,295,570	6,931,277
Warrants	**16**	1,101,290	3,066,483
Options	**16**	850,255	618,892
Accumulated deficit		(51,960,846)	(38,383,061)
		(9,303,453)	**3,580,061**
Non-controlling interests	**5**	(252,387)	(91,601)
Total Shareholders' (Deficiency) Equity		**(9,555,840)**	**3,488,460**
Total Liabilities and Shareholders' (Deficiency) Equity		**$ 46,111,357**	**$ 59,126,468**

Going concern (Note 2), **Commitments** (Note 21), **Subsequent events** (Note 27), **Assets Held for Sale** (Note 26)

Approved on behalf of the Board:

"Stephen Peacock" — Director

"John McKimm" — Director

The accompanying notes are an integral part of the consolidated financial statements.

Smart Employee Benefits Inc.

Consolidated Statements of Changes in Shareholders' (Deficiency) Equity

For the years ended November 30, 2018 and 2017

	Share Capital		Warrants		Options		Contributed Surplus	Share Issue Costs	Accumulated Deficit	Total Shareholders' (Deficiency) Equity	Non-controlling Interests
	Number	$	Number	$	Number	$	$	$	$	$	$
Balances November 30, 2016	**109,673,574**	**$ 24,937,594**	**32,130,925**	**$ 4,141,964**	**8,370,000**	**$ 1,274,342**	**$ 3,224,582**	**$ (963,492)**	**$ (29,611,206)**	**$ 3,003,784**	**$ (361,976)**
Private placements	50,253,692	7,840,939	26,022,591	1,509,684	-	-	-	(348,377)	-	9,002,246	-
Finder warrants re private placement	1,025,883	228,831	1,414,383	120,194	-	-	-	(349,025)	-	-	-
Warrants issued on replacement of debt	-	-	342,700	25,565	-	-	-	-	-	25,565	-
Expiration and cancellation of warrants	-	-	(19,886,500)	(2,730,924)	-	-	2,730,924	-	-	-	-
Equity settled share-based compensation	-	-	-	-	5,300,000	320,321	-	-	-	320,321	-
Expiration of options	-	-	-	-	(5,280,000)	(975,771)	975,771	-	-	-	-
Net loss and comprehensive loss for the year	-	-	-	-	-	-	-	-	(8,501,480)	(8,501,480)	-
Net income for the year attributed to non-controlling interest	-	-	-	-	-	-	-	-	(270,375)	(270,375)	270,375
Balances November 30, 2017	**160,953,149**	**$ 33,007,364**	**40,024,099**	**$ 3,066,483**	**8,390,000**	**$ 618,892**	**$ 6,931,277**	**$ (1,660,894)**	**$ (38,383,061)**	**$ 3,580,061**	**$ (91,601)**
Adjustment on the initial application of IFRS 9 (note 3)	-	-	-	-	-	-	-	-	(601,323)	(601,323)	-
Adjustment on the initial application of IFRS 15 (note 3)	-	-	-	-	-	-	-	-	-	-	-
Balances December 1, 2017	**160,953,149**	**$ 33,007,364**	**40,024,099**	**$ 3,066,483**	**8,390,000**	**$ 618,892**	**$ 6,931,277**	**$ (1,660,894)**	**$ (38,984,384)**	**$ 2,978,738**	**$ (91,601)**
Expiration and cancellation of warrants	-	-	(32,065,040)	(1,950,385)	-	-	1,950,385	-	-	-	-
Exercise of warrants	245,000	63,808	(245,000)	(14,808)	-	-	-	-	-	49,000	-
Equity settled share-based compensation	-	-	-	-	7,575,000	570,768	-	-	-	570,768	-
Expiration and cancellation of options	-	-	-	-	(2,850,000)	(339,405)	339,405	-	-	-	-
Issuance of convertible debt	-	-	-	-	-	-	74,503	-	-	74,503	-
Net loss and comprehensive loss for the year	-	-	-	-	-	-	-	-	(13,137,248)	(13,137,248)	-
Net income for the year attributed to non-controlling interest	-	-	-	-	-	-	-	-	160,786	160,786	(160,786)
Balances November 30, 2018	**161,198,149**	**$ 33,071,172**	**7,714,059**	**$ 1,101,290**	**13,115,000**	**$ 850,255**	**$ 9,295,570**	**$ (1,660,894)**	**$ (51,960,846)**	**$ (9,303,453)**	**$ (252,387)**

The accompanying notes are an integral part of the consolidated financial statements.

Smart Employee Benefits Inc.

Consolidated Statements of Net Loss and Comprehensive Loss

For the years ended November 30, 2018 and 2017

	Notes		2018		2017 Restated (note 26)
Revenue	**6**	**$**	**77,079,295**	**$**	**83,497,820**
Cost of revenues					
Compensation			52,362,426		59,875,972
Other costs of revenues			1,312,761		1,767,913
			53,675,187		61,643,885
Gross margin			**23,404,108**		**21,853,935**
Expenses					
Salaries and other compensation costs	**20**		17,284,571		15,285,483
Office and general			5,740,530		5,069,015
Professional fees			1,394,127		1,027,860
Amortization of intangible assets	**8,9,10**		2,828,576		3,091,861
Depreciation of equipment	**7**		270,868		233,646
Change in fair value of contingent consideration	**24**		(480,374)		(400,906)
Share-based compensation	**16**		570,768		320,321
			27,609,066		24,627,280
Loss before the following:			**(4,204,958)**		**(2,773,345)**
Transition and decommissioning costs	**5**		161,750		1,990,354
Transaction costs			-		1,253,363
Interest and financing costs			1,596,032		3,928,835
Write-down of assets	**5**		6,671,890		-
Interest accretion	**14**		76,270		230,760
Net loss before income tax recovery			(12,710,900)		(10,176,657)
Income tax recovery	**17**		(1,285,537)		(347,432)
Net loss from continuing operations			**(11,425,363)**		**(9,829,225)**
Net (loss) income of assets held for sale, net of tax	**26**		**(1,711,885)**		**1,327,745**
Net loss and comprehensive loss		**$**	**(13,137,248)**	**$**	**(8,501,480)**
Attributed to non-controlling interests		$	(160,786)	$	270,375
Attributed to common shareholders			(12,976,462)		(8,771,855)
Net loss and comprehensive loss		**$**	**(13,137,248)**	**$**	**(8,501,480)**
Weighted average number of shares	**16**		**161,017,875**		**132,640,054**
Net loss per common share					
- basic and diluted		**$**	**(0.08)**	**$**	**(0.07)**
Net loss per share - Continuing operations		**$**	**(0.07)**	**$**	**(0.07)**

Assets Held for Sale (Note 26)

The accompanying notes are an integral part of the consolidated financial statements.

Smart Employee Benefits Inc.

Consolidated Statements of Cash Flows

For the years ended November 30, 2018 and 2017

	Notes		2018		2017
Net loss and comprehensive loss for the year		$	**(13,137,248)**	$	**(8,501,480)**
Items not affecting cash:					
Income taxes			(2,072,639)		(235,365)
Amortization of intangible assets	**8,9,10**		3,868,239		4,477,861
Write-down of assets	**5**		6,671,890		-
Depreciation of equipment	**7**		298,256		267,632
Interest accretion	**14**		76,270		230,760
Share-based compensation			570,768		320,321
Royalty advance bonus	**25**		480,000		-
Change in contingent liability	**24**		(491,034)		(2,102,505)
			(3,735,498)		**(5,542,776)**
Non-cash working capital	**22**		1,970,925		(1,545,063)
Cash flows used in operating activities			**(1,764,573)**		**(7,087,839)**
Cash flows used in investing activities					
Proceeds from sale of business in prior year			-		150,000
Acquisition of benefit administration business	**5**		-		(55,000)
Advances to notes receivable	**20**		(610,058)		(633,583)
Purchase of software and development	**8**		(236,222)		(590,319)
Purchase of equipment	**7**		(227,832)		(485,211)
Cash flows used in investing activities			**(1,074,112)**		**(1,614,113)**
Cash flows from financing activities					
(Repayment) proceeds of operating loan	**11**		(232,984)		302,093
Proceeds of term bank loans	**11**		-		10,500,000
Repayment of term bank loans	**11**		(1,875,000)		(3,286,312)
Proceeds from equity financings, net	**16**		-		9,350,623
Proceeds from preferred shares financing	**13**		3,000,000		-
Exercise of warrants	**16**		49,000		-
Repayment of equipment leases			(60,234)		(47,215)
Proceeds from notes payable	**15**		1,900,000		-
Repayment of notes payable	**15**		(547,163)		(8,019,094)
Repayment of convertible debt	**14**		(744,408)		(1,405,509)
Proceeds from royalty advance	**25**		-		1,600,000
Cash flows from financing activities			**1,489,211**		**8,994,586**
Net (decrease) increase in cash			(1,349,474)		292,634
Cash, beginning of year			2,735,391		2,442,757
Cash, end of year		$	**1,385,917**	$	**2,735,391**
Cash			750,191		
Cash included in assets held for sale	**26**		635,726		
Total cash		$	**1,385,917**		

Supplemental Cash *Information* (Note 22*), **Assets Held for Sale** (Note 26)*

The accompanying notes are an integral part of the consolidated financial statements.
The Company has elected to present a consolidated statement of cash flows that includes an analysis of all cash flows in total – i.e. including both continuing and discontinued operations; amounts related to discontinued operations by operating, investing and financing activities are disclosed in Note 26.

1. Nature of Operations

Smart Employee Benefits Inc. (the "Company" or "SEB") is a technology company providing business process automation and outsourcing software, solutions and services to a national and global client base. SEB has a specialized growth focus in cloud enabled SaaS processing solutions for managing employer and government sponsored health benefit plans.

These consolidated financial statements are the consolidated financial statements of SEB and its active subsidiaries as listed by operating segment below:

Company	SEB Ownership
Technology Division	
Inforica Inc. ("Inforica")	50%
Logitek Technology Ltd. ("Logitek")	100%
Maplesoft Group Inc. ("Maplesoft")	100%
SOMOS Consulting Group Ltd. ("SOMOS")	100%
Stroma Service Consulting Inc. ("Stroma")	100%
Benefits Division	
Adeeva Nutritionals Canada Inc. ("Adeeva")	100%
Meschino Health and Wellness Corporation ("Meschino")	75%
SEB Administrative Services Inc. ("SEB Admin")	100%
SEB Analytics Inc. ("SEB Analytics")	50%
SEB Benefits and HR Consulting Inc. ("SEBCON")	50%
SES Benefits Canada Corporation ("SES Ben")	100%
Corporate Division	
Smart Employee Solutions Inc. ("SES")	100%
Assets held for sale	
Paradigm Consulting Group Inc. ("Paradigm")	100%

The Company's head office is located at 5500 Explorer Drive, 4th Floor, Mississauga, Ontario, L4W 5C7 and its registered and records office address is 295 The West Mall, 6th Floor, Toronto, Ontario, M9C 4Z4.

These audited consolidated financial statements were authorized for issuance by the Board of Directors on April 2, 2019.

2. Going Concern

These 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.

As of November 30, 2018, the Company had a working capital deficiency of $24,061,484 (November 30, 2017 -$15,117,919), and an accumulated deficit of $51,960,846 (November 30, 2017 - $38,383,061). The Company incurred a net loss $13,137,248 for the year ended November 30, 2018 (November 30, 2017- $8,501,480) and negative cash flow from operations of $1,764,573 (November 30, 2017 - $7,087,839). These conditions raise significant doubt about the ability of the Company to continue as a going concern without additional equity or debt financing. Management of the Company has to date been successful in raising capital through equity and debt financing. On February 28, 2018, the Company issued preferred shares of Paradigm from gross proceeds of $3,000,000 (Note 13) and on July 26, 2018, the Company issued a note payable for gross proceeds of $2,000,000. The Company has also signed a letter of intent to sell Paradigm, the cash proceeds from the sale will be used to partially repay debt of approximately $8.0 million and reduce revolving credit facilities (Note 26). Subsequent to November 30, 2018, the Company completed an equity issuance for gross proceeds of $892,250 and engaged Scotia Capital Inc. to evaluate and negotiate investment alternatives including debt or equity financing from potential strategic partners (Note 27). However, there is no assurance that the Company will continue to be successful in raising capital in the future.

These 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. Such adjustments could be material.

3. Significant Accounting Policies

Statement of Compliance

These consolidated financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and interpretations of the IFRS Interpretations Committee (“IFRIC”), effective for the Company’s reporting for the year ended November 30, 2018. The accounting policies are consistent with those of the previous financial year, except for the adoption of IFRS 15 – Revenue from Contracts with Customers and IFRS 9 - Financial Instruments.

Basis of Measurement

These consolidated financial statements have been prepared on an accrual basis and are based on historical costs, modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars, which is the functional currency of the Company.

3. Significant Accounting Policies (continued)

Principles of Consolidation

These consolidated financial statements include the accounts of the Company and its controlled subsidiaries. The Company is considered to control a subsidiary when it is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary. Subsidiaries are included in the consolidated financial statements from the date control is obtained until the date control ceases. Where the Company's interest in a subsidiary is less than 100%, the Company recognizes non-controlling interests. All intercompany balances, transactions, income, expenses, profits and losses, including unrealized gains and losses have been eliminated upon consolidation.

Use of Estimates and Judgments

The consolidated financial statements preparation in conformity with IFRS requires Management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities. Although these estimates are based on Management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates. Areas where judgments and estimates are significant to these consolidated financial statements include impairment of goodwill and intangible assets, useful lives, purchase price allocation, contingent consideration and royalty accrual, legal provisions, stage of completion, valuation of share-based payments, assets held for sale, credit loss assessment and going concern.

a) Goodwill is tested for impairment annually or more frequently if there is an indication of impairment. The carrying value of intangible assets with definite lives (software, trade names, intellectual property and customer relationships) is reviewed each reporting period to determine whether there is any indication of impairment. If the carrying amount of an asset exceeds its recoverable amount, the asset is impaired, and an impairment loss is recognized in the consolidated statement of net loss and comprehensive loss. The assessment of fair values requires the use of estimates and assumptions related to future operating performance and discount rates; differences in these estimates and assumptions could have a significant impact on these consolidated financial statements. During the year ended November 30, 2018, the Company recorded a write-down of goodwill and intangibles of $3,249,945 (2017 - $nil).

b) Significant judgment is involved in the determination of useful life for the computation of equipment depreciation and intangible assets amortization. No assurance can be given that actual useful lives will not differ significantly from current assumptions.

c) Determining the allocation of purchase price to business combinations requires each identifiable asset and liability to be measured at the acquisition date's fair value. The excess, if any, of the fair value of consideration over the fair value of the net identifiable assets acquired is recognized as goodwill. The determination of acquisition date's fair values often requires Management to make assumptions and estimates about future events. The assumptions with respect to fair value of intangible assets require a high degree of judgment and include estimates for future operating performance, discount rates, technology migration factors and terminal value rates.

d) The assessment of fair values of contingent consideration and royalty advance requires the use of estimates and assumptions related to future operating performance and discount rates; differences in these estimates and assumptions could have an impact on the consolidated financial statements.

3. Significant Accounting Policies (continued)

e) The Company assesses the provision for legal obligations at each reporting period or when new material information becomes available. Legal and contractual matters are subject to interpretation and the Company may engage external advisors to assist with periodic assessments. To the extent that interpretation of legal and contractual matters differs significantly from estimates, the actual judgments and settlement amounts may vary significantly from management's estimates.

f) The Company measures the stage of completion based on the costs incurred to date compared to the total estimated costs of the project. The total estimated costs require professional judgment and changes to these estimates may affect revenue, contract assets and contract liabilities.

g) The Company uses Black-Scholes formula to measure the fair values at grant date of the equity-settled share-based payment. Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The input used to calculate the expected volatility changed from daily stock price to weekly stock price to better reflect the movement of stock price and expected future volatility. The Company also estimates the expected forfeiture rates which may vary from management's estimate.

h) Assets held for sale and discontinued operations – During the year, the Company entered into a letter of intent to sell Paradigm (note 26). The classification of Paradigm as held for sale and discontinued operations involves managements judgment and assessment of the following;

- The Company entered into the letter of intent during the year that will result in the loss of control of Paradigm;
- The actions to complete the sale are expected to be completed within one year;
- Paradigm was assessed to be a component that represents a major line of business.
- Management estimates involved in determination of impairment if the carrying value of the assets held for sale exceed the fair value less cost to sell.

i) Assessment of expected credit losses on trade receivables and notes receivable under IFRS 9.

j) Preparation of the consolidated financial statement on a going concern basis, which contemplates the realization of assets and the payment of liabilities in the ordinary course of business. Should the Company be unable to continue as a going concern, it may be unable to realize the carrying value of its assets and to meet its liabilities as they become due.

Business Combinations

A business combination is a transaction or other event in which control over one or more businesses is obtained. A business is an integrated set of activities and assets that is capable of being conducted and managed for the purpose of providing a return in the form of dividends, lower costs or other economic benefits. A business consists of inputs and processes applied to those inputs that have the ability to create outputs that provide a return to the Company and its shareholders. A business need not include all of the inputs and processes that were used by the acquiree to produce outputs if the business can be integrated with the inputs and processes of the Company to continue to produce outputs. If the integrated set of activities and assets is in the research and development stage, and thus, may not have outputs, the Company considers other factors to determine whether the set of activities and assets is a business.

3. Significant Accounting Policies (continued)

Business acquisitions are accounted for using the acquisition method whereby acquired assets and liabilities are recorded at fair value as of the date of acquisition with the excess of the fair value purchase consideration over such fair value being recorded as goodwill and allocated to cash generating units. Cash generating units are the smallest identifiable group of assets, liabilities and associated goodwill that generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets. Non-controlling interest in an acquisition may be measured at either fair value or at the non-controlling interest's proportionate share of the fair value of the acquiree's net identifiable assets.

Acquisition related costs are expensed during the period in which they are incurred, except for the cost of debt or equity instruments issued in relation to the acquisition which is included in the carrying amount of the related instrument.

Certain fair values may be estimated at the acquisition date pending confirmation or completion of the valuation process. Where provisional values are used in accounting for a business combination, they may be adjusted retrospectively in subsequent periods. However, the measurement period will not exceed one year from the acquisition date.

When the consideration transferred by the Company in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition date fair value and included as part of the consideration transferred in a business combination.

Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with IFRS 9 Financial instruments, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

3. Significant Accounting Policies (continued)

Assets Held for Sale and Discontinued Operations

A discontinued operation is a component of the Company's business, the operations and cash flows of which can be clearly distinguished from the rest of the Company and which represents a separate major line of business or geographic area of operations; is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations; or is a subsidiary acquired exclusively with a view to resale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

Non-current assets, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets, or disposal groups, are generally measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets or investment property which continue to be measured in accordance with the Company's other accounting policies. Impairment losses on initial classification as held-for-sale subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale, intangible assets and equipment are no longer amortised or depreciated.

Non-controlling Interest

The Company recognizes any non-controlling interest on an acquisition either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets. Non-controlling interest is proportionately adjusted each reporting period based on the earnings of the individual companies which have a non-controlling interest.

Equipment

The Company records the cost of equipment as assets when purchased. The Company records depreciation of its equipment according to the following rates, which approximate the useful lives of the assets:

Furniture and office equipment	20% straight-line and 20% declining balance
Computer hardware	30% straight-line and 30% declining balance
Leaseholds	20% straight-line and 20% declining balance

The estimated useful life and depreciation method are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Equipment under a finance lease is accounted for at cost. The cost corresponds to the present value of the minimum lease payments. Depreciation is based on the equipment's estimated useful life.

3. Significant Accounting Policies (continued)

Equipment Leases

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the subsidiary is classified as a finance lease.

Finance leases are capitalised at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognised in finance costs in the statement of profit or loss.

A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments are recognised as operating expense in the statement of profit or loss on a straight-line basis over the lease term.

Intangible Assets

The Company's intangible assets consist of:

- licenced, acquired or developed software;
- brands and trade names acquired through acquisition;
- customer relationships acquired through acquisition; and
- intellectual property acquired through acquisition.

The Company amortizes software over its estimated useful life of 4 to 10 years on a straight-line basis and amortizes the customer relationships, brands, trade names and intellectual property over their estimated useful lives of 5 years on a straight-line basis.

Intangible assets are measured at cost less accumulated amortization and accumulated impairment losses, if any. Intangible assets acquired through business combinations are initially recognized at fair value, based on an allocation of the purchase price. The intangible assets are amortized on a straight-line basis over their estimated useful lives. The estimated useful life and amortization methods of the intangible assets are reviewed at the end of each annual reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

3. Significant Accounting Policies (continued)

Internally generated intangible assets
The Company recognizes expenditures on research activities as an expense in the year in which it incurs the expenditures. It recognizes an internally-generated intangible asset arising from development if, and only if, all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset for use or sale;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditures attributable to the intangible asset during its development.

Impairment of Non-financial assets

The carrying amounts of the Company's non-financial assets are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in prior periods are assessed at the end of each reporting period for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimate used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3. Significant Accounting Policies (continued)

Income Taxes

Income tax comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity or other comprehensive income, in which case the income tax is also recognized directly in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years. Current tax assets and current tax liabilities are only offset if a legally enforceable right exists to offset the amounts, and the Company intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax is recognized in respect of all qualifying temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined on a non-discounted basis using tax rates and laws that have been enacted or substantively enacted at the end of the reporting period and are expected to apply when the deferred tax asset or liability is settled. Deferred tax assets are recognized to the extent that it is probable that the assets can be recovered. Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Share Capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of shares are recognized as a deduction from equity.

Share-based Expense

Share-based expenses for directors, officers, employees and consultants are measured at fair value at the date of grant and recorded as compensation expense in these consolidated financial statements with a corresponding increase in options. The fair value, using the Black-Scholes model, determined at the grant date is expensed over the vesting period based on the Company’s estimate of options that will eventually vest. Any consideration paid by directors, officers, employees and consultants on exercise is credited to share capital. Shares are issued from treasury upon the exercise.

Warrants

Warrants that have been issued in combination with common shares are evaluated under IAS 32 - financial Instruments: Presentation. Equity classification applies to instruments where a fixed amount of cash (or liability) denominated in the issuer’s functional currency is exchanged for a fixed number of shares.

Warrants that are classified as equity are valued under the Black Scholes Model. If the warrant is exercised the value of the warrants is included in share capital. If a warrant expires, the value of the warrants is included in contributed surplus.

Warrants that are issued in combination with a debt agreement, such as a line of credit are valued under the Black Scholes model. The warrants are classified as a reduction of the associated debt and are amortized on a straight-line basis over the life of the debt agreement.

Loss Per Share

Basic loss per share is calculated by dividing the net loss applicable to common shares by the weighted average number of common shares outstanding for the relevant period.

3. Significant Accounting Policies (continued)

Financial Instruments

IFRS 9 - Financial Instruments was issued by the IASB to establish principles for the financial reporting of financial assets and financial liabilities, including requirements for classification and measurement, impairment, and hedge accounting. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement. The Company has elected not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Therefore, comparative periods have not been restated. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 were recognized in retained earnings as at December 1, 2017. Accordingly, the information presented for November 30, 2017 does not generally reflect the requirements of IFRS 9, but rather those of IAS 39. The Company recognized an opening transition adjustment for expected credit losses for trade receivables of $601,323 to accumulated deficit based on the simplified approach under IFRS 9. As at November 30, 2018, the allowance for expected credit losses was $1,100,231 (November 30, 2017- $1,071,613).

The adoption of IFRS 9 resulted in changes in accounting policies which are described below.

Classification

Classification determines how financial assets and financial liabilities are accounted for in financial statements and, in particular, how they are measured on an ongoing basis. IFRS 9 approach for the classification of financial assets is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule-based requirements. The new model also results in a single impairment model being applied to all financial instruments.

Financial Assets

Financial assets are classified, at initial recognition, and subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL").

Financial assets at amortised cost

The Company's financial assets at amortised cost includes trade receivables, and notes receivable. Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets designated as fair value through profit or loss

For our financial assets designated as FVTPL, we measure the change in fair value attributable to changes in credit risk as the difference between the total change in the fair value of the instrument during the period and the change in fair value calculated using the appropriate risk-free yield curves.

Fair value through other comprehensive loss

Changes in fair value after initial recognition, whether realized or not, are recognized through other comprehensive loss. Income arising in the form of interest, dividends, or similar, is recognized through profit and loss when the right to receive payment is established, the economic benefits will flow to the Company, and the amount can be measured reliably.

3. Significant Accounting Policies (continued)

Financial Instruments (continued)

Financial Liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on original recognition.

Summary of IFRS 9 Adoption Impact

The following table summarizes the classifications and carrying amounts of the Company's financial instruments as previously established under IAS 39 as at November 30, 2017, and the new IFRS 9 classifications and carrying amounts established as at December 1, 2017.

	IFRS 9		IAS 39	
	Classification	**Measurement**	**Classification**	**Measurement**
Financial Assets				
Cash	Amortized cost	Amortized cost	FVTPL	Fair value
Trade receivables	Amortized cost	Amortized cost	Loans and receivables	Amortized cost
Contract assets	Amortized cost	Amortized cost	Loans and receivables	Amortized cost
Notes receivable	Amortized cost	Amortized cost	Loans and receivables	Amortized cost
Financial Liabilities				
Operating loan	Amortized cost	Amortized cost	Other liabilities	Amortized cost
Term bank loans	Amortized cost	Amortized cost	Other liabilities	Amortized cost
Accounts payable and accrued liabilities	Amortized cost	Amortized cost	Other liabilities	Amortized cost
Notes payable	Amortized cost	Amortized cost	Other liabilities	Amortized cost
Equipment leases	Amortized cost	Amortized cost	Other liabilities	Amortized cost
Preferred shares	Amortized cost	Amortized cost	Other liabilities	Amortized cost
Preferred shares - derivative	FVTPL	Fair value	n/a	n/a
Royalty advance	FVTPL	Fair value	FVTPL	Fair value
Contingent consideration	FVTPL	Fair value	FVTPL	Fair value
Convertible debt	Amortized cost	Amortized cost	Other liabilities	Amortized cost

Impairment of Financial Assets

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or group of financial assets is impaired.

The Company recognizes expected credit losses for trade receivables based on the simplified approach under IFRS 9. The simplified approach to the recognition of expected losses does not require the Company to track the changes in credit risk; rather, the Company recognizes a loss allowance based on lifetime expected credit losses at each reporting date from the date of the trade receivable.

3. Significant Accounting Policies (continued)

Financial Instruments (continued)

Evidence of impairment may include indications that a debtor or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and where observable data indicates that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. Trade receivables are reviewed qualitatively on a case-by-case basis to determine whether they need to be written off.

For financial assets carried at amortized cost (loans receivable or promissory notes), the Company recognizes loss allowances for ECLs on such financial assets measured at amortized cost. ECLs are a probability-weighted estimate of credit losses. The Company applies a three-stage approach to measure ECLs. The Company measures loss allowance at an amount equal to 12 months of expected losses for performing loans receivable if the credit risk at the reporting date has not increased significantly since initial recognition (Stage 1) and at an amount equal to lifetime expected losses on loans receivable that have experienced a significant increase in credit risk since origination (Stage 2) and at an amount equal to lifetime expected losses which are credit impaired (Stage 3).

The Company considers a significant increase in credit risk to have occurred if contractual payments are more than 30 days past due and considers the loans receivable to be in default if they are 90 days past due. A significant increase in credit risk or default may have also occurred if there are other qualitative factors (including forward looking information) to consider; such as borrower specific information (i.e. change in credit assessment). Such factors include consideration relating to whether the counterparty is experiencing significant financial difficulty, there is a breach of contract, concessions are granted to the counterparty that would not normally be granted, or it is probable the counterparty will enter into bankruptcy or a financial reorganization.

Significant increases in credit risk are assessed based on changes in probability of default of a financial asset subsequent to initial recognition. The Company uses past due information to determine whether credit risk has increased significantly since initial recognition. Financial assets are considered to have experienced a significant increase in credit risk and are reclassified to Stage 2 if a contractual payment is more than 30 days past due as at the reporting date.

The Company defines default as the earlier of when a contractual loan payment is more than 90 days past due or when a loan becomes insolvent as a result of customer bankruptcy. Loans that have experienced a default event are considered to be credit-impaired and are reclassified as Stage 3 loans.

The Company measures expected credit loss by considering the risk of default over the contract period and incorporates forward-looking information into its measurement.

Expected credit losses are measured as the difference in the present value of the contractual cash flows that are due to the Company under the contract, and the cash flows that the Company expects to receive. The Company assesses all information available, including past due status, credit ratings, the existence of third-party insurance, and forward looking macro-economic factors in the measurement of the expected credit losses associated with its assets carried at amortized cost.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

3. Significant Accounting Policies (continued)

Financial Instruments – IAS 39 accounting policy applied prior to December 1, 2017

Fair value through profit or loss
Financial assets at fair value through profit or loss ("FVTPL") are measured at their fair value with changes in fair value recognized in net profit or loss.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. Loans and receivables are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method.

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

IFRS 15 - Revenue from Contracts with Customers ("IFRS 15")

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. The standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized as follows;

1. Identify the contract with a customer.
2. Identify the performance obligations in the contract.
3. Determine the transaction price, which is the total consideration provided by the customer.
4. Allocate the transaction price among the performance obligations in the contract based on their relative fair values; and
5. Recognize revenue when the relevant criteria are met for each performance obligation.

New estimates and judgmental thresholds have been introduced, which may affect the amount and/or timing of revenue recognized. It applies to contracts with customers. It does not apply to insurance contracts, financial instruments or lease contracts, which fall in the scope of other IFRSs. The standard also provides guidance related to the treatment of contract acquisition costs and fulfillment costs.

3. Significant Accounting Policies (continued)

The Company has adopted IFRS 15 and the related Clarifications to IFRS 15 in its consolidated financial statements for the annual period beginning on December 1, 2017. This guidance was applied using a modified retrospective (‘cumulative catch-up’) approach under which there were no significant changes that had a material effect on the consolidated statement of financial position as at December 1, 2017 and there was no single adjustment to the opening balance of accumulated deficit. Accordingly, the Company is not required to present a third statement of financial position as at that date.

The Company accounting policy under IFRS 15 is as follows:

Technology Division

i) Consulting and professional services revenue includes project management consulting, training, information technology staffing and software development. For consulting and professional service contracts billed on a fixed fee basis, revenue is recognized by the stage of completion of the performance obligation determined using the percentage of completion method based either on the achievement of contractually defined milestones or based on labour hours. For consulting and professional services revenue contracts not filled on a fix fee basis are recognized as those services are provided based on labour hours at specified rates in the contracts.

ii) Information technology management (“IT management”) includes hosting, supply chain transactions, energy information management and software licensing. The related revenue is recognized over the period services are provided and all deliverables and performance obligations are fulfilled.

Benefits Division

i) Benefits administration; The Company’s hosted software-as-a-service (“SaaS”) application, which allows customers to use hosted software over the contract period without taking possession of the software, is provided on a subscription basis, and is recognized ratably over the contract period based on the number of users, commencing on the date an executed contract exists and the customer has the right-to-use and access the platform.

ii) Nutritionals revenue is recognized from the sale of nutritional goods and supplements. Nutritionals revenue is recognized at a point in time when control of the goods is transferred to the customer, generally upon shipment of products.

3. Significant Accounting Policies (continued)

Contract balances

The following table provides information about trade receivables, contract assets and contract liabilities from contracts with customers.

	November 30, 2018	December 1, 2017
Trade receivables	$ 16,086,172	$ 22,953,230
Contract assets	-	-
Contract liabilities	649,088	754,310

The contract assets primarily relate to the Company's effort and cost to set-up and on-board customers to the Company's platform. During the year ended November 30, 2018, there was impairment of contract assets of $1,316,396 (Note 5).

The contract liabilities primarily related to the advance consideration received from customers for annual license fees for software and prepayments, for which revenue is recognized over time or at a later point. As at November 30, 2018, the amount of deferred income is $649,088. This will be recognized as revenue when the Company completes the performance obligations, which is expected to occur over the next year.

The amount of $754,310 recognized in contract liabilities at the beginning of the period has been recognized as revenue for the year ended November 30, 2018.

4. Future Accounting Standard Changes

In January 2016, the IASB issued IFRS 16, Leases, to set out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a lease agreement. The standard supersedes IAS 17, Leases, and other leases related interpretations, eliminates the classification of leases as either operating leases or finance leases and introduces a single lessee accounting model. The standard will be effective on December 1, 2019 for the Company.

The standard permits two possible transition methods for its application: i) retrospectively to each prior reporting period presented or ii) retrospectively with the cumulative effect of initially applying the standard recognized on the date of the initial application (modified retrospective method). The Company plans to adopt IFRS 16 using the modified retrospective method. When the Company is the lessee, it is expected that the application of IFRS 16 will result in on-balance sheet recognition of most of its lease agreements that are currently considered operating leases, which are primarily for the rental of premises. The standard requires a lessee to recognize a "right of use" asset and a corresponding lease liability for substantially all leases, with the exception of leases with terms less than 12 months and leases of low value assets. The Company also expects a decrease of its office and general expense and an increase of its finance costs, amortization and depreciation resulting from the change in the recognition, measurement and presentation of rental expenses.

The Company is still assessing the effect of this new standard and intends to adopt IFRS 16 on its effective date.

5. Business Combination, Goodwill and Non-Controlling Interest

(a) Acquisition of Health Benefits Administration Business

On March 31, 2017, SEB closed a transaction ("Transaction") with Aon Hewitt Inc. ("AON") by which SEB acquired assets related to the mid-market Health Benefits Administration Business in Canada of AON ("Business") and formed a strategic alliance with AON. As part of this Transaction, SEB acquired several technology platforms, added approximately 150 former AON employees from Canada and India, and certain customer contracts were assigned to SEB.

	Note		
The fair value of considerations transferred was as follows:			
Cash paid on closing		$	55,000
Obligations to employees			145,000
Note payable (1)			297,900
Total		**$**	**497,900**
The fair value was allocated to assets acquired as follows:			
Acquired software	**8**		330,000
Goodwill	**5**		167,900
Total		**$**	**497,900**

(1) $297,900 was the discounted fair value of $300,000 in notes payable to AON arising from the Transaction, $200,000 was due on March 31, 2018, and $100,000 was due September 30, 2018. As of November 30, 2018, the full amount was repaid.

Pursuant to the acquisition agreement, AON maintained portions of the operations of the business within its environment during a transition period while the Company built the infrastructure necessary to operate the business. Further to this, the Company paid transition fees to AON, as well as incurred certain other costs of a one-time nature ("Transition Costs"). The transition period ended in Q3, 2017.

During the year ended November 30, 2018, the Company 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 decommission the platforms is considered a one-time expense of $161,750 recognized in the statement of loss and comprehensive loss under transition and decommissioning costs.

5. Business Combination, Goodwill and Non-Controlling Interest (continued)

(b) Goodwill

Changes to the carrying amount of goodwill by CGU were as follows:

	Nov 30, 2017	Write-down	Nov 30, 2018
Benefits	$ 901,444	$ (901,444)	$ -
Logitek/Inforica	1,488,820	(538,000)	950,820
SOMOS/Maplesoft	8,326,595	(1,447,000)	6,879,595
Stroma	366,985	(79,000)	287,985
Goodwill from continuing operations	11,083,844	(2,965,444)	8,118,400
Assets held for sale (1)	4,697,380	-	4,697,380
	$ 15,781,224	**$(2,965,444)**	**$ 12,815,780**

(1) Assets held for sale include $4,697,380 in goodwill related to the Paradigm CGU (see note 26)

	Nov 30, 2016	Acquisition	Nov 30, 2017
Benefits	$ 733,544	$ 167,900	$ 901,444
Logitek/Inforica	1,488,820	-	1,488,820
SOMOS/Maplesoft	8,326,595	-	8,326,595
Stroma	366,985	-	366,985
Paradigm	4,697,380	-	4,697,380
	$ 15,613,324	**$ 167,900**	**$ 15,781,224**

During the year ended November 30, 2018, the Company recorded a goodwill write-down of $2,965,444, as the estimated discounted cash flows, based on current contracted revenues, was less than the carry value of the CGUs tested. The write-down of goodwill is recorded in write-down of assets on the consolidated statement of net loss and comprehensive loss with the following:

Summary of write-down of assets:

	Note	2018	2017
Write-down of goodwill	*Note 5(b)*	$ 2,965,444	$ -
Write-down of intangible assets	*Notes 8, 9 and 10*	284,501	-
Write-down of contract assets	*Note 18*	1,316,396	-
Provision for notes receivable	*Note 20*	2,105,549	-
		$ 6,671,890	**$ -**

5. Business Combination, Goodwill and Non-Controlling Interest (continued)

For the purpose of the annual impairment test, performed as at November 30th, the Company applied the value in use method in completing it analysis. The value in use is calculated using a five year discounted cash flow model, with terminal value. The Company created a range of outcomes in determining the recoverable amount. The key assumptions used to calculate the value in use are those regarding discount rates, growth rates (revenue) and expected changes in margins. The values of these assumptions reflect past experience. Cash flow projections have been discounted using rate of return derived from the Company's after-tax weighted average cost of capital considering specific risk relating to each CGU. The cash flow forecasts were extrapolated beyond a five-year period using an estimated long-term growth rate of 1.8% (2017 – 1.9%).

Below are the results and key assumptions used in the annual impairment test for each CGU:

Benefits CGU

The Benefits CGU includes Adeeva, Meschino, SEBCON and SEB Admin. As a result of this analysis, the Company concluded that the recoverable amount of the CGU was less than the carrying amount as at November 30, 2018. The Company recorded a write down of goodwill of $901,444 (2017 - $nil). The Company recorded a write-down of contract assets of $1,316,396, software of $255,501, intellectual property of $5,500, customer relationships of $8,500, and trade names of $15,000 as they were determined not to be recoverable.

The key assumptions used in the model are as follows;

- After-tax weighted average cost of capital of 15.8% (2017 – 15.6%)
- Pre-tax discount rate of 21.5% (2017 – 21.2%)
- Revenue growth 6.2% to 7.1% (2017 - 3.6% to 9.4%)

Logitek/Inforica CGU

As a result of this analysis, the Company concluded that the recoverable amount of the CGU was less than the carrying amount as at November 30, 2018. The Company recorded a write-down of goodwill of $538,000 (2017 - $nil).

The key assumptions used in the model are as follows;

- After-tax weighted average cost of capital of 17.2% (2017 – 18.1%)
- Pre-tax discount rate of 23.4% (2017 – 24.6%)
- Revenue growth 3% (2017 - 2.5% to 34.6%)

SOMOS/Maplesoft CGU

As a result of this analysis, the Company concluded that the recoverable amount of the CGU was less than the carrying amount as at November 30, 2018. The Company recorded a write-down of goodwill of $1,447,000 (2017 - $nil).

The key assumptions used in the model are as follows;

- After-tax weighted average cost of capital of 12.8% (2017 – 13.3%)
- Pre-tax discount rate of 17.4% (2017 – 18.1%)
- Revenue growth 3.0% to 5.0% (2017 - 3.0% to 8.0%)

5. Business Combination, Goodwill and Non-Controlling Interest (continued)

Stroma CGU

As a result of this analysis, the Company concluded that the recoverable amount of the CGU was less than the carrying amount as at November 30, 2018. The Company recorded a write-down of goodwill of $79,000 (2017 - $nil).

The key assumptions used in the model are as follows;

- After-tax weighted average cost of capital of 16.4% (2017 – 15.0%)
- Pre-tax discount rate of 22.3% (2017 – 20.4%)
- Revenue growth 3% (2017 - 5.0%)

Paradigm CGU

As at September 18, 2018, Paradigm was classified as assets held for sale (Note 26). Immediately prior to the classification as held for sale, an impairment test was completed. As a result of this analysis, the Company concluded the recoverable amount of the CGU was greater than it's carrying amount and no impairment loss has been recognized.

The key assumptions used in the model are as follows;

- After-tax weighted average cost of capital of 22.1% (2017 – 22.0%)
- Pre-tax discount rate of 30.3% (2017 – 30.1%)
- Revenue growth 3% (2017 - 3.0% to 5.0%)

As at November 30, 2018, the fair value less cost to sale of the assets held for sale and liabilities directly associated with assets held for sale was greater than the carrying amount. No write-down has been recognized.

(c) Non-Controlling Interests

Continuity of non-controlling interests as follows:

	Investment	Net income (loss)	Total
Balance, November 30, 2016	**$ (256,534)**	**$ (105,442)**	**$ (361,976)**
Net income attributed to non-controlling interests	-	270,375	270,375
Balance, November 30, 2017	**$ (256,534)**	**$ 164,933**	**$ (91,601)**
Net income attributed to non-controlling interests	-	(160,786)	(160,786)
Balance, November 30, 2018	**$ (256,534)**	**$ 4,147**	**$ (252,387)**

6. Revenue from Contracts with Customers

Disaggregated revenue information

Set out below is the disaggregation of the Company’s revenue from contracts with customers:

	2018	2017
Professional services	$ 49,739,503	$ 60,059,997
IT Management	14,083,424	14,166,376
Benefits administration	12,242,958	8,027,840
Nutritionals	1,013,410	1,243,607
	$ 77,079,295	**$ 83,497,820**

7. Equipment

	Cost				Accumulated Depreciation			Net Balance	
	Nov 30, 2017	**Additions**	**Disposal/ Adjustment**	**Nov 30, 2018**	**Nov 30, 2017**	**Expense (Disposal)**	**Nov 30, 2018**	**Nov 30, 2018**	**Nov 30, 2017**
Furniture and office equipment	$ 611,766	$ 10,842	$ -	$ 622,608	$ 286,127	$ 73,939	$ 360,067	$ 262,541	$ 351,282
Computer hardware	1,279,639	206,136	(42,299)	1,443,476	780,667	163,554	944,221	499,255	567,316
Leaseholds	159,335	-	-	159,335	61,871	34,880	96,751	62,584	97,464
Total	**$2,050,740**	**$ 216,978**	**$ (42,299)**	**$2,225,419**	**$1,128,665**	**$ 272,374**	**$1,401,039**	**$ 824,380**	**$ 1,016,062**
Assets held for sale	**$ 376,199**	**$ 10,854**	**$ -**	**$ 387,053**	**$ 282,211**	**$ 25,882**	**$ 308,093**	**$ 78,960**	**$ -**

	Cost				Accumulated Depreciation			Net Balance	
	Nov 30, 2016	**Additions**	**Disposal/ Adjustment**	**Nov 30, 2017**	**Nov 30, 2016**	**Expense (Disposal)**	**Nov 30, 2017**	**Nov 30, 2017**	**Nov 30, 2016**
Furniture and office equipment	$ 602,171	$ 194,757	$ (63,157)	$ 733,771	$ 302,503	$ 79,986	$ 382,489	$ 351,282	$ 299,668
Computer hardware	1,243,378	290,454	-	1,533,832	879,836	86,680	966,516	567,316	363,542
Leaseholds	159,335	-	-	159,335	24,061	37,810	61,871	97,464	135,273
Total	**$2,004,884**	**$ 485,211**	**$ (63,157)**	**$2,426,938**	**$1,206,400**	**$ 204,476**	**$1,410,876**	**$1,016,062**	**$ 798,483**

8. Software and Intellectual Property

(a) Software

	Cost				Accumulated Amortization			Net Balance	
	Nov 30, 2017	Write-down	Additions	Nov 30, 2018	Nov 30, 2017	Expense	Nov 30, 2018	Nov 30, 2018	Nov 30, 2017
Smart Employee Solutions (1)	$ 500,000	$ -	$ -	$ 500,000	$ 333,333	$ 50,000	$ 383,333	$ 116,667	$ 166,667
SES Benefits (2)	644,350	-	-	644,350	188,504	64,436	252,940	391,410	455,846
Logitek (3)	875,277	-	-	875,277	404,013	99,472	503,485	371,792	471,264
Inforica (4)	240,000	-	-	240,000	196,000	44,000	240,000	-	44,000
Adeeva (5)	110,000	(5,500)	-	104,500	82,500	22,000	104,500	-	27,500
Meschino (6)	327,511	(250,001)	-	77,510	44,758	32,752	77,510	-	282,753
Paradigm	-	-	-	-	-	-	-	-	164
Maplesoft	31,493	-	-	31,493	30,047	650	30,697	796	1,446
SEB Admin (7)	842,922	-	236,222	1,079,145	97,431	213,443	310,874	768,271	745,491
Total of continued operations	**$ 3,571,553**	**$ (255,501)**	**$ 236,222**	**$ 3,552,275**	**$ 1,376,586**	**$ 526,753**	**$ 1,903,339**	**$ 1,648,936**	**$ 2,195,131**
Assets held for sale	**$ 119,804**	**$ -**	**$ -**	**$ 119,804**	**$ 119,640**	**$ 164**	**$ 119,804**	**$ -**	**$ -**

	Cost				Accumulated Amortization			Net Balance	
	Nov 30, 2016	Acquisition	Additions /(Disposal)	Nov 30, 2017	Nov 30, 2016	Expense	Nov 30, 2017	Nov 30, 2017	Nov 30, 2016
Smart Employee Solutions (1)	$ 500,000	$ -	$ -	$ 500,000	$ 270,833	$ 62,500	$ 333,333	$ 166,667	$ 229,167
SES Benefits (2)	648,293	-	(3,943)	644,350	123,871	64,633	188,504	455,846	524,422
Logitek (3)	798,210	-	77,067	875,277	305,979	98,034	404,013	471,264	492,231
Inforica (4)	240,000	-	-	240,000	96,000	100,000	196,000	44,000	144,000
Adeeva (5)	110,000	-	-	110,000	39,417	43,083	82,500	27,500	70,583
Meschino (6)	327,511	-	-	327,511	12,006	32,752	44,758	282,753	315,505
Paradigm	119,475	-	329	119,804	119,475	165	119,640	165	-
Maplesoft	31,493	-	-	31,493	28,865	1,182	30,047	1,446	2,627
SEB Adm (7)	-	330,000	512,922	842,922	-	97,431	97,431	745,491	-
Total	**$ 2,774,982**	**$ 330,000**	**$ 586,375**	**$ 3,691,357**	**$ 996,446**	**$ 499,780**	**$ 1,496,225**	**$ 2,195,131**	**$ 1,778,535**

1) A software license which performs the adjudication of health benefit claims (“Adjudication Software”). The license provides (a) a perpetual, irrevocable, transferable and exclusive right to use the Adjudication Software in Canada; and (b) a perpetual, irrevocable, transferable and non-exclusive right to use the Adjudication Software outside Canada. It is being amortized over 10 years on a straight-line basis.

2) The Company developed an administrative platform linked to the Adjudication Software to generate additional health benefit processing revenues. It is being amortized over 10 years on a straight-line basis.

3) Logitek developed many proprietary pieces of software, particularly in the management of retail supply-chain. They are being amortized over 3 to 10 years on a straight-line basis.

4) Inforica has developed proprietary software, particularly in the field of energy management, which is being amortized over 5 years on a straight-line basis.

5) Adeeva technology consists of product formulations. It is being amortized over 5 years on a straight-line basis. During the year ended November 30, 2018, the Company write off the balance of $5,500.

8. Software and Intellectual Property (Continued)

6) Meschino has developed a wellness information technology platform. It is being amortized over 10 years on a straight-line basis. During the year ended November 30, 2018, the Company write off the balance of $250,001.

7) SEB Admin acquired group benefit administration software as part of the acquisition of the mid-market processing business (Note 5), with an assigned value of $330,000, which is being amortized over 5 years. In addition, SEB Admin acquired other software, including a telephone system for the administration of this business. The amount is being amortized over 4 years. SEB Admin also internally developed software and its being amortized over 5 years.

(b) Intellectual Property

Intellectual property acquired with Adeeva includes video and written content related to health issues. It is being amortized over 5 years on a straight-line basis as reflected in the table below:

	Cost			Accumulated Amortization			Net Balance	
	Nov 30, 2017	Write-down	Nov 30, 2018	Nov 30, 2017	Expense	Nov 30, 2018	Nov 30, 2018	Nov 30, 2017
Adeeva	$ 110,000	$ (5,500)	$ 104,500	$ 82,500	$ 22,000	$ 104,500	$ -	$ 27,500
Total	**$ 110,000**	**$ (5,500)**	**$ 104,500**	**$ 82,500**	**$ 22,000**	**$ 104,500**	**$ -**	**$ 27,500**

	Cost			Accumulated Amortization			Net Balance	
	Nov 30, 2016	Additions	Nov 30, 2017	Nov 30, 2016	Expense	Nov 30, 2017	Nov 30, 2017	Nov 30, 2016
Adeeva	$ 110,000	$ -	$ 110,000	$ 29,792	$ 52,708	$ 82,500	$ 27,500	$ 80,208
Total	**$ 110,000**	**$ -**	**$ 110,000**	**$ 29,792**	**$ 52,708**	**$ 82,500**	**$ 27,500**	**$ 80,208**

During the year ended November 30, 2018, the Company recognized a write down of $5,500.

9. Customer Relationships

Customer relationships acquired by the Company have finite useful lives. They are measured at cost less accumulated amortization and any accumulated impairment losses. The Company amortizes the customer relationships over their estimated useful lives of 5 years on a straight-line basis.

Residual values are reviewed at each reporting date and adjusted if appropriate.

	Cost			Accumulated Amortization			Net Balance	
	Nov 30, 2017	Write-down	Nov 30, 2018	Nov 30, 2017	Expense	Nov 30, 2018	Nov 30, 2018	Nov 30, 2017
Adeeva (2)	$ 170,000	$ (8,500)	$ 161,500	$ 127,500	$ 34,000	$ 161,500	$ -	$ 42,500
Inforica	500,000	-	500,000	408,333	91,667	500,000	-	91,667
Logitek	482,355	-	482,355	474,315	8,040	482,355	-	8,040
Maplesoft	4,090,000	-	4,090,000	1,636,000	818,000	2,454,000	1,636,000	2,454,000
Paradigm	-	-	-	-	-	-	-	2,260,000
Somos	493,306	-	493,306	462,668	26,957	489,625	3,681	30,638
Stroma	660,000	-	660,000	462,000	132,000	594,000	66,000	198,000
Total	**$ 6,395,661**	**$ (8,500)**	**$ 6,387,161**	**$3,570,816**	**$ 1,110,664**	**$4,681,480**	**$1,705,681**	**$5,084,845**
Assets held for sale	**$ 5,650,000**	**$ -**	**$ 5,650,000**	**$3,390,000**	**$ 847,500**	**$4,237,500**	**$1,412,500**	**$ -**

	Cost			Accumulated Amortization			Net Balance	
	Nov 30, 2016	Acquisition/ Disposal	Nov 30, 2017	Nov 30, 2016	Expense	Nov 30, 2017	Nov 30, 2017	Nov 30, 2016
Adeeva	$ 170,000	$ -	$ 170,000	$ 94,917	$ 32,583	$ 127,500	$ 42,500	$ 75,083
Antian (1)	63,097	-	63,097	34,179	12,619	46,798	16,299	28,918
Inforica	500,000	-	500,000	300,000	108,333	408,333	91,667	200,000
Logitek	482,355	-	482,355	383,143	91,172	474,315	8,040	99,212
Maplesoft	4,090,000	-	4,090,000	818,000	818,000	1,636,000	2,454,000	3,272,000
Paradigm	5,650,000	-	5,650,000	2,260,000	1,130,000	3,390,000	2,260,000	3,390,000
SOMOS (1)	430,209	-	430,209	361,040	54,830	415,870	14,339	69,169
Stroma	660,000	-	660,000	341,000	121,000	462,000	198,000	319,000
Total	**$12,045,661**	**$ -**	**$ 12,045,661**	**$4,592,279**	**$ 2,368,537**	**$6,960,816**	**$5,084,845**	**$7,453,382**

(1) Antian and SOMOS were amalgamated on December 1, 2017
(2) During the year ended November 30, 2018, the Company recognized a write down of $8,500.

10. Trade Names

Trade names acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and any accumulated impairment losses. The Company amortizes the trade names over their estimated useful lives of 5 years on a straight-line basis.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

	Cost			Accumulated Amortization			Net Balance	
	Nov 30, 2017	Write-down	Nov 30, 2018	Nov 30, 2017	Expense	Nov 30, 2018	Nov 30, 2018	Nov 30, 2017
Adeeva (1)	$ 300,000	$ (15,000)	$ 285,000	$ 225,000	$ 60,000	$ 285,000	$ -	$ 75,000
Inforica	270,000	-	270,000	220,500	49,500	270,000	-	49,500
Logitek	283,500	-	283,500	278,775	4,725	283,500	-	4,725
Maplesoft	4,950,000	-	4,950,000	1,980,000	990,000	2,970,000	1,980,000	2,970,000
Paradigm	-	-	-	-	-	-	-	512,000
Somos	388,000	-	388,000	375,067	12,933	388,000	-	12,933
Stroma	260,000	-	260,000	182,000	52,000	234,000	26,000	78,000
Total	**$ 6,451,500**	**$ (15,000)**	**$ 6,436,500**	**$ 3,261,342**	**$ 1,169,158**	**$ 4,430,500**	**$ 2,006,000**	**$ 3,702,158**
Assets held for sal	**$ 1,280,000**	**$ -**	**$ 1,280,000**	**$ 768,000**	**$ 192,000**	**$ 960,000**	**$ 320,000**	**$ -**

	Cost			Accumulated Amortization			Net Balance	
	Nov 30, 2016	Acquisition/ Disposal	Nov 30, 2017	Nov 30, 2016	Expense	Nov 30, 2017	Nov 30, 2017	Nov 30, 2016
Adeeva	$ 300,000	$ -	$ 300,000	$ 167,500	$ 57,500	$ 225,000	$ 75,000	$ 132,500
Inforica	270,000	-	270,000	162,000	58,500	220,500	49,500	108,000
Logitek	283,500	-	283,500	217,350	61,425	278,775	4,725	66,150
Maplesoft	4,950,000	-	4,950,000	990,000	990,000	1,980,000	2,970,000	3,960,000
Paradigm	1,280,000	-	1,280,000	512,000	256,000	768,000	512,000	768,000
SOMOS	388,000	-	388,000	291,000	84,067	375,067	12,933	97,000
Stroma	260,000	-	260,000	134,331	47,669	182,000	78,000	125,669
Total	**$7,731,500**	**$ -**	**$7,731,500**	**$ 2,474,181**	**$1,555,161**	**$4,029,342**	**$3,702,158**	**$5,257,319**

(1) During the year ended November 30, 2018, the Company recognized a write down of $15,000.

11. Bank Indebtedness

Technology Division Bank Facilities

On April 20, 2017, the Technology Division of the Company obtained new credit facilities ("Facilities") from the Bank of Montreal ("the Bank") to consolidate the Paradigm and Maplesoft facilities and to repay short-term debt and convertible debt (the "Loan Agreements").

The new Facilities obtained were:

1) An operating demand facility of up to $12,000,000, the amount available determined by the trade receivables of the borrowers. The interest rate is the bank's prime rate plus 1.5% (November 30, 2018 – 5.45%), payable monthly in arrears;

2) A $5,500,000 term loan facility (Term Loan "A"), which bears interest at the Bank's prime rate plus 2% (November 30, 2018 – 5.95%), payable monthly in arrears. The principal is being repaid over a 4-year term by equal monthly payments of $114,583, and an annual payment of up to 25% of the free cash flow of the Technology Division. The loan may be repaid at any time without penalty;

3) A $5,000,000 subordinated 5-year term loan facility (Term Loan "B"). The facility bears interest at 12% per annum (10% of which is calculated and payable monthly and 2% of which is calculated and compounded monthly and is payable on maturity or early repayment). The principal is due on maturity; it may be repaid any time after 24 months without penalty in minimum amounts of $500,000; and

4) A $75,000 credit card facility.

These Facilities are 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.

The Primary borrower is Paradigm. During the year ended November 30, 2018, the Company announced its intent to sell Paradigm. As a result, the assets, liabilities and results are displayed as "Assets held for sale" (Note 26).

Operating Loan	**Nov 30, 2018**	**Nov 30, 2017**
BMO bank facility	$ 11,567,575	$ 11,800,559

			Nov 30, 2018	**Nov 30, 2017**
Term Loans	**'A'**	**'B'**	**Total**	**Total**
Current portion	$ 2,937,500	$ 5,000,000	$ 7,937,500	$ 1,875,000
Non-current portion	-	-	-	7,937,500
Total	**$ 2,937,500**	**$ 5,000,000**	**$ 7,937,500**	**$ 9,812,500**

During the year ended November 30, 2018, the Company repaid $1,875,000 of the Term Loans.

11. Bank Indebtedness (continued)

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.

12. Contract Liabilities

Contract liabilities is comprised of annual licence fees for software and prepayments. Amounts are recognized as revenue in accordance with the Company's revenue recognition policy.

13. Preferred Shares

Financing issued	Maturity Date	Conversion Price		Nov 30, 2017	Addition	Accretion expense	Change in fair value	Balance Nov 30, 2018	Balance Nov 30, 2017
Inforica preferred shares	(1) 02-Dec-18	N/A	Face value	350,000	-	-	-	350,000	350,000
	Total preferred shares			**$ 350,000**	**$ -**	**$ -**	**$ -**	**$ 350,000**	**$ 350,000**
Paradigm preferred shares	(2) 31-May-23	$ 0.50	Carrying value	-	2,462,679	135,106	-	2,597,785	-
			Derivative liability	-	295,112	-	106,104	401,216	-
	Liabilities directly associated with assets held for sale			**$ -**	**$ 2,757,791**	**$ 135,106**	**$ 106,104**	**$ 2,999,001**	**$ -**

1) On December 2, 2013, the Company acquired 50% of Inforica. Inforica had previously issued $350,000 of preferred shares. The preferred shares are not entitled to any dividends, do not have voting rights and all or a portion of the preferred shares may be redeemed at the original issue price. The preferred shares are retractable by the holder after the fifth anniversary of December 2, 2018 and may be settled in cash upon written notice. Due to the retraction provision by the holder, the preferred shares have been classified as a financial liability on the consolidated financial statements.

2) On February 28, 2018, the Company's wholly owned subsidiary, Paradigm, closed a private placement with a major Canadian Investment Fund ("Investor") to issue 3,000,000 preferred shares ("Preferred Shares") at a price of $1.00 each, pursuant to which it received $3,000,000 in gross proceeds. The Company incurred $112,061 in debt issue costs.

13. Preferred Shares (continued)

Initial allocation of the Paradigm preferred share issuance:

	Note		2018
Face value of preferred shares		$	3,000,000
Less: Issue costs			(112,061)
Less: Bonus return	*Note 24*		(130,148)
Less: Derivative liability			(295,112)
Preferred shares - carrying value		**$**	**2,462,679**

The Preferred Shares are entitled to a quarterly 8% cumulative dividend and a bonus equal to 20% of the gain in enterprise value of Paradigm ("Bonus Return"), payable at the maturity date of May 31, 2023 ("Maturity").

The Bonus Return is cancelled, on a pro rata basis, for all Preferred Shares converted into common shares of SEB ("Common Shares") per the conversion terms noted below. Each Preferred Share (at its issue price) is exchangeable into one Common Share of the Company at $0.45 per Common Share until November 30, 2019 and at $0.50 per Common Share at any time after November 30, 2019 until November 30, 2022. Up to $60,000 of accrued but unpaid dividends may be converted into Common Shares subject to TSX Venture Exchange Approval at the time of such conversion.

The exchange price of the Preferred Shares will be adjusted if SEB issues equity below the exchange price in effect at such time and such dilution exceeds 10% of SEB's basic share capital of 160,953,149 Common Shares, on the basis of a narrow-based weighted average cost, provided that the adjusted exchange price shall not be less than $0.25 per Common Share. The conversion feature is valued as a derivative liability at fair value through profit and loss.

In certain circumstances, the Preferred Shares may be redeemed by Paradigm in increments of not less than $300,000 if the trading price of SEB's Common Shares closes at higher than $1.00 per Common Share for 30 consecutive days on TSX Venture Exchange.

If the Preferred Shares have not been redeemed within 90 days after Maturity, the Preferred Shares (including accrued but unpaid dividends and Bonus Return) will convert into a demand secured debenture ("Debenture") with an interest rate of 15% per annum. In certain circumstances prior to Maturity (including failure to pay dividends for two consecutive quarters, failure to pay the Bonus Return, failure to issue the Common Shares on exchange or a material uncured default under any agreement for the borrowing of money), the face value of the Preferred Shares (including accrued but unpaid dividends and Bonus Return) will convert into the Debenture with an interest rate of 18% per annum.

The Investor is entitled to have one individual appointed to the Board of Directors of Paradigm. Proceeds were used to reduce debt and for working capital purposes.

As at November 30, 2018, the Company had accrued $120,000 in dividends payable which is recorded in liabilities directly associated with assets held for sale (note 26). For the year ended November 30, 2018, the Company paid dividends of $60,000.

14. Convertible Debt

		Face Value of Notes						Accounting Value of Notes		
Maturity Date	Conversion Price	Nov 30, 2017	Addition	Repayments	Nov 30, 2018	Equity Component of Notes	Liability at Fair Value	Accreted Interest	Nov 30, 2018	Nov 30, 2017
(1) Dec 31, 2016	$ 0.30	1,000,000	-	-	1,000,000	-	-	-	1,000,000	1,000,000
(2) Dec 31, 2016	$ 0.30	190,000	-	-	190,000	-	-	-	190,000	190,000
(3) Jun 6, 2017	$ 0.70	83,334	-	(83,334)	-	-	-	-	-	83,334
(4) Dec 30, 2017	$ 0.50	733,073	-	(733,073)	-	-	-	-	-	733,073
(5) Feb 28, 2018	$ 0.75	615,771	-	(615,771)	-	-	-	-	-	615,771
(6) Mar 18, 2019	$ 0.75	67,804	-	(55,999)	11,805	-	-	-	11,805	67,804
(7) April 25, 2020	$ 0.50	-	650,000	(49,000)	601,000	(74,502)	526,498	22,186	548,684	-
(8) Interest Accrued		185,713	142,769	-	328,482	-	-	-	328,482	185,713
Totals		**$ 2,875,695**	**$ 792,769**	**$ (1,537,177)**	**$ 2,131,287**	**$ (74,502)**	**$ 526,498**	**$ 22,186**	**$ 2,078,971**	**$ 2,875,695**
Current portion of convertible debt									$ 1,561,971	$ 2,858,736
Long term portion of convertible debt									517,000	16,959
									$ 2,078,971	**$ 2,875,695**

		Liability							Accreted Interest				Balance
		Face Value of Notes			Equity Component of Notes								
Maturity Date	Conversion Price	Nov 30, 2016	Repayments	Nov 30, 2017	Nov 30, 2016	Adjustments	Nov 30, 2017	Liability at Fair Value	Bal Nov 30, 2016	Adjustments	Accretion	Bal Nov 30, 2017	Nov 30, 2017
Dec 31, 2016	$ 0.30	970,000	(970,000)	-	(635,946)	635,946	-	-	635,946	(635,946)	-	-	-
(1) Dec 31, 2016	$ 0.30	1,000,000	-	1,000,000	(307,136)	-	(307,136)	692,864	307,136	-	-	307,136	1,000,000
(2) Dec 31, 2016	$ 0.30	190,000	-	190,000	(57,946)	-	(57,946)	132,054	57,946	-	-	57,946	190,000
(3) Jun 6, 2017	$ 0.70	83,334	-	83,334	(80,801)	55,287	(25,514)	57,820	61,962	(55,287)	18,839	25,514	83,334
(4) Dec 30, 2017	$ 0.50	1,106,390	(368,428)	737,962	(382,286)	127,292	(254,994)	482,968	224,140	(127,292)	153,257	250,105	733,073
(5) Feb 6, 2018	$ 0.75	651,858	-	651,858	(303,437)	-	(303,437)	348,421	208,686	-	58,664	267,350	615,771
(6) Mar 18, 2019	$ 0.75	151,916	(67,081)	84,835	(96,230)	63,538	(32,692)	52,143	79,199	(63,538)	-	15,661	67,804
Totals		**$ 4,153,498**	**$(1,405,509)**	**$ 2,747,989**	**$(1,863,782)**	**$ 882,063**	**$ (981,719)**	**$ 1,766,270**	**$1,575,015**	**$ (882,063)**	**$ 230,760**	**$ 923,712**	**$ 2,689,982**
Current portion of convertible debt													$ 2,673,023
Long term portion of convertible debt													16,959
													$ 2,689,982

1) On May 14, 2013, the Company completed a private placement offering of $1,025,000 of units ("Units"). Each Unit consisted of a $1.00 convertible secured promissory note with a term of three years, paying 9.75% interest convertible into the common shares of the Company at $0.50 per share during the first year, $0.60 during the second year, and $0.75 per share during the third year and one common share purchase warrant exercisable at $0.50 for a period of one year. The Company paid legal fees of $27,630 and finder's fee of $60,000. The notes were subscribed to by two Directors of the Company.

   In Q3, 2016 the Company extended the maturity date to December 31, 2016. As part of the extension, the interest rate was increased to 12%, the conversion price was amended to $0.30 per share and the noteholders agreed to waive security against the Company's shares of Banyan Work Health Solutions Inc. and BITS Licensing Inc. During Fiscal 2018, nil of the notes were repaid (2016, $25,000; 2017 $0). Effective January 1, 2017, notes are due on demand.

14. Convertible Debt (continued)

2) On September 6, 2013, the Company completed a private placement offering of $250,000 units ("Units"). Each Unit consisted of a $1.00 convertible secured promissory note maturing on May 13, 2016, paying 9.75% interest convertible into the common shares of the Company at $0.50 per share until May 13, 2014, $0.60 per share until May 13, 2015, and $0.75 per share until May 13, 2016 and one common share purchase warrant exercisable at $0.50 until May 13, 2014. The Company paid legal fees of $8,540.

   In Q3, 2016 the Company extended the maturity date to December 31, 2016. As part of the extension, the interest rate was increased to 12%, the conversion price was amended to $0.30 per share and the noteholders agreed to waive security against the Company's shares of Banyan Work Health Solutions Inc. and BITS Licensing Inc. During Fiscal 2018, $0 of the notes were repaid(2016 $60,000; 2017 $0). Effective January 1, 2017, notes are due on demand.

3) On June 6, 2014, the Company closed the acquisition of Stroma Service Consulting Inc. Part of the purchase price was $250,000 in promissory notes, payable in equal annual installments over three years. The notes pay 3.0% interest and are convertible into the common shares of the Company at $0.50 per share during the first year, $0.60 during the second year, and $0.70 per share during the third year. The annual payments of $83,333 were made in both fiscal 2015 and 2016. Notes were due on demand. The remaining balance was repaid during March 2018.

4) On December 31, 2014, the Company closed the acquisition of Paradigm Consulting Group Inc. and PCGI Consulting Services Partnership. Part of the purchase price was $1,106,390 in promissory notes, with one third of the outstanding principal payable at the end of year two and the balance payable at the end of year three. The notes pay 3.0% interest and are convertible into the common shares of the Company at $0.50 per share until maturity. During March 2018, the entire remaining balance was repaid.

5) On February 6, 2013, the Company closed the acquisition of Logitek. As part of the transaction and in order to retire $651,858 of debt owing by Logitek, the Company issued $651,858 in promissory notes with a term of five years. The notes pay 3.0% interest. The notes were replaced by (7) below.

6) On March 1, 2014, the Company closed the acquisition of APS - Antian Professional Services Inc. Part of the purchase price was $324,482 in promissory notes with blended quarterly payments of $17,547 over a term of five years. The notes pay 3.0% interest and are convertible into the common shares of the Company at $0.75 per share until maturity. Repayments of $312,677 in principal have been made in accordance the schedule until the end of fiscal 2018.

7) On April 26, 2018, the Company signed a new debenture agreement to replace the convertible debt in (5) above. The Company issued a $650,000 promissory note with a term of two years. The note pays 5.0% annualized interest on a monthly basis in arrears with a monthly payment of $7,000 of principal and is convertible into the common shares of the company at $0.50 per share until maturity.

   In arriving at a fair value of the liability component of the convertible debt, the Company used a discount rate of 18% to determine the discounted present value of the debt due at maturity. The equity component of $74,503, arising from the difference between the coupon and effective interest rate, has been recorded in contributed surplus. The difference between the face value and fair value of the convertible debt is being recorded in net loss and comprehensive loss as accreted interest using the effective interest rate method.

14. Convertible Debt (continued)

8) As at November 30, 2018, the Company has accrued interest of $328,482 interest expense on the overdue convertible debt of (1) and (2).

15. Notes Payable

		Nov 30, 2018	Nov 30, 2017
(1)	Advance from Chairman of the Board	$ 1,000,000	$ 1,000,000
(2)	Advances from Executives	-	49,261
(3)	Loan assumed on Maplesoft acquisition, maturing December 24, 2019 interest rate of 11% per annum	1,296,104	1,371,510
(4)	Notes payable to AON Hewitt Inc.	-	300,000
(5)	Loan from Investors	2,000,000	-
	Other	5,100	36,572
	Accrued interest	499,660	504,971
	Notes payable	**$ 4,800,864**	**$ 3,262,314**
	Short-term notes payable	$ 3,504,760	$ 1,890,804
	Long-term notes payable	1,296,104	1,371,510
		$ 4,800,864	**$ 3,262,314**

1) The advance from the Chairman of the Board is due on demand and bears interest at 12% per annum. As at November 30, 2018, the Company has accrued interest of $532,993.

2) Advances from Executives were due on demand and bore interest at 10% per annum.

3) The Company made repayments of $179,479 in fiscal 2018. Of this, $47,270 was applied against principal.

4) On March 31, 2017, SEB acquired the mid-market health benefits administration business in Canada of AON Hewitt Inc. (“AON”). As part of transaction price, $200,000 was due 12 months from the closing and $100,000 was due 18 months from closing. For the year ended November 30, 2018, $300,000 has been repaid.

5) On July 26, 2018, SEB Administrative Services Inc. (“SEB Admin”) closed a financing arrangement whereby SEB Admin borrowed $2 million dollars from a consortium of individuals. The initial term is for a period of 6 months, with an option to renew for a further 6 months. The interest rate is 1% per month plus a discount to the loan principal of $100,000 which has been expensed in the consolidated statement of loss and comprehensive loss. If the loan is renewed after 6 months, a further discount of $100,000 will be paid. Security for the loan is provided by the assets of SEB Admin, subject to any existing security held on the operating line and term bank loans.

16. Share Capital

(a) Authorized

Unlimited number of common shares

(b) Common shares issued and outstanding

	Number of shares		Amount $
Balance November 30, 2016	**109,673,574**	**$**	**24,937,594**
Private placement closed on February 3, 2017	16,762,115		3,352,423
Warrants issued with shares	-		(860,449)
	16,762,115		2,491,974
Private placement closed on May 31, 2017	4,775,000		955,000
Warrants issued with shares	-		(307,890)
	4,775,000		647,110
Private placement closed on June 27, 2017	5,745,000		919,200
Shares issued to private placement finder	231,000		38,220
	5,976,000		957,420
Private placement closed on August 16, 2017	1,500,625		240,100
Shares issued to private placement finder	91,000		16,380
	1,591,625		256,480
Private placement closed on October 11, 2017	12,500,000		2,000,000
Shares issued to private placement finder	411,250		106,925
	12,911,250		2,106,925
Private placement closed on November 30, 2017	8,970,952		1,883,900
Warrants issued with shares	-		(341,345)
Shares issued to private placement finder	292,633		67,306
	9,263,585		1,609,861
Balance, November 30, 2017	**160,953,149**	**$**	**33,007,364**
Exercise of Warrants on April 19, 2018	105,000		21,000
Exercise of Warrants on November 23, 2018	140,000		28,000
Fair value of Warrants exercised	-		14,808
Balance, November 30, 2018	**161,198,149**	**$**	**33,071,172**

16. Share Capital (continued)

(c) Share purchase warrants

				Number of Warrants Outstanding				
	Exercise			Nov 30, 2017	Expired	Exercised	Nov 30 2018	
Note	Price	Expiry		Outstanding			Outstanding	Exercisable
	$ 0.50	Jan	25 2018	500,000	(500,000)	-	-	-
	$ 0.50	Feb	11 2018	50,000	(50,000)	-	-	-
	$ 0.75	Mar	1 2018	675,000	(675,000)	-	-	-
	$ 0.30	May	2 2018	8,264,425	(8,264,425)	-	-	-
	$ 0.30	May	2 2018	227,500	(122,500)	(105,000)	-	-
	$ 0.70	Jun	6 2018	100,000	(100,000)	-	-	-
	$ 0.30	Jun	23 2018	7,757,800	(7,757,800)	-	-	-
	$ 0.30	Jun	23 2018	350,000	(350,000)	-	-	-
	$ 0.30	Aug	3 2018	9,004,315	(9,004,315)	-	-	-
	$ 0.30	Sep	23 2018	1,125,000	(1,125,000)	-	-	-
	$ 0.30	Sep	30 2018	2,500,000	(2,500,000)	-	-	-
	$ 0.30	Oct	28 2018	900,000	(900,000)	-	-	-
	$ 0.30	Oct	28 2018	21,000	(21,000)	-	-	-
	$ 0.50	Nov	4 2018	445,000	(445,000)	-	-	-
	$ 0.30	Nov	30 2018	250,000	(250,000)	-	-	-
	$ 0.20	Dec	1 2018	140,000	-	(140,000)	-	-
1	$ 0.20	Dec	6 2018	70,000	-	-	70,000	70,000
1	$ 0.20	Dec	27 2018	21,000	-	-	21,000	21,000
2	$ 0.50	Dec	31 2018	1,000,000	-	-	1,000,000	1,000,000
1	$ 0.20	Jan	31 2019	91,000	-	-	91,000	91,000
3	$ 0.20	Apr	3 2019	350,000	-	-	350,000	350,000
3	$ 0.20	Apr	6 2019	61,250	-	-	61,250	61,250
4	$ 0.30	Apr	20 2019	342,700	-	-	342,700	342,700
5	$ 0.30	May	30 2019	4,778,109	-	-	4,778,109	4,778,109
6	$ 0.50	Dec	1 2020	1,000,000	-	-	1,000,000	750,000
				40,024,099	**(32,065,040)**	**(245,000)**	**7,714,059**	**7,464,059**
Weighted avg exercise price				**$ 0.32**	**$ 0.32**	**$ 0.20**	**$ 0.34**	**$ 0.34**

16. Share Capital (continued)

1) On June 1, 2017, June 6, 2017, June 27, 2017 and July 31, 2017 the Company closed Common Share financings for a total of 7,245,625 shares for proceeds of $1,159,300, whereby each common share was issued at a price of $0.16. In addition, 322,000 common shares and 322,000 common share purchase warrants, exercisable at $0.20 for a period of 18 months from date of issue, were issued as payment to finders.

2) On December 31, 2014, as part of the transaction to acquire Paradigm Consulting Group Inc. and PCGI Consulting Services Partnership, SEB issued 1,000,000 share purchase warrants to Paradigm's employees. The warrants have a term of 48 months, vest one sixth every six months and are exercisable at $0.50.

3) On October 3, 2017, October 6, 2017, and October 11, 2017 the Company closed Common Share financings for a total of 1,250,000 shares for total proceeds of $2,000,000, whereby each common share was issued at a price of $0.16. In addition, 411,250 common shares valued at $106,925 were issued as payment to finders. As well, finders were issued 411,250 common share purchase warrants valued at $51,571 exercisable at $0.20 for a period of 18 months from date of issue.

4) On April 20, 2017, the Company acquired from its subsidiary Maplesoft Consulting Inc. a loan payable to a third party in the amount of $1,371,510. As part of the transaction, the Company issued 342,700 share purchase warrants valued at $25,565 to the debt-holder. The warrants have a term of 24 months and are exercisable at $0.30 each.

5) On November 30, 2017, the Company closed an equity unit financing at $0.21 per unit, of 8,970,952 units for gross proceeds of $1,883,900. The equity units were made up of 8,970,952 shares and 4,485,476 share purchase warrants, exercisable at $0.30 per share for 18 months from date of issue. The warrants were valued at $341,345. The Company issued to finders 292,633 shares and 292,633 warrants valued at $67,306. The warrants were exercisable at $0.30 per share for 18 months from date of issue.

6) On December 1, 2015, as part of the transaction to acquire Maplesoft Group Inc., SEB issued 1,000,000 share purchase warrants to Maplesoft's employees. The warrants have a term of 60 months, vest one-eighth every six months, and are exercisable at $0.50.

   Share purchase warrants are valued using the Black-Scholes option pricing model. The assumptions used in valuing the warrants are as follows:

	Fiscal 2018		**Fiscal 2017**	
	From	**To**	**From**	**To**
Expected warrant life	N/A	N/A	1.5 years	2 years
Risk-free interest rate	N/A	N/A	0.99%	0.99%
Forfeiture rate	NIL	NIL	NIL	NIL
Volatility factor of expected price of the Company's shares	N/A	N/A	92.78%	102.31%

16. Share Capital (continued)

(d) Share purchase options

The SEB stock option plan (the "Plan") is administered by the Board of Directors of the Company which establishes the exercise prices, vesting conditions and expiry date of the options. The number of common shares reserved for issuance under the Plan at November 30, 2018 is 16,119,814. At November 30, 2018, the Company had 13,115,100 options issued and outstanding.

Note	Exercise Price	Expiry	Nov 30, 2017 Outstanding	Issued	Cancelled	Expired	Nov 30, 2018 Outstanding	Nov 30, 2018 Exercisable
	$ 0.60	Jan 20, 2018	900,000	-	-	(900,000)	-	-
	$ 0.50	Mar 24, 2018	300,000	-	-	(300,000)	-	-
	$ 0.30	May 31, 2018	650,000	-	-	(650,000)	-	-
	$ 0.30	Jul 28, 2018	100,000	-	-	(100,000)	-	-
	$ 0.30	Jul 28, 2018	300,000	-	-	(300,000)	-	-
1	$ 0.40	Jan 18, 2019	200,000	-	-	-	200,000	200,000
2	$ 0.30	Mar 24, 2019	400,000	-	-	-	400,000	400,000
3	$ 0.30	Mar 24, 2019	290,000	-	-	-	290,000	290,000
4	$ 0.30	Apr 26, 2019	100,000	-	-	-	100,000	100,000
5	$ 0.20	May 3, 2019	100,000	-	-	-	100,000	80,000
6	$ 0.30	May 3, 2019	300,000	-	-	-	300,000	225,000
7	$ 0.30	May 3, 2019	100,000	-	-	-	100,000	75,000
8	$ 0.30	May 31, 2019	100,000	-	-	-	100,000	100,000
9	$ 0.25	Aug 3, 2019	500,000	-	-	-	500,000	375,000
10	$ 0.30	May 3, 2020	500,000	-	-	-	500,000	375,000
11	$ 0.30	Aug 3, 2020	600,000	-	-	-	600,000	450,000
12	$ 0.30	Aug 3, 2020	500,000	-	(500,000)	-	-	250,000
13	$ 0.20	Aug 3, 2020	700,000	-	-	-	700,000	525,000
14	$ 0.24	Nov 2, 2020	500,000	-	-	-	500,000	375,000
15	$ 0.24	Nov 2, 2020	500,000	-	(100,000)	-	400,000	250,000
16	$ 0.23	Mar 3, 2021	-	500,000	-	-	500,000	250,000
17	$ 0.23	Mar 3, 2021	-	6,375,000	-	-	6,375,000	2,710,000
18	$ 0.22	Nov 2, 2021	-	700,000	-	-	700,000	140,000
19	$ 0.30	Jul 28, 2021	750,000	-	-	-	750,000	625,000
			8,390,000	**7,575,000**	**(600,000)**	**(2,250,000)**	**13,115,000**	**7,795,000**
Weighted avg exercise price			**$ 0.42**	**$ 0.23**	**$ (0.29)**	**$ (0.45)**	**$ 0.25**	**$ 0.26**

16. Share Capital (continued)

1) On January 18, 2016, the Company granted 200,000 options to a consultant. The options have a 36-month term, vest 50,000 every three months and are exercisable at $0.40 per share.

2) On March 24, 2016, the Company granted 400,000 options to employees. The options have a 36-month term, vest 20% immediately and 20% every six months and are exercisable at $0.30 per share.

3) On March 24, 2016, the Company granted 290,000 options to employees. The options have a 36-month term, vest 20% immediately and 20% every six months and are exercisable at $0.30 per share.

4) On April 26, 2016, the Company granted 100,000 options to an employee. The options have a 36-month term, vest 20% immediately and 20% every six months and are exercisable at $0.30 per share.

5) On May 3, 2017, the Company granted 100,000 options to a consultant. The options have a 24-month term, vest 25% every six months and are exercisable at $0.20 per share.

6) On May 3, 2017, the Company granted 300,000 options to a consultant. The options have a 24-month term, vest 25% every six months and are exercisable at $0.30 per share.

7) On May 3, 2017, the Company granted 100,000 options to a consultant. The options have a 24-month term, vest 25% every six months and are exercisable at $0.30 per share.

8) On May 31, 2016, the Company granted 100,000 options to an employee. The options have a 36-month term, vest 25% every six months and are exercisable at $0.30 per share.

9) On August 3, 2017 the Company granted 500,000 options to a consultant. The options have a 24-month term, vest 25% immediately and every six months and are exercisable at $0.25 per share.

10) On August 3, 2017, the Company granted 500,000 options to a consultant. The options have a 36-month term, vest 25% immediately and 25% every six months and are exercisable at $0.30 per share.

11) On August 3, 2017, the Company granted 600,000 options to various employees and consultants. The options have a 36-month term, vest 25% immediately, 25% every six months and are exercisable at $0.30 per share.

12) On August 3, 2017, the Company granted 500,000 options to various employees and consultants. The options have a 36-month term, vest 25% every six months and are exercisable at $0.30 per share. During the fiscal 2018, the 500,000 options were cancelled.

13) On August 3, 2017, the Company granted 700,000 options to the Independent Directors. The options have a 36-month term, vest 25% immediately and every six months and are exercisable at $0.20 per share.

16. Share Capital (continued)

14) On November 2, 2017, the Company granted 500,000 options to a consultant. The options have a 36-month term, vest 25% immediately and 25% every six months and are exercisable at $0.24 per share. All options were cancelled in 2018.

15) On November 2, 2017, the Company granted 500,000 options to various employees. The options have a 36-month term, vest 25% every six months and are exercisable at $0.24 per share. 100,000 options out of the total were cancelled in 2018 due to the leave of employees. During the fiscal 2018, 100,000 options were cancelled.

16) On March 3, 2018, the Company granted 500,000 options to various a consultant. The options have a 36-month term, vest 20% on issue and 20% every six months and are exercisable at $0.23 per share.

17) On March 3, 2018, the Company granted 6,375,000 options to various employees and consultants. The options have a 36-month term, vest 20% on issue and 20% every six months and are exercisable at $0.23 per share.

18) On November 2, 2018, the Company granted 700,000 options to various directors. The options have a 36-month term, vest 20% on issue and 20% every six months and are exercisable at $0.22 per share.

19) On July 28, 2016, the Company granted 750,000 options to an employee. The options have a 60-month term, vest 125,000 in three months and 125,000 every six months thereafter and are exercisable at $0.30 per share.

Share purchase options are valued using the Black-Scholes option pricing model. The assumptions used in valuing the options are as follows:

	Fiscal 2018		**Fiscal 2017**	
	From	**To**	**From**	**To**
Expected option life	2 years	3 years	0.5 years	3.0 years
Risk-free interest rate	1.85%	2.36%	0.99%	1.02%
Forfeiture rate	NIL	NIL	NIL	NIL
Volatility factor of expected price of the Company's shares (Note 3)	44.40%	44.40%	86.88%	92.52%
Fair value of options granted		$ 547,265		$ 505,420
Fair value of options expensed as Share-based compensation		$ 570,768		$ 320,321

(e) Loss per Share

The weighted average number of common shares outstanding for the year ending November 30, 2018 was 161,017,875 (132,640,054 for the year ending November 30, 2017). The dilutive effect of options and warrants outstanding was not included as it would serve to reduce the loss per share reported. As at November 30, 2018, the Company has 7,464,059 exercisable warrants, 7,795,000 exercisable options and convertible debt (note 14).

17. Taxes

(a) The reconciliation of the combined Canadian federal and provincial statutory income tax rate of 26.5% (2017 - 26.5%) to the effective tax rate is as follows:

		2018		2017
Net loss before income taxes	**$**	**(12,710,900)**	$	**(10,176,657)**
Expected income tax (recovery)	$	(3,368,388)	$	(2,694,264)
Tax rate changes and other adjustments		127,128		(212,137)
Non-deductible expenses		848,957		295,119
Share issue cost booked directly to equity		-		(477,000)
Change in tax benefits not recognized		1,106,766		2,740,850
Income tax (recovery)	**$**	**(1,285,537)**	$	**(347,432)**

The Company's income tax (recovery) is allocated as follows:				
Current tax expense	$	81,624	$	58,714
Deferred tax (recovery)		(1,367,161)		(406,146)
Income tax (recovery)	**$**	**(1,285,537)**	$	**(347,432)**

(b) Deferred tax

The following table summarizes the components of deferred tax:

		2018		2017
Deferred Tax Assets				
Equipment and intangible assets	$	-		170,000
Capital lease obligation		25,522		-
Share issue costs				44,880
Non-capital losses carried forward		589,935		624,956
Total deferred tax assets	**$**	**615,457**	$	**839,836**
Deferred Tax Liabilities				
Equipment and intangible assets	$	(617,838)	$	(2,813,110)
Contingent consideration		-		(115,610)
Convertible debenture		(13,864)		-
Net deferred tax liabilities	**$**	**(16,245)**	**$**	**(2,088,884)**

Deferred tax assets and liabilities have been offset where they relate to income taxes levied by the same taxation authority and the Company has the legal right and intent to offset.

17. Taxes (continued)

Movement in net deferred tax liabilities:

		2018		2017
Movement in net deferred tax liabilities:				
Balance at the beginning of the year	$	(2,088,884)	$	(2,698,219)
Recognized in profit/loss		1,367,161		406,146
Recognized in profit/loss for assets held for sale		-		203,189
Remove opening deferred tax liability associated with assets held for sale		705,478		-
Balance at the end of the year	**$**	**(16,245)**	**$**	**(2,088,884)**

Unrecognized deferred tax assets

Deferred taxes are provided as a result of temporary differences that arise due to the differences between the income tax values and the carrying amount of assets and liabilities. Deferred tax assets have not been recognized in respect of the following deductible temporary differences:

		2018		2017
Equipment and intangible assets	$	2,644,099	$	85,920
Share issuance costs		891,131		2,256,580
Non-capital losses carried forward		36,062,733		30,874,655
Capital losses carried forward		648,208		648,210
SR&ED Pool from T661		620,471		978,440
Charitable donations carryforward		901		600
Tax credits		357,966		-
Balance at the end of the year	**$**	**41,225,509**	**$**	**34,844,405**

The Canadian non-capital loss carry forwards expire between 2028 and 2038. Share issue and financing costs will be fully amortized in 2022. The remaining deductible temporary differences may be carried forward indefinitely. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the group can utilize the benefits therefrom.

The Company's Canadian non-capital income tax losses expire as follows:

2028		133,862
2031		642,075
2032		2,812,699
2033		2,679,352
2034		5,427,530
2035		8,413,481
2036		5,950,107
2037		7,752,713
2038		4,477,086
	$	38,288,905

18. Financial Instruments

Fair Value Measurement of Financial Instruments

The carrying value of cash, trade receivables, contract assets, operating loans, accounts payable and accrued liabilities, equipment leases, term bank loans, royalty advance, notes payable and preferred shares are considered representative of their respective fair values due to the short-term period to maturity. The carrying value of non-current assets approximates its fair value as the interest rates are consistent with the current rates offered by the Company for loans with similar terms.

Non-derivative financial instruments are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the rights to receive cash flows from the assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Non-derivative financial instruments are recognized initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs.

IFRS 13 establishes a fair value hierarchy that prioritizes the input to valuation techniques used to measure fair value as follows:

- Level 1 - valuation based on quoted prices (unadjusted) in active markets for identical assets or liabilities; (cash is measured within level 1 of the hierarchy);
- Level 2 - valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) for substantially the full term of the asset or liability; and
- Level 3 - valuation techniques using inputs for the asset or liability that are not based on observable market data and unobservable inputs supported by little or no market activity.

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. The Company takes on exposure to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when due. Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash, trade receivables and notes receivables. The maximum exposure of credit risk is generally represented by the carrying amount of these items reported on the consolidated statement of financial position. The Company has trade receivables derived from clients engaged in various industries including governmental agencies, finance, telecommunications, manufacturing and utilities that are not concentrated in any specific industry area. These specific industries may be affected by economic factors that may impact trade receivables. To mitigate this risk the Company reviews the creditworthiness of material new customers, monitors customer payment performance and, where appropriate, reviews the financial condition of existing customers. However, management does not believe that the Company is subject to any significant credit risk in view of the Company’s large and diversified client base. Overall, management does not believe that any single industry or geographic region represents a significant credit risk to the Company.

The Company establishes an allowance for expected credit losses that corresponds to the specific credit risk of its customers and economic circumstances. As at November 30, 2018, the allowance for expected credit losses was $1,100,231 (November 30, 2017 - $470,291). The quantitative information below on trade receivables excludes amounts classified as amortized cost.

18. Financial Instruments (continued)

The following table sets forth details of the age of trade receivables that are past due:

	2018	2017	Expected credit loss range
Not past due	$ 12,372,950	$ 19,738,862	0.06% - 1.92%
Past due 1-30 days	250,674	97,261	0.06% - 1.92%
Past due 31-60 days	1,250,737	1,243,779	0.06% - 1.92%
Past due 61-90 days	732,232	698,339	0.99% - 2.33%
Past due more than 90 days	2,579,810	1,645,280	3.70% - 20.00%
	17,186,403	23,423,521	
Expected credit loss provision	1,100,231	470,291	
Trade receivables	**$ 16,086,172**	**$ 22,953,230**	

The impact of the movement of the expected credit loss provision is shown below:

Balance as at November 30, 2017 under IAS 39	$ 470,291
Adjustment on intial application of IFRS 9	601,323
Balance as at December 1, 2017 under IFRS 9	**$ 1,071,614**
Bad debt expense	(75,389)
Bad debt recovery	156,986
IFRS 9 loss allowance remeasurement	(52,980)
Balance at November 30, 2018 under IFRS 9	**$ 1,100,231**

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. A portion of the bank facilities 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 (2017 - $166,131).

18. Financial Instruments (continued)

Liquidity Risk

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 2 to these consolidated financial statements the existence of circumstances which cast significant doubt on its ability to continue as a going concern.

The following table details the Company's anticipated repayment schedule for its financial liabilities as at November 30, 2018:

	Notes Payable	Convertible Debt (1)	Equipment Leases	Term Bank Loans (2)	Royalty Advance (3)	Total
	(Note 15)	(Note 14)	(Note 18)	(Note 11)	(Note 25)	
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**

(1) Face value of convertible debentures.
(2) Face value of term bank loan. Payments could change according to balance of free cash flow of the year.
(3) Face value of royalty and bonus fee.

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 the assets of the Company. 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 its 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 or, if available, that it will be available on acceptable terms. If adequate funds are not 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.

19. Capital Management

The Company's capital consists of share capital, share issue costs, contributed surplus, options and warrants. The Company's capital management objectives are to safeguard its ability to continue as a going concern (see Note 2) and to have sufficient capital to be able to identify, evaluate and then acquire an interest in a business or assets. The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new shares.

20. Related Party Transactions and Balances

Key Management Compensation

Key management personnel of the Company, one acting in the capacity of President, Chief Executive Officer and Chief Information Officer and the other acting in a capacity of Chief Financial Officer, Chief Operating Officer and Corporate Secretary were compensated during the period December 1, 2017 to November 30, 2018 for $366,000 and $240,000, respectively ($366,000 and $240,000 in Fiscal year 2017). On March 3, 2018, the Company granted 1,750,000 stock options to the management to buy common stocks. The options have a 36-month term, vest 20% on issue and 20% every six months and are exercisable at $0.20 per share. The options have a fair value on issuance of $128,450, which will be recorded in stock-based compensation over the vesting period.

Notes Receivable

The notes receivable consists of loans to the former shareholders of Maplesoft. These individuals continue in their roles as executives of Maplesoft. These loans are secured by the SEB common shares and the contingent consideration for the acquisition of Maplesoft Group Inc. (Note 24). The note receivable is due on March 31, 2021 and classified as a non-current liability. During the year ended November 30, 2018, the Company recorded a provision of $2,105,549 (2017 - $nil).

	Nov 30, 2017	Cash advance	Cash repayment	Interest accrual	Write down	Nov 30, 2018
Notes receivable	**$ 3,786,762**	**$ 595,367**	**$ (15,946)**	**$ 30,637**	**$ (2,105,549)**	**$ 2,291,271**
Short-Term notes receivable	-					-
Long-Term notes receivable	3,786,762					2,291,271
	$ 3,786,762					**$ 2,291,271**

20. Related Party Transactions and Balances (continued)

Notes Payable

Included in notes payable is a $1,000,000 loan from Chairman of the Board. The note is due on demand and bears interest at 12% per annum (Note 15). For the year ended November 30, 2018, the Company recorded $119,671 in interest expense (2017 - $119,671).

Director Fees

Director fees for the Company were $224,250 for the year ended November 30, 2018 (2017-$198,080). As at November 30, 2018, the amount remaining unpaid was $695,705 (2017 - $471,455).

Director/Officer stock-based compensation expense was $201,700 for the year ended November 30, 2018 (2017 - $142,594).

21. Commitments

Premise Lease

In addition to the debt repayment discussed in Note 18, as at November 30, 2018, the Company had the following premise leases commitments:

	Premise leases	Assets held for sale Premise leases	Total
Fiscal 2019	$ 993,225	$ 348,979	$ 1,342,204
Fiscal 2020	1,443,515	337,932	1,781,447
Fiscal 2021	1,455,659	337,932	1,793,591
Fiscal 2022	1,368,086	337,932	1,706,018
Fiscal 2023 and beyond	7,826,492	591,381	8,417,873
Total	**$ 13,086,976**	**$ 1,954,156**	**$ 15,041,133**

Software Licencing Agreement

On July 1, 2011, the Company entered into a license agreement (“License”) with Bevertec, CST Inc. (“Bevertec”) a shareholder of the Company, to acquire from Bevertec the license of a software platform which provides the adjudication of health benefit claims (“Adjudication Software”). The License provides (a) a perpetual, irrevocable, transferable and exclusive right to use the Adjudication Software in Canada; and (b) a perpetual, irrevocable, transferable and non-exclusive right to use the Adjudication Software outside Canada.

The terms of the Licence included an initial payment of $500,000 and a royalty payment calculated as follows: up to $0.5 million based on 1% of the first $50 million of sales revenue; up to $2 million based on 2% of the next $100 million in sales revenue; and up to $5 million based on 3% of the next $167 million of sales revenue. As of November 30, 2018, no amounts have been paid. The initial license payment is recorded as software and being amortized over 10 years (Note 8).

21. Commitments (continued)

Legal Proceedings

In the ordinary course of operating, the Company may from time to time be subject to various claims or possible claims. Management believes that there are no claims or possible claims that if resolved would either individually or collectively result in a material adverse impact on the Company's financial position, results of operations, or cash flows. These matters are inherently uncertain, and management's view of these matters may change in the future.

22. Non-Cash Working Capital

Changes in non-cash working capital are as follows:

		2018		2017
Trade receivables	$	2,838,566	$	(5,772,916)
Inventories		36,660		11,983
Prepaids and deposits		(301,086)		(862,817)
Contract assets		(1,354,396)		-
Accounts payable and accrued liabilities		945,403		4,823,057
Contract liabilities		(105,222)		319,076
Government remittances and current taxes payable		(89,000)		(63,446)
Total	**$**	**1,970,925**	**$**	**(1,545,063)**

23. Segment Disclosures

The Company organizes its reporting structure into three reportable segments. The reportable segments have been adjusted for significant business acquisitions and different revenue streams. For management purposes, the Company is organized into divisions based on the products and services provided. Management monitors the operating results of each division separately for the purpose of making decisions about resource allocation and performance assessment.

The Company has three reportable segments as follows:

- The Benefits Division provides software solutions, services and products focused on managing group benefit and wellness plans for corporate and government clients.

- The Technology Division provides solutions in the areas of supply chain management, integration and energy, as well as resource provisioning. It also supports the Benefits Division's technical infrastructure.

- The Corporate Office does not represent an operating segment and is included for informational purposes only. Corporate office expenses consist of public company costs, office and administrative costs, as well as salaries, share-based compensation and other expenses pertaining to corporate activities.

As at November 30, 2018

	Benefits	Technology	Corporate	Eliminations	Held by continuing operation	Held for sale	Total
Current Assets	$ 5,034,383	$ 19,542,873	$ 260,954	$ (6,517,936)	$ 18,320,274	$ 10,622,667	$ 28,942,941
Total Assets	$ 6,821,019	$ 34,600,800	$ 584,807	$ (6,517,936)	$ 35,488,690	$ 10,662,667	$ 46,151,357
Current Liabilities	$ 10,744,759	$ 34,522,796	$ 8,333,372	$ (6,517,936)	$ 47,082,991	$ 5,921,434	$ 53,004,425
Total Liabilities	$ 10,744,759	$ 34,446,485	$ 11,072,455	$ (6,517,936)	$ 49,745,763	$ 5,921,434	$ 55,667,197

As at November 30, 2017

	Benefits	Technology	Corporate	Eliminations	Held by continuing operation	Held for sale	Total
Total Current Assets	$ 7,075,440	$ 27,950,763	$ 2,176,060	$ (9,853,673)	$ 27,348,590	$ -	$ 27,348,590
Total Assets	$ 10,057,307	$ 52,857,510	$ 6,065,324	$ (9,853,673)	$ 59,126,468	$ -	$ 59,126,468
Total Current Liabilities	$ 11,271,297	$ 33,847,368	$ 7,201,517	$ (9,853,673)	$ 42,466,509	$ -	$ 42,466,509
Total Liabilities	$ 12,642,807	$ 42,963,665	$ 9,885,209	$ (9,853,673)	$ 55,638,008	$ -	$ 55,638,008

Certain items previously reported have been reclassified to conform to the current year's reporting format.

23. Segment Disclosures (continued)

For the year ended November 30, 2018:

	Technology	Benefits	Corporate	Eliminations	Continuing operation	Discontinued operation	Total
Revenue	**65,792,367**	**13,302,311**		**(2,015,383)**	**$ 77,079,295**	**$ 22,453,489**	**$ 99,532,784**
Cost of revenues							
Compensation	53,845,339	134,195	-	(1,617,108)	52,362,426	17,705,460	70,067,886
Other costs of revenues	761,738	551,023	-	-	1,312,761	-	1,312,761
	54,607,077	685,218	-	(1,617,108)	53,675,187	17,705,460	71,380,647
Gross margin	**11,185,290**	**12,617,093**	**-**	**(398,275)**	**23,404,108**	**4,748,029**	**28,152,137**
Expenses							
Salaries and other compensation costs	5,788,923	10,482,144	1,411,778	(398,275)	17,284,571	1,564,640	18,849,211
Office and general	2,463,488	3,503,429	(226,385)	-	5,740,531	2,504,767	8,245,298
Professional fees	259,585	157,060	977,482	-	1,394,127	104,803	1,498,930
Amortization of intangible assets	494,673	289,413	2,044,490	-	2,828,576	1,039,665	3,868,241
Depreciation of equipment	184,264	82,486	4,118	-	270,868	27,388	298,256
Change in fair value of contingent consideration	(85,028)	-	(395,346)	-	(480,374)	(34,704)	(515,078)
Share-based compensation	-	-	570,768	-	570,768	-	570,768
	9,105,904	14,514,533	4,386,905	(398,275)	27,609,067	5,206,559	32,815,625
Income(loss) before the following:	**2,079,386**	**(1,897,440)**	**(4,386,905)**	**-**	**(4,204,959)**	**(458,530)**	**(4,663,488)**
Transition and decommission costs	-	161,750	-	-	161,750	-	161,750
Transaction costs	-	-	-	-	-	127,383	127,383
Interest and financing costs	1,164,546	156,673	274,813	-	1,596,032	885,376	2,481,408
Write-down of assets	2,722,549	1,737,047	2,212,294	-	6,671,890	-	6,671,890
Interest accretion	-	-	76,270	-	76,270	-	76,270
Net loss before income tax	**$ (1,807,710)**	**$ (3,952,909)**	**$ (6,950,282)**	**$ -**	**$ (12,710,901)**	**$ (1,471,289)**	**$ (14,182,189)**

Certain items previously reported have been reclassified to conform to the current year's reporting format.

23. Segment Disclosures (continued)

For the year ended November 30, 2017:

	Technology	Benefits	Corporate	Eliminations/ Adjustments	Continuing operation	Discontinued operation	Total
Revenue	**$ 76,086,996**	**$ 9,313,179**		**$ (1,902,355)**	**$ 83,497,820**	**$ 22,747,268**	**$ 106,245,088**
Cost of revenues							
Compensation	62,001,682	167,668	-	(2,293,377)	59,875,972	17,650,473	77,526,446
Other costs of revenues	334,651	584,914	-	848,348	1,767,913	-	1,767,913
	62,336,333	752,582	-	(1,445,029)	61,643,885	17,650,473	79,294,359
Gross margin	**13,750,664**	**8,560,598**	**-**	**(457,326)**	**21,853,935**	**5,096,794**	**26,950,729**
Expenses							
Salaries and other compensation costs	6,342,635	8,341,454	1,058,919	(457,525)	15,285,483	1,333,445	16,618,928
Office and general	2,102,402	2,336,495	415,279	214,839	5,069,015	1,843,560	6,912,574
Professional fees	664,226	186,285	177,349	-	1,027,860	274,588	1,302,448
Amortization of intangible assets	1,738	194,813	2,870,961	24,348	3,091,861	1,386,165	4,478,026
Depreciation of equipment	209,525	25,874	1,689	(3,442)	233,646	33,986	267,632
Change in fair value of contingent consi	16,804	-	(451,813)	34,103	(400,906)	(1,701,599)	(2,102,505)
Share-based compensation			320,321	-	320,321	-	320,321
	9,337,329	11,084,921	4,392,706	(187,676)	24,627,279	3,170,145	27,797,425
Income(loss) before the following:	**4,413,334**	**(2,524,323)**	**(4,392,706)**	**(269,650)**	**(2,773,344)**	**1,926,649**	**(846,695)**
Transition and decommission costs	-	1,990,354	-	-	1,990,354	-	1,990,354
Transaction costs	63,338	612,981	577,045	-	1,253,363	282,520	1,535,883
Interest and financing costs	2,034,501	100,340	1,201,655	592,339	3,928,835	204,317	4,133,152
Interest accretion	-	-	230,760	-	230,760	-	230,760
Net income (loss) before income tax	**$ 2,315,495**	**$ (5,227,998)**	**$ (6,402,165)**	**$ (861,989)**	**$ (10,176,657)**	**$ 1,439,812**	**$ (8,736,844)**

Certain items previously reported have been reclassified to conform to the current year's reporting format.

24. Contingent Consideration Payable

		Current	Long term	Nov 30, 2018	Nov 30, 2017
(1)	Adeeva acquisition	$ 148,909	$ 346,419	$ 495,328	$ 556,816
(2)	Inforica acquisition	-	-	-	85,028
(3)	Maplesoft acquisition	-	457,800	457,800	791,658
		$ 148,909	**$ 804,219**	**$ 953,128**	**$ 1,433,502**
	Current portion of contingent consideration payable			148,909	257,103
	Long-term portion of contingent consideration payable			804,219	1,317,207
				$ 953,128	**$ 1,574,310**
	Assets held for sale:				
(4)	Paradigm acquisition			-	140,808
(5)	Paradigm preferred shares			130,148	-
				$ 130,148	**$ 140,808**

1) As part of the consideration for the Adeeva acquisition the Company is obligated to pay to the former debtholders of Adeeva a royalty of 1% of Adeeva sales and 3% of Adeeva gross margins to a maximum aggregate payment of $1,000,000. As of November 30, 2018, $116,672 has been accrued (2017 - $120,184). No amounts have been paid as of November 30, 2018. Based on the expected discounted cash flows, the fair value of the remaining contingent liability is estimated to be $495,328 (2017 - $556,816).

2) On December 2, 2013, the Company acquired 50% of Inforica. Inforica had previously issued $350,000 of preferred shares. The preferred shareholders are entitled to a royalty of 3.68% of energy revenue to a maximum aggregate payment of $350,000. Inforica has paid $70,277 during the year ended November 30, 2018 (2017 - $81,501). Based on the expected discounted cash flows, the fair value of the remaining contingent liability is estimated to be $nil (2017 - $85,028).

3) As part of the consideration for the Maplesoft acquisition the Company agreed to pay to the former shareholders of Maplesoft at the end of five years an amount equal to 15% of the increase in the enterprise value of Maplesoft over that period. Based on the expected discounted cash flows, the fair value of the contingent liability is estimated to be $457,800 (2017 - $791,658).

4) As part of the consideration for the Paradigm acquisition the Company was obligated to pay up to $1,774,179 at the end of year three following closing, subject to meeting cumulative earnings before interest, income taxes, depreciation and amortization (“EBITDA”) of $8,870,898 and $591,393 to be paid at the end of year four following closing, subject to meeting a cumulative EBITDA of $11,827,864. At the end of year three, Paradigm had yet to reach its EBITDA target, hence the discounted value of the payment due within the next 12 months has been reduced to $nil (2017 - $140,808).

5) As part of February 28, 2018, private placement transaction, Paradigm agreed to pay to an investor a quarterly 8% cumulative dividend and a bonus, payable at the maturity date of May 31, 2023. The bonus is based on the increase in value of Paradigm over the term of the preferred shares. Based on the expected discounted cash flows, the fair value of the remaining contingent liability is estimated to be $130,148 (note 26).

24. Contingent Consideration Payable (continued)

An estimate of the ranges of outcomes for the contingent consideration payable is as follows:

	Minimum	Maximum
Adeeva acquisition	$ 143,915	$ 879,816
Inforica acquisition	-	85,028
Maplesoft acquisition	-	1,500,000
	$ 143,915	**$ 2,464,844**
Assets held for sale:		
Paradigm preferred shares	**$ -**	**$ 450,000**

25. Royalty Advance

On August 28, 2017, the Company entered into an unsecured Royalty Purchase Agreement. As consideration for the payment of a Royalty Advance in the amount of $1,600,000, the Company agreed to pay a royalty payment in the first-year equal to 0.3571% of consolidated revenues of the Company (the "Royalty Rate") during each calendar month, payable in arrears and pro-rated for any partial month. ($480,000 towards the royalty payment has been paid as of November 30, 2018).

In addition, the Company agreed to pay a minimum bonus fee of $400,000. The Royalty Advance was not repaid in full prior to the First Anniversary, an automatically increase of 20% is applicable to both the Royalty Rate and the bonus. Based on a discounted probability analysis, the Company has included $480,000 in its accrued liabilities for the bonus fee.

26. Assets Held for Sale

Description

On December 31, 2014, the Company acquired 100% of the shares of Paradigm Consulting Group Inc. and 100% of the partnership units of PCGI Consulting Services Partnership. The two entities, were subsequently amalgamated into one company, named Paradigm Consulting Group Inc. ("Paradigm").

On September 18, 2018, the Company signed a Letter of Intent with Golden Opportunities Fund Inc. ("Golden"), managed by Westcap Mgt. Ltd., to sell 100% of Paradigm. The acquirer will be Golden in conjunction with Paradigm's senior management and the purchase price will be shared between the two. The purchase price includes a cash amount, cancellation of the $3.0 million Paradigm preferred shares (owned by Golden), and a working capital adjustment. Closing was targeted for November 30, 2018, subject to final due diligence and regulatory and board approval. The cash proceeds from the sale will be used to partially repay debt of approximately $8.0 million and reduce revolving credit facilities.

Subsequently, the Letter of Intent was amended such that the net business assets of Paradigm ("Assets") are to be sold to a Limited Partnership of which the combination of Golden and Paradigm senior management will own 75% and the Company will own 25%. The intended close date is effective March 31, 2019 with a physical close date of April 15, 2019, which is expected to be deferred until late April 2019. The price for the Assets is $10,000,000 with an adjustment for any working capital greater than or less than $1,500,000 determined on closing.

At September 18, 2018, the operations of Paradigm were classified as assets held for sale (or "Discontinued Operations") by the Company, and the equipment and intangible assets ceased to be depreciated and amortized. The business of Paradigm was presented as part of the Technology segment. With Paradigm being classified as assets held for sale, Paradigm is now separated from the Technology segment in the segment note to the consolidated financial statements and separated into assets held for sale and liabilities directly associated with assets held for sale on the consolidated statement of financial position with no restatement of the prior period. The operations of Paradigm have been removed from continuing operations and presented as discontinued operations in the consolidated statement of net loss and comprehensive loss for the current and prior period.

The Company considered the subsidiary to meet the criteria to be classified as assets held for sale at fiscal year end of November 30, 2018 for the following reasons:

- Paradigm is available for immediate sale and can be sold to the buyer in its current condition
- The actions to complete the sale were initiated and expected to be completed within one year from the date of initial classification
- A potential buyer has been identified and negotiations as at the reporting date are at an advance stage

26. Assets Held for Sale (continued)

Presentation and Restatement of prior periods

The Company is re-presenting the disclosures for discontinued operations for prior periods presented in the consolidated financial statements so that the disclosures relate to all operations that have been discontinued by the end of the reporting period for the latest period presented. The operations of Paradigm have been removed from continuing operations and presented as discontinued operations in the consolidated statement of net loss and comprehensive loss for the current and prior period. The consolidated statement of cash flows include the discontinued operations. Cash flow information directly related to the discontinued operations is presented in this note. The prior period consolidated statement of financial position has not been restated.

Assets and liabilities of disposal group held for sale

At November 30, 2018, the disposal group was stated at the lower of carrying value and fair value less costs to sell. Goodwill is primarily related to growth expectations, assembled workforce and expected cost synergies. See results of impairment testing in Note 5.

All trade receivable are in the normal course of operations and recorded at fair value.

The major classes of assets and liabilities of Paradigm classified as held for sale, as follows:

	Notes	***Nov 30, 2018***
Cash		$ 635,726
Trade receivables		3,427,169
Prepaids and deposits		50,932
Equipment	**7**	78,960
Customer relationships	**9**	1,412,500
Trade names	**10**	320,000
Goodwill	**5**	4,697,380
Assets held for sale		**$ 10,622,667**
Accounts payable and accrued liabilities		$ 2,527,932
Contingent consideration payable	**24**	130,148
Income taxes payable, government remittances and deferred taxes		264,353
Preferred shares	**13**	2,999,001
Liabilities directly associated with assets held for sale		**$ 5,921,434**
Net Asset directly associated with assets held for sale		**$ 4,701,233**

26. Assets Held for Sale (continued)

Financial performance and cash flow information

	Notes	*Nov 30, 2018*	*Nov 30, 2017*
Revenue		**$ 22,453,489**	**$ 22,747,268**
Cost of revenues			
Compensation		17,705,460	17,650,473
Gross margin		**4,748,029**	**5,096,795**
Expenses			
Salaries and other compensation costs		2,249,621	1,594,384
Office and general		1,520,174	1,582,787
Professional fees		404,413	274,588
Amortization of intangible assets	**8,9,10**	1,039,665	1,386,000
Depreciation of equipment	**7**	27,388	33,986
Change in fair value of contingent consideration	**24**	(34,704)	(1,701,599)
		5,206,557	3,170,146
Loss before the following:		**(458,528)**	**1,926,649**
Transaction costs		127,383	282,520
Interest accretion		135,106	181,281
Interest and financing costs	**17**	750,270	23,036
Net (loss) income before income tax		(1,471,287)	1,439,812
Income tax expense		240,598	112,067
Net (loss) income and comprehensive (loss) income		**$ (1,711,885)**	**$ 1,327,745**
(Loss) Earnings per Share			
Net (loss) income per common share			
- basic and diluted		**$ (0.01)**	**$ 0.01**

26. Assets Held for Sale (continued)

The net cash flows incurred by Paradigm are, as follows:

	Notes		2018		2017
Net (loss) income and comprehensive (loss) income for the year		$	**(1,711,885)**	$	**1,327,745**
Items not affecting cash:					
Amortization of intangible assets	**8,9,10**		1,039,665		1,386,000
Depreciation of equipment	**7**		27,388		33,986
Interest accretion			135,106		-
Change in contingent liability	**24**		(34,704)		(1,701,599)
			(544,430)		**1,046,132**
Non-cash working capital			(1,373,700)		(606,043)
Cash flows used in operating activities			**(1,918,130)**		**440,089**
Cash flows used in investing activities					
Purchase of fixed assets	**7**		(10,854)		-
Cash flows used in investing activities			**(10,854)**		**-**
Cash flows from financing activities					
Proceeds from preferred shares financing	**13**		3,000,000		-
Intercompany financing			(1,272,117)		(1,520,242)
Cash flows from financing activities			**1,727,883**		**(1,520,242)**
Net decrease in cash			(201,101)		(1,080,153)
Cash, beginning of year			836,827		1,916,980
Cash, end of year		$	**635,726**	$	**836,827**

27. Subsequent Events

On January 7, 2019 the Company issued 4,150,000 common shares and 4,150,000 share purchase warrants for total consideration of $892,250. The warrants had a term of 24 months with an exercise price of $0.30 per share.

On March 5, 2019, SEB engaged Scotia Capital Inc. to evaluate and negotiate investment alternatives intended to strengthen the Company's balance sheet and position the Company to take advantage of imminent growth opportunities. These alternatives include debt or equity financing from potential strategic partners, some of which already have significant business relationships with the Company. The potential transaction(s) could involve a change of control.