Smart Employee Benefits Inc.

Management Discussion and Analysis
For the period ending May 31, 2013

July 24, 2013

Basis of Presentation

This Management Discussion and Analysis ("MD&A") of Smart Employee Benefits Inc. ("Company" or "SEB") dated May 31, 2013 should be read in conjunction with the unaudited interim consolidated financial statements and the accompanying notes for the period ended May 31, 2013 and the consolidated financial statements for the period ended November 30, 2012.

The Company's unaudited interim consolidated financial statements and accounting policies are in accordance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board. All dollar amounts are in Canadian dollars unless otherwise indicated.

Forward looking statements

Certain statements in this MD&A may constitute "forward-looking" statements, which involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of SEB, or the industry, to be materially different from any future results, performance or achievements expressed or implied by such forward looking statements. When used in this MD&A, such statements use words such as "may", "will", "expect", "believe", "plan" and other similar terminology. These statements are not guarantees of future performance and are subject to numerous risks and uncertainties, including those described elsewhere in this document. The risks and uncertainties include: the ability to achieve profitability and manage growth; reliance on and retention of competent staff; competition; performance obligations and client satisfaction; general state of the economy; possible acquisitions; possible future litigation; insurance limits; legislative and regulatory changes; revenue and cash flow volatility; operating risks; protection of intellectual property; appraisal mandates; restrictions on growth. Given these risks and uncertainties, investors should not place undue reliance on forward-looking statements as a prediction of actual results. These statements reflect management's current expectations regarding future events and operating performance and speak only as of the date of this MD&A. Although the forward-looking statements contained in this MD&A are based upon what management believes to be reasonable assumptions, SEB cannot assure investors that actual results will be consistent with these forward-looking statements. These forward-looking statements are made as of the date of this MD&A, and, except in accordance with applicable law, SEB assumes no obligations to update or revise them to reflect new events or circumstances. Additionally, SEB undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of SEB, its financial or operating results, or its securities.

Introduction

SEB is a technology company providing "business processes software, solutions and services" to corporate and government clients with specialty practices in the following areas:

(i) Healthcare

Emphasis is on managing group employee benefit solutions and health claims processing environments. This is a primary growth area for the company.

(ii) Supply Chain Solutions and Services

Emphasis is on providing fully hosted SaaS solutions in retail, manufacturing, financial services, government, energy and healthcare for supplying and managing supply chain infrastructure. The company is well established in this space and this presence provides a strong platform for healthcare initiatives. Health claims processing is a supply chain business process.

(iii) Systems Integration and Software Development

Internal teams drawn from more than 100 technical employees and contract consultants with support infrastructures in India and China provide specialty skill sets in project management, ERP solutions, recruiting, training, Microsoft solutions, data management, etc. A major strength of SEB is customized, fully integrated solutions targeted directly to the needs of SEB clients. Providing highly customized, integrated solutions is a strong competitive advantage in servicing health benefit solution clients.

(iv) Professional Services

Primary emphasis is on staff augmentation for supporting and managing human capital requirements. Employee group benefit solutions is a major component of the contract between the employer and the employee.

SEB operates a "Services" business model driven by unique software solutions and systems integration expertise. The four specialty practice areas are fully integrated with common infrastructure supporting all areas of focus.

Company Status

Over the past 24 months, SEB has implemented the following:

i) **Market Leading Technology** – through acquisition and development created mission critical, leading edge technology solutions which provide the company a serious competitive advantage in several key industry sectors, in particular employee group benefit solutions and health claims processing.

ii) **Experienced Management and Board** – put in place a very experienced Board of Directors and Management team with a proven track record of building and managing companies utilizing both organic and acquisition growth strategies. The team has over 250 years of experience with extensive industry and business relationships.

iii) **Business Model** – implemented a Services business model driven by unique, high value added technology solutions that provides a competitive advantage driving a recession resistant, annuity revenue business model.

iv) **Pipeline of Acquisitions Candidates** – created a strong pipeline of acquisition/investment candidates in a fragmented industry that is well positioned for consolidation.

v) **Public Company**- created a publicly listed vehicle with more than 72% of shares held by insiders. This is the platform to drive an acquisition based growth model.

vi) **New Capital** – sourced over $5.0 million of new capital and positioned the company well to execute its growth plan.

vii) **Acquisitions** – SEB has closed 2 acquisitions and announced a third that gives the company a solid base of sustainable profitable revenue in excess of $12 million and established offices in both Toronto and Ottawa.

Company Developments Subsequent to November 30, 2012

- On December 27, 2012 SEB closed a private placement consisting of $554,000 in principal amount of convertible notes (see discussion later in this MDA)
- On February 7, 2013 SEB announced that it had closed the acquisition of Logitek Technology Ltd (see discussion later in this MDA).
- On February 7, 2013 Latiq Qureshi, President and CEO of Logitek Technology Ltd., joined the Board of Directors (see discussion later in this MDA).
- On February 27, 2013 SEB closed an equity placement of $1,106,000 (see discussion later in this MDA).
- On March 5, 2013, SEB announced that it had closed the acquisition of 100% of the SOMOS Group of Companies (see discussion later in this MDA).
- On March 19, 2013 SEB announced that SEB's Board of Directors approved a Memorandum of Agreement to acquire a 50% interest in the Inforica Group (see discussion later in this MDA).
- On April 1, 2013 Christine Hrudka joined the Board of Directors (see discussion later in this MDA).
- April 23, 2013--the Board of Directors of SEB approved the issuance of 1,219,000 options to 57 key employees within SEB and its subsidiaries and the new Director, Christine Hrudka.
- May 8, 2013—SEB announced that The Board of Directors had appointed a new Chairman of the Board, Ron Barbaro, who previously was the Lead Director. This step transitioned the Chairman position from an Inside Director to an Independent Director.
- May 14, 2013—SEB announced that it had closed a convertible-notes financing of $1,025,000, acquired by independent directors of SEB, one of whom is the Chairman.

Company Business Model and Strategy

For the past 24 months SEB has been focused on developing its technology platform for managing group benefit solutions and health claims processing environments. SEB has automated the administration, payment processing and reporting environment around an already-proven adjudication environment. SEB has a development team in Canada and also uses offshore resources to continue to enhance the automation and integration. There are two primary target markets in Canada – employee group benefits which exceed $33.0 billion annually and government funded benefits (federal and provincial) which are in excess of $23.0 billion. SEB's technology platform is easily adaptable to managing the end-to-end business processes in both environments. These markets are in excess of $56.0 billion in Canada, with the employee group benefit portion growing over 80% in the past decade.

SEB has spent over $4.0 million since 2011 automating the administration, payment processing/billing and reporting modules of its platform and integrating these modules into an already proven leading edge adjudication platform. Current management of SEB has also changed the revenue model to a "SaaS" (Software as a Service) model where services can be provided in either a private or public cloud. Previously, the adjudication software was primarily being sold in the traditional software "license and maintenance" revenue model. The SaaS model changes the purchase decision to an "operating budget" decision from a "capital budget" decision and the revenue becomes a more stable, long-term annuity stream. Through acquisitions, SEB intends to acquire the client relationships and vendor status to support a complementary organic growth model with both employers and government business opportunities.

SEB's technology platform manages the total business processing services for group benefit solutions and health claims processing on one fully-integrated technology environment. The SEB technology platform is open architecture, rules based and modular, and allows clients to utilize either a fully integrated solution or modules. SEB's "rules-based adjudication" environment is very unique and when combined with a fully-integrated Administration - Payment Processing/Billing – Real-Time, Self-Serve Reporting modules will provide unique and highly competitive solutions to the marketplace, both in Canada and globally. SEB can administer, adjudicate and report for all benefit types in one fully integrated environment. Rules creation is an administrative, not a programming exercise. Highly customized and flexible processing solutions can be created easily and cost effectively. The largest current implementation of the SEB Adjudication Environment is Oman Insurance in Dubai.

The health benefits division of SEB operates as a licensed TPA and broker. The opportunity for SEB is to increase the capture of revenue by providing fully integrated services and solutions, currently being outsourced by most TPAs and Insurers to third parties, and turn cost centres to profit centres.

SEB's growth strategy is acquisitions driven. On the employee group benefit side, acquisitions target TPAs (Third Party Administrators), as well as broker and consultant organizations that provide solutions and services to employers. The objective is to secure the client relationships and transition many of the front and back-office business processes to the SEB technology environment over time; in effect, turning cost centres into profit centres. On the government side, SEB is targeting technology companies (primarily IT) that have established vendor relationships, security clearances and project references that are required to bid on government contracts. All government contracts are competitive RFP (Request for Proposal) processes, which require the requisite credentials to be eligible to bid. SEB's acquisition strategy with government is to establish the essential credentials required to bid competitively.

The growth plan for 2013 is acquisition-based, with the objective of reaching consolidated profitability by the end of the fiscal year and establishing a solid base of business and clients from which to launch organic growth initiatives. In the first two quarters, SEB has closed two acquisitions and announced a third. Historically, the consolidated annual revenues for these companies exceeded $12.0 million. These transactions bring both a solid profitable base of business and clients, and they expand technology operations and infrastructure in both Toronto and Ottawa. Both are major centres of growth targeted by SEB.

Logitek Technology Limited ("Qlogitek")
In a news release dated February 7, 2013 SEB announced that it had closed the acquisition of Logitek Technology Ltd ("Qlogitek").

SEB issued, in satisfaction of the purchase price, 6,698,173 SEB shares ("Shares") and 1,000,000 Share Purchase Warrants ("Warrants"). SEB and the seller of QLogitek, Logitek Data Sciences Ltd., agreed to a contractual escrow arrangement pursuant to which one million Shares would be released on the closing and the balance over a period of 30 months in various amounts at 6 month intervals. The Warrants have a term of 42 months and an escalating exercise price every 12 months of $0.45, $0.55 and $0.65 during the first three years of the term and at $0.75 for the last six months of the term. The Warrants contain performance vesting conditions during their term equating to cumulative revenue and EBITDA targets of $15.0 million and $3.0 million, respectively. As part of the transaction and in order to retire $651,858 of debt owing by QLogitek, SEB issued a five year convertible note in the amount of $651,858 with an annualized interest rate of 3% and an escalating conversion price of $0.45, $0.55, $0.65, $0.70 and $0.75 from years one through five.

Qlogitek is in the supply-chain software business. It supplies and hosts, on a software-as-a-service model, various software products which help to manage the supply chains of many large well-known entities in Canada such as the LCBO, Sears, Rogers, Best Buy, The Bargain Shop, etc.

SEB views this acquisition as an important first step as SEB views the provision of health care benefits as a type of supply chain with many characteristics similar to that of supply chains in other industries. Qlogitek brings proven technology to manage such supply chains, which will be applicable to the SEB health-care solution.

Supply-chain Technology
Supply Chain Processes permeate the infrastructure of every business operation in every organization of any significant size. SEB management views Health Claims Processing as a specialized supply chain environment. The SEB proprietary Adjudication software, surrounded with Administration – Claims Paying – Reporting modules creates a health claims processing supply chain, supported by the supply-chain technological expertise of Qlogitek.

SOMOS Group of Companies
On March 5, 2013, SEB announced that it had closed the acquisition of 100% of the SOMOS Group of Companies ("SOMOS").

SOMOS shareholders, as part of the Transaction price terms, received $325,000 in cash, 2,500,000 SEB shares ("Shares") at a valuation of $0.30 per share and 1,000,000 SEB Share Purchase

Warrants ("Warrants"). The Shares will be escrowed over a period of 30 months released in various amounts at 6 month intervals. The Warrants have a term of 60 months and an escalating exercise price per common share of SEB every 12 months of $0.45, $0.55, $0.65, $0.70, and $0.75. In addition, the purchase price was satisfied by SEB issuing to the SOMOS shareholders a five year convertible note in the aggregate principal amount of $400,000 (the "Convertible Note"). The Convertible Note bears interest at a rate of 3% per annum. Interest shall be paid quarterly and principal may be repaid annually in equal installments. The Convertible Note shall be convertible into common shares of SEB at an escalating conversion price of $0.45, $0.55, $0.65, $0.70 and $0.75 per common share of SEB from years' one through five, respectively. The parties have also agreed to adjust the purchase price upwards by a portion of outstanding SRED credits collected by SOMOS, post-closing, to a maximum increase in the purchase price of $287,000, as such credits are paid/remitted to SOMOS or for its benefit.

SOMOS is an Ottawa-based Management Consulting, services and training company in business since 1991. SOMOS offers management solutions, professional services, training and project management solutions to corporate clients in technology, aerospace and defense, and governments, both federal and provincial. SOMOS has extensive vendor arrangements with corporate and government clients. SOMOS has enjoyed significant, profitable growth in the past few years where sales are now exceeding $7.0 million annually with a substantial pipeline of annuity business and business prospects.

Based on its existing vendor relationships with the Government of Canada and other large organizations, SOMOS will offer opportunities for SEB to market its other services and products, particularly its health claims processing.

Planned Acquisition

On March 19, 2013 SEB announced that SEB's Board of Directors approved a Memorandum of Agreement to acquire a 50% interest in the Inforica Group. Inforica Group will operate as an affiliate of SEB's wholly owned subsidiary, QLogitek. Completion of the transaction is subject to final Closing documentation and applicable regulatory approval.

The Inforica Group is a Mississauga, Ontario based company that has been in operation for over a decade. Sales have historically fluctuated between $2.5 million and $5.0 million annually. The company has a history of profitability. During the past year, the Inforica Group has invested heavily in several business initiatives and has been looking for an investment partner that brings both capital and expertise to assist Inforica in taking advantage of these business opportunities. The Inforica Group and SEB Group have been working closely together for several months prior to finalizing the Investment by SEB. The key features of Inforica include:

1. India outsourcing office (approximately 45 employees) with significant ability to scale and provide various services including software development and support, business process outsourcing, call center & telemarketing services, conducting business both locally in India, the Middle East and North America. India resources are also brought to Canada to work on select projects where skill sets are difficult to source in Canada.

2. Dubai (free zone company) operations with extensive business relationships in the area. There are significant opportunities for providing technology to TPAs, Insurers, and hospitals. OMAN Insurance is the largest installation of SEB adjudication software (an early version of

the software). There are many potential applications of SEB's software platform in the UAE and surrounding Middle East Region. The governments in that region mandate health benefits for all employees. Inforica has strong relationships with senior executives who are primarily responsible for many Insurer and TPA clients in the area.

3. Software Vendor Partnerships that include valuable reseller, ISV, Systems Integrator partnerships that have been put in place and developed for the past decade. SEB Group companies can leverage these software vendor partnerships to gain access to expertise, early software release programs, partner support channels and software licenses at discounted prices for partners, to be able to deliver competitive solutions to their customers. Following is a list of the key partnerships:

   3.1. Microsoft: Inforica has a strong partnership with Microsoft that has grown over the past few years and covers the following Microsoft Gold & Silver Competencies – Business Intelligence, Customer Relationship Management, Application Development, Office 365 and Data Platform. Inforica also has an ISV Royalty agreement in place with Microsoft.

   3.2. Interactive Intelligence: a Global provider of contact center automation, unified communications, and business process automation software and services for mid-size to large organizations.

   3.3. TimeXtender: a Global provider of metadata driven and agile Data Warehousing and ETL software dedicated to the Microsoft SQL platform.

   3.4. PNMSoft: provides Business Process Management Software solutions to businesses and organizations worldwide.

4. Client Relationships are extensive. Inforica has many very strong client relationships.

5. Energy Management Software and Business Process Solutions that help companies measure, analyze, manage and save on their energy consumption and costs. This comes with key client relationships, and is a strong strategic fit with QLogitek's supply chain platform. The value of Inforica Energy is primarily a very profitable software and business process services arm with an excellent client list. Inforica's software-as-a-service Energy Information Management solution runs on the Microsoft Azure Cloud and integrates seamlessly with multiple Sub-metering and Building Systems using a gateway developed by Inforica. The business process services are transaction based and are delivered in a cost effective, smart-sourced, onshore-offshore model using resources in Canada and India. This flexible infrastructure can easily be adapted to handle healthcare transactions. Capability within this infrastructure creates very cost effective solutions for supporting SEB healthcare clients.

6. References for RFP submissions. References are critical to winning new business both with governments and in the corporate sector. Inforica Group have many key references which allows SEB, SOMOS and QLogitek to qualify for more bidding categories on federal and provincial government opportunities. SEB's healthcare solutions have significant application within both provincial and federal governments where references are required to bid on the

projects.

7. Expanding QLogitek capabilities. Inforica adds significant depth and expertise to QLogitek and provides QLogitek the ability to scale and take on new projects without adding to the fixed cost structure. This allows QLogitek to enhance services to its existing client base and to provide cost effective new services.

Other Potential Acquisitions
As part of its growth strategy as discussed above, SEB is in various levels of discussions/negotiations with:

- Third Party Administrators ("TPA's"), Insurance Brokerage operations and Consultants;
- technology providers with operations and/or products which are specific to Health Care processing such as wellness platforms, pharmacy benefit management (PBM), health data management services, niche groups such as international students; and
- technology providers with operations and/or products which are related and/or complementary to Health Care processing, such as energy management, re-insurance, etc.

Summary of Objectives and Strategies
SEB's immediate objective is to reach sustainable profitability through acquisitions, which will quickly establish a critical mass of business and client relationships from which to launch organic growth initiatives. Organic growth initiatives include both the transitioning of health-care clients to the SEB technology environment and the winning of new business through the RFP process. Acquisitions bring the infrastructure and references necessary for successful responses to RFPs.

Board of Directors – New Director

On April 1, 2013, Christine Hrudka joined the Board as an independent director. Ms. Hrudka has spent 30 year in the in the pharmaceutical industry and brings additional expertise and business relationships to the Board of SEB. Expenditures in Drugs in most employee benefit plans are between 45% and 50% of the cost of the plans. Industry reports drug costs for Canadians in 2011 exceeded $31.0 billion. Among other things, Ms. Hrudka's experiences assist the SEB Group in better adapting its technology environment to satisfy the needs of our clients, particularly in the area of drug benefits.

Christine has an extensive understanding of retail pharmacy which has come from her ownership of both chain and independent pharmacies. She has also been involved in many other entrepreneurial endeavors including software development and the roll out of new to market pharmaceutical products. As a front line user, Christine has an in-depth knowledge of most major benefit plans.

Operations

Quarterly Balance sheet

	May 31, 2013	February 28, 2013	November 30, 2012	September 30, 2012	June 30, 2012	March 31, 2012	December 31, 2011	September 30, 2011
Cash	$ 881,060	$ 131,435	$ 135,189	$ 234,016	$ 40,775	$ 90,361	$ 366,008	$ 362,557
Funds in trust	-	742,421	-	-	-	-	135,510	400,000
Accounts receivable	2,113,595	630,772	15,144	226,648	91,452	73,484	39,578	36,782
Prepaids and deposits	188,336	80,110	48,354	16,667	16,667	16,667	16,667	-
Total Current Assets	3,182,991	1,584,738	198,687	477,331	148,894	180,512	557,763	799,339
Advances to acquisition target	500,000	75,000	-	-	-	-	-	-
Equipment, net of depreciation	473,536	393,428	29,335	30,501	25,089	26,838	27,904	23,250
Acquired software	2,547,500	2,610,000	429,167	808,755	563,850	462,500	475,000	487,500
Customer relationships	1,671,952	665,462	-	-	-	-	-	-
Total Assets	**$ 8,375,979**	**$ 5,328,628**	**$ 657,189**	**$ 1,316,587**	**$ 737,833**	**$ 669,850**	**$ 1,060,667**	**$ 1,310,089**
Bank loan	$ 548,790	$ 282,110	$ -	$ -	$ -	$ -	$ -	$ -
Accounts payable and accruals	1,415,792	715,867	426,179	528,493	808,935	347,879	157,122	156,908
Obligation to related party	-	-	-	-	750,000	750,000	698,627	657,397
Deferred revenue	687,925	207,477	-	-	-	-	-	-
Current portion of Leases payable	41,522	44,153	-	-	-	-	-	-
Current portion of Equipment loans	64,583	81,500	-	-	-	-	-	-
Convertible debt	-	-	-	-	1,305,000	1,284,887	1,228,350	919,891
Short term loans	-	-	-	-	225,000	-	-	-
Due to shareholders	5,100	5,100	5,100	5,100	5,100	5,100	5,100	4,100
Total Current Liabilities	2,763,712	1,336,207	431,279	533,593	3,094,035	2,387,866	2,089,199	1,738,296
Leases payable	31,712	18,844	-	-	-	-	-	-
Equipment loans	43,375	56,583	-	-	-	-	-	-
Convertible debt	1,702,556	728,683	30,000	-	-	-	-	-
Total Long Term Liabilities	1,777,643	804,110	30,000	-	-	-	-	-
Share capital	7,046,557	6,111,557	3,657,558	4,046,567	36,500	36,500	36,500	36,500
Share issue costs	(306,012)	(306,012)	(306,012)	(321,012)	-	-	-	-
Contributed surplus	871,598	525,776	49,191	49,191	49,191	49,191	49,191	44,902
Warrants	2,678,781	2,366,906	1,462,029	1,073,020	-	-	-	-
Options	436,259	101,168	64,518	20,000	-	-	-	-
Deficit	(6,892,559)	(5,611,084)	(4,731,374)	(4,084,772)	(2,441,893)	(1,803,707)	(1,114,223)	(509,609)
Total Shareholders' Equity (Deficiency)	3,834,624	3,188,311	195,910	782,994	(2,356,202)	(1,718,016)	(1,028,532)	(428,207)
Total Liabilities and Shareholders' Equity (Deficiency)	**$ 8,375,979**	**$ 5,328,628**	**$ 657,189**	**$ 1,316,587**	**$ 737,833**	**$ 669,850**	**$ 1,060,667**	**$ 1,310,089**

Quarterly Income statement

	Mar 1, 2013 to May 31, 2013	*Dec 1, 2012 to Feb 28, 2013*	*Oct 1, 2012 to Nov 30, 2012*	*Jul 1, 2012 to Sep 30, 2012*	*Apr 1, 2012 to Jun 30, 2012*	*Jan 1, 2012 to Mar 31, 2012*	*Oct 1, 2011 to Dec 31, 2011*	*Dec 17, 2010 to Sep 30, 2011*
Revenue	**$ 3,299,472**	**$ 343,141**	**$ 66,556**	**$ 57,937**	**$ 57,520**	**$ 54,342**	**$ 57,944**	**$ 50,681**
Cost of revenues								
Compensation	2,243,992	169,887	-	-	-	-	-	-
Other	378,198	86,392	38,339	50,213	41,743	40,850	43,938	35,926
	2,622,190	256,279	38,339	50,213	41,743	40,850	43,938	35,926
Gross Margin	**677,282**	**86,862**	**28,217**	**7,724**	**15,777**	**13,492**	**14,006**	**14,755**
Operating Costs								
Salaries and other compensation costs	936,508	502,241	224,077	263,360	320,037	259,415	219,998	550,852
Professional fees	178,288	146,120	23,394	142,785	208,375	55,649	140,560	10,339
Office and general	262,771	137,245	98,539	93,946	60,211	79,972	74,680	18,327
Development costs	-	-	289,791	-	-	-	-	-
	1,377,567	**785,606**	**635,801**	**500,091**	**588,623**	**395,036**	**435,238**	**579,518**
Income before the undernoted	**(700,285)**	**(698,744)**	**(607,584)**	**(492,367)**	**(572,846)**	**(381,544)**	**(421,232)**	**(564,763)**
Share-based compensation	335,091	36,650	44,518	274,250	-	-	-	-
Interest	35,030	80,977	-	5,775	30,978	26,028	23,383	4,500
Amortization	150,999	39,455	8,333	12,500	12,500	12,500	12,500	12,500
Depreciation of equipment	16,200	8,249	1,166	1,749	1,749	1,749	1,750	1,750
Accretion of bonus shares re debt	-	-	-	-	-	159,752	32,772	7,656
Accretion of interest	43,870	15,634	-	-	20,113	107,911	112,977	40,973
Fair value adjustment on related party loan	-	-	-	-	-	-	-	(122,533)
Share adjustment on RTO	-	-	(15,000)	856,238	-	-	-	-
	581,190	**180,965**	**39,017**	**1,150,512**	**65,340**	**307,940**	**183,382**	**(55,154)**
Net loss and comprehensive loss	**$ (1,281,475)**	**$ (879,709)**	**$ (646,601)**	**$ (1,642,879)**	**$ (638,186)**	**$ (689,484)**	**$ (604,614)**	**$ (509,609)**

Quarterly cash flows

	Dec 1, 2012 to Feb 28, 2013	Dec 1, 2012 to Feb 28, 2013	Oct 1, 2012 to Nov 30, 2012	Jul 1, 2012 to Sep 30, 2012	Apr 1, 2012 to Jun 30, 2012	Jan 1, 2012 to Mar 31, 2012	Oct 1, 2011 to Dec 31, 2011	Dec 17, 2010 to Sep 30, 2011
Net loss for the period	**$ (1,281,475)**	**$ (879,709)**	**$ (646,602)**	**$ (1,642,879)**	**$ (638,186)**	**$ (689,484)**	**$ (604,614)**	**$ (509,609)**
Add items not involving cash:								
amortization	150,999	39,455	8,333	12,500	12,500	12,500	12,500	12,500
depreciation	16,200	8,249	1,164	1,749	1,749	1,749	1,750	1,750
accreted interest	43,870	15,634	-	-	20,113	107,911	112,977	40,973
accreted share bonus re debt	-	-	4,126	-	-	159,752	32,772	7,656
share-based compensation	335,091	36,650	44,518	274,250	-	-	-	-
fair value adjustment	-	-	-	-	-	-	-	(122,533)
share adjustment for RTO	-	-	(15,000)	856,238	-	-	-	-
non-cash working capital	362,730	35,056	(11,327)	(242,824)	443,088	(2,902)	(520)	262,470
Total adjustments	**908,890**	**135,044**	**31,814**	**901,913**	**477,450**	**279,010**	159,479	202,816
Cash used in operating activities	**(372,585)**	**(744,665)**	**(614,788)**	**(740,966)**	**(160,736)**	**(410,474)**	**(445,135)**	**(306,793)**
Cash flows from investing activities								
Purchase of software	-	(160,000)	371,255	(257,405)	(113,850)	-	-	-
Advance re acquisition target	(425,000)	(60,000)	48,205	-	-	-	-	-
Purchase of equipment	(80,819)	(2,786)	1	(7,161)	-	(683)	(6,404)	-
Cash flows from investing activities	**(505,819)**	**(222,786)**	**419,461**	**(264,566)**	**(113,850)**	**(683)**	**(6,404)**	-
Cash flows from financing activities								
Proceeds from equity issue	-	1,106,000	15,000	1,730,175	-	-	-	36,500
Cash acquired on RTO	-	-	-	443,598	-	-	-	-
Cash acquired on Logitek acquisition	-	90,628	-	-	-	-	-	-
Net cash on Somos acquisition	(119,504)	-	-	-	-	-	-	-
Exercise of warrants	60,000	-	-	-	-	-	-	-
Related party obligation	-	-	-	(750,000)	-	-	-	-
Short term loans	-	-	30,000	-	-	-	-	-
Advances from shareholders	-	-	-	-	-	-	1,000	4,100
Debt issuance costs	-	-	51,500	-	-	-	(65,500)	(21,250)
Capital leases	10,237	(2,732)	-	-	-	-	-	-
Equipment loans	(30,125)	(11,778)	-	-	-	-	-	-
Short term loans	-	-	-	(225,000)	225,000	-	-	-
Proceeds from issue of debt	965,000	524,000	-	-	-	-	255,000	650,000
Funds in trust	742,421	(742,421)	-	-	-	135,510	264,490	-
Cash provided by financing activities	**1,628,029**	**963,697**	**96,500**	**1,198,773**	**225,000**	**135,510**	**454,990**	**669,350**
Net change in cash for the period	749,625	(3,754)	(98,827)	193,241	(49,586)	(275,647)	3,451	362,557
Cash, beginning of period	131,435	135,189	234,016	40,775	90,361	366,008	362,557	-
Cash, end of period	**$ 881,060**	**$ 131,435**	**$ 135,189**	**$ 234,016**	**$ 40,775**	**$ 90,361**	**$ 366,008**	**$ 362,557**

Revenues
During the quarter ending May 31, 2013 the Company recognized the first full quarter of revenues from the acquisitions Logitek Technology Ltd. ($960,428) and Somos Consulting Group Ltd. ($2,144,590).

The Company continues to incur large one-time costs associated with acquisitions and financings including professional fees of $178,288. In addition, the Company recorded a large non-cash cost of $335,091 which was the calculated cost of 1,519,000 options issued to 57 employees, a new independent director and two consultants, to help align the interests of all employees and consultants with that of the shareholders.

Software Development
The Company continues to enhance its Health Care Systems software, including its claims adjudication software as well as administration modules.

The ongoing development work performed on the adjudication software is performed by SEB employees and is expensed as part of Salaries and other compensation costs. The work is expensed as opposed to being capitalized as the system is fully operational and is currently being used to process health benefit claims.

The administration modules which will support and wrap around the adjudication software is being developed by a combination of SEB employees and third party developers under the supervision of SEB management. Costs to date have been capitalized under Acquired software, to be amortized as the software is implemented.

Liquidity
The Company is targeting being cash-positive from operations upon the anticipated acquisition of businesses with positive cash flows and the subsequent improvement of those cash flows by migrating currently out-sourced transaction costs to the SEB transaction processing operations.

At this date, the Company is in its early development stage and is in the process of developing sustainable revenue for generation of cash flow. During this period, it relies on raising necessary cash to fund operations and software development through issues of equity capital or debt which is convertible to equity capital.

Summary of debt instruments in place May 31, 2013

	Balance May 31, 2013	Payments due by fiscal year 2013	2014	2015	2016	2017	2018
Convertible debt							
Notes issued December 2012	554,000	-	-	554,000	-	-	-
Note issued in acquisition of Logitek Technology Ltd.	651,858	-	-	-	-	-	651,858
Note issued in acquisition of Somos Consulting Group Ltd.	400,000	-	-	-	-	-	400,000
Financing May 13, 2013	1,025,000	-	-	-	1,025,000	-	-
Total	**2,630,858**	**-**	**-**	**554,000**	**1,025,000**	**-**	**1,051,858**
Equipment loans							
Loan #1	43,083	23,500	19,583	-	-	-	-
Loan #2	18,000	4,500	9,000	4,500	-	-	-
Loan #3	46,875	6,250	12,500	12,500	12,500	3,125	-
Total	**107,958**	**34,250**	**41,083**	**17,000**	**12,500**	**3,125**	**-**
Equipment leases							
Lease #1	4,402	3,773	629	-	-	-	-
Lease #2	17,508	8,754	8,754	-	-	-	-
Lease #3	5,605	2,402	3,203	-	-	-	-
Lease #4	22,100	4,911	9,822	7,367	-	-	-
Lease #5	23,619	3,113	11,622	8,884	-	-	-
Total	**73,234**	**22,953**	**34,030**	**16,251**	**-**	**-**	**-**
Premise lease		115,500	134,750	-	-	-	-
Total by year		**172,703**	**209,863**	**587,251**	**1,037,500**	**3,125**	**1,051,858**

Convertible Notes Financing December 27, 2012

On December 27, 2012 the Company closed a financing of $554,000 of convertible notes with a term of 2 years, paying 10% interest. The notes are convertible into common shares of the Company at $0.45 per share any time during the term of the notes. The Company paid finder’s fees of $22,450 in cash and 99,777 share purchase warrants, exercisable at $0.45 per share for a period of two years. At November 30, 2012, an amount of $30,000 had been advanced towards the convertible notes. The Notes can be prepaid by SEB without penalty or bonus at any time after the first anniversary of closing.

Convertible note issued on closing of acquisition of Logitek Technology Ltd.

On February 6, 2013, the Company closed the acquisition of Logitek Technology Ltd. As part of the transaction and in order to retire $651,858 of debt owing by Logitek, the Company issued a five year convertible note in the amount of $651,858 with an annualized interest rate of 3% and an escalating conversion price of $0.45, $0.55, $0.65, $0.70 and $0.75 from years one through five.

Convertible note issued on closing of acquisition of Somos Consulting Group Ltd.
On March 5, 3013 the Company closed the acquisition of Somos Consulting Group Ltd. (“SOMOS”). As part of the consideration, SEB issued to the SOMOS shareholders a five year convertible note in the aggregate principal amount of $400,000 (the “Convertible Note”). The Convertible Note bears interest at a rate of 3% per annum. Interest shall be paid quarterly and principal may be repaid annually in equal installments. The Convertible Note shall be convertible into common shares of SEB at an escalating conversion price of $0.45, $0.55, $0.65, $0.70 and $0.75 per common share of SEB from years’ one through five, respectively.

Convertible financing May 13, 2013
On May 14, 2013 the Company announced it completed a private placement offering of $1,025,000 of units (the "Units"); with each Unit consisting of (i) a $1.00 principal amount convertible secured subordinated promissory note of SEB (the "Notes") and (ii) one common share purchase warrant of SEB (the "Warrants").

The Warrants are exercisable at any time for a period of 12 months from the date of closing at an exercise price of $0.50 for 1 common share of SEB.

The Notes have a three year term maturing on May 13, 2016 (the "Maturity Date"). The Notes bear interest at an annual rate of 9.75%, with interest calculated and paid monthly in arrears. The principal amount of the Notes, to the extent not previously converted or repaid, will, on the Maturity Date, be repayable in its entirety. The Notes are convertible into the common shares of SEB at any time at $0.50 per share in year 1, $0.60 per share in year 2 and $0.75 per share in year 3.

Equipment leases
The Company finances equipment from time to time using equipment leases. The leases are amortized over the term of the lease.

Equipment loans
The Company finances equipment from time to time using equipment loans secured by the specific pieces of equipment financed by the loans. Termination dates range from April, 2013 to January, 2017.

Premise Lease
The Company has entered into a short-term sub-lease for office space terminating June, 2014. The monthly rental payments are $19,250. The Company has determined that short term leases are most suitable until the Company’s size has reached a threshold level.

Transactions with Related Parties

Bevertec CST Inc.
Bevertec CST Inc. (“Bevertec”) is a related party to the Company by virtue of holding approximately 16% of the common shares of the Company as of this date. An officer and director of Bevertec is also a Director of the Company. There are two types of transactions between Bevertec and the Company:

(1) The Company processes group benefit health claims for Bevertec

As discussed elsewhere, the Company is in development and has a few select clients for which it processes group benefit health claims. The largest client is Bevertec which accounted for $54,000 in revenue recorded by the Company in the quarter ended May 31, 2013.

(2) Software Licencing Agreement

Effective July 1, 2011, the Company entered into a licence agreement ("Licence") with Bevertec to acquire from Bevertec the licence of a software platform which provides the adjudication of health benefit claims ("Adjudication Software"). The Licence provides (a) a perpetual, irrevocable, transferable and exclusive right and license to use the Adjudication Software in Canada; and (b) a perpetual, irrevocable, transferable and non-exclusive right and world-wide license to use the Adjudication Software outside Canada.

The price to be paid under the terms of the Licence was a payment of $500,000 (paid August, 2012) and then a royalty stream of payments ("Royalty") payable 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% the next $100 million in sales revenue; and up to $5 million based on 3% of the next $167 million of sales revenue.

The timing and amount of royalty stream payments is not determinable due to ongoing enhancement of the software functionality and its sale is dependent on successful acquisitions, no amount has been accrued for fair value of royalty payments.

Disclosure Controls and Internal Control Risks

The President and Chief Executive Officer and the Chief Financial Officer are responsible for designing internal controls over financial reporting in order to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the Company's financial statements for external purposes in accordance with International Financial Reporting Standards.

The Design of the Company's internal control over financial reporting was assessed as of the date of the Management Discussion and Analysis. Based on this assessment, it was determined that the lack of segregation of duties among the Company's staff created the potential for a weakness in internal control over financial reporting. The lack of segregation is a result of the limited number of staff at this time, which is consistent with the business needs.

As business develops, staff will be added such that proper segregation of duties will be instituted. In the meantime, management exerts control over activities by signing all contracts and all cheques and carefully reviewing financial reports.

Risk factors

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

Going Concern

The Company has incurred significant operating losses during the period and has negative working capital at the balance sheet date. Based on these events and conditions there is material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern, and, therefore it may be unable to realize its assets and discharge its liabilities in the normal course of business.

To remain a going concern, the Company will require additional capital to enable it to further develop its acquired software and to obtain the revenue-generating business it believes it can achieve. It cannot be determined at this time whether these objectives will be realized.

Additional Information

Additional information relating to the Company is available on the Company's website at www.SEB-inc.com and on SEDAR at www.sedar.com.