Smart Employee Benefits Inc.

Unaudited Interim Consolidated Financial Statements
February 28, 2018

To the Shareholders of Smart Employee Benefits Inc.:

Management is responsible for the preparation and presentation of the accompanying unaudited interim consolidated financial statements ("FS"), 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 FS. 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 FS, 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 FS 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, has neither reviewed nor audited these FS.

April 30, 2018

"*John McKimm"* — Chief Executive Officer

"Robert Prentice" — Chief Financial Officer

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Smart Employee Benefits Inc.

Unaudited Interim Consolidated Statements of Financial Position

	Note	Feb 28, 2018	Nov 30, 2017
Cash		$ 3,168,164	$ 2,735,391
Accounts receivable	**16**	22,807,637	22,953,230
Inventory		209,764	235,834
Prepaids and deposits		1,468,591	1,424,135
Total Current Assets		**27,654,156**	**27,348,590**
Long-term deposits		184,196	184,196
Notes receivable	**18**	3,891,192	3,786,762
Equipment	**6**	940,489	1,016,062
Software	**7**	2,068,369	2,195,131
Intellectual property	**7**	22,000	27,500
Customer relationships	**8**	4,505,811	5,084,845
Trade names	**9**	3,331,500	3,702,158
Goodwill	**5**	15,781,224	15,781,224
Total Assets		**$ 58,378,937**	**$ 59,126,468**
Operating loans	**10**	$ 11,789,064	$ 11,800,559
Current portion of term bank loans	**10**	1,875,000	1,875,000
Accounts payable and accrued liabilities		18,569,525	19,980,695
Deferred revenue	**11**	691,370	754,310
Notes payable	**14**	2,025,432	2,076,517
Equipment leases	**19**	67,108	67,107
Government remittances and current taxes payable		1,109,221	1,382,195
Royalty advance	**23**	1,600,000	1,600,000
Current portion of contingent consideration	**22**	239,285	257,103
Current portion of convertible debt	**13**	2,713,885	2,673,023
Total Current Liabilities		**40,679,890**	**42,466,509**
Equipment leases	**19**	79,534	89,439
Contingent consideration	**22**	1,447,352	1,317,207
Convertible debt	**13**	-	16,959
Term bank loans	**10**	7,593,750	7,937,500
Notes payable	**14**	1,331,987	1,371,510
Deferred income taxes		2,088,884	2,088,884
Preferred shares	**12**	2,799,161	350,000
Total Long-term Liabilities		**15,340,668**	**13,171,499**
Share capital	**15**	33,007,364	33,007,364
Share issue costs	**15**	(1,660,894)	(1,660,894)
Contributed surplus	**15**	7,549,971	6,931,277
Warrants	**15**	3,005,453	3,066,483
Options	**15**	481,574	618,892
Accumulated deficit		(39,984,048)	(38,383,061)
		2,399,420	**3,580,061**
Non-controlling interests	**5**	(41,041)	(91,601)
Total Equity		**2,358,379**	**3,488,460**
Total Liabilities and Equity		**$ 58,378,937**	**$ 59,126,468**

Going concern (Note 2), **Commitments** (Note 19), **Subsequent events (**Note 24)

Approved on behalf of the Board:

"Stephen Peacock"
Director

"John McKimm"
Director

The accompanying notes are an integral part of these unaudited interim consolidated financial statements

Smart Employee Benefits Inc.

Unaudited Interim Consolidated Statements of Changes in Equity

For the three-month period ended February 28, 2018 and 2017

	Share Capital		Warrants		Options		Contributed Surplus	Share Issue Costs	Accumulated Deficit	Total Shareholders' 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 placement	16,762,115	2,491,974	16,762,115	860,449	-	-	-		(10,212)	3,342,211	-
Finder warrants re private placement	-	-	367,500	17,012	-	-	-	(17,012)	-	-	-
Expiration and cancellation of warrants	-	-	(2,971,500)	(147,232)	-	-	147,232	-	-	-	-
Equity-settled share-based compensation	-	-	-	-	-	54,872	-	-	-	54,872	-
Expiration of options	-	-	-	-	(300,000)	(122,730)	122,730	-	-	-	-
Net loss and comprehensive loss for the period	-	-	-	-	-	-	-	-	(2,202,918)	(2,202,918)	-
Net income for the period attributed to non-controlling interest	-	-	-	-	-	-	-	-	(7,511)	(7,511)	7,511
Balances February 28, 2017	**126,435,689**	**$27,429,568**	**46,289,040**	**$4,872,193**	**8,070,000**	**$1,206,484**	**3,494,544**	**$ (980,504)**	**$(31,831,847)**	**$ 4,190,438**	**$ (354,465)**

	Share Capital		Warrants		Options		Contributed Surplus	Share Issue Costs	Accumulated Deficit	Total Shareholders' Equity	Non-controlling Interests
	Number	$	Number	$	Number	$	$	$	$	$	$
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)**
Expiration and cancellation of warrants	-	-	(550,000)	(61,030)	-	-	61,030	-	-	-	-
Equity settled share-based compensation	-	-	-	-	-	99,652	-	-	-	99,652	-
Expiration of options	-	-	-	-	(900,000)	(236,970)	236,970	-	-	-	-
Preferred share equity discount							320,694			320,694	
Net loss and comprehensive loss for the period	-	-	-	-	-	-	-	-	(1,550,427)	(1,550,427)	-
Net income for the period attributed to non-controlling interest	-	-	-	-	-	-	-	-	(50,560)	(50,560)	50,560
Balances February 28, 2018	**160,953,149**	**$33,007,364**	**39,474,099**	**$3,005,453**	**7,490,000**	**$ 481,574**	**$7,549,971**	**$(1,660,894)**	**$(39,984,048)**	**$ 2,399,420**	**$ (41,041)**

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

Smart Employee Benefits Inc.

Unaudited Interim Consolidated Statements of Net Loss and Comprehensive Loss

For the three-month period ended February 28, 2018 and 2017

	Note	Dec 1, 2017 to Feb 28, 2018	Dec 1, 2016 to Feb 28, 2017
Revenue		**$ 25,510,434**	**$ 23,147,959**
Cost of revenues			
Compensation		18,203,705	18,960,358
Other costs of revenues		323,972	467,207
		18,527,677	19,427,565
Gross margin		**6,982,757**	**3,720,394**
Expenses			
Salaries and other compensation costs	**18**	4,452,163	2,064,527
Office and general		2,115,535	1,138,307
Professional fees		156,439	458,107
Amortization of intangible assets	**7,8,9**	1,081,955	1,084,075
Depreciation of equipment	**6**	67,240	48,970
Share-based compensation		49,826	54,872
		7,923,158	4,848,858
Loss before the following:		**(940,401)**	**(1,128,464)**
Transaction costs		-	160,105
Interest and financing costs		567,284	858,537
Interest accretion	**13**	40,978	55,178
Net loss before income tax		(1,548,663)	(2,202,284)
Income tax expense		1,764	634
Net loss and comprehensive loss		**$ (1,550,427)**	**$ (2,202,918)**
Attributed to non-controlling interests		$ 50,560	$ 7,511
Attributed to common shareholders		(1,600,987)	(2,210,429)
Net loss and comprehensive loss		**$ (1,550,427)**	**$ (2,202,918)**
Weighted average number of shares	**15**	**160,953,149**	**117,950,024**
Net loss per common share			
- basic and diluted		**$ (0.01)**	**$ (0.02)**

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

Smart Employee Benefits Inc.

Unaudited Interim Consolidated Statements of Cash Flows

For the three-month period ended February 28, 2018 and 2017

	Notes	Dec 1, 2017 to Feb 28, 2018	Dec 1, 2016 to Feb 28, 2017
Net loss and comprehensive loss for the period		**$ (1,550,427)**	**$ (2,202,918)**
Items not affecting cash:			
Amortization of intangible assets	**7,8,9**	1,081,955	1,084,075
Depreciation of equipment	**6**	67,240	48,970
Interest accretion	**13**	40,978	55,178
Share-based compensation		99,652	54,871
		(260,602)	**(959,824)**
Non-cash working capital	**20**	(1,704,966)	(2,681,003)
Cash flows used in operating activities		**(1,965,568)**	**(3,640,827)**
Cash flows from investing activities			
Purchase of equipment	**6**	(32,464)	-
Cash flows used in investing activities		**(32,464)**	**-**
Cash flows from financing activities			
Proceeds (Repayment) of operating loan	**10**	(11,495)	793,187
Repayment of term bank loans	**10**	(343,750)	(175,000)
Proceeds from equity financings, net	**15**	-	3,245,000
Proceeds from preferred shares financing	**12**	3,000,000	-
Repayment of equipment leases		(9,903)	(721)
Advance of notes receivable	**18**	(96,363)	-
Repayment of notes payable	**14**	(90,608)	(1,000,000)
Repayment of convertible debt	**13**	(17,075)	(821,677)
Cash flows from financing activities		**2,430,806**	**2,040,789**
Net increase (decrease) in cash		432,774	(1,600,038)
Cash, beginning of period		2,735,391	2,442,757
Cash, end of period		**$ 3,168,165**	**$ 842,719**

The accompanying notes are an integral part of these unaudited interim consolidated financial statements.

1. Nature of Operations

Smart Employee Benefits Inc. (the "Company" or "SEB") is a technology company providing professional resources and software-enabled services in the areas of healthcare transaction processing and software solutions to corporate and government clients.

These financial statements ("FS") are the unaudited interim 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%
Paradigm Consulting Group Inc. ("Paradigm")	100%
SOMOS Consulting Group Ltd. ("SOMOS") *(Note 1)*	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%

Note 1: APS - Antian Professional Services Inc. and SOMOS were amalgamated on December 1, 2017

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 2355 Skymark Avenue, Suite 300, Mississauga, Ontario, L4W 4Y6.

These FS were authorized for issuance by the Board of Directors on April 26, 2018.

2. Going Concern

These FS 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.

At February 28, 2018, the Company had a working capital deficiency of $13,025,734 (November 30, 2017 -$15,117,919), and an accumulated deficit of $39,984,048 (November 30, 2017 -$38,383,061). During the quarter, the Company incurred a net loss of $1,550,427 (net loss of $2,202,918 for Q1, 2017) and had negative cash flow from continuing operations of $1,965,568 ($3,640,827 for the three months ending February 28, 2017). 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 or debt financing. On February 28, 2018, the Company raised additional equity capital (note 12). However, there is no assurance that the Company will continue to be successful in raising capital in the future.

These FS 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 FS have been prepared in accordance with International Financial Reporting Standards ("IFRS") applicable to the preparation of interim financial statements as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC"), including IAS 34, Interim Financial Reporting. Accordingly, they do not include all the information required for full annual financial statements and should be read in conjunction with the financial statements for the year ended November 30, 2017. The accounting policies adopted are consistent with those of the previous financial year.

Basis of Measurement

These FS 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 FS are presented in Canadian dollars, which is the functional currency of the Company.

3. Significant Accounting Policies (continued)

Principles of Consolidation

The FS 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 preparation of these FS 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, royalty accrual, legal provisions and percent completion calculation.

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 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 the FS. As of February 28, 2018, the Company has assessed no impairment nor have any indicators of impairment been identified.

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 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 financial statements.

e) Both probability analysis and discount rates were used to determine the liability for the royalty accruals. Determination of these requires a high degree of judgment.

3. Significant Accounting Policies (continued)

f) 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.

g) The Company measures the stage of completion based on the costs incurred to date compared to the total estimated cost of the project. The total estimated costs require professional judgment and changes to these estimates may affect revenue, unbilled revenue and deferred revenue.

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.

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.

3. Significant Accounting Policies (continued)

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 IAS 39 Financial Instruments: Recognition and Measurement, or IAS 37 Provisions, Contingent Liabilities and Contingent Assets, as appropriate, with the corresponding gain or loss being recognized in profit or loss.

Non-controlling Interest

The Company recognizes any non-controlling interest on an acquisition-by-acquisition basis either at fair value or at the non-controlling interest's proportionate share of the recognized amounts of the acquiree's identifiable net assets.

Revenue Recognition

The Company is organized into two revenue-generating divisions: Benefits Division and Technology Division.

Technology Division
Through the Technology Division, the Company provides the following revenue-generating services:

Services charged on either a time and materials or fixed price basis. The Company recognizes revenue for the services as the services are performed and when collection is reasonably assured. Examples include:
- project management consulting and training, and information technology staffing
- event management
- software development

Services charged on a fee basis, either a % of completion or transactional. The Company recognizes revenue for the services on a periodic basis or on the % of completion of the transaction and when collection is reasonably assured. The % of completion takes into consideration the cost completed to date in relation to the total expected cost to complete the deliverable. Examples include:
- information technology hosting
- supply chain transactions
- energy information management
- software licensing

Fees paid in advance of the services being provided are recorded as deferred revenue and recognized into revenue over the period in which the service is performed.

Benefits Division
Through the Benefits Division, the Company provides the following revenue-generating products and services:

The Company recognizes revenue for the services on a % of completion basis or on completion of the transaction and when collection is reasonably assured. Examples include:
- processing of group health benefits
- provision of on-line wellness content and health management software

Revenue is recorded as products are shipped and when collection is reasonably assured.

3. Significant Accounting Policies (continued)

In general, revenue from all streams is recognized when the following criteria are met:

- the amount of revenue can be reliably measured;
- the stage of completion can be reliably measured; and
- the receipt of economic benefits is probable.

Convertible Debentures

The Company accounts for its convertible debentures as financial instruments in accordance with IAS 32 Financial Instruments – Presentation. IAS 32 requires financial instruments that consist of both elements of debt and equity, to be accounted for in accordance with the substance of the contractual arrangement on initial recognition. With respect to the Company's convertible debentures, the instrument is valued using an appropriate market rate of interest applicable to the debt assuming it had no conversion feature or attached warrants. The excess of the net proceeds received from the debentures over their respective fair values (residual value method) is recorded as the value of the conversion feature as equity. The carrying value of the liability component is accreted to the principal face amount accretion interest expense over the term of the liability using the effective interest rate method.

Equipment

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

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

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 Group 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.

3. Significant Accounting Policies (continued)

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.

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.

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.

3. Significant Accounting Policies (continued)

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 the FS 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.

Share purchase warrants are recorded to warrants on the consolidated statements of financial position when issued and valued using the Black-Scholes model.

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.

Diluted loss per share is computed by dividing the net loss applicable to common shares by the sum of the weighted average number of common shares issued and outstanding and all additional common shares that would have been outstanding if potentially dilutive instruments were converted. The diluted loss per share calculation excludes any potential conversion of options and warrants that would increase earnings per share or decrease loss per share.

Fair Value Measurement of Financial Instruments

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.

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.

3. Significant Accounting Policies (continued)

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 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.

The following is a summary of the accounting model the Company has elected to apply to each of its significant categories of financial instruments outstanding at February 28, 2018:

Fair value through profit and loss:
- Cash and cash equivalents
- Contingent consideration payable
- Royalty advance

Loans and receivables:
- Accounts receivable
- Notes receivable

Other financial liabilities:
- Operating loan
- Term bank loan
- Accounts payable and accrued liabilities
- Notes payable
- Equipment leases
- Convertible debt
- Preferred shares

Impairment of Assets

Financial assets
A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

3. Significant Accounting Policies (continued)

An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between the asset's carrying value and its fair value. Losses are recognized in profit or loss and reflected in an allowance account against receivables. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

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 estimates 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.

4. Recent Accounting Pronouncements

Standards issued or amended which will be adopted in future periods

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 is mandatorily effective for fiscal years beginning after January 1, 2018, with earlier application permitted.

IFRS 15 - Revenue from Contracts with Customers – In May 2014, the International Accounting Standard Board (IASB) issued a new International Financial Reporting Standard (IFRS) on the recognition of revenue from contracts with customers which was incorporated into Part I of the CPA Canada Handbook – Accounting by the Accounting Standards Board (AcSB) in February 2015. IFRS 15 specifies how and when entities recognize revenue, as well as other relevant disclosures details. IFRS 15 supersedes IAS 18 Revenue. The Section provides a single, principles based five-step model to be applied to all contracts with customers, with certain exceptions. The five steps are:

- Identify the contract(s) with the customer.
- Identify the performance obligation(s) in the contract.
- Determine the transaction price.
- Allocate the transaction price to each performance obligation in the contract.
- Recognize revenue when (or as) performance obligations are satisfied.

The standard is effective for annual periods beginning on or after January 1, 2018. Earlier application is permitted.

4. Recent Accounting Pronouncements (continued)

IFRS 16 - Leases sets out a new model for lease accounting, replacing IAS 17. IFRS 16 will be effective for accounting annual periods beginning on or after January 1, 2019. Early adoption will be permitted, provided the Company has adopted IFRS 15.

The Company is currently assessing the effects of these new standards and intends to adopt them on their effective dates.

5. Business Combinations and Associate Investments

(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.

The fair value of consideration transferred is as follows:	**Note**		
Cash paid on closing		$	55,000
Obligations to employees			145,000
Note payable (1)			297,900
Total		**$**	**497,900**
The fair value was allocated to assets acquired as follows:			
Acquired software	**7**		330,000
Goodwill	**5**		167,900
Total		**$**	**497,900**

(1) $297,900 is the discounted fair value of $300,000 in notes payable to AON arising from the Transaction, $200,000 being due on March 31, 2018, and $100,000 being due August 31, 2018. The total amount of $300,000 is included in Notes Payable (see Note 14).

Pursuant to the acquisition agreement, AON maintained portions of the operations of the Business within its environment during a transition period while SEB built the infrastructure necessary to operate the Business. Further to this, SEB 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 Fiscal 2017, SEB recorded $7,503,107 as revenue of the Business for the period April 1, 2017 to November 30, 2017. For the three months ending February 28, 2018, SEB recorded $2,919,047 as revenue of the Business.

5. Business Combinations and Associate Investments (continued)

(d) Goodwill

Continuity of goodwill from acquisitions by CGU as follows:

		Feb28, 2018		Nov 30, 2017
SOMOS/Antian/Maplesoft	$	8,326,595	$	8,326,595
Logitek/Inforica		1,488,820		1,488,820
Benefits		901,444		901,444
Paradigm		4,697,380		4,697,380
Stroma		366,985		366,985
	$	**15,781,224**	**$**	**15,781,224**

(e) Non-controlling Interests

Continuity of non-controlling interests as follows:

		Investment		Net income (loss)		Total
Balance, November 30, 2016	**$**	**(95,644)**	**$**	**(266,332)**	**$**	**(361,976)**
Net income attributed to non-controlling interests		-		270,375		270,375
Balance, November 30, 2017	**$**	**(95,644)**	**$**	**4,043**	**$**	**(91,601)**
Net income attributed to non-controlling interests		-		50,560		50,560
Balance, Febuary 28, 2018	**$**	**(95,644)**	**$**	**54,603**	**$**	**(41,041)**

6. Equipment

	Cost				Accumulated depreciation			Net Balance		
	Nov 30, 2017	Additions (Disposal)	(Adjust-ment)	Feb 28, 2018	Nov 30, 2017	Additions (Disposal)	Feb 28, 2018	Nov 30, 2017	Additions (Disposal)	Feb 28, 2018
Furniture and office equipment	$ 733,771	$ 9,864	$ -	$ 743,635	$ 382,489	$ 19,852	$ 402,341	$ 351,282	$ (9,988)	$ 341,294
Computer hardware	1,533,832	22,600	(40,798)	1,515,634	966,516	37,704	1,004,220	567,316	(15,105)	511,414
Leaseholds	159,335	-	-	159,335	61,871	9,683	71,554	97,464	(9,683)	87,781
Total	**$2,426,938**	**$ 32,464**	**$ (40,798)**	**$2,418,604**	**$1,410,876**	**$ 67,240**	**$1,478,115**	**$ 1,016,062**	**$ (34,776)**	**$ 940,489**

7. Software and Intellectual Property

(a) Software

	Cost			Accumulated Amortization				Net Balance	
	Nov 30, 2017	Additions /(Disposal)	Feb 28, 2018	Nov 30, 2017	Additions /(Disposal)	Expense	Feb 28, 2018	Feb 28, 2018	Nov 30, 2017
Smart Employee Solutions (1)	$ 500,000	$ -	$ 500,000	$ 333,333	$ -	$ 12,500	$ 345,833	$ 154,167	$ 166,667
SES Benefits (2)	644,350	-	644,350	188,504	-	16,109	204,613	439,737	455,846
Logitek (3)	875,277	-	875,277	404,013	-	23,705	427,718	447,559	471,264
Inforica (4)	240,000	-	240,000	196,000	-	12,000	208,000	32,000	44,000
Adeeva (5)	110,000	-	110,000	82,500	-	5,500	88,000	22,000	27,500
Meschino (6)	327,511	-	327,511	44,758	-	8,188	52,946	274,565	282,753
Paradigm	119,804	-	119,804	119,640	-	41	119,681	123	164
Maplesoft	31,493	-	31,493	30,047	-	163	30,210	1,283	1,446
SEB Adm (7)	842,922	-	842,922	97,431	-	48,556	145,987	696,935	745,491
Total	**$ 3,691,357**	**$ -**	**$ 3,691,357**	**$ 1,496,225**	**$ -**	**$ 126,762**	**$ 1,622,988**	**$ 2,068,369**	**$ 2,195,131**

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 further health benefit processing revenues. It is being amortized over 10 years on a straight-line basis.

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

4) Inforica has developed proprietary software, particularly in the field of energy management. It 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.

6) Meschino has developed a wellness information technology platform. It is being amortized over 10 years on a straight-line basis.

7) SEB Administrative Services Inc. ("SEB Admin") acquired group benefit administration software as part of the acquisition of 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.

7. Software and Intellectual Property (Continued)

(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	
	Nov 30, 2017	Additions	Feb 28, 2018	Nov 30, 2017	Expense	Feb 28, 2018	Feb 28, 2018	Nov 30, 2017
Adeeva	$ 110,000	$ -	$ 110,000	$ 82,500	$ 5,500	$ 88,000	$ 22,000	$ 27,500
Total	**$ 110,000**	**$ -**	**$ 110,000**	**$ 82,500**	**$ 5,500**	**$ 88,000**	**$ 22,000**	**$ 27,500**

8. 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.

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	Acquisition/ Disposal	Feb 28, 2018	Nov 30, 2017	Acquisition/ Disposal	Expense	Feb 28, 2018	Feb 28, 2018	Nov 30, 2017
Logitek	$ 482,355	$ -	$ 482,355	$ 474,315	$ -	$ 8,040	$ 482,355	$ -	$ 8,040
SOMOS	430,209	-	430,209	415,870	-	14,339	430,209	-	14,339
Inforica	500,000	-	500,000	408,333	-	25,000	433,333	66,667	91,667
Antian	63,097	-	63,097	46,798	-	3,155	49,953	13,144	16,299
Adeeva	170,000	-	170,000	127,500	-	8,500	136,000	34,000	42,500
Stroma	660,000	-	660,000	462,000	-	33,000	495,000	165,000	198,000
Paradigm	5,650,000	-	5,650,000	3,390,000	-	282,500	3,672,500	1,977,500	2,260,000
Maplesoft	4,090,000	-	4,090,000	1,636,000	-	204,500	1,840,500	2,249,500	2,454,000
Total	**$12,045,661**	**$ -**	**$ 12,045,661**	**$6,960,816**	**$ -**	**$ 579,034**	**$7,539,850**	**$4,505,811**	**$5,084,845**

9. 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 customer relationships 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	Acquisition/ Disposal	Feb 28, 2018	Nov 30, 2017	Expense	Feb 28, 2018	Feb 28, 2018	Nov 30, 2017
Logitek	$ 283,500	$ -	$ 283,500	$ 278,775	$ 4,725	$ 283,500	$ -	4,725
SOMOS	388,000	-	388,000	375,067	12,933	388,000	-	12,933
Inforica	270,000	-	270,000	220,500	13,500	234,000	36,000	49,500
Adeeva	300,000	-	300,000	225,000	15,000	240,000	60,000	75,000
Stroma	260,000	-	260,000	182,000	13,000	195,000	65,000	78,000
Paradigm	1,280,000	-	1,280,000	768,000	64,000	832,000	448,000	512,000
Maplesoft	4,950,000	-	4,950,000	1,980,000	247,500	2,227,500	2,722,500	2,970,000
Total	**$7,731,500**	**$ -**	**$7,731,500**	**$ 4,029,342**	**$ 370,658**	**$4,400,000**	**$3,331,500**	**$ 3,702,158**

10. Bank Indebtedness

Technology Division Bank Facilities
On April 20, 2017, the Technology Division of the Company obtained from a major Canadian bank, new credit facilities to consolidate the Paradigm and Maplesoft Facilities and to repay short term debt and convertible debt.

The facilities obtained were:
1) An operating demand facility of up to $12,000,000, the amount available determined by the accounts receivable of the borrowers. The interest rate is the bank’s prime rate plus 1.5% (February 28, 2018 – 4.95%), 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% (February 28, 2018 – 5.45%), 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 a first charge over all the assets of the Company and the material subsidiaries of the Company, contain positive, negative and financial covenants, and include other usual and customary terms and conditions. The Company and the material subsidiaries of the Company have provided guarantees in support of these new credit facilities. At February 28, 2018, the Company is in compliance with all covenants, terms and conditions.

10. Bank Indebtedness (continued)

Transaction costs of $182,135 associated with this debt and debt extinguishment costs flowed through the profit and loss in fiscal 2017.

Operating Loans	Feb 28, 2018	Nov 30, 2017
Paradigm bank facilities	$ 11,789,064	$ 11,800,559
Total	**$ 11,789,064**	**$ 11,800,559**

			Feb 28, 2018	Nov 30, 2017
Term Loans	**'A'**	**'B'**	**Total**	**Total**
Current portion	$ 1,875,000	$ -	$ 1,875,000	$ 1,875,000
Non-current portion	2,593,750	5,000,000	7,593,750	7,937,500
Total	**$ 4,468,750**	**$ 5,000,000**	**$ 9,468,750**	**$ 9,812,500**

11. Deferred Revenue

Deferred Revenue is a combination of annual licence fee payments for software and advance payments from clients for training courses. Amounts are recognized as revenue in accordance with the Company's revenue recognition policy.

12. Preferred Shares

	Feb 28, 2018	Nov 30, 2017
(1) Inforica preferred shares	$ 350,000	$ 350,000
(2) Paradigm preferred shares	2,449,161	-
	$ 2,799,161	**$ 350,000**

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

2) On February 28, 2018 the Company closed a private placement with a major Canadian Investment Fund ("Investor"), pursuant to which the Company received $3,000,000 in gross proceeds. The Company's wholly-owned indirect subsidiary, Paradigm Consulting Group Inc. ("Paradigm"), issued 3,000,000 preferred shares ("Preferred Shares") with at a price of $1.00 each.

   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

12. Preferred Shares (continued)

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 current 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.

In certain circumstances, the Preferred Shares may be redeemed 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 by the Company within 90 days after Maturity, the Preferred Shares (including accrued but unpaid dividends and Bonus Return) will convert into a demand secured debenture of the Company ("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 by the Company 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 except with an interest rate of 18% per annum.

The Investor will be entitled to have one individual appointed to the board of directors of Paradigm. Proceeds of the Private Placement were used to reduce debt and for working capital purposes.

13. Convertible Debt

		Liability						Accreted Interest			Balance	
		Face Value of Notes			Equity Component of							
Maturity Date	Conversion Price	Nov 30, 2017	Repayments	Feb 28, 2018	Nov 30, 2017	Feb 28, 2018	Liability at Fair Value	Nov 30, 2017	Accretion	Feb 28, 2018	Feb 28, 2018	Nov 30, 2017
(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	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	190,000
(3) Jun 6, 2017	$ 0.70	83,334	-	83,334	(25,514)	(25,514)	57,820	25,514	-	25,514	83,334	83,334
(4) Dec 30, 2017	$ 0.50	737,962	-	737,962	(254,994)	(254,994)	482,968	250,105	4,891	254,996	737,964	733,073
(5) Feb 6, 2018	$ 0.75	651,858	-	651,858	(303,437)	(303,437)	348,421	267,350	36,087	303,437	651,858	615,771
(6) Mar 18, 2019	$ 0.75	84,835	(17,075)	67,760	(32,692)	(32,692)	35,068	15,661	-	15,661	50,729	67,804
Totals		**$ 2,747,989**	**$ (17,075)**	**$ 2,730,914**	**$ (981,719)**	**$ (981,719)**	**$ 1,749,195**	**$ 923,712**	**$ 40,978**	**$ 964,690**	**$ 2,713,885**	**$ 2,689,982**
Current portion of convertible debt											$ 2,713,885	$ 2,673,023
Long term portion of convertible debt											-	16,959
											$ 2,713,885	**$ 2,689,982**

13. Convertible Debt (continued)

1) On May 14, 2013, the Company completed a private placement offering of $1,025,000 of units (the "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 2016, $25,000 of the notes were repaid. Effective January 1, 2017, notes are due on demand.

2) On September 6, 2013, the Company completed a private placement offering of $250,000 units (the "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 2016, $60,000 of the notes were repaid. 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. Effective January 1, 2017, notes are due on demand. During March 2018, the remaining balance was repaid.

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.

13. Convertible Debt (continued)

5) 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 $651,858 in promissory notes with a term of five years. The notes pay 3.0% interest. At February 28, 2018, the notes are payable on demand. Subsequent to the quarter, the note payable was extended, see Note 24.

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 $239,647 in principal have been made in accordance the schedule until the end of fiscal 2017. An additional $17,075 has been repaid in Q1 2018.

14. Notes Payable

		Feb 28, 2018	Nov 30, 2017
(1)	Advance from Chairman of the Board	$ 1,000,000	$ 1,000,000
(2)	Advances from Executives	66,170	49,261
(3)	Loan assumed on Maplesoft acquisition, maturing December 24, 2019 interest rate of 11% per annum	1,331,987	1,371,510
(4)	Notes payable to AON Hewitt Inc	300,000	300,000
	Loan from Investors	23,542	36,572
	Accrued interest	635,720	690,684
	Notes payable	**$ 3,357,419**	**$ 3,448,027**
	Short-term notes payable	2,025,432	2,076,517
	Long-term notes payable	1,331,987	1,371,510
		$ 3,357,419	**$ 3,448,027**

1) The advance from the Chairman of the Board is due on demand and bears interest at 12% per annum. As at February 28, 2018, the Company has accrued interest of $635,720

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

3) As at February 28, 2018, the Company paid $33,490 interest and $39,523 principal in first quarter.

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 is due 12 months from the closing and $100,000 is due 18 months from closing.

15. Share Capital

(a) Authorized
Unlimited number of common shares

(b) Common shares issued and outstanding

	Number of shares	Amount $
Balance November 30, 2017	**160,953,149**	**$ 33,007,364**
Balance February 28, 2018	**160,953,149**	**$ 33,007,364**

15. Share Capital (continued)

(c) Share purchase warrants

Note	Exercise Price	Expiry	Number of Warrants Outstanding: Nov 30, 2017 Outstanding	Expired	Feb 28, 2018 Outstanding	Feb 28, 2018 Exercisable
	$ 0.50	Jan 25 2018	500,000	(500,000)	-	-
	$ 0.50	Feb 11 2018	50,000	(50,000)	-	-
1	$ 0.75	Mar 1 2018	675,000	-	675,000	675,000
2	$ 0.30	May 2 2018	8,264,435	-	8,264,435	8,264,435
2	$ 0.30	May 2 2018	227,500	-	227,500	227,500
3	$ 0.70	Jun 6 2018	100,000	-	100,000	100,000
2	$ 0.30	Jun 23 2018	7,757,800	-	7,757,800	7,757,800
2	$ 0.30	Jun 23 2018	350,000	-	350,000	350,000
2	$ 0.30	Aug 3 2018	9,004,315	-	9,004,315	9,004,315
4	$ 0.30	Sep 23 2018	1,125,000	-	1,125,000	1,125,000
4	$ 0.30	Sep 30 2018	2,500,000	-	2,500,000	2,500,000
4	$ 0.30	Oct 28 2018	900,000	-	900,000	900,000
4	$ 0.30	Oct 28 2018	21,000	-	21,000	21,000
5	$ 0.50	Nov 4 2018	445,000	-	445,000	445,000
4	$ 0.30	Nov 30 2018	250,000	-	250,000	250,000
6	$ 0.20	Dec 1 2018	140,000	-	140,000	140,000
6	$ 0.20	Dec 6 2018	70,000	-	70,000	70,000
6	$ 0.20	Dec 27 2018	21,000	-	21,000	21,000
6	$ 0.20	Jan 31 2019	91,000	-	91,000	91,000
7	$ 0.50	Feb 27 2019	1,000,000	-	1,000,000	1,000,000
8	$ 0.20	Apr 3 2019	350,000	-	350,000	350,000
8	$ 0.20	Apr 6 2019	61,250	-	61,250	61,250
9	$ 0.30	Apr 20 2019	342,700	-	342,700	342,700
10	$ 0.30	May 30 2019	4,778,109	-	4,778,109	4,778,109
11	$ 0.50	Dec 1 2020	1,000,000	-	1,000,000	500,000
			40,024,109	**(550,000)**	**39,474,109**	**38,974,109**
Weighted avg exercise price			**$ 0.32**	**$ 0.50**	**$ 0.32**	**$ 0.32**

15. Share Capital (continued)

1) On March 1, 2013, as part of the financing to acquire SOMOS Consulting Group Ltd., SEB issued 1,000,000 share purchase warrants. The warrants have a term of 60 months and an escalating exercise price every 12 month of $0.45, $0.55, $0.65, $0.70 and $0.75 during the term. During Fiscal 2014, 325,000 unit of warrants were excised at $0.45.

2) On November 2, 2016, December 23, 2016 and February 3, 2017, the Company closed Equity Unit financings totaling 25,026,540 units valued at $5,005,308. The Equity Units were issued at $0.20 per unit and consisted of one common share and one common share purchase warrant exercisable for a period of 18 months at $0.30 per share As part of the financing, SEB also issued 595,000 units finders' warrants valued at $29,138 exercisable at $0.30 per share for a period of 18 months; of these 17,500 units valued at $982 were cancelled later in the year.

3) On June 6, 2014, as part of the transaction to acquire Stroma Service Consulting Inc., SEB issued 1,000,000 share purchase warrants to Stroma's employees. The warrants have a term of 48 months and an escalating exercise price every 12 month of $0.50, $0.55, $0.60 and $0.70 during the term. During Fiscal 2015, 900,000 unit of warrants are excised at $0.50.

4) On March 23, 2017, March 30, 2017, April 28, 2017 and May 31, 2017, the Company closed Equity Unit financings totaling 4,775,000 units valued at $955,000. The Equity Units were issued at $0.20 per unit and consisted of one common share and one common share purchase warrant exercisable for a period of 18 months at $0.30 per share. As part of the financing, SEB also issued 21,000 finders' warrants valued at $1,409 exercisable at $0.30 per share for a period of 18 months.

5) On November 4, 2014, as part of the transaction to acquire 50% of Banyan Work Health Solutions Inc. and BITS Licensing Inc., SEB issued 1,000,000 share purchase warrants to Banyan's employees. The warrants have a term of 48 months, vest one third at the end of each year and are exercisable at $0.50. During year ended November 30, 2016, the Banyan transaction was unwound and 555,000 of the share purchase warrants were cancelled. The remaining 445,000 units of the warrants remain with Banyan's employees.

6) 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 units valued at $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.

7) 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.

8) On October 3, 2017, October 6, 2017, and October 11, 2017 the Company closed Common Share financings for a total of 1,2500,000 units valued at $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.

15. Share Capital (continued)

9) 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.

10) On November 30, 2017, the Company closed an equity unit financing at $0.21 per share, 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 are exercisable at $0.30 per share for 18 months from date of issue.

11) 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 48 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	1.5 years	1.5 years	1.5 years	1.5 years
Risk-free interest rate	1.02%	1.02%	1.02%	1.02%
Forfeiture rate	NIL	NIL	NIL	NIL
Volatility factor of expected price of the Company's shares	92.78%	102.31%	92.78%	102.31%

15. 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 February 28, 2018 is 16,095,315. At February 28, 2018, the Company had 7,490,000 options issued and outstanding.

Note	Exercise Price	Expiry	Nov 30, 2017 Outstanding	Expired	Feb 28, 2018 Outstanding	Exercisable
	$ 0.60	Jan 20, 2018	900,000	(900,000)	-	-
1	$ 0.50	Mar 24, 2018	300,000	-	300,000	300,000
2	$ 0.30	May 31, 2018	650,000	-	650,000	650,000
3	$ 0.30	Jul 28, 2018	100,000	-	100,000	100,000
4	$ 0.30	Jul 28, 2018	300,000	-	300,000	300,000
5	$ 0.40	Jan 18, 2019	200,000	-	200,000	200,000
6	$ 0.30	Mar 24, 2019	400,000	-	400,000	320,000
7	$ 0.30	Mar 24, 2019	290,000	-	290,000	232,000
8	$ 0.30	Apr 26, 2019	100,000	-	100,000	80,000
9	$ 0.20	May 3, 2019	100,000	-	100,000	50,000
10	$ 0.30	May 3, 2019	300,000	-	300,000	150,000
11	$ 0.30	May 3, 2019	100,000	-	100,000	50,000
12	$ 0.30	May 31, 2019	100,000	-	100,000	75,000
13	$ 0.25	Aug 3, 2019	500,000	-	500,000	125,000
14	$ 0.30	May 3, 2020	500,000	-	500,000	250,000
15	$ 0.30	Aug 3, 2020	600,000	-	600,000	150,000
16	$ 0.30	Aug 3, 2020	500,000	-	500,000	-
17	$ 0.20	Aug 3, 2020	700,000	-	700,000	175,000
18	$ 0.24	Nov 2, 2020	500,000	-	500,000	125,000
19	$ 0.24	Nov 2, 2020	500,000	-	500,000	-
20	$ 0.30	Jul 28, 2021	750,000	-	750,000	375,000
			8,390,000	**(900,000)**	**7,490,000**	**3,707,000**
Weighted avg exercise price			**$ 0.42**	**$ (0.60)**	**$ 0.28**	**$ 0.31**

1) On March 24, 2016, the Company granted 350,000 options to Advisory Board members. The options have a 24-month term, vest 50% every six months and are exercisable at $0.50 per share. During fiscal 2017 50,000 options were cancelled.

2) On May 31, 2016, the Company granted 850,000 options to consultants. The options have a 24-month term, vest 350,000 immediately, 250,000 in six months, 200,000 in 12 months, and 50,000 in 18 months, and are exercisable at $0.30 per share. During fiscal 2017 200,000 options were cancelled.

15. Share Capital (continued)

3) On July 28, 2016, the Company granted 500,000 options to a consultant. The options have a 24-month term, vest 100,000 immediately and 400,000 conditionally and are exercisable at $0.30 per share. During fiscal 2017 the 400,000 conditional options were cancelled.

4) On July 28, 2016, the Company granted 300,000 options to a consultant. The options have a 24-month term, vest immediately and are exercisable at $0.30 per share.

5) 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.

6) 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.

7) 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.

8) 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.

9) 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.

10) 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.

11) 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.

12) 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.

13) 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.

14) On May 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.

15) 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.

16) 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.

15. Share Capital (continued)

17) On August 3, 2017, the Company granted 500,000 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. On August 3, 2017 200,000 options were issued to new directors under the same terms.

18) 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.

19) 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.

20) 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:

	Q1, 2018		**Fiscal 2017**	
	From	**To**	**From**	**To**
Expected warrant life	1.5 years	1.5 years	1.5 years	1.5 years
Risk-free interest rate	1.02%	1.02%	1.02%	1.02%
Forfeiture rate	NIL	NIL	NIL	NIL
Volatility factor of expected price of the Company's shares	92.78%	102.31%	92.78%	102.31%
Fair value of options granted		NIL		NIL
Fair value of options expensed as Share-based compensation		$49,826		$54,872

(e) Loss per Share

The weighted average number of common shares outstanding for the quarter ending February 28, 2018 was 160,953,149 (117,950,024 for the quarter ending February 28, 2017). The dilutive effect of options and warrants outstanding was not included as it would serve to reduce the loss per share reported.

16. Financial Instruments

Fair Values

The carrying value of cash and cash equivalents, accounts receivable, short-term notes receivable, operating loans, accounts payable and accrued liabilities, equipment leases, royalty advance and notes payable are considered representative of their respective fair values due to the short-term period to maturity. The carrying value of long-term debt approximates its fair value as the interest rates are consistent with current rates offered to the Company for debt with similar terms. The carrying value of other 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.

Credit Risk

Credit risk is the risk of loss associated with the counterparty's inability to fulfill its payment obligations. For financial assets, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. In the normal course of business, the Company is exposed to credit risk from its customers and the related accounts receivable are subject to normal industry credit risk. To mitigate this risk the Company reviews the creditworthiness of material new customers, monitors customer payment performance and, where appropriate, reviews the financial condition of existing customers.

The Company establishes an allowance for doubtful accounts that corresponds to the specific credit risk of its customers and economic circumstances. As at February 28, 2018, the allowance for doubtful accounts was $470,891 (2017- $470,291). The accounts that were outstanding greater than 90 days amounted to $1,612,350 (2017- $1,174,989).

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 $162,578 (2017 - $166,131).

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.

16. Financial Instruments (continued)

The following table details the Company's contractual maturities for its financial liabilities as at February 28, 2018:

	Notes payable (Note 14)	Convertible debt (1) (Note 13)	Equipment leases (Note 19)	Term Bank loans (2) (Note 10)	Royalty Advance (3) (Note 23)	Total
Fiscal 2018	$ 2,025,432	$ 2,713,839	$ 57,203	$ 1,531,250	$ 1,650,000	$ 7,977,724
Fiscal 2019	-	17,075	67,107	1,375,000	200,000	1,659,182
Fiscal 2020	1,331,987	-	22,332	1,375,000	150,000	2,879,319
Fiscal 2021	-	-	-	187,500	-	187,500
Fiscal 2022	-	-	-	5,000,000	-	5,000,000
	$ 3,357,419	**$ 2,730,914**	**$ 146,642**	**$ 9,468,750**	**$ 2,000,000**	**$ 17,703,725**

(1) Face value of convertible debentures.
(2) Face value of term bank loan. Payments could change according to balance of free cash flow 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.

17. 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.

18. Related Party Transactions and Balances

Key Management Compensation

Two shareholders 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 February 28, 2018 for $91,500 and $60,000 ($91,500 and $56,250 during the period of December 1, 2016 to February 28, 2017).

Notes Receivable

The notes receivable consists of loans to the former shareholders of Maplesoft made prior to the acquisition. These individuals continue in their roles as executives of Maplesoft. These loans are secured by the SEB shares and the performance incentive payments which formed part of the consideration for the acquisition of Maplesoft Group Inc.

Notes Payable

Included in notes payable is a $66,170 loan from an Executive. The note is due on demand and bears interest at 10% per annum (Note 14).

Director Fees

First quarter Director fees for the Company were accrued in the amount of $32,250 ($30,000 for the three months ending February 28, 2017). As at February 28, 2018, the amount remaining unpaid was $503,705 (November 2017- $471,455).

Director/Officer stock-based compensation expense for Q1, 2018 was $27,182 for the period ended February 28, 2018 ($29,388 for the three months ending February 28, 2017).

19. Commitments

In addition to the debt repayment discussed in Note 16, as at February 28, 2018, the Company had the following premise lease and equipment lease commitments:

		Premise leases		Equipment leases		Total
Fiscal 2018	$	1,481,762	$	57,204	$	1,538,966
Fiscal 2019		1,198,668		67,108		1,265,776
Fiscal 2020		744,165		22,330		766,495
Fiscal 2021		756,308		-		756,308
Fiscal 2022 and beyond		1,964,944		-		1,964,944
Total	**$**	**6,145,847**	**$**	**146,642**	**$**	**6,292,489**

19. Commitments (continued)

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 February 28, 2018, no amounts have been paid. The initial license payment is recorded as software and being amortized over 10 years (Note 7).

Legal Proceedings

In the ordinary course of operating the Company's business it may from time to time be subject to various claims or possible claims. Management's view 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.

20. Non-cash Working Capital

Changes in non-cash working capital are as follows:

		Dec 1, 2017 to Feb 28, 2018		Dec 1, 2016 to Feb 28, 2017
Accounts receivable	$	140,257	$	(2,060,424)
Inventory		23,340		(60,943)
Prepaids and deposits		(44,456)		(294,974)
Accounts payable and accrued liabilities		(1,488,193)		(110,167)
Deferred revenue		(62,940)		(8,353)
Government remittances and current taxes payable		(272,974)		(146,142)
Total	**$**	**(1,704,966)**	**$**	**(2,681,003)**

21. 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 and training. 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.

21. Segment Disclosures (continued)

As at February 28, 2018				
	Benefits	**Technology**	**Corporate**	**Total**
Statements of Financial Position				
Current assets	$ 5,461,231	$ 18,427,273	$ 3,765,652	$ 27,654,156
Long term note receivable	-	3,891,192	-	3,891,192
Long term deposits	25,000	65,784	93,412	184,196
Equipment	229,540	702,684	8,265	940,489
Software	1,587,404	480,965	-	2,068,369
Customer relationships	34,000	4,471,811	-	4,505,811
Trade names	60,000	3,271,500	-	3,331,500
Intellectual property	22,000	-	-	22,000
Goodwill	901,444	14,879,780	-	15,781,224
Total assets	**$ 8,320,619**	**$ 46,190,989**	**$ 3,867,329**	**$ 58,378,937**
Current liabilities	5,835,074	25,812,521	9,032,295	40,679,890
Total liabilities	**$ 5,835,074**	**$ 37,057,976**	**$ 13,127,508**	**$ 56,020,558**

For three month ended February 28, 2018				
	Benefits	**Technology**	**Corporate**	**Total**
Statements of Comprehensive Loss				
Revenues	$ 3,286,520	$ 22,223,914	$ -	$ 25,510,434
Cost of revenues	(128,185)	(18,399,492)	-	(18,527,677)
Operating costs	(3,434,065)	(2,866,069)	(424,003)	(6,724,137)
Operating income (loss)	**(275,730)**	**958,353**	**(424,003)**	**258,620**
Interest and financing fees	123,117	442,414	1,753	567,284
Share-based compensation	-	-	49,826	49,826
Amortization and depreciation	135,396	1,012,972	827	1,149,195
Interest accretion	-	-	40,978	40,978
Income tax	-	1,764	-	1,764
Net comprehensive loss	**$ (534,243)**	**$ (498,797)**	**$ (517,387)**	**$ (1,550,427)**

Operating costs in the above table include salary and compensation costs, office and general expenses and professional fees.

21. Segment Disclosures (continued)

As at February 28, 2017

	Benefits	Technology	Corporate	Total
Statements of Financial Position				
Current assets	$ 65,979	$ 21,023,094	$ 691,299	$ 21,780,372
Long term note receivable	-	3,360,541	-	3,360,541
Long term deposits	-	-	93,412	$ 93,412
Equipment	19,629	740,755	8,900	769,284
Software	1,230,389	474,896	-	1,705,285
Customer relationships	66,583	6,784,516	-	6,851,099
Trade names	117,500	4,753,244	-	4,870,744
Intellectual property	77,458	-	-	77,458
Goodwill	733,544	14,879,780	-	15,613,324
Total assets	**$ 2,311,082**	**$ 52,016,826**	**$ 793,611**	**$ 55,121,519**
Current liabilities	1,194,306	33,653,432	7,018,765	41,866,503
Total liabilities	**$ 1,194,306**	**$ 36,914,224**	**$ 13,177,016**	**$ 51,285,546**

For three month ended February 28, 2017

	Benefits	Technology	Corporate	Total
Statements of Comprehensive Loss				
Revenues	$ 453,644	$ 22,694,316	$ -	$ 23,147,960
Cost of revenues	(214,278)	(19,213,288)	-	(19,427,566)
Operating costs	(746,864)	(2,538,379)	(375,699)	(3,660,941)
Operating income (loss)	**(507,498)**	**942,649**	**(375,699)**	**59,453**
Interest and financing fees	159,858	650,006	48,673	858,537
Transaction costs	160,105	-	-	160,105
Share-based compensation	-	-	54,872	54,872
Amortization and depreciation	106,196	1,026,849	-	1,133,045
Interest accretion	-	-	55,178	55,178
Income tax	-	634	-	634
Net comprehensive loss	**$ (796,941)**	**$ (871,556)**	**$ (534,421)**	**$ (2,202,918)**

Operating costs in the above table include salary and compensation costs, office and general expenses and professional fees.

22. Contingent Consideration Payable

		Current	Long term	Feb 28, 2018	Nov 30, 2017
(1)	Inforica acquisition	$ 67,210	$ -	$ 67,210	$ 85,028
(2)	Adeeva acquisition	31,267	525,549	556,816	556,816
(3)	Paradigm acquisition	140,808	-	140,808	140,808
(4)	Maplesoft acquisition	-	791,658	791,658	791,658
(5)	Paradigm preferred shares	-	130,145	130,145	-
		$ 239,285	**$ 1,447,352**	**$ 1,686,637**	**$ 1,574,310**
	Current portion of contingent consideration payable			239,285	257,103
	Long-term portion of contingent consideration payable			1,447,352	1,317,207
				$ 1,686,637	**$ 1,574,310**

1) As part of the consideration for the Inforica acquisition the Company is obligated to pay to the preferred shareholders of Inforica a royalty of 3.68% of energy revenue to a maximum aggregate payment of $350,000. The Company made a payment of $17,818 in Q1, 2018.

2) 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 February 28, 2018, $120,184 has been accrued. No amounts have been paid as of February 28, 2018.

3) 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 $140,808.

4) 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 time period. Based on the Fiscal 2017 year-end valuation report provided by an independent valuator, the discounted value of the liability is estimated to be $791,658.

5) As part of February 28, 2018 private placement transaction, the Company agreed to pay to the 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. The discounted value of the liability is estimated to be $130,145.

22. Contingent Consideration Payable (continued)

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

	Minimum	Maximum
Inforica acquisition	$ -	$ 67,210
Adeeva acquisition	-	879,816
Paradigm acquisition	-	565,000
Maplesoft acquisition	-	1,500,000
Paradigm preferred shares	450,000	450,000
	$ 450,000	**$ 3,462,026**

23. 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 to the Company by the Purchasers, 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. The royalty payments cease at the end of the first year if an amount equal or greater than the Royalty Advance has been repaid. In Q1, 2018, $100,000 towards the royalty payment had been paid. The Agreement included a pre-payment option in increments of 25%.

In addition, the Company will pay a minimum bonus fee of $400,000. If the Royalty Advance is repaid in full on prior the First Anniversary, then fifty percent of the bonus fee is payable throughout the second year (one twelfth each month), and fifty percent of the bonus fee is payable in the third year (one twelfth each month). Based on a discounted probability analysis, the Company has included $477,696 in its accrued liabilities.

If the Royalty Advance is not repaid in full on or prior to the First Anniversary, the then applicable Royalty Rate and the bonus shall each automatically increase by 20% for each 12-month period that the Royalty Advance is outstanding following the first anniversary.

24. Subsequent Events

Subsequent to the balance sheet date, a convertible note payable in the amount of $651,858 was extended in the amount of $650,000 with a maturity date of April 25, 2020. Interest is payable monthly in arrears at a rate of 5% per annum. In addition, a payment against principal will be made monthly in the amount of $7,000. The debt is convertible into shares of the Company at any time at the rate of $0.50 per share.