Syncordia Technologies and Healthcare Solutions, Corp.

2017 Management's Discussion and Analysis of
Financial Condition and Results of Operations

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") and the Consolidated Financial Statements have been prepared by management and approved by the Board of Directors of Syncordia Technologies and Healthcare Solutions, Corp. (the "Company"). The consolidated financial statements as at and for the years end March 31, 2017 and 2016 (the "Consolidated Financial Statements") were prepared in accordance with International Financial Reporting Standards ("IFRS") and, where appropriate, reflect management's best estimates and judgments. Where alternative accounting methods exist, management has chosen those methods considered most appropriate in the circumstances. Management is responsible for the accuracy, integrity and objectivity of the Consolidated Financial Statements within reasonable limits of materiality, and for maintaining a system of internal controls over financial reporting.

The Audit Committee, which is appointed annually by the Board of Directors and comprised exclusively of independent directors, meets with management as well as with the independent auditors to satisfy itself that management is properly discharging its financial reporting responsibilities and to review the Consolidated Financial Statements and the independent auditor's report.

The Audit Committee reports its findings to the Board of Directors for consideration in approving the Consolidated Financial Statements for presentation to the shareholders.

The Audit Committee considers, for review by the Board of Directors and approval by the shareholders, the engagement or reappointment of the independent auditors.

The shareholders' auditors have full access to the Audit Committee, with and without management being present, to discuss the Consolidated Financial Statements and to report their findings from the audit process. The Consolidated Financial Statement have been audited by MNP LLP, independent auditors, and their report is provided in the Consolidated Financial Statements.

(Signed) "Michael Franks"

Michael Franks
Chief Executive Officer

(Signed) "Stephen Gledhill"

Stephen Gledhill
Chief Financial Officer

July 28, 2017

Toronto, Ontario

BASIS OF PRESENTATION

The following MD&A should be read in conjunction with the Company's Consolidated Financial Statements and related notes for the year ended March 31, 2017.

The Company prepares its Consolidated Financial Statements in accordance with IFRS as issued by the International Accounting Standards Board ("IASB") and are based on IFRS policies effective as at July 28, 2017, the date of this MD&A and the date the Audit Committee and Board of Directors approved this MD&A and our Consolidated Financial Statements.

References to 2017 and 2016 are for the fiscal years ended March 31st. References to the first, second, third and fourth quarter refer to the three months ended June 30th, September 30th, December 31st and March 31st, respectively.

The Company's functional and reporting currency is the US dollar. Any amounts referenced in both the Consolidated Financial Statements and this MD&A, unless otherwise noted, are to the US dollar.

We use certain non-IFRS financial performance measures in this MD&A. For a detailed reconciliation of each non-IFRS measure used in this MD&A, please see the discussion in Section 13 of this MD&A. In this MD&A, all currency amounts (except per unit amounts) are in thousands and, unless otherwise stated, are in thousands of United States dollars ("US Dollars").

Additional information about Syncordia, including our 2017 Consolidated Financial Statements is available on our website at www.syncordiahealth.com and on our SEDAR profile at www.sedar.com.

This document contains forward-looking statements, which are qualified by reference to, and should be read together with, the Forward-looking Statements section of this MD&A.

Unless the context otherwise requires, all references to "Syncordia", "Company", "our", "us", and "we" refers to Syncordia Technologies and Healthcare Solutions, Corp. its wholly-owned subsidiaries, Health Services Integration, Inc. ("HSI") and Paragon Billing, LLC ("Paragon") and its 80% owned subsidiary Billing Solutions, LLC ("Billing Solutions"). For readability, unless the context otherwise requires, "Syncordia", "Company", "our", "us", and "we" also refers to the activities of Syncordia Technologies and Healthcare Solutions, Inc. prior to the Qualifying Transaction.

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1. OUR BUSINESS

A discussion of our business

Overview

We acquire and operate businesses operating within underserved niche segments of the Revenue Cycle Management, or RCM segment of the US healthcare industry. The Company continues to work toward the introduction of a suite of software modules ("**Platform Syncordia**") to bring simplicity and state of the art solutions to a complex supply chain. We maintain operations in Canada, Ireland and the United States.

Our RCM business segment focuses on the acquisition and management of RCM service providers, primarily medical billings companies serving niche markets of the healthcare industry. As at March 31, 2017, this business segment had 107 full-time employees.

Our cloud-based amalgamated software modules ("Platform Syncordia") business segment maintains our existing software and is developing a suite of RCM software modules to address a number of market opportunities. As at March 31, 2017, this business segment had 1 employee.

Our executive management offices are based in Toronto, Ontario and Wilmington, North Carolina and oversee our corporate development, acquisitions, investor relations and corporate finance activities and assist in implementing both RCM and Syncordia Cloud objectives. As at March 31, 2017, this business segment had 5 full-time employees.

In the fall of 2016, Syncordia commenced an active marketing campaign to monetize on its investment in its subsidiaries and to reduce its debt load, with the divesture of Paragon and/or Billing Solutions. An effort that is still on going, the Company has hired 11T Partners, a USA based healthcare investment bank to market its behavioral health assets for sale primarily Billing Solutions. As such, in accordance with IFRS 5, the Company has classified both of these subsidiaries as Held for Sale in the Consolidated Financial Statements.

In addition to the Company's active marketing and planned disposition of Paragon and or Billing Solutions, it continues to assess its rate of investment in Corporate and Platform Syncordia initiatives and is evaluating several cost containment initiatives such as, reduced corporate headcounts, salaries and reducing discretionary software development. These cost containment initiatives have begun and will be accelerated depending on the results of other operation changes to improve cash flow. Assuming the Company completes its planned divestitures, it will consider further changes to its Corporate and Platform Syncordia staff and overhead costs.

The quantum and timing of cash flow from operations will be significantly influenced by the operating performance of the Company's RCM businesses, particularly in the short term as a result of: (i) HSI securing new business and Billing Solutions achieving its acquisition earning targets; (ii) introducing several technology enhancements to improve operating efficiency; and (iii) continuing to implement several cost containment initiatives, particularly reducing costs per encounter within the RCM business.

There are significant risks associated with each of these plans and strategies and there can be no assurance that the steps management is taking will be successful, if not successful in many of them, cash flows will be reduced and the Company may not have sufficient cash flow or resources to make debt principal payments on its senior notes or in the worst case, cover its operating costs. Missing a debt payment, should the appropriate waivers not be obtained, may result in an event of default on the senior notes, which the Company may not be able to rectify with renegotiated terms or alternative financing.

Industry Overview

We provide RCM services within the US healthcare industry ensuring that correct billing code and insurance company submissions are carried out so that the healthcare provider is paid for the services it provides. Based on disclosure from public companies, we believe that on average 3.5% to 8.0% of cash collected on the behalf of the healthcare provider is paid to the RCM service provider, although in some cases rates can be more or less than this range.

Our RCM services take place throughout the year, but there are seasonal factors that affect our revenues. Our HSI subsidiary provides RCM services for air and ground emergency and non-emergency transportations. There is typically a reduction of emergency air trips during the winter months due to bad weather conditions and an increase in the number of trips our customers carry out in the second half of the year. Accordingly, as our revenues are predicated on the cash collected by our customers for providing their services, our revenue will fluctuate depending on the time of year. Paragon Billing and Billing Solutions are also impacted by seasonal factors, albeit to a lesser degree.

In the US, patients and medical providers are reimbursed by Medicare, Medicaid and thousands of other private insurance companies for medical services provided. The amount reimbursed is based on the International Statistical Classification of Diseases and Related Health Problems ("**ICD-10**") codes, a medical coding classification system used by RCM companies to bill for services. This procedure has multiple layers of complexity that ultimately span billing codes and diagnostic codes.

We anticipate that our business will continue to benefit from several broad trends including an increasingly complex reimbursement process, a movement toward healthcare information technology, a shift to preventive care and the inaccessibility of critical data. We anticipate that these trends will continue and intensify in the future, allowing the benefits of our present and anticipated services to be further demonstrated in numerous applications. These industry trends are discussed below:

- *Increasingly complex reimbursement processes.* New laws and payer requirements have further complicated insurance reimbursement processes. For example, Medicare, Medicaid and commercial insurances are increasingly requiring proof of adherence to best practices and improved patient health outcomes to support full reimbursement. Moreover, the recent shift to a new generation of insurance codes will dramatically increase the complexity associated with selecting appropriate procedure and diagnosis codes needed to support proper claim reimbursement.

- *Movement toward healthcare information technology.* Since 2011, the US federal government has offered financial incentives to eligible healthcare providers who adopt and meaningfully use electronic health records technology. Beginning in 2015, providers not meaningfully using this technology incurred penalties which are set to increase every year through to 2019. While these incentives and penalties have encouraged many providers to adopt and meaningfully use electronic health records software, we believe that most providers are not utilizing an integrated platform that combines practice management, business intelligence, and revenue cycle management. The lack of an integrated platform leaves them ill-equipped to address the multitude of rapidly growing industry challenges.

- *Shift in Focus to Preventive Care.* In an effort to avoid the negative health effects and increased costs associated with undetected and untreated chronic conditions, the *Affordable Care Act* requires most health insurance plans to provide co-payment and deductible-free coverage for preventive health services, such as annual well visits. Many believe that this shift in focus will, in the long-term, reduce costs and improve patient health.

- *Inaccessibility of critical data.* To thrive in the emerging healthcare landscape, healthcare practices need timely information, such as health insurance plan eligibility and coverage details, provider performance and productivity data and clinical and reimbursement benchmarking. However, we believe that most small and mid-sized practices do not have access to this type of real-time data, business intelligence and analytical tools and thus struggle to efficiently operate their practices and make optimal decisions.

2. GROWTH STRATEGY AND OUTLOOK

A discussion of our growth strategy and outlook

Our objective is to become a leading provider of RCM solutions to healthcare providers. Our strategy consists of two phases, as follows:

- Phase One is to consolidate the fragmented medical billing and RCM software industry with a focus on the emergency medical transportation services (air and ground), behavioral health and other healthcare verticals over time. We believe that the software used in the RCM industry is currently highly fragmented with few companies applying advanced software technology to service the existing supply chain complexity and the market of numerous small and mid-sized companies needing professional RCM and medical billing solutions. We estimate that there are more than 1,500 companies in the United States providing revenue cycle management services and that no one company has more than a 5% share of the market. We further believe that it is becoming increasingly difficult for traditional RCM companies to meet the growing technology and business service needs of healthcare providers without a significant investment in information technology infrastructure.

- Phase Two is to license the Platform Syncordia to other companies who choose not to engage Syncordia to provide medical billing transaction services, but would like to license components of the Platform Syncordia.

We believe our success will substantially be predicated on the following factors:

Securing Additional Capital. As at March 31, 2017, Syncordia had $973 thousand of cash and cash equivalents, $5.6 million of shareholders' equity and $24 million of assets. Since commencing our RCM business activities, we have generated positive Adjusted EBITDA, although our ability to continue to generate positive Adjusted EBITDA and ultimately, achieving a consistent level of profitability is predicated on several factors such as the performance of our RCM business segment as well as the rate of investment in our Platform Syncordia business segment. The failure to raise sufficient funds necessary to finance future cash requirements primarily for corporate development purposes could adversely affect our ability to pursue our strategy and negatively affect our operations in future periods. We are addressing this matter by maintaining contact with analysts and institutional investors to better articulate our investment merits and are advancing discussions with possible debt and equity investors.

Pursuing a Disciplined Acquisition Strategy in a Highly Fragmented Market. Our ability to acquire and integrate RCM businesses is essential for us to meet our aggressive growth plans. We utilize our Syncordia Playbook, a disciplined methodology to find acquisition opportunities in a highly fragmented market and then applying best practices to integrate and operate these businesses in a manner that will enhance our profitability.

Ability to Attract and Retain Customers. Our ability to achieve our growth plans is predicated on the ability of our RCM businesses to retain their existing customers and attract new customers.

Retaining and Engaging Our Staff. At March 31, 2017, we had 112 full-time employees, the majority of whom have been employed by us or our operating subsidiaries for several years and possess strong technical backgrounds with extensive industry experience. We strive to maintain a high level of employee engagement by compensating at market rates, and providing interesting and challenging work.

We believe that our near-term success is predicated on addressing a number of initiatives within each of our business segments, as follows:

- Within our RCM business segment, we are pursuing a number of initiatives to secure new business within each of our RCM businesses involving our existing product offering and opportunities that we believe can be achieved once new products and services are developed. Additionally, we are focused on working with the management of Billing Solutions to integrate and realize several new business opportunities.

- Within our Platform Syncordia business segment, we are developing a number of software applications that we believe will enhance the operating efficiency of our RCM businesses and over time can be licensed to third parties.

- Within our Corporate business segment, we continue to manage our costs while pursuing various corporate development and capital market activities.

3. OVERALL PERFORMANCE

A discussion of our overall performance for 2017 and 2016

This section provides a discussion of our financial performance as reported in our consolidated financial statements. All references in per share amounts pertain to Adjusted EBITDA per share and are presented on a consolidated basis. In addition, for comparative purposes, the table below is not categorized per IFRS 5, which requires that assets held for sale (Paragon and Billing Solutions) and the operations therefrom, be disclosed separately, as disclosed in the Consolidated Financial Statements.

Summary Financial Analysis
(in thousands of US Dollars, except per share amounts)

	2017	2016	2015	**2017 vs 2016** % Favourable (Unfavourable)	**2016 vs 2015** % Favourable (Unfavourable)
Revenue					
HSI	6,562	11,901	4,392	(45%)	171%
Paragon	1,826	1,820	-	NM	NM
Billing Solutions	5,940	167	-	3,457%	NM
	14,328	13,888	4,392	3%	216%
Gross margin (i)	8,522	9,776	2,884	(13%)	239%
% of revenue	*60%*	*70%*	*66%*		
RCM Operating expenses (i)	3,058	4,021	1,330	33%	(202%)
% of revenue	*21%*	*29%*	*30%*		
Adjusted EBITDA before Platform Syncordia and Corporate costs (i)	3,221	5,755	1,554	(44%)	270%
% of revenue	*23%*	*41%*	*35%*		
Platform Syncordia costs (i)	1,537	1,485	265	1%	(459%)
% of revenue	*11%*	*11%*	*6%*		
Corporate costs (i)	2,866	2,359	1,577	(16%)	(50%)
% of revenue	*20%*	*17%*	*36%*		
Adjusted EBITDA (i)	(213)	1,911	(288)	(113%)	NM
% of revenue	*NM*	*14%*	*NM*		
Adjusted EBITDA attributable to Syncordia(i)	(234)	1,907	(288)	(113%)	NM
% of revenue	*(2%)*	*14%*	*NM*		
Adjusted EBITDA per share – Basic and diluted	(0.01)	0.10	(.03)	(112%)	NM
Net loss and comprehensive loss attributable to Syncordia	(17,096)	(3,116)	(2,895)	(442%)	NM
Net loss per share – Basic and diluted	(0.92)	(0.17)	(0.33)	(418%)	NM
Total assets	24,390	40,856	27,059	51%	51%
Total non-current liabilities	2,316	14,416	10,484	38%	38%
Current and Long-term Debt/Equity Ratio	3.8:1	0.65:1	0.80:1		

Notes:
(i) Non-IFRS measures. Refer to Section 12 – Reconciliation and Definition of Non-IFRS Measures.

(ii) NM - Not Meaningful.

Financial and Operational Highlights

Fiscal 2017 compared to 2016

Financial Highlights

GAAP Measures

- Revenue decreased by $5,337 or 45%, reflecting the loss by HSI of a significant customer during 2015, however claim work continued in 2016 but tapered off in 2017.
- Net loss and comprehensive loss increased by $13,981 due to the impairment charges taken by the Company on its customer lists, intellectual property and goodwill.
- Cash and cash equivalents decreased by $3,463 to $973 (including cash at Billing Solutions and Paragon), the result of cash used for operating activities of $1,272, cash used for investing activities of $570 and cash used for financing activities of $1,622.

Non-GAAP Measures

- Gross margin decreased by $1,223 to $8,553 or 60% of revenue, attributable to REACH Air Medical Holdings and affiliated entities as the Company wound down the provision of billing services to this customer group.
- Adjusted EBITDA before Platform Syncordia and Corporate costs decreased by $1,541 or 80%, reflecting the above.
- Platform Syncordia costs increased $52 to $1,537.
- Corporate costs increased $507 or 34%, reflecting the Company's current corporate austerity program to reduce costs.
- Adjusted EBITDA decreased by $1,002, reflecting the above noted items.

Operational Highlights

- Implemented a series of operational changes at HSI which, in addition to new business secured in fiscal 2017, are anticipated to partially offset the impact of the loss of a significant customer.
- Obtained a waiver from senior lending consortium, resulting in reduced principal payment of $1.35 million in November 2016 instead of $2.22 million in order to maintain adequate flexibility and liquidity for working capital needs. The shortfall of $0.88 million will be added to the May 2017 principal repayment.
- Management is exploring strategic alternatives, including but not limited to (i) the sale of portfolio RCM company or companies, as noted previously in this MD&A; (ii) strategic alliances or combinations with HSI to improve overall results; (iii) licensing or sale of certain intellectual property; and (iv) other cash-generating initiatives. Syncordia maintains three operating businesses that we anticipate could be sold at favorable multiples and would maximize value as Platform Syncordia and Corporate costs would not be required by the new owners in the event of a sale.
- HSI is implementing several operational initiatives anticipate to add over $1.0 million to the bottom line on an annualized basis, expected to be realized by first quarter fiscal 2018. In addition, HSI is onboarding new contracts over the coming months and quarters while continuing to convert additional pipeline opportunities.
- Billing Solutions is in the process of signing customer contracts expected to contribute an additional $300 in EBITDA on an annualized basis.

4. OPERATING RESULTS

A discussion of our segmented performance for 2017 and 2016

We report our results in three business segments, being Revenue Cycle Management ("RCM"), Platform Syncordia and Corporate. Our reporting structure reflects the way we manage our business and how we classify our operations for planning and performance.

Revenue Cycle Management

Our RCM business segment consists of HSI, Paragon and Billing Solutions and focuses on the acquisition and management of RCM service providers, primarily medical billings companies serving niche markets of the healthcare industry. For comparative purposes, the table below is not categorized per IFRS 5, which requires that assets held for sale (Paragon and Billing Solutions) and the operations therefrom, be disclosed separately, as disclosed in the Consolidated Financial Statements.

Selected Financial Information

	2017	**2016**	**2015**	**2017 vs 2016** % Favourable (Unfavourable)	**2016 vs 2015** % Favourable (Unfavourable)
Revenue					
HSI	6,562	11,901	4,392	(45%)	171%
Paragon	1,826	1,820	-	NM	NM
Billing Solutions	5,940	167	-	3456%	NM
	14,432	13,888	4,392	216%	216%
Gross margin (i)	8,553	9,776	2,884	(37%)	239%
% of revenue	*60%*	*70%*	*66%*		
Operating expenses					
General and Administrative (i)	4,616	3,408	1,180	(35%)	(189%)
Sales and Marketing	712	613	150	(16%)	(309%)
Research and Development	-	-	-	-	-
Total Operating Expenses	5,328	4,021	1,330	(33%)	(202%)
% of revenue	*37%*	*29%*	*30%*		
Adjusted EBITDA (i)	399	5,755	1,554	(92%)	270%
% of revenue	*3%*	*41%*	*35%*		

Note:

(i) Non-IFRS measures. Refer to Section 12 – Reconciliation and Definition of Non-IFRS Measures.

(ii) NM – Not meaningful.

Key Performance Indicator

We present Encounters as a key performance indicator ("KPI") to assist readers to better evaluate our performance. We define an Encounter as a discrete business activity for which we would submit a claim. We believe this metric provides investors with a better proxy for measuring the level of business activity than revenue as encounters measure the number of distinct services provided in the period whereas revenue reflects the amount of services recognized for accounting purposes and is typically a lagging indicator of business activity.

Set forth below is a summary of encounters for each of our RCM businesses.

Quarter	Encounters Q1	Q2	Q3	Q4	Sequential Quarterly Change from Q3 to Q4 #	%	Total
Air	2,744	3,903	3,125	2,767	(328)	(10%)	12,569
Ground	7,202	12,231	15,708	16,576	868	6%	51,717
HSI	9,946	16,134	18,833	19,373	540	3%	64,286
Paragon	82,430	63,809	65,737	72,454	6,717	10%	284,430
Billing Solutions	46,697	48,052	45,697	41,474	(4,223)	(9%)	181,920

2017 Compared to 2016

Revenue is segmented by line of RCM service, as follows:

	2017	2016	2015	2017 vs 2016 % Favourable (Unfavourable)	2016 vs 2015 % Favourable (Unfavourable)
Air transportation	5,071	10,457	3,764	(52%)	178%
Ground transportation	843	635	321	33%	98%
Other	648	809	307	(15%)	164%
Total - HSI	6,562	11,901	4,392	(45%)	171%
Behavioural health - Paragon	1,825	1,820	-	NM	NM
Treatments – Billing Solutions	5,940	167	-	3457%	NM
	14,328	13,888	4,392	3%	216%

Platform Syncordia

Our Platform Syncordia (formerly Syncordia Cloud) business segment maintains our existing software and is developing a suite of RCM software modules to address a number of market opportunities.

Selected Financial Information

	2017	2016	2015	2017 vs 2016 % Favourable (Unfavourable)	2016 vs 2015 % Favourable (Unfavourable)
Operating expenses					
General and Administrative [(i)]	732	692	265	6%	161%
Sales and Marketing	-	-	-	NM	NM
Research and Development	762	793	-	(4%)	NM
Total Operating Expenses	1,537	1,485	265	(4%)	459%

Notes:

(i) Non-IFRS measures. Refer to Section 12 – Reconciliation and Definition of Non-IFRS Measures.

This segment introduced Claim Editor and additional staff in its lower cost Maryland billing center to further reduce cost per claim. It also announced NECTAR version 2.0, a client analytics portal for our behavioural health customers, consisting of a business intelligence dashboard showing key medical practice performance indicators. Syncordia continues to focus on building out its full-service software suite for Billing Solutions.

Corporate

Our Corporate business segment is comprised of our executive management offices based in Toronto, Ontario and Wilmington, North Carolina and oversees our corporate development, acquisitions, investor relations and corporate finance activities and assist both RCM and Platform Syncordia objectives.

Selected Financial Information

	2017	2016	2015	2017 vs 2016 % Favourable (Unfavourable)	2016 vs 2015 % Favourable (Unfavourable)
Operating expenses					
General and Administrative (i)	1,982	2,359	1,577	14%	50%
Sales and Marketing	-	-	-	-	-
Research and Development	-	-	-	-	-
Total Operating Expenses	2,866	2,359	1,577	14%	50%

Notes:

(i) Non-IFRS measures. Refer to Section 12 – Reconciliation and Definition of Non-IFRS Measures.

Our operating expenses decreased $377 or 16%, due to the Company's ongoing cost-cutting and austerity programs.

5. FINANCIAL CONDITION

A discussion of the significant changes in our Consolidated Balance Sheet

For comparative purposes, the table below is not categorized per IFRS 5, which requires that assets held for sale (Paragon and Billing Solutions) and the operations therefrom, be disclosed separately, as disclosed in the Consolidated Financial Statements.

Summary Consolidated Balance Sheets
(in thousands of US Dollars)

	March 31 2017	March 31 2016	Increase/(decrease) $	%
Cash and cash equivalents	973	4,437	(3,464)	(78)
Current Assets (excluding cash and cash equivalents)	2,275	7,041	8,608	122
Total Assets	15,239	40,856	16,813	(41)
Trade accounts payable and accrued liabilities	(1,753)	(1,584)	169	(11)
Current and long-term notes payable	(14,344)	(14,573)	(409)	3
Total Equity	5,053	22,383	(16,744)	(75)

Cash and cash equivalents decreased $3,464 reflecting:

- $1,273of cash used for operating activities inclusive of $1,778 of cash interest paid;
- $570 of cash used for investing activities, reflecting $547 for the purchase of property, equipment and for software development; and
- $1,622 of cash used for financing activities, reflecting the repayment of $1,346 in principal on the notes payable and distributions to non-controlling interests of $275.

Current assets other than Cash and cash equivalents increased by $8,197 primarily the result of the reclass of Billing Solutions and Paragon to assets held for sale.

Total assets decreased by $16,813, substantially due to the impairment recorded against goodwill, customer relationships and intellectual property.

Current and long-term notes payable decreased $228, reflecting repayment of $1,347 against principal offset by non-cash interest accrued of $866 and non-cash accretion of $372.

Total equity decreased $17,330 mainly the result of losses for the year of $17,096 and distribution to non-controlling interests of $275.

6. SUMMARY OF QUARTERLY RESULTS

A discussion and summary of our quarterly results

The following table highlights financial information for the eight consecutive quarters ended March 31, 2017.

Summary Quarterly Results
(in thousands of US Dollars)

	2017				2016			
	Q4	**Q3**	**Q2**	**Q1**	Q4	Q3	Q2	Q1
Revenue	**$3,230**	**$3,401**	**$3,624**	**$4,110**	$2,918	$3,678	$3,899	3,393
Gross Margin	**2,247**	**2,010**	**2,105**	**2,229**	1,894	2,683	2,819	2,380
% of Revenue	***70%***	***59%***	***58%***	***59%***	*65%*	*73%*	*72%*	*70%*
RCM Operating expenses	**1,226**	**1,167**	**1,342**	**1,593**	1,088	1,009	1,106	818
Platform Syncordia Costs	**370**	**244**	**393**	**487**	371	420	394	300
Corporate Costs	**482**	**469**	**546**	**485**	555	550	643	611
Adjusted EBITDA (i)	**(100)**	**130**	**(307)**	**(136)**	(120)	704	676	651
% of Revenue	***(3%)***	***4%***	***(8%)***	***(3%)***	-	*19%*	*17%*	*19%*
Adjusted EBITDA Per Share (Basic and Fully Diluted)	**(0.01)**	**(0.00)**	**0.03**	**0.01**	(0.01)	0.04	0.03	0.04
Net loss and comprehensive loss	**(12,583)**	**(1,345)**	**(1,593)**	**(1,575)**	(1,186)	(601)	(138)	(1,190)
Basic and Diluted Net Loss Per Share	**(0.64)**	**(0.07)**	**(0.08)**	**(0.08)**	(0.06)	(0.03)	(0.01)	(0.08)
Weighted Average Common Shares Outstanding	**19,664,080**	**19,681,135**	**19,650,564**	**19,643,635**	19,643,635	19,643,635	19,643,635	15,556,014

Notes:
(i) Non-IFRS measures. Refer to Section 12 – Reconciliation and Definition of Non-IFRS Measures.

Quarterly variations in operating results reflect our acquisitions in the RCM segment, namely, HSI, Paragon, and Billing Solutions. Operating results in the third and fourth quarter of fiscal 2017 were also affected by a significant customer termination at HSI as noted above. The RCM segment is subject to seasonality in operating results due to inclement weather and insurance reimbursement patterns at certain times of the calendar year.

7. LIQUIDITY AND CAPITAL RESOURCES

A discussion of our cash flow, liquidity, credit facilities and other disclosureS

The consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue its operations for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. These consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities, the reported expenses, and the balance sheet classification that would be necessary if the Company were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. These adjustments could be material.

The Company manages its capital structure based on the funds available to it in order to support the continuation and expansion of its operations. As the Company has negative cash flow from operations, it relies on debt and equity financing to execute its stated business strategy. In order to maintain or adjust its capital structure, the Company anticipates seeking additional financing through the issuance of securities such as equity, convertible debt, or by replacing existing debt with debt on terms more consistent with the Company's needs.

As at March 31, 2017, the Company had cash and cash equivalents of $973 (including cash from Billing Solutions and Paragon), a decrease of $3,463 from March 31, 2016, reflecting $1,273 used for operating activities, $570 used for investing activities and $1,622 used for financing activities.

In addition to funding its ongoing operating requirements, capital expenditures and future acquisitions, the Company was required to make two principal repayments on the secured notes (see note 14 of the Consolidated Financial Statements) of $2,223 each on November 5, 2016 and May 5, 2017. The secured notes are due on November 5, 2017 and the Billing Solutions note payable of $2,000 plus accrued interest is due in the first quarter of fiscal 2019, assuming the full acquisition earn-out targets are achieved.

Effective November 4, 2016, the Company obtained a waiver (the "November 2016 Waiver") from the secured note-holder consortium (the "Consortium") to modify the timing of principal repayments. The Company paid $1,313 instead of $2,222 toward the November 5, 2016 principal payment. The shortfall of $875 was required to be paid along with principal repayment amount of $2,222 (together, the "Amended Principal Repayment") on or before May 5, 2017. The Company incurred a fee of 2.5% of the remaining original principal, or $299.

Effective May 5, 2017, the Company obtained a second waiver (the "May 2017 Waiver") from the Consortium that modified certain terms of the November 2016 Waiver, including the timing of the repayment of the Amended Principal Repayment. The May 2017 Waiver, provided that the Company is permitted to settle the Amended Principal Repayment plus a disposition fee equal to 1.5% of the total outstanding principal amounts due on the notes payable (notes 6 and 13) (the "Disposition Fee") together with all outstanding principal plus any outstanding accrued interest thereon, from the proceeds of disposition of Paragon (the "Paragon Disposition") and/or Billing Solutions (the "Billing Solutions Disposition") (together, the "Dispositions"). The Paragon Disposition was to be completed on or before May 19, 2017 and the Billing Solutions Disposition was to be completed on or before June 30, 2017. As of the date of filing of these consolidated financial statements, the Dispositions have not been completed.

On July 14, 2017, the Company entered into a forbearance agreement (the "Forbearance Agreement") with the Consortium. Pursuant to the terms of the Forbearance Agreement, the noteholders have agreed to forbear from exercising their enforcement rights and remedies in respect of the secured notes to enable the Company to continue its ongoing divestiture process of its interest in Billing Solutions, for a period of approximately three and one-half months, subject to the terms of the Forbearance Agreement. Also under the terms of the Forbearance Agreement, the Company will continue it process to divest of Paragon. The Company has agreed to engage an advisor to conduct the divestiture process and proceeds received by Syncordia from any divestiture will be used to forthwith pay down the indebtedness owing to the noteholders. The Forbearance Agreement provides for an escrow account of approximately $283 that the Company can access to pay for certain agreed upon payments pursuant to the terms of an escrow agreement.

Due to negative operating cash flows for the fiscal year, the Company's operating plan anticipates that it will not generate positive cash flow from operations to fulfill its debt obligations. Existing cash resources will continue to be utilized to fund operating activities, capital expenditures, transaction costs and, where possible, senior note interest payments prior to settlement of the senior notes. Until the operational improvements, as described below, are in place, it is unlikely that the Company will generate sufficient cash flow from operations or have sufficient cash resources to fund the senior note principal repayments. In such a circumstance, further revisions to the senior notes repayment terms will be required.

In these circumstances, the Company has undertaken a strategic review, and determined that some combination of each of the following initiatives is required to adequately deal with the funding and senior note obligation: (i) sale of one or more operating companies (ii) strategic alliances or combinations with HSI to improve overall results (iii) licensing or sale of certain intellectual property (iv) other cash-generating strategic initiatives. The Company has received interest from potential buyers for its Revenue Cycle Management ("RCM") operating companies, and the Company is working with the potential buyers to finalize terms and reach an agreement. In the event that the Company is not able to complete a transaction to settle its debt obligations, the Company will seek to obtain further waivers or revise the lending agreement to facilitate the completion of the outstanding payments to the expected time-table associated with the planned divestitures. There can be no assurance that the lenders will agree to such provisions and that the timing of the disposal will be consistent with the obligations to the lenders and their expectations.

To improve operating cash flows of the Company, the following initiatives are in place at HSI: (i) continuing to secure new business to replace a significant customer which terminated in 2016 (there is a ten-to-twelve-month delay before new customers generate significant revenues) (ii) reducing costs per encounter through introduction of technological enhancements and optimization of staffing complement (iii) restructuring of HSI's dispatch services (iv) reducing general and administrative staff headcounts.

In addition, the Company continues to assess its rate of investment in Corporate and Platform Syncordia initiatives and is evaluating several cost containment initiatives such as, reduced corporate headcounts, salaries and reducing discretionary software development. These cost containment initiatives have begun and will be accelerated depending on the results of other operation changes to improve cash flow. Assuming the Company completes a divestiture, it will consider further changes to its Corporate and Platform Syncordia staff and overhead costs.

The quantum and timing of cash flow from operations will be significantly influenced by the operating performance of the Company's RCM businesses, particularly in the short term as a result of: (i) HSI securing new business and Billing Solutions achieving its acquisition earning targets; (ii) introducing several technology enhancements to improve operating efficiency; and (iii) continuing to implement several cost containment initiatives, particularly reducing costs per encounter within the RCM business.

There are significant risks associated with each of these plans and strategies and there can be no assurance that the steps management is taking will be successful, if not successful in many of them, cash flows will be reduced and the Company may not have sufficient cash flow or resources to make debt principal payments on its senior notes or in the worst case, cover its operating costs. Missing a debt payment, should the appropriate waivers not be obtained, may result in an event of default on the senior notes, which the Company may not be able to rectify with renegotiated terms or alternative financing.

These circumstances cast significant doubt as to the Company's ability to continue as a going concern, and the ultimate appropriateness of the use of accounting principles applicable to a going concern.

As at March 31, 2017, we had various operating leases with remaining terms of more than one year, primarily for office space at our subsidiaries. These leases have minimum annual commitments and are included in the chart below:

Contractual Obligations

(in thousands of US Dollars)	**Total**	**Less than 1 year**	**1-3 years**	**4-5 years**	**After 5 years**
Notes payable principal repayments	12,160	12,160	-	-	-
Seller note payable	2,184	-	2,184	-	-
Operating leases	2,481	509	1,537	435	-
Total contractual obligations	16,825	12,669	3,721	435	-

8. OFF BALANCE SHEET ARRANGEMENTS

A discussion of off balance sheet arrangements

The Company has no off-balance sheet arrangements.

9. RELATED PARTY TRANSACTIONS

A discussion of related party transactions and their relationship to our business

For 2017 and 2016, the Company paid compensation to key management personnel which are recognized as an expense during the applicable reporting periods, as follows:

Directors and Executive Compensation
(in thousands of US Dollars)

	Twelve Months ended March 31		
	2017	**2016**	**% Change**
Salaries and short-term employee benefits	865	937	(8%)
Stock-based compensation	15	31	(52%)
	880	968	(9%)

Of the $12,000 notes payable and related warrants issued on November 5, 2014, $1,000 are held by a company controlled by a former member of the Board of Directors of Syncordia. Of the 1,500,000 warrants issued with the notes payable, 125,000 were issued to related parties.

Of the $500 notes payable and related warrants issued on April 24, 2015, in connection with the Paragon acquisition, $250 of the notes payable and 31,250 warrants are held by a company controlled by a former member of the Board of Directors of Syncordia.

The $250 hold back payment paid on April 24, 2016, in respect of the Paragon acquisition was made to the Chief Executive Officer and Chief Strategy Officer of the Company, who were formerly the controlling shareholders of Paragon.

10. CRITICAL ACCOUNTING ESTIMATES

A description of our accounting estimates that are critical to determining our financial results, and changes to accounting policies

Preparing the consolidated financial statements in conformity with IFRS, requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and the reported amount of expenses during the period. Actual results could differ from those estimates.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Such estimates and judgments have been applied and there are no known trends, commitments, events or uncertainties we believe will materially affect the methodology or assumptions in making these estimates and judgments in these financial statements.

The preparation of consolidated financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and the reported amount of expenses during the period. Actual results could differ from those estimates.

In making estimates, management relies on external information and observable conditions where possible, supplemented by internal analysis as required. Such estimates and judgments have been applied and there are no known trends, commitments, events or uncertainties the Company believes will materially affect the methodology or assumptions in making these estimates and judgments in these financial statements.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are addressed below:

Collectability of receivables

The Company assesses the collectability of receivables on an ongoing basis. A provision for the impairment of receivables involves significant management judgment and includes the review of account receivable balances considering individual customer creditworthiness, current economic trends and analysis of historical bad debts.

Impairment testing of goodwill and indefinite-life intangible assets

The Company tests annually whether goodwill has suffered any impairment, in accordance with the requirements of International Accounting Standard (IAS) 36, Impairment of Assets. The recoverable amounts of cash generating units have been determined based on their values in use (HIS) and fair value less cost to sell (Billing Solutions and Paragon). These calculations require the use of estimates.

Valuation of deferred tax assets and tax provisions

In assessing the realization of deferred tax assets, the Company considers the extent to which it is probable that the deferred tax asset will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable profits during the period in which those temporary losses and tax loss carry-forwards become deductible. The Company considers the expected reversal of deferred tax liabilities and projected future taxable income in making this assessment.

Revenue recognition

The Company makes significant judgments in respect of when collection of revenue associated with customer billing submissions is reasonably assured. Given the uncertainty associated with customer billing claims being reimbursed, the Company recognizes revenue at the time cash is collected by customers.

Share-based compensation and warrants

The determination of fair value of share-based compensation requires management to make estimates regarding the inputs to share valuation models employed including volatility, risk free rate of return and expected option life related assumptions.

Amortization of long-lived assets

Long-lived assets require management to make a determination of the estimated useful life on the date the asset is acquired which determines the amount of amortization recorded with respect to the asset.

11. CHANGES IN ACCOUNTING POLICIES AND RECENT ACCOUNTING PRONOUNCEMENTS

A discussion of generally accepted accounting principle developments that have, will or might affect us

Our accounting policies and information on our adoption and the impact of new and revised accounting standards impacting the Company are disclosed in Note 3 of our Consolidated Financial Statements for 2017.

12. RECONCILIATION AND DEFINITION OF NON-IFRS MEASURES

A description, calculation and reconciliation of certain measures used by management

Earnings before Interest, Taxes, Depreciation and Amortization ("EBITDA") and Adjusted Earnings before Interest, Taxes, Depreciation and Amortization ("Adjusted EBITDA") and Gross margin are non-IFRS measures used by management to provide additional insight into our performance and financial condition. We believe that these non-IFRS measures are important as they provide an indication of the results generated by our RCM business prior to taking into consideration how those activities are financed as well as the other items listed in their respective definitions. Accordingly, we are presenting EBITDA, Adjusted EBITDA and Adjusted EBITDA before Platform Syncordia and Corporate costs in this MD&A to enhance the usefulness of our MD&A. We have provided below a reconciliation of EBITDA, Adjusted EBITDA and Adjusted EBITDA before Platform Syncordia and Corporate costs to the most directly comparable IFRS figures, disclosure of the purpose of the non-IFRS measure, and how the non-IFRS measures is used in managing the business.

EBITDA, Adjusted EBITDA and Adjusted EBITDA before Platform Syncordia and Corporate costs are not calculations based on IFRS and should not be considered an alternative to operating income or net income (loss) in measuring the our performance, nor should it be used as an exclusive measure of cash flow, because it does not consider the impact of working capital growth, capital expenditures, debt principal reductions and other sources and uses of cash which are disclosed in the consolidated statements of cash flows. Investors should carefully consider the specific items included in our computation of these measures.

Management defines EBITDA as earnings before finance costs, taxes, depreciation and amortization.

Management defines Adjusted EBITDA as earnings before finance costs, taxes, depreciation, amortization, transaction costs, fair value gains/losses, foreign exchange gains/losses, stock-based compensation, cash-based share compensation arrangements and impairments. Transaction costs include professional fees associated with business transactions.

Management defines Adjusted EBITDA before Platform Syncordia and Corporate costs as earnings before finance costs, taxes, depreciation, amortization, transaction costs, fair value gains/losses, foreign exchange gains/losses, stock-based compensation, cash-based share compensation arrangements, impairments and costs of our Platform Syncordia and Corporate segment. This metric is used to assess the performance of RCM and Platform Syncordia segments.

Gross margin is a non-IFRS measure defined by management to reflect revenue less direct costs of sale, excluding amortization of intellectual property, customer lists, other amortizations and fair value gains/losses.

Platform Syncordia and Corporate costs include sales and marketing, general and administrative and research and development, less amortization and depreciation, foreign exchange gains and losses, and stock-based compensation expense indexed to our share price. The following is a reconciliation of EBITDA with Net loss and comprehensive loss:

EBITDA Reconciliation
(in thousands of US Dollars)

	2017	2016	2015	2017 vs 2016 % Favourable (Unfavourable)	2016 vs 2015 % Favourable (Unfavourable)
Net loss and comprehensive loss	(17,096)	(3,115)	(2,895)	(437%)	(229%)
Impairment of goodwill, customer lists and intellectual property	10,489	-	-	-	-
Amortization of operating and other assets	3,106	2,655	1,082	(36%)	(185%)
Finance expense	2,348	1,874	675	(25%)	(178%)
Income tax expense (recovery)	(385)	(391)	-	(90%)	NM

EBITDA	(12,027)	1,023	(1,138)	(989%)	NM

The following is a reconciliation of Adjusted EBITDA and Adjusted EBITDA before Platform Syncordia and Corporate costs with Net loss and comprehensive loss:

Adjusted EBITDA Reconciliation
(in thousands of US Dollars)

	2017	2016	2015	2017 vs 2016 % Favourable (Unfavourable)	2016 vs 2015 % Favourable (Unfavourable)
Net loss and comprehensive loss	(17,096)	(3,115)	(2,895)	(449%)	(229%)
Impairment of goodwill, customer lists and intellectual property	10,489	-	-	-	-
Amortization of operating and other assets	3,106	2,655	1,082	(17%)	(185%)
Finance costs	2,348	1,874	675	(25%)	(178%)
Incomes tax expense (recovery)	(385)	(391)	-	(92%)	NM
Transaction costs	34	1,946	822	(98%)	(137%)
Foreign exchange (gains) and losses	-	143	-	100%	NM
Unrealized (gains) and losses on derivative financial liability	-	(609)	-	(100%)	NM
Realized gain on contingent consideration	-	(1,111)	-	(100%)	NM
Stock based compensation	60	90	28	(133%)	(221%)
Adjusted EBITDA (i)	(11,933)	4,922	(288)	(342%)	NM
Platform Syncordia costs (i)	1,537	1,485	265	(4%)	(460%)
Corporate costs (i)	2,866	2,359	1,557	(21%)	(52%)
Adjusted EBITDA before Platform Syncordia and Corporate costs (i)	(7,530)	8,766	1,534	(186%)	275%

Notes:

(i) Non-IFRS measure, Platform Syncordia and Corporate costs exclude stock based compensation, transaction costs, foreign exchange gains and loss, and amortization.

The following is a reconciliation of IFRS measures in our Consolidated Statements of Loss and Comprehensive Loss to Gross margin:

Gross Margin Reconciliation
(in thousands of US Dollars)

	2017	2016	2015	2017 vs 2016 % Favourable (Unfavourable)	2016 vs 2015 % Favourable (Unfavourable)
Revenue	14,328	13,888	4,392	3%	216%
Realized gain on contingent consideration	-	1,111	-	(100%)	NM
	14,328	14,999	4,392	(5%)	242%
Cost of sales	5,775	4,112	1,508	(40%)	(172%)
Amortization of operating assets	3,836	2,792	963	(37%)	(189%)
	4,717	8,095	1,921	(42%)	321%
Realized gain on contingent consideration	-	(1,111)	-	100%	NM
Amortization of operating assets	3,836	2,792	963	(37%)	(189%)
Gross margin (i)	8,553	9,776	2,884	(13%)	239%

Notes:

(i) Non-IFRS measure, gross margin excludes fair value gains and losses and amortization

The following is a reconciliation of RCM operating expenses, Platform Syncordia costs and Corporate costs to Operating expenses:

Operating Expenses Reconciliation
(in thousands of US Dollars)

	2017	2016	2015	2017 vs 2016 % Favourable (Unfavourable)	2016 vs 2015 % Favourable (Unfavourable
RCM operating expenses (i)	3,058	4,021	1,330	24%	(202%)
Platform Syncordia costs (i)	1,537	1,485	265	(4%)	(459%)
Corporate costs (i)	4,166	2,359	1,577	(22%)	(50%)

	8,761	7,865	3,172	5%	(148%)
Foreign exchange (gains) and losses	-	143	-	100%	NM
Stock based compensation	60	90	28	33%	(221%)
Operating expenses	8,821	8,098	3,200	9%	(153%)

Notes:

(i) Non-IFRS measure, RCM Operating expenses, Platform Syncordia costs and Corporate costs exclude stock based compensation and foreign exchange gains and losses

13. OUTSTANDING SHARE DATA

A discussion of our outstanding share capital and related earnings per share information

Basic and fully diluted net earning (loss) per common share from continued operations for 2017 was $(0.94) per share and for discontinued operations was $0.09 per share. Certain options granted under our stock option plan and outstanding warrants have not been included in the calculation of the diluted loss per share as the effect would be anti-dilutive.

The basic weighted average number of common shares used in calculating the net income per share was 19,664,080 and 18,627,314 respectively for 2017 and 2016. The number of common shares outstanding as at March 31, 2017 was 19,681,135 (March 31, 2016 – 19,643,635). This information is prepared on the basis of combining the shares of Syncordia prior to and post Qualifying Transaction.

The number of stock options outstanding as at March 31, 2017 was 1,928,113 (March 31, 2016 – 1,026,081), convertible into 1,928,113 common shares.

The number of common share purchase warrants as at March 31, 2017 was 3,585,688 (March 31, 2016 – 4,104,249), convertible into 3,585,688 common shares.

14. RISKS AND UNCERTAINTIES

Risks and uncertainties facing us

An investment in our common shares involves risk. Investors should carefully consider the risks and uncertainties described below. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties, including those that we do not know about now or that we currently deem immaterial, may also adversely affect our business.

Financial and Liquidity Risks

Going Concern

The reader is directed to Section 7 of this MD&A or note 1 of the Consolidated Financial Statements for going concern risks.

Access to Capital

In executing its business plan, Syncordia makes, and will continue to make, substantial investments and other expenditures related to acquisitions, research and development and marketing initiatives. Historically, Syncordia has financed these expenditures through offerings of its equity securities and debt financing. Syncordia will have further capital requirements and other expenditures as it proceeds to expand its business or take advantage of opportunities for acquisitions or other business opportunities that may be presented to it. Syncordia may incur major unanticipated liabilities or expenses. Syncordia can provide no assurance that it will be able to obtain financing to meet the growth needs of Syncordia.

Business Risks

Limited Operating History

Syncordia is an early stage company having been founded in 2014 and, as a result, it has a limited operating history upon which its business and future prospects may be evaluated. Syncordia will be subject to all of the business risks and uncertainties associated with any new business enterprise, including the risk that it will not achieve its operating goals. Although Syncordia has experienced revenue growth during its limited history, there is no certainty Syncordia will be able to sustain this rate of growth or maintain current revenue levels. In order for Syncordia to meet future operating and debt service requirements, Syncordia will need to continue to be successful in its marketing and sales efforts. Additionally, where Syncordia experiences increased sales, Syncordia's current operational infrastructure may require changes to scale Syncordia's business efficiently and effectively to keep pace with demand, and achieve long-term profitability. If Syncordia's products and services are not accepted by new customers, Syncordia's operating results may be materially and adversely affected.

Holding Company

Syncordia is a holding company and its principal assets are its ownership of equity interests in its subsidiaries. It has no independent means of generating revenue. It intends to cause its subsidiaries to make distributions to it as the direct or indirect holder of between 80% to 100% of the equity interests of such subsidiaries in amounts sufficient to make payments in respect of its obligations To the extent that it needs funds and its subsidiaries are unable or otherwise restricted from making such distributions under applicable law, regulation or due to contractual obligations, its liquidity and financial condition could be adversely affected.

Reliance on Key Customer

Syncordia's financial condition depends highly on its cash-flow. Syncordia's earnings before interest, tax, depreciation and amortization ("EBITDA") relied on two customers which together represented 23% (67% in 2016) of billing and collection revenue in Fiscal 2017. As a result of one of these customers terminating their contract for billing services on November 30, 2015, there exists a risk that revenue and EBITDA going forward may decline significantly should there be material amendments to the contract with the remaining customer or new customers not be developed. As a result of the Billing Solutions acquisition on March 22, 2016, along with securing new contracts, Syncordia anticipates that its financial performance will be less impacted by one customer group in the future. Syncordia defines Adjusted EBITDA as adjustments to EBITDA to exclude one-time costs, professional fees and other transaction costs. EBITDA and Adjusted EBITDA are non-GAAP financial measures and should not be considered as an alternative to net income or net income and comprehensive income, cash flow from operating activities or any other measure prescribed under GAAP. EBITDA and Adjusted EBITDA do not have any standardized meaning prescribed by GAAP. As computed by management of Syncordia, EBITDA and Adjusted EBITDA may differ from similar computations reported by other companies and, accordingly, may not be comparable to similar computations reported by such organizations. Management considers EBITDA and Adjusted EBITDA to be useful measures for the purpose of evaluating debt levels and interest coverage.

Acquisitions and Integration

Syncordia examines on a regular basis opportunities to acquire additional assets and businesses. Any acquisition that Syncordia may choose to complete may be of a significant size, may change the scale of Syncordia's business and operations, and may expose Syncordia to new geographic, political, operating and financial risks. Syncordia's success in its acquisition activities depends on its ability to identify suitable acquisition candidates, negotiate acceptable terms for any such acquisition, and integrate the acquired operations successfully with those of Syncordia. Any acquisitions would be accompanied by risks. For example, Syncordia may have difficulty integrating and assimilating the operations and personnel of any acquired companies or assets, realizing anticipated synergies and maximizing the financial and strategic position of the combined enterprise, and maintaining uniform standards, policies and controls across the organization. The integration of the acquired business or assets may disrupt Syncordia's ongoing business and its relationships with employees and customers. In the event that Syncordia chooses to raise debt capital to finance any such acquisition, Syncordia's leverage will be increased. If Syncordia chooses to use equity as consideration for such acquisition, existing shareholders may suffer dilution. Alternatively, Syncordia may choose to finance any such acquisition with its existing resources. There can be no assurance that Syncordia would be successful in overcoming these risks or any other problems encountered in connection with such acquisitions.

Further, the acquired business or assets may have unknown liabilities which may be significant. Although management will attempt to evaluate the risks inherent in each transaction and to evaluate acquisition candidates appropriately, it may not properly ascertain all such risks and the acquired businesses and assets may not perform as expected or enhance the value of Syncordia as a whole. Acquired companies or businesses also may have larger than expected liabilities that are not covered by the indemnification, if any, that Syncordia is able to obtain from the sellers. Furthermore, the historical financial statements of the companies Syncordia has acquired or may acquire in the future are prepared by management of such companies and are not necessarily independently verified by management of Syncordia. In addition, any pro forma financial statements prepared by Syncordia to give effect to such acquisitions may not accurately reflect the results of operations of such companies that would have been achieved had the acquisition of such entities been completed at the beginning of the applicable periods. Finally, there are no assurances that Syncordia will continue to acquire businesses at valuations consistent with its prior acquisitions or that it will complete acquisitions at all.

Managing Growth

In order to manage growth, Syncordia must continue to: (a) maintain adequate systems to meet customer demand; (b) expand sales and marketing, technical support, distribution capabilities and administrative functions; (c) expand the skills and capabilities of its current management team; and (d) attract and retain qualified employees. While it intends to focus on managing its costs and expenses over the long term, Syncordia expects to invest to support its growth and may have additional unexpected costs. It may not be able to expand quickly enough to exploit potential market opportunities.

Personnel

The loss of any member of Syncordia's management team, and in particular, its co-founders, could have a material adverse effect on its business and results of operations. In addition, an inability to hire, or the increased costs of new personnel, including members of executive management, could have a material adverse effect on Syncordia's business and operating results. At present and for the near future, Syncordia will depend upon a relatively small number of employees to develop, market, sell and support its platform. The expansion of technology, marketing and sales of its platform will require Syncordia to find, hire and retain additional capable employees who can understand, explain, market and sell its technology. There is intense competition for capable personnel in all of these areas and Syncordia may not be successful in attracting, training, integrating, motivating, or retaining new personnel, vendors, or subcontractors for these required functions. New employees often require significant training and, in many cases, take significant time before they achieve full productivity. As a result, Syncordia may incur significant costs to attract and retain employees, including significant expenditures related to salaries and benefits and compensation expenses related to equity awards, and may lose new employees to its competitors or other companies before it realizes the benefit of its investment in recruiting and training them. In addition, as Syncordia moves into new jurisdictions, it will need to attract and recruit skilled employees in those areas.

Implementation of Technologies or Services by Customers

Syncordia utilizes its customers' existing RCM and staff and layers its proprietary technology tools on top of the customers' existing patient accounting system. Each customer's situation is different, and unanticipated difficulties and delays may arise. If the implementation process is not executed successfully or is delayed, Syncordia's relationship with the customer may be adversely affected and its results of operations could suffer. Implementation of Syncordia's technology also requires it to integrate its own employees into the customer's operations. The customer's circumstances may require Syncordia to devote a larger number of its employees than anticipated, which could increase its costs and harm its financial results.

Advances in Technology and Services

The successful implementation of Syncordia's business model depends on its ability to adapt to evolving technologies and increasingly aggressive industry standards and introduce new technology and services accordingly. It cannot provide assurances that it will be able to introduce new technologies on schedule, or at all, or that such technologies will achieve market acceptance. It may also not be possible to protect such services and technology under intellectual property laws. Moreover, competitors may develop competitive products that could adversely affect Syncordia's operating results. Any failure by Syncordia to introduce planned technologies or other new services or to introduce these technologies and services on schedule could have an adverse effect on its revenue growth and operating results.

If Syncordia cannot adapt to changing technologies, its products and services may become obsolete, and its business could suffer. Because the markets in which it operates are characterized by rapid technological change, it may be unable to anticipate changes in its current and potential clients' or users' requirements that could make its existing technology obsolete. Syncordia's success will depend, in part, on its ability to continue to enhance its existing products and services, develop new technology that addresses the increasingly sophisticated and varied needs of its prospective clients and users, license leading technologies, and respond to technological advances and emerging industry standards and practices, all on a timely and cost-effective basis. The development of its technology entails significant technical and business risks. Syncordia may not be successful in using new technologies effectively or adapting its technology to evolving client or user requirements or emerging industry standards. Any of the foregoing could materially and adversely impact Syncordia's business, financial condition, and operating results.

Technological Performance

There are increased risks of performance problems during times when Syncordia is making significant changes to its technology and services or to systems it uses to provide services. In addition, implementation of solutions and cost savings initiatives may cost more, may not provide the benefits expected, may take longer than anticipated or may increase the risk of performance problems.

In order to respond to technological and regulatory changes and evolving industry standards, Syncordia must continually update and enhance its technology and services. The software and systems that it will use to provide services will be inherently complex and, despite testing and quality control, it cannot be certain that errors will not be found in any changes, enhancements, updates and new versions that it markets or uses. Even if new or modified solutions do not have performance problems, technical and customer service personnel may have difficulties in implementing them or in providing any necessary training and support to clients.

Implementation of changes in its technology and services may cost more or take longer than originally expected and may require more testing than initially anticipated. While new software will be tested before it is used, Syncordia cannot be sure that the testing will uncover all problems that may occur in actual use. If significant problems occur as a result of these changes, Syncordia may fail to meet its contractual obligations to clients, which could result in claims being made against it or in the loss of or damage to client relationships. In addition, changes in its technology and services may not provide the additional functionality or other benefits that were expected.

In addition, Syncordia may also periodically implement efficiency measures and other cost saving initiatives to improve its operating performance. These efficiency measures and other cost saving initiatives may not provide the benefits anticipated or do so in the time frame expected. Implementation of these measures also may increase the risk of performance problems due to unforeseen impacts on its organization, systems and processes.

Technological Errors

Syncordia's technologies or services could fail to perform properly due to errors or similar problems. Complex technology, such as Syncordia's, often contains defects or errors, some of which may remain undetected for a period of time. It is possible that such errors may be found after the introduction of new products or services or enhancements to existing products or services. Syncordia will continually introduce new solutions and enhancements to its solutions, and, despite testing, it is possible that errors may occur in its software. If Syncordia detects any errors before it introduces a solution, it might have to delay deployment for an extended period of time while it addressed the problem. If it does not discover errors that affect its new or current solutions or enhancements until after they are deployed, Syncordia would need to provide enhancements to correct such errors. Errors in its technologies or services could result in: (a) unexpected expenses and diversion of resources to remedy errors; (b) harm to Syncordia's reputation; (c) license termination or renegotiations; and (d) privacy and/or security vulnerabilities.

Information Technology Systems

Syncordia relies upon the performance of its information technology systems to process, transmit, store and protect electronic information, and the failure of any critical information technology system may result in serious harm to its reputation, business, results of operations and/or financial condition. It is dependent on technology infrastructure and maintains and relies upon certain critical information systems for the effective operation of its business. These information technology systems include telecommunications, the Internet, various computer hardware and software applications, network communications and e-mail. These information technology systems are subject to damage or interruption from a number of potential sources including natural disasters, viruses, destructive or inadequate code, malware, power failures, cyber-attacks, and other events. To the extent that these information systems are under Syncordia's control, it has implemented security procedures, such as virus protection software and emergency recovery processes, to address the outlined risks. Syncordia may incur significant costs in order to implement, maintain and/or update security systems that it feels are necessary to protect its information systems. A material breach in the security of its information systems could include the theft of its intellectual property or trade secrets, negatively impact its operations, or result in the compromise of personal and confidential information of its employees, customers or suppliers. While Syncordia will take necessary action to ensure that its information technology systems are appropriately controlled and that it has processes in place to adequately mitigate these risks, security procedures for information systems cannot be guaranteed to be failsafe. To the extent that any system failure, accident or security breach results in disruptions or interruptions to its operations or the theft, loss or disclosure of, or damage to its data or confidential information, its reputation, business, results of operations and/or financial condition could be materially adversely affected. In addition, a miscalculation of the level of investment needed to ensure its technology solutions are current and up-to-date as technology advances and evolves could result in disruptions in its business should the software, hardware, or maintenance of such items become out-of-date or obsolete. Furthermore, when Syncordia implements new systems and/or upgrade existing systems, there is a risk that the business may be temporarily disrupted during the period of implementation.

Internet Access

Syncordia delivers Internet-based services and, accordingly, depend on its ability and the ability of its customers to access the Internet. This access is currently provided by third parties that have significant market power in the broadband and Internet access marketplace, including incumbent telephone companies, cable companies, mobile communications companies and government-owned service providers - all of whom are outside of Syncordia's control. In the event of any difficulties, outages and delays by Internet service providers, Syncordia may be impeded from providing services, resulting in a loss of potential or existing customers.

Intellectual Property

As of the date of this Annual Information Form, Syncordia's technology is not formally protected under intellectual property or similar laws, and in particular it is not patented or copyrighted or otherwise protected under any registration or application. Although it attempts to control access to its intellectual property, unauthorized persons may attempt to copy or otherwise use its intellectual property. There can be no assurance that the legal protections and precautions it takes will be adequate to prevent misappropriation of its technology or that competitors will not independently develop technologies equivalent or superior to Syncordia's. Monitoring unauthorized use of its intellectual property is difficult, and the steps it has taken may not prevent unauthorized use. If Syncordia's competitors gain access to its intellectual property, its competitive position in the industry could be damaged. An inability to compete effectively could cause Syncordia to lose existing and potential customers and experience lower revenues and revenue growth. Third parties could obtain patents or other intellectual property rights that may require Syncordia to stop benefiting from certain of its technology, and may require Syncordia to negotiate licenses to conduct its business, and the required licenses may not be available on reasonable terms or at all. Syncordia relies on nondisclosure agreements with certain employees, and it cannot be certain that these agreements will not be breached or that it will have adequate remedies for any breach.

Infringement of Intellectual Property

Syncordia does not believe that its technology currently infringes on the intellectual property rights of others. However, there can be no assurance that others will not assert infringement or trade secret misappropriation claims against Syncordia with respect to its current or future products. Many participants in the technology industry and other non-practicing entities have an increasing number of patents and patent applications and have frequently demonstrated a readiness to take legal action based on allegations of patent and other intellectual property infringement. Further, as the number and functionality of Syncordia's technology increases, it may become increasingly subject to the risk of infringement claims. If infringement claims are brought against Syncordia, these assertions could distract management. It may have to spend a significant amount of money and time to defend or settle those claims.

If Syncordia were found to infringe on the intellectual property rights of others, it could be forced to pay significant license fees or damages for infringement. Syncordia and its customers may also be required to discontinue the use of those products. Syncordia is unable to insure against this risk on an economically feasible basis. Even if it was to prevail in an infringement lawsuit, the accompanying publicity could adversely impact the demand for its technology and services.

Legal Proceedings

From time to time, Syncordia may be a party to legal and regulatory proceedings, including matters involving governmental agencies, entities with whom it does business and other proceedings arising in the ordinary course of business. Syncordia will evaluate its exposure to these legal and regulatory proceedings and establish reserves for the estimated liabilities in accordance with generally accepted accounting principles. Assessing and predicting the outcome of these matters involves substantial uncertainties. Unexpected outcomes in these legal proceedings, or changes in management's evaluations or predictions and accompanying changes in established reserves, could have an adverse impact on Syncordia's financial results.

Accounting Risks

Foreign Sales

Syncordia's functional currency is denominated in U.S. dollars. Syncordia currently has sales that are denominated in U.S. dollars and may, in the future, have sales denominated in the currencies of additional countries in which it establishes sales offices. In addition, Syncordia incurs the majority of its operating expenses in U.S. dollars. In the future, Syncordia's international sales may increase. Such sales may be subject to unexpected regulatory requirements and other barriers. Any fluctuation in the exchange rates of foreign currencies may negatively impact Syncordia's business, financial condition and results of operations. Syncordia has not previously engaged in foreign currency hedging. If Syncordia decides to hedge its foreign currency exposure, it may not be able to hedge effectively due to lack of experience, unreasonable costs or illiquid markets. In addition, those activities may be limited in the protection they provide Syncordia from foreign currency fluctuations and can themselves result in losses.

Estimates or Judgments Relating to Critical Accounting Policies

The preparation of financial statements in conformity with International Financial Reporting Standards, or IFRS, requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Syncordia bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue and expenses that are not readily apparent from other sources. Syncordia's operating results may be adversely affected if the assumptions change or if actual circumstances differ from those in the assumptions, which could cause Syncordia's operating results to fall below the expectations of securities analysts and investors, resulting in a decline in the share price of Syncordia. Significant assumptions and estimates used in preparing the financial statements include those related to the credit quality of accounts receivable, income tax credits receivable, share based payments, impairment tests for non-financial assets, as well as revenue and cost recognition.

Tax Risks

Syncordia operates and is subject to income tax and other forms of taxation (which are not based upon income) in multiple tax jurisdictions. Taxation laws and rates which determine taxation expenses may vary significantly in different jurisdictions, and legislation governing taxation laws and rates is also subject to change. Therefore, Syncordia's earnings may be impacted by changes in the proportion of earnings taxed in different jurisdictions, changes in taxation rates, changes in estimates of liabilities and changes in the amount of other forms of taxation. Syncordia may have exposure to greater than anticipated tax liabilities or expenses. Syncordia will be subject to income taxes and non-income taxes in a variety of jurisdictions and its tax structure is subject to review by both domestic and foreign taxation authorities and the determination of Syncordia's provision for income taxes and other tax liabilities will require significant judgment.

Industry Risks

Global Economy

An economic downturn or volatility could have a material adverse effect on Syncordia's business, financial condition and results of operations. The economy of the United States, where Syncordia's operations are located, has experienced significant economic uncertainty and volatility during recent years. A weakening of economic conditions could lead to reductions in demand for Syncordia's technology and solutions. For example, its revenues can be adversely affected by the impact of lower healthcare utilization trends driven by high unemployment and other economic factors. Further, weakened economic conditions or a recession could reduce the amount of income patients are able to spend on healthcare services. As a result, patients may elect to delay or forgo seeking healthcare services, which could further reduce healthcare utilization and transaction volumes resulting in a decrease in demand for Syncordia's technologies and services. Also, high unemployment rates could cause commercial payer membership to decline which also could lessen healthcare utilization and decrease demand for Syncordia's technologies and services. In addition, as a result of volatile or uncertain economic conditions, Syncordia may experience the negative effects of increased financial pressures on its clients. For instance, Syncordia's business, financial condition and results of operations could be negatively impacted by increased competitive pricing pressure and a decline in its customers' credit worthiness, which could result in Syncordia incurring increased bad debt expense. If Syncordia is not able to timely and appropriately adapt to changes resulting from a weak economic environment, its business, results of operations and financial condition may be materially and adversely affected.

Developments in the Healthcare Industry, including National Healthcare Reform

The healthcare industry is subject to changing political, economic and regulatory influences that may affect the procurement processes and operation of healthcare facilities. During the past several years, the healthcare industry has been subject to an increase in governmental regulation of, among other things, reimbursement rates and certain capital expenditures. Recently enacted public laws reforming the U.S. healthcare system may have an impact on Syncordia's business. The Patient Protection and Affordable Care Act (H.R. 3590; Public Law 111-148) (the "ACA") and The Health Care and Education Reconciliation Act of 2010 (H.R. 4872) (the "Reconciliation Act"), which amends the ACA (collectively the "Health Reform Laws"), were signed into law in March 2010. The Health Reform Laws contain various provisions which may impact Syncordia or its customers. Among other things, the Health Reform Laws require nearly all individuals to have health insurance, expand Medicaid eligibility, mandate material changes to the delivery of healthcare services and reduce the reimbursement paid for such services in order to generate savings in the Medicare program. The Health Reform Laws also modify certain payment systems to encourage more cost-effective care and a reduction of inefficiencies and waste, including through new tools to address fraud and abuse.

The Health Reform Laws will ultimately lead to significant changes in the healthcare system. Because not all of the administrative rules implementing the Health Reform Laws have been finalized, and because of ongoing U.S. federal fiscal budgetary pressures yet to be resolved for U.S. federal health programs, the full impact of the legislation and of further statutory and regulatory actions to reform healthcare on Syncordia's business is unknown, but there can be no assurances that the legislation will not adversely impact either Syncordia's operational results or the manner in which it operates its business. Healthcare industry participants may respond to the Health Reform Laws by reducing their investments or postponing investment decisions, including investments in Syncordia's technologies and services. Syncordia cannot predict what effect, if any, such additional proposals or healthcare reforms might have on its business, financial condition and results of operations.

In some instances, the impact of these regulations on Syncordia's business is direct to the extent that it is subject to these laws and regulations. However, these regulations also impact Syncordia's business indirectly as, in a number of circumstances, it technologies and services must be capable of being used by its clients in a way that complies with those laws and regulations, even though it may not be directly regulated by the specific healthcare laws and regulations. There is a significant number of wide-ranging regulations, including regulations in the areas of healthcare fraud, e-prescribing, claims processing and transmission, medical devices, the security and privacy of patient data and interoperability standards, that may be directly or indirectly applicable to Syncordia's operations and relationships or the business practices of its customers.

Healthcare Claim Standards

CMS has mandated the use of new patient codes for reporting medical diagnosis and inpatient procedures, referred to as the ICD-10 codes. CMS is requiring all providers, payors, clearinghouses and billing services to utilize these ICD-10 codes when submitting claims for payment. ICD-10 codes will affect medical diagnosis and inpatient procedure coding for everyone covered by the Health Insurance Portability and Accountability Act of 1996, not just those who submit Medicare or Medicaid claims. Claims for services provided on or after October 1, 2015 must use ICD-10 codes for medical diagnosis and inpatient procedures or they will not be paid.

Syncordia does not anticipate significant difficulties associated with implementing the use of the ICD-10 codes within its technologies and services. However, if its products and services do not accommodate CMS mandates at any future date, customers may cease to use those technologies and services that are not compliant and may choose alternative vendors and products that are compliant. This could adversely impact future revenues.

Seasonal Nature of Sales Cycle

The sales of Syncordia's products and services are directly linked to the demand of their customers being in the healthcare services industry. Syncordia earns sales revenue on a percentage basis according to their customers' billings. In the United States as a whole, there is generally a larger demand for healthcare services in the winter months where sales revenue will be higher in contrast with summer months where healthcare service providers and Syncordia have a lower level of billings.

Highly Competitive Industry

The market for RCM solutions is highly competitive and Syncordia expects competition to intensify in the future. Syncordia faces competition from a steady stream of new entrants, including the internal RCM staff of hospitals, as described above, and external participants. External participants that are Syncordia's competitors in the RCM include software vendors and other technology-supported RCM business process outsourcing companies; traditional consultants; and information technology outsourcers. Syncordia's competitors may be able to respond more quickly and effectively than Syncordia can to new or changing opportunities, technologies, standards, regulations or customer requirements. Syncordia may not be able to compete successfully with these companies, and these or other competitors may introduce technologies or services that render its technologies or services obsolete or less marketable. Even if Syncordia's technologies and services are more effective than the offerings of its competitors, current or potential customers might prefer competitive technologies or services to Syncordia's technologies and services. Increased competition is likely to result in pricing pressures, which could negatively impact Syncordia's margins, growth rate or market share.

Variable Selling Cycle

Syncordia faces a variable selling cycle, typically spanning six to twelve months, to secure a new managed service contract. Even if Syncordia succeeds in developing a relationship with a potential new customer, it may not be successful in entering into a managed service contract with that customer. In addition, Syncordia cannot accurately predict the timing of entering into managed service contracts with new customers due to the complex procurement decision processes of most healthcare providers, which often involves high-level or committee approvals. Consequently, Syncordia has only a limited ability to predict the timing of specific new customer relationships.

Risks Related to the Common Shares

Market for the Common Shares

There can be no assurance that an active trading market for the Common Shares will develop or, if developed, that any market will be sustained. Technology stocks have historically experienced high levels of volatility and Syncordia cannot predict the prices at which the Common Shares will trade. The price of the Syncordia Subscription Receipts was determined by negotiations with the Underwriters and may not bear any relationship to the market price at which the Common Shares will trade or to any other established criteria of the value of Syncordia's business. Fluctuations in the market price of the Common Shares could cause an investor to lose all or part of its investment in Common Shares. Factors that could cause fluctuations in the trading price of the Common Shares include: (i) announcements of new offerings, products, services or technologies; commercial relationships, acquisitions or other events by Syncordia or its competitors; (ii) price and volume fluctuations in the overall stock market from time to time; (iii) significant volatility in the market price and trading volume of technology companies in general and of companies in the RCM industry in particular; (iv) fluctuations in the trading volume of the Common Shares or the size of Syncordia's public float; (v) actual or anticipated changes or fluctuations in Syncordia's results of operations; (vi) whether Syncordia's results of operations meet the expectations of securities analysts or investors; (vii) actual or anticipated changes in the expectations of investors or securities analysts; (viii) litigation involving Syncordia, its industry, or both; (ix) regulatory developments in the Canada, the United States, and foreign countries; (x) general economic conditions and trends; (xi) major catastrophic events; (xii) escrow releases, sales of large blocks of the Common Shares; (xiii) departures of key employees or members of management; or (xiv) an adverse impact on Syncordia from any of the other risks cited herein.

No Payment of Cash Dividends

The Company has never declared or paid cash dividends on the Common Shares. Syncordia intends to retain future earnings to finance the operation, development and expansion of the business. Syncordia does not anticipate paying cash dividends on the Common Shares in the foreseeable future. Payment of future cash dividends, if any, will be at the discretion of the Board and will depend on Syncordia's financial condition, results of operations, contractual restrictions, capital requirements, business prospects and other factors that the Board considers relevant.

Significant Sales of Common Shares

Certain Common Shares held by Syncordia's directors, executive officers, control persons and certain other securityholders of Syncordia are subject escrow restrictions pursuant to the policies of the TSXV (see "Escrowed Securities and Securities Subject to Contractual Restriction on Transfer"). Sales of a substantial number of the Common Shares in the public market after the expiry of the escrow restrictions, or the perception that these sales could occur, could adversely affect the market price of the Common Shares and may make it more difficult for investors to sell Common Shares at a favourable time and price.

Issuance of Preferred Shares

While there are currently no Preferred Shares outstanding, Syncordia's articles permit the issuance of Preferred Shares in one or more series. Subject to the TSXV and any applicable regulatory approvals, the Board may set the rights and preferences of any series of Preferred Shares in its sole discretion without shareholder approval. The rights and preferences of those Preferred Shares may be superior to those of the Common Shares. Accordingly, the issuance of Preferred Shares may adversely affect the rights of holders of Common Shares.

Analyst Coverage

The trading market for the Common Shares will, to some extent, depend on the research and reports that securities or industry analysts publish about Syncordia or its business. Syncordia will not have any control over these analysts. If one or more of the analysts who covers Syncordia should downgrade the Common Shares or change their opinion of Syncordia's business prospects, Syncordia's share price would likely decline. If one or more of these analysts ceases coverage of Syncordia or fails to regularly publish reports on Syncordia, Syncordia could lose visibility in the financial markets, which could cause Syncordia's share price or trading volume to decline.

Tax Issues

There may be income tax consequences in relation to the Common Shares, which will vary according to circumstances of each investor. Prospective investors should seek independent advice from their own tax and legal advisers.

15. FORWARD-LOOKING STATEMENTS

Caution regarding forward-looking statements

This MD&A contains forward-looking statements about our achievements, the future success of our business and technology strategies, performance, goals and other future events. Management's assessment of future plans and operations, cash flows, new contract wins, acquisitions, operational efficiencies, methods of financing and the ability to fund financial liabilities, and the timing of and impact of adoption of IFRS and other accounting policies may constitute forward-looking statements under applicable securities laws and necessarily involve risks including, without limitation, the risks identified above. As a consequence, our actual results may differ materially from those expressed in, or implied by, the forward-looking statements. Forward-looking statements or information are based on a number of factors and assumptions which have been used to develop such statements and information but which may prove to be incorrect. Although Syncordia believes that the expectations reflected in such forward-looking statements or information are reasonable, undue reliance should not be placed on forward-looking statements because we can give no assurance that such expectations will prove to be correct.

In addition to other factors and assumptions which may be identified in this document and other documents filed by Syncordia, assumptions have been made regarding our ability to grow and access capital, among other considerations. Readers are cautioned that the foregoing list of factors is not exhaustive.

The purpose of the forward-looking statements is to provide the reader with a description of management's expectations regarding our first quarter financial performance and may not be appropriate for other purposes. Readers are encouraged to read the section entitled "Risks and Uncertainties" in this MD&A for a broader discussion of the factors that could affect our future performance. Furthermore, the forward-looking statements contained in this document are made as at the date of this document and Syncordia does not undertake any obligation to update publicly or to revise any of the included forward-looking statements, whether as a result of new information, future events or otherwise, except as may be required by applicable securities laws.