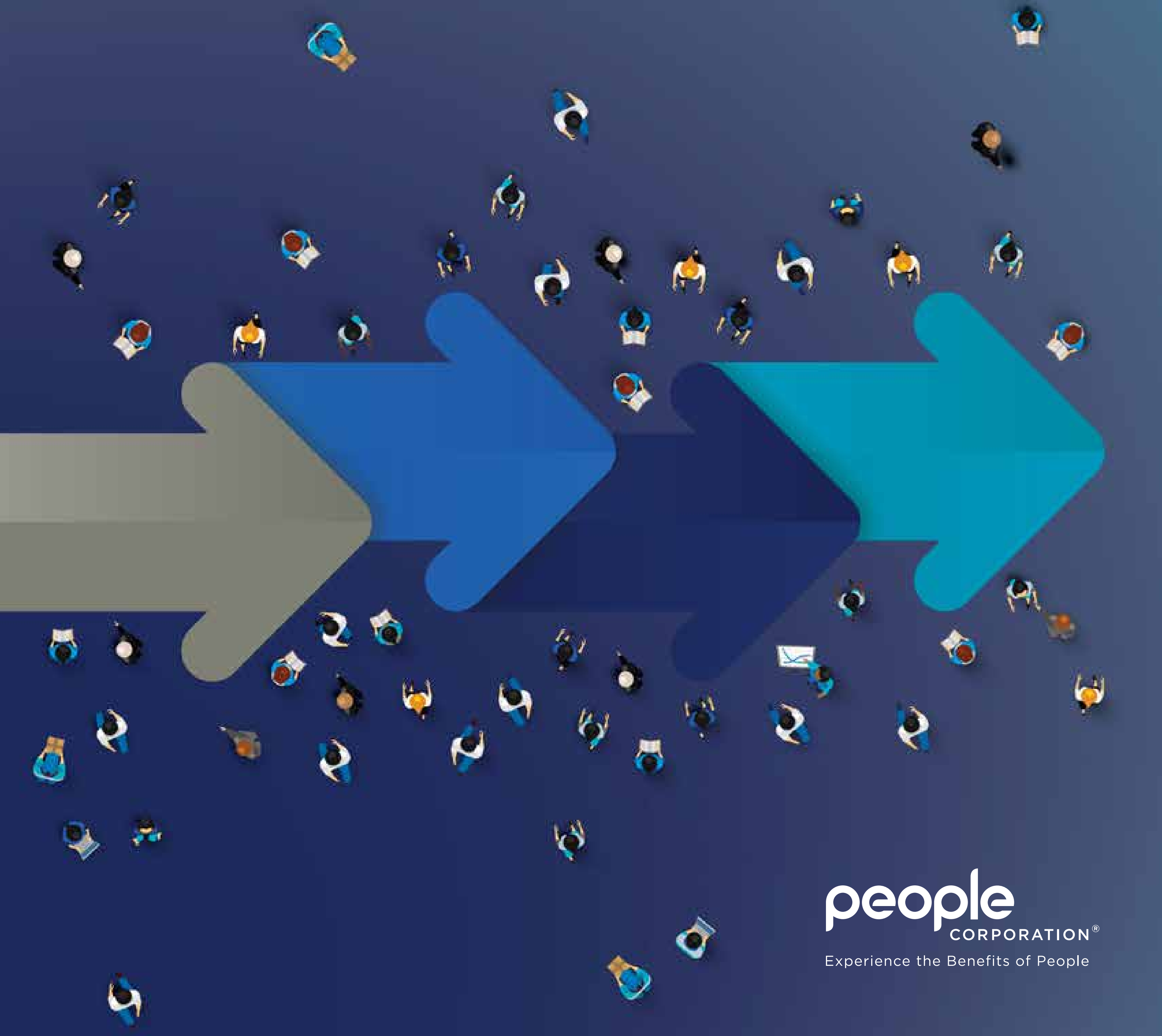
people forward



people CORPORATION®

Experience the Benefits of People

highlights

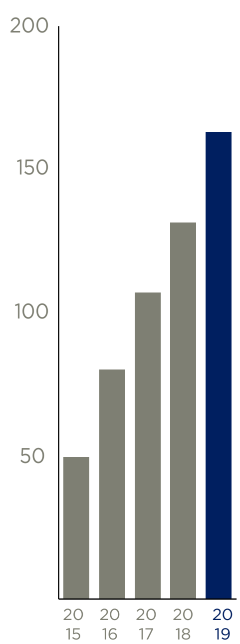
YEAR ENDED AUGUST 31

(in $ 000s, except share amounts)

		2019		2018		2017		2016		2015
Revenue	$	162,494	$	130,518	$	105,840	$	79,802	$	49,293
Operating income before corporate costs	$	41,058	$	32,377	$	25,192	$	18,586	$	13,319
Adjusted EBITDA	$	36,072	$	27,542	$	20,109	$	14,095	$	9,161
Total assets	$	327,477	$	262,555	$	169,953	$	147,978	$	114,597
Total debts	$	86,740	$	38,274	$	36,527	$	40,477	$	25,410
Other liabilities	$	110,875	$	96,165	$	65,055	$	62,816	$	45,108
Shareholders' equity	$	129,862	$	128,116	$	68,371	$	44,685	$	44,079
Total liabilities and shareholders' equity	$	327,477	$	262,555	$	169,953	$	147,978	$	114,597
Cash, end of year	$	12,490	$	21,119	$	17,934	$	14,370	$	6,515
Repayment of long-term debt, net	$	76,195	$	63,367	$	20,681	$	3,270	$	8,400
Common shares outstanding at year end		60,918,514		60,640,511		51,001,140		45,225,050		44,958,383

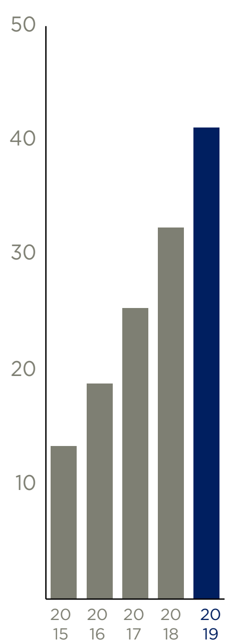
REVENUE

(in $ millions)



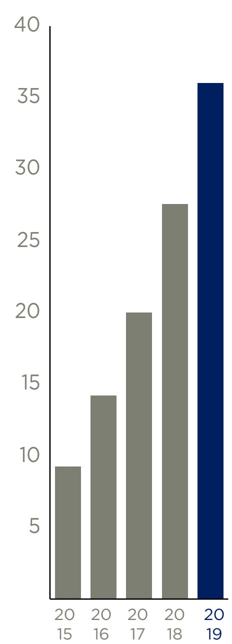
OPERATING INCOME BEFORE CORPORATE COSTS

(in $ millions)



ADJUSTED EBITDA

(in $ millions)



Moving forward to a bright future:

to be the leading provider of innovative group benefits, group retirement and human resources consulting services in Canada, with the best consultants delivering innovative and customized solutions.

We are executing against our 4 key focus areas in order to drive growth.

- Added resources and expertise within the corporate development group to enhance our ability to filter and execute on opportunities
- Welcomed ACL Student Benefits, Life Benefit Solutions and Benefit Partners which added to our position in the post-secondary student benefits consulting market, the First Nations market segment, as well as group benefits, group retirement and insurance advisory, respectively

- Continued to invest in a regional sales and service model
- Launched segmented strategy between small, mid-market and enterprise consulting operations
- Created the Business Development Solutions group to target enterprise opportunities
- Expanded our third-party broker network and small group solutions

- Continued to successfully integrate businesses acquired during 2018 and 2019
- Enhanced service levels and quote tools in the third-party broker channel
- Integrated our Quebec-based operations to drive sales and efficiency
- Executed our regional model in Ontario to better serve our clients

4. INTEGRATION

3. PRODUCTS

- Launched our new mental health and virtual therapy solution – *People Connect*
- Initiated mental health as a standard feature in our proprietary small group solution
- Implemented our disability management solution into our union client base
- Introduced *HR @ Your Service* as a standard feature in our proprietary small group solution
- Continued to expand our preferred provider network across the country

TO THE SHAREHOLDERS OF PEOPLE CORPORATION

Ten years ago, when we founded People Corporation, we saw a meaningful opportunity to meet the rapidly evolving needs of our clients and their members. Specifically, we identified long-term structural changes in the group benefits and pension industry that would accelerate growth for organizations that are able to provide solutions focused on two principal areas: cost containment and efficiently-delivered mass customized plan designs.

Ten years on, group benefits premiums in Canada have increased by 45% to roughly $41 billion and, true to what we predicted, cost containment and mass customized plan designs remain the right focus areas. Health care costs continue to escalate, driven in large part by increased utilization and the proliferation of health care solutions. People are living and working longer, which has fundamentally altered today's workforce composition to include up to five generations at a time, compared to the more common two generations, historically. Because of the diversity of life stages represented in today's workforce, needs and wants in relation to group benefits plans are more varied than ever, which has driven significant demand for mass customized solutions to help organizations' attract and retain top talent in an increasingly competitive market.

Given our measured execution over the past ten years with these two principal areas of focus, People Corporation is ideally positioned to continue meeting and exceeding client needs. In recent years, we've invested in and expanded our distribution platform across the small group, mid-market, and enterprise channels, organically and through acquisitions. As a result, we have a deep bench of consulting professionals supported with leading-edge tools and solutions in all markets. We also continue to support the third-party administration (TPA) market that has tripled in the past ten years to approximately $3 billion in premiums today. Given the ability of our TPA solution to enable the efficient delivery of mass customized solutions on a cost efficient basis, we see demand continuing to outpace growth in the overall market.

I'm extremely proud of our team for making significant progress throughout 2019 in each of our four key areas of focus:

- Sales and service
- Products
- Strategic acquisitions
- Integration.

Some of our major achievements during 2019 include:

SALES AND SERVICE: During the year we gained exposure to higher value client opportunities and achieved greater win rates as a result of:

- Our ongoing investments in a regional sales and service model
- The initiation of a segmented strategy between small, mid-market and enterprise consulting operations
- The creation of the Business Development Solutions group to target enterprise opportunities
- Our targeted investments in our third-party broker network and small group solutions

PRODUCTS: We expanded our product development team, launched our new mental health and virtual therapy solution – People Connect, and introduced mental health and HR @ Your Service as standard features in our proprietary small group solution. Furthermore, we successfully launched our disability management solution into our union client base, and continued to expand our preferred provider network across the country.

STRATEGIC ACQUISITIONS: We enhanced our ability to filter and execute on opportunities with the addition of resources and expertise within the corporate development team. We welcomed ACL Student Benefits, Life Benefit Solutions, and Benefit Partners Inc. to People Corporation. These acquisitions added to our position in the post-secondary student benefits consulting space, the First Nations market segment, as well as group benefits, group retirement, and insurance advisory.

INTEGRATION: We continued to successfully integrate businesses acquired during 2018 and 2019 as well as implemented successful initiatives including the enhancement of service levels and quote tools in the third-party broker channel, the integration of our Quebec-based operations to drive sales and efficiency, and the planning and execution of our regional model in Ontario to better serve our clients.

Our collective achievements have once again yielded record results in 2019:

Revenue: Grew 24.5% from prior year to $162.5 million.

Adjusted EBITDA: Grew 31% from prior year to $36.1 million.

Organic Growth: Achieved 8.9% in the current year.

Clients: Serviced over 1.6 million Canadians across Canada.

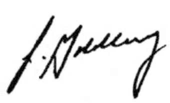
Our People: Over 925 professionals across more than 33 locations throughout Canada.

Balance Sheet: Remains strong with ongoing capacity to support transformative acquisitions and strategic growth investments.

We've built a rapidly growing organization with an enviable track record of success as measured by client and employee attraction and retention. As we enter 2020 and continue executing against our five-year strategy – People Forward – we're scratching the surface of what's possible for our clients and shareholders. We see continued opportunity to add and innovate in the sales and service, and products areas, both organically and through strategic acquisition, as well as a growing opportunity to begin to unlock greater value of our national footprint through closer integration.

We'd like to thank you, our clients, employees, partners, shareholders, and our Board, for your continued support. We don't take your commitment to us for granted. We'll continue to work within the marketplace to build and expand on our capabilities to ensure that everyone we connect with will Experience the Benefits of People.

Sincerely,



Laurie Goldberg,
Chairman and CEO

AUX ACTIONNAIRES DE LA CORPORATION PEOPLE

Il y a dix ans, lorsque nous avons fondé la People Corporation, nous avons vu une occasion importante de répondre aux besoins en évolution rapide de nos clients et de leurs membres. Plus précisément, nous avons identifié des changements structurels à long terme dans l'industrie des régimes collectifs et de retraite qui accéléreraient la croissance des organisations capables de fournir des solutions axées sur deux secteurs principaux : la limitation des coûts et la conception de forfaits personnalisés multiples livrés efficacement.

Dix ans plus tard, les primes des régimes collectifs au Canada ont connu une augmentation de 45 % pour atteindre environ 41 milliards de dollars. De plus, comme nous l'avions prédit, la compression des coûts et la conception de régimes personnalisés de masse demeurent les secteurs prioritaires. Les coûts des soins de santé continuent d'augmenter, en grande partie en raison de l'augmentation de l'utilisation et de la prolifération des solutions de soins de santé. Les gens vivent et travaillent plus longtemps, ce qui a fondamentalement modifié la composition de l'effectif d'aujourd'hui, qui réunit jusqu'à cinq générations dans un seul groupe, comparativement à autrefois, où il était plus courant de ne voir que deux générations. En raison de la diversité des stades de la vie représentés dans l'effectif d'aujourd'hui, les besoins et les demandes liés aux régimes collectifs sont plus variés que jamais. Cela a entraîné une demande importante pour des solutions personnalisées massives afin d'aider les organisations à attirer et à retenir les personnes les plus compétentes dans un marché de plus en plus concurrentiel.

Compte tenu de notre rendement évalué au cours des dix dernières années en ce qui concerne ces deux secteurs principaux, la People Corporation occupe une position idéale pour continuer à répondre aux besoins des clients et à dépasser leurs attentes. Au cours des dernières années, nous avons investi dans notre plateforme de distribution et l'avons élargie dans les canaux des petits groupes, des moyennes entreprises et des grandes entreprises, de façon organique ainsi que par des acquisitions. Par conséquent, nous disposons d'un bassin complet de professionnels de la consultation soutenus par des outils et des solutions de pointe dans tous les marchés. Nous continuons également à soutenir le marché des tiers administrateurs (TA), qui a triplé au cours des dix dernières années pour atteindre environ 3 milliards $ aujourd'hui en ce qui concerne les primes. Étant donné la capacité de notre solution de TA à offrir efficacement des solutions personnalisées de masse sur une base rentable, nous constatons que la demande continue de dépasser la croissance dans l'ensemble du marché.

Je suis extrêmement fière de notre équipe, parce qu'elle a réalisé d'importants progrès au cours de 2019, et ce dans chacun de nos quatre secteurs clés :

- Ventes et service
- Produits
- Acquisitions stratégiques
- Intégration

Voici quelques-unes de nos importantes réalisations en 2019 :

VENTES ET SERVICE : Au cours de l'année, nous avons davantage été exposés à des occasions d'affaires de plus grande valeur et nous avons obtenu de meilleurs taux de réussite en raison des initiatives suivantes :

- Nos investissements continus dans un modèle de ventes et service régional.
- Le lancement d'une stratégie segmentée entre les activités de consultation des petits groupes, des moyennes entreprises et des grandes entreprises.
- La création du groupe des solutions de développement des affaires pour cibler les occasions d'affaires des grandes entreprises.
- Nos investissements ciblés dans notre réseau de courtiers tiers et dans les solutions pour les petits groupes.

PRODUITS : Nous avons élargi notre équipe de développement de produits, lancé notre nouvelle solution de santé mentale et de thérapie virtuelle, People Connect, et lancé la santé mentale et RH @ votre service comme caractéristiques standards dans notre solution exclusive de petits groupes. De plus, nous avons lancé avec succès notre solution de gestion de l'invalidité auprès de notre clientèle syndicale et nous avons continué à étendre notre réseau de fournisseurs privilégiés à l'échelle du pays.

ACQUISITIONS STRATÉGIQUES : Nous avons amélioré notre capacité à filtrer et à saisir des occasions grâce à l'ajout de ressources et d'expertise au sein de l'équipe de développement de l'entreprise. Nous avons accueilli ACL Student Benefits, Life Benefit Solutions et Benefit Partners Inc. à People Corporation. Ces acquisitions ont renforcé notre position dans l'espace des services-conseils en avantages sociaux aux étudiants de niveau postsecondaire, dans le segment de marché des Premières nations ainsi que dans les domaines des régimes d'avantages sociaux collectifs, des régimes de retraite collectifs et des services-conseils en assurance.

INTÉGRATION : Nous avons continué à intégrer avec succès les entreprises acquises en 2018 et en 2019 et à mettre en œuvre des initiatives fructueuses, notamment l'amélioration des niveaux de service et des outils de tarification dans le circuit des courtiers tiers, l'intégration de nos activités au Québec afin de stimuler les ventes et l'efficacité ainsi que la planification et l'exécution de notre modèle régional en Ontario afin de mieux servir nos clients.

Nos réalisations collectives ont une fois de plus donné des résultats records en 2019 :

Bénéfices : Augmentation de 24,5 % par rapport à l'exercice précédent, pour atteindre 162,5 millions $.

BAIIA ajusté : Augmentation de 31 % par rapport à l'exercice précédent pour atteindre 36,1 millions $.

Croissance organique : A atteint 8,9 % pendant l'année en cours.

Clients : Nous avons servi plus de 1,6 million de Canadiens partout au Canada.

Nos gens : Plus de 925 professionnels répartis dans plus de 33 établissements au Canada.

Bilan : Un bilan toujours solide et une capacité continue à soutenir les acquisitions transformatrices et les investissements stratégiques de croissance.

Nous avons bâti une organisation à croissance rapide avec une feuille de route jalonnée de succès, mesurés par l'attraction et la rétention des clients et des employés. Comme nous entamons 2020 et continuons à exécuter notre stratégie quinquennale – Les Gens en avant – nous ne faisons qu'effleurer la surface de ce qui est possible pour nos clients et nos actionnaires. Nous y voyons une occasion continue de progresser et d'innover dans les domaines des ventes, des services et des produits, tant sur le plan organique que par le biais d'acquisitions stratégiques ainsi qu'une occasion croissante de commencer à dégager une plus grande valeur de notre empreinte nationale grâce à une intégration plus étroite.

Nous aimerions remercier nos clients, nos employés, nos partenaires, nos actionnaires et notre conseil d'administration pour leur soutien continu. Nous ne tenons pas pour acquis votre engagement envers nous. Nous continuerons de travailler dans le marché afin d'améliorer et de renforcer nos capacités, de façon à nous assurer que toutes les personnes avec qui nous tissons des liens puissent bénéficier d'une approche humaine.

Cordialement,

Laurie Goldberg,
présidente et directrice générale

MANAGEMENT'S DISCUSSION & ANALYSIS

(Expressed in Canadian Dollars)
For the Quarter and Year ended August 31, 2019

This Management's Discussion and Analysis ("**MD&A**") has been prepared with an effective date of December 6, 2019 and provides an update on matters discussed in, and should be read in conjunction with the audited annual consolidated financial statements of People Corporation (the "**Company**"), including the notes thereto, as at and for the year ended August 31, 2019, which were prepared in accordance with International Financial Reporting Standards ("**IFRS**"), unless otherwise specified. All amounts contained within this MD&A are in Canadian dollars unless otherwise specified. Amounts set forth in this MD&A are stated in thousands of dollars except for per share, issued and outstanding share data, and unless otherwise noted.

ADDITIONAL INFORMATION

Additional information regarding the Company is available on SEDAR at www.sedar.com and on the Company's website at www.peoplecorporation.com.

FORWARD-LOOKING STATEMENTS

This MD&A contains "forward-looking statements" within the meaning of applicable securities laws, such as statements concerning anticipated future events, results, circumstances, performance or expectations that are not historical facts. Use of words such as "may", "will", "expect", "believe", "intends", "likely", or other words of similar effect may indicate a "forward-looking" statement. These statements are not guarantees of future performance and are subject to numerous risk factors, including those described in the Company's publicly filed documents (available on SEDAR at www.sedar.com) and in this MD&A under the heading "Risk Factors". Those risk factors include the ability to maintain profitability and manage growth, reliance on information systems and technology, reputation risk, dependence on key clients, reliance on key professionals and general economic conditions. Many of these risk factors can affect the Company's actual results and could cause actual results to differ materially from those expressed or implied in any forward-looking statement made by the Company or on its behalf. Given these risk factors, investors should not place undue reliance on forward-looking statements as a prediction of actual results. All forward-looking statements in this MD&A are qualified by these cautionary statements. These statements are made as of the date of this MD&A and, except as required by applicable law, the Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise. Additionally, the Company undertakes no obligation to comment on analyses, expectations or statements made by third parties in respect of the Company, its financial or operating results or its securities.

Readers are cautioned that the following terms used herein and other similar terms do not have standardized meanings as prescribed by IFRS and may not be comparable to similar measures presented by other companies. In this MD&A: ("**Standardized EBITDA**") means Net income or loss before finance expense, income tax expense, depreciation and amortization; ("**REI**") means retained economic interest, which represents the earnings attributable to vendors and/or principals of acquired companies based on prescribed formulas; ("**Adjusted EBITDA before REI**") means Standardized EBITDA before acquisition, integration and reorganization costs, share-based compensation expense, compensation-based REI and equity-based REI; ("**Adjusted EBITDA**") means Standardized EBITDA net of REI before acquisition, integration and reorganization costs and share-based compensation expense; ("**Adjusted Net Earnings**") means Net income (loss) before estimated changes in 1) the fair value of non-controlling interest and contingent consideration obligations, 2) acquisition, integration and reorganization costs (net of tax) and 3) equity-based REI, ("**Operating Income before Corporate Costs**"), means Adjusted EBITDA before corporate costs; and ("**Corporate Costs**") and ("**Operating Working Capital**"), have the meanings hereinafter set out. Further, readers are cautioned that Standardized EBITDA, Adjusted EBITDA before REI, Adjusted EBITDA, Operating Income before Corporate Costs, and Adjusted Net Earnings should not replace Net income or loss or cash flows from operating, investing and financing activities (as determined in accordance with IFRS), as an indicator of the Company's performance. See the "Non-IFRS Financial Measures" section for further commentary.

TABLE OF CONTENTS

The Company is primarily involved in the delivery of employee group benefit consulting, third-party benefits administration services, group retirement consulting and human resource consulting to help companies recruit, retain and reward employees. With a growing national footprint, the Company is bringing together leading consultants in the industry to offer innovative and customized product solutions to clients. The Company is listed on the TSX Venture Exchange ("**TSX-V**") under the symbol "PEO".

FINANCIAL HIGHLIGHTS

The Company's financial results for the three and twelve months ended August 31, 2019, fully reflect the effect of last year's acquisitions of Assurances Dalbec ("**Dalbec**"), Rockwater Benefits Company Ltd. ("**Rockwater**"), Lane Quinn Benefit Consultants Ltd. ("**Lane Quinn**"), and Silverberg & Associates Inc. ("**Silverberg**"). In addition, the effect of the current year acquisitions of Benefit Partners Inc. ("**BPI**"), Life Benefit Solutions Inc. ("**Life**") and ACL Student Benefits Ltd. ("**ACL**") are reflected in the current period.

	FOR THE THREE MONTHS ENDED		FOR THE YEAR ENDED	
	AUG 31, 2019	AUG 31, 2018	AUG 31, 2019	AUG 31, 2018
Revenue	$ 43,192	$ 36,279	$ 162,494	$ 130,518
Adjusted EBITDA	$ 9,927	$ 7,745	$ 36,072	$ 27,542
Adjusted net earnings	$ 1,733	$ 1,131	$ 6,221	$ 7,400
Net income (loss)	$ 2,931	$ (9,479)	$ (2,609)	$ (6,921)
Net income (loss) per share (basic)	$ 0.05	$ (0.17)	$ (0.04)	$ (0.13)
Adjusted net earnings per share (basic)	$ 0.03	$ 0.02	$ 0.10	$ 0.14

The Company realized strong revenue growth for the three months ended August 31, 2019, of $6,913 (19.1%). Organic growth of $3,312 (9.1%) was recognized primarily from gaining new clients, increasing product and service penetration with existing clients and natural inflationary factors. The Company recognized acquired growth of $3,601 (10.0%) resulting from the acquired operations of Silverberg, BPI, Life and ACL.

Adjusted EBITDA for the three months ended August 31, 2019, was $9,927, representing an increase of $2,182 (28.2%), as compared to the same period in fiscal 2018. Growth in Adjusted EBITDA for the three month period was primarily driven by contribution from acquired operations along with organic revenue growth in the fourth quarter, which was partially offset by increases in variable compensation expenses tied directly to the higher revenue and expanded leadership primarily in Ontario and Western Canada to accommodate integration and current growth. The Company continued its investment in sales and support staff, along with marginal growth within the Corporate support functions.

The Company reported Net income for the three months ended August 31, 2019, of $2,931. Net income realized in the current quarter improved by $12,410 due to higher Adjusted EBITDA of $2,182, as described above, a reduction in fair value adjustments relating to the non-controlling interest put options and contingent consideration obligations of $11,247 and partially offset by an increase in depreciation and income taxes.

The Company realized strong revenue growth for the year ended August 31, 2019, of $31,976 or (24.5%). Organic growth of $11,638 (8.9%) was recognized primarily from gaining new clients, increasing product and service penetration with existing clients and natural inflationary factors. The Company recognized acquired growth of $20,338 (15.6%) resulting from the acquired operations of Dalbec, Rockwater, Lane Quinn, Silverberg, BPI, Life, and ACL.

Adjusted EBITDA for the year ended August 31, 2019, was $36,072, representing an increase of $8,530 or (31.0%), as compared to the same period in fiscal 2018. Growth in Adjusted EBITDA during the year was primarily driven by contributions from acquired operations, along with organic revenue growth, which was partially offset by increases in variable compensation expenses tied directly to the higher revenue and investments made in personnel & compensation throughout the Company in order to expand the leadership team to advance integration efforts and drive organic growth.

The Company reported Net loss for the year ended August 31, 2019, of $2,609. The Net loss improved by $4,312 as a result of 1) higher Adjusted EBITDA of $8,530, as described above; offset by, 2) a reduction in fair value adjustments relating to the non-controlling interest put options and contingent consideration obligations; 3) increased amortization of intangible assets related to customer relationships; and 4) continued investment in acquisition, integration, and reorganization activities in order to support acquisitions completed during the year and to drive future growth.

BUSINESS OVERVIEW

The Company delivers employee group benefits consulting, third-party benefits administration services (including claims processing, disability management and administration services), group retirement services (including consulting and advisory services), health solutions (including disease management and mental health solutions) and human resource consulting services to help companies recruit, retain and reward employees. The Company achieves this through approximately 925 professionals and support staff with 33 offices located across Canada where the Company is registered to do business in 10 provinces and 2 territories. The Company earns revenues from a diverse base of clients in various industries. The Company maintains a corporate strategic plan, a financial plan and an ongoing annual planning process that enables the continued growth and execution of the strategy aligned with its vision. The Company's priority is the continued profitable expansion of existing operations through a focus on organic growth and the acquisition of synergistic companies with a view to maximize value for its stakeholders: i) shareholders, ii) clients, iii) acquisition partners, and iv) employees. The Company has financial and management resources in place to execute these priorities.

The Company is organized in order to emphasize integration of all of its practice areas, which are as follows:

people CORPORATION

Experience the Benefits of People

CONSULTING SOLUTIONS		BENEFIT SOLUTIONS	HUMAN RESOURCE SOLUTIONS
gallivan student health & wellness	Investment Guild	HealthSource Plus	PEOPLE FIRST HR SERVICES
JSL, ProsureGroup	Fairles Benefit Services, Whitewillow	Coughlin employee benefits specialists	Health Solutions
Buffett Taylor	Hamilton + Partners	BPA	Marketing & Communications
Bencomfsgi	Silverberg Group	Sirius Benefits	Business Development
LaneQuinn	acl student benefits	ADL Assurances Dalbec	Talent Acquisition
TI Benefit Partners	Group Retirement Solutions		
LIFE Benefit Solutions			
Integrated Solutions			

The Company has offices across Canada; each led by experts and backed by strong executive management and capital resources. The Company's diverse teams of experienced consultants have industry-specific expertise and can provide businesses with insight to customize an innovative suite of services specific to their business requirements.

While the Company continues to go to market with the various brands acquired through acquisition, the Company is organized in such a way so as to leverage the capabilities of the entire organization. People Corporation can help businesses attract the right talent for the job and provide the right incentives to motivate employees to excel, enabling client businesses to prosper.

People Corporation helps businesses:

Attract	The Company's employee group benefits, group retirement and human resource practices are led by experts who understand a client's business and can help a client attract the best people for their industry, helping position them as top employers.
Reward	Proprietary solutions offered by the Company's employee group benefits consulting, third party benefits administration, group retirement consulting, group retirement advisory services, claims processing, disability management and administration services ensures that a client's staff has access to health, wellness, dental, and retirement plans that make financial sense for their families, as well as for the client's business.
Retain	The Company can help make a client's organization a place where the best people will want to build their careers while also ensuring cost containment for the client's group benefits, group retirement and HR solutions.

Whether a client needs a simple benefits package or a comprehensive solution, the Company's experts can customize a program for its client's unique needs.

Expertise	The Company's consultants are recognized industry leaders who can create value for a client's organization. Through the experience of working with hundreds of clients, the Company's consultants have developed broad, as well as specialized, product, insurance and industry expertise.
Custom Solutions	The Company's broad range of innovative and proprietary group benefit solutions, group retirement, health and disability solutions can be tailored to suit organizations of any size, in any sector. This is achieved through the Company's partner relationships, its ability to leverage its various systems and platforms and through the expertise of its consultants and staff.
Industry Leading Pricing	As a national provider, the Company's buying power allows it to offer clients the best products on the best terms, including industry leading pricing within our preferred provider network.
Independent Guidance	The Company's expert advice is unbiased and independent. The Company works with all major insurers to provide clients with the best customized solution for its clients' businesses and people.
National Servicing	With offices across the country, the Company can provide national clients with service at a local level.

Below is a summary of the Company's various operating areas:

Consulting Solutions

Within the Consulting Solutions division, the Company focuses on providing a unique employee benefit, group retirement and human resource solution that is customized to individual client needs. The consulting advice primarily includes plan review and plan design, plan recommendations, alternative funding methods, plan set up, employee communications, wellness programs and plan marketing.

The Company's consultants are divided into teams that focus independently of each other on corporate benefits, public sector benefits, association benefits, student benefits and alternative funding methods including self-insurance. While each team goes to market independently, the Company has an advisor group that brings the skills of the different teams together and therefore, the Company is able to proactively approach client assignments in a manner that brings the expertise from various consultants together where necessary.

The Company assumes no underwriting risk as the insurance policies are underwritten by the insurance carrier.

ACL Student Benefits Ltd.

ACL Student Benefits Ltd. **("ACL")**, established in 1998, provides consulting services related to health and dental benefits to student associations at Canadian post-secondary education institutions, and to international students attending Canadian universities and colleges, primarily in Ontario, Alberta and New Brunswick.

Bencom Financial Group Services Inc.

Bencom Financial Services Group Inc. **("Bencom")**, established in 1982, provides group benefit, group retirement and individual benefit advisory services to mid-market corporate clients located primarily in Ontario. Bencom's office is located in Kitchener.

Benefit Partners Inc. ("BPI")
Benefit Partners Inc. **("BPI")**, established in 1995, provides employee benefits, group retirement and HR consulting services to companies of all sizes from a variety of industries. BPI's offices are located in Sudbury, Port Colborne and Barrie.

Buffett Taylor & Associates
Buffett Taylor & Associates **("Buffett Taylor")**, established in 1981, provides group benefit advisory services specializing in the public sector and not-for-profit marketplace, with specific expertise with municipal, healthcare and education group plans. Buffet Taylor's office is located in Whitby.

Gallivan Student Health & Wellness
Gallivan Student Health & Wellness **("Gallivan")**, established in 1993, provides professional advice and service infrastructure to post-secondary student organizations in order to offer group benefit programs to students. Gallivan operates on a national basis with offices and satellite offices across the country.

Group Retirement Solutions
Group Retirement Solutions **("GRS")** focuses on enhancing and expanding upon the Company's existing group retirement products and client service model. The mandate of the division is to provide support services to the Company's benefit consultants to facilitate and help them expand their service offering to clients by adding Group Retirement Solutions.

Hamilton + Partners Inc.
Hamilton + Partners Inc., established in 1984, consists of three operating companies, Employee Benefits Inc. **("EBI")**, Disability Concepts Inc. **("DCI")** and 6814409 Canada Incorporated **("681")**, (collectively **"H+P"**). EBI is a group benefits consulting firm that provides service predominantly to Alberta-based small to large corporate clients with group benefit plans and group retirement solutions. DCI provides unique disability and critical illness solutions designed to balance employer interests of cost savings and product enhancements with employee concerns and adequate coverage. 681 provides specialized medical insurance products which expedites access to medical imaging and rapid second opinion as well as coverage for private medical treatments. H+P's office is located in Calgary.

Integrated Solutions
Integrated Solutions **("IS")** provides group benefit advisory services with a focus on unique strategic and tax effective compensation solutions designed to realign the competing needs of the business and the people in it. IS provides its specific expertise through a network of third party insurance brokers who do not traditionally serve group benefit needs.

JSL
JSL **("JSL")**, established in 1976, provides group benefit solutions to clients based in southern Ontario and specializes in mid-market corporate clients. JSL's office is located in Toronto.

Lane Quinn Benefit Consultants Ltd.
Lane Quinn Benefit Consultants Ltd. **("Lane Quinn")**, established in 2001, a leading group benefits consulting firm in the Alberta market, services mid-market companies and municipalities. Lane Quinn provides group benefit and group retirement advisory services, with a strong focus on value-added consulting advice. Lane Quinn has offices located in Calgary, Edmonton and Vancouver.

Life Benefit Solutions Inc.
Life Benefit Solutions Inc. **("Life")**, established in 2005, provides a highly differentiated employee benefits and retirement solution offering focused on First Nation communities and organizations.

Prosure Group
Prosure Group **("Prosure")**, established in 1987, provides customized employee benefits and administrative services, including the design and adjudication of cost plus arrangements and health spending accounts, as well as access to a proprietary third party administration platform. Prosure's office is located in Toronto.

Silverberg & Associates Inc.
Silverberg & Associates Inc. **("Silverberg")**, established in 1996, provides specialized employee benefits consulting and group retirement solutions to companies of all sizes from a variety of industries through its broad product portfolio and sophisticated plan design. Silverberg has offices located in Calgary, Edmonton and Lethbridge.

The Investment Guild
The Investment Guild **("TIG")**, established in 1981, specializes in mid-market corporate benefits, association plan benefits, group retirement solutions and individual insurance products. TIG's office is located in Toronto.

White Willow Benefit Consultants
White Willow Benefit Consultants **("White Willow")**, established in 1988, provides group benefit and group retirement advisory services, with specific expertise servicing legal firms and organizations within the financial services sector. White Willow's office is located in Toronto.

Benefit Solutions

The Company's Benefit Solutions division has several third-party administration **("TPA")** and third-party payor **("TPP")** service and administrative platforms allowing it to provide group benefit, group retirement and consulting advice that is highly customized towards the client's needs. TPA and TPP administer group benefit and group retirement plans on behalf of clients and insurance carrier partners. These administration platforms allow the Company to develop specialized, unique and customized benefit solutions for its clients through a plug-and-play approach of using multiple insurance carrier partners on a single benefits plan design. TPA services include employee data management, billing services, consolidated billing services where a client has multiple insurance carriers associated with its plan, customized reporting, customized plan design services, underwriting services, communication services and technology solutions. In addition, through its various partners, the TPA platforms also provide claims adjudication services and claims management.

The Company serves as an independent data administrator on behalf of the Company's clients, who are generally an employer and/or plan sponsor – this allows the benefit consultant to work with the client to select from various insurance carriers and funding options that are best suited to the benefit categories within the employee benefits program. The client benefits from the availability of multiple carriers and funding alternatives on one consolidated billing and reporting platform.

BPA Financial Group Ltd.
BPA Financial Group Ltd. **("BPA")**, established in 1958, provides group benefit and group retirement consulting, advice, trust management, group benefit and pension administration, consulting and claims management services to large multi-employer trust organizations and numerous other organizations across Canada. BPA has offices located throughout Ontario and Eastern Canada.

Coughlin & Associates Ltd.
Coughlin & Associates Ltd. **("Coughlin")**, established in 1958, provides group benefit and group retirement consulting, advice, trust management, group benefit and pension administration, and claims management services to multi-employer unions and public service organizations, and single-employer corporations. Coughlin has offices in Ottawa and Winnipeg.

HealthSource Plus

HealthSource Plus / SourceSanté Plus **("HSP")**, established in 1992, provides group benefit consulting, advice, group benefit administration, billing services, reporting services, client communication, employee data management and claims management for small to medium-sized companies across Canada. HSP has offices in Toronto, Montreal, Niagara and Winnipeg.

Prosure Group

Prosure, established in 1987, provides group benefit advisory and administration services specializing in Health Spending Accounts and Cost-Plus Accounts. Prosure's office is located in Toronto.

Skipwith & Associates Insurance Agency Inc.

Skipwith & Associates Insurance Agency Inc. **("Skipwith")**, established in 1988, provides group benefit and group retirement consulting, advice, group benefit and pension administration, and claims management services to corporations, unions and public service organizations in the Ontario region. Skipwith's office is located in Barrie.

Sirius Benefit Plans Inc.

Sirius Benefit Plans Inc. **("Sirius")**, established in 1996, administers and provides proprietary employee benefit programs for small to medium-sized employers through a network of independent associate brokers located across Canada. Sirius' office is located in Winnipeg.

Assurances Dalbec

Assurances Dalbec **("Dalbec")**, established in 1975, administers and provides employee benefit plans for small to medium-sized companies in the Quebec market. Dalbec's office is located in Montreal.

Human Resource Solutions

The Company's Human Resource Solutions division works with clients to diagnose, design and deliver customized human resource solutions. The human resources consulting team delivers a broad range of services, including: human resource consulting, compensation services, assessment services, recruiting, career transition services and talent management.

The Company works with its subsidiaries and divisions by providing shared services that consists of subject matter experts and proprietary products. These shared services have been created to ensure that the Company's subsidiaries and divisions have access to an internal product and service offering not normally available to mid-size employee benefit firms, thereby ensuring clients are receiving the best possible consulting advice. This results in the Company's subsidiaries and divisions having a unique value proposition and thereby providing them with a competitive edge.

People First HR Services Ltd.

People First HR Services Ltd. **("PFHR")**, established in 2000, is Manitoba's largest full service human resource provider. PFHR through its various brands delivers high quality leadership and organizational solutions and contributes to the success of its clients by working with them to: recruit top talent; discover the full potential of each of their employees; realize the collective strength of a highly engaged workforce; and support employees and employers during times of change. They leverage the experience base of the firm and the efficiency of its processes to create workable and timely solutions that deliver great value for clients.

Health Solutions

Health Solutions focuses on providing the Company's corporate clients with a suite of products, including People Connect, and service offerings that will help manage the increasing costs of absenteeism, presenteeism, and loss of productivity. People Connect is an end-to-end proprietary virtual therapy solution designed to address the mental health needs of our clients and their employees.

Marketing & Communications

The Marketing & Communications division is responsible for both brand awareness and transition across the organization to facilitate the acquisition of new clients, businesses and recruitment prospects. It is further responsible for the Company's online presence, the production of field marketing materials that support our benefit consultants, as well as both internal and external communications.

Business Development Representatives

The Business Development Representatives **("BDR")** division is an inside sales department responsible for generating qualified leads for the Company's benefit consultants. BDR identifies companies and their decision makers in order to qualify, create, and develop sales opportunities. The purpose of the department is to create and heighten People Corporation awareness to potential prospects as well as to generate leads for the consultants to ultimately increase the number of clients and to increase organic revenue growth.

Talent Acquisition

Talent Acquisition focuses on internally sourcing, attracting, and hiring top talent into the Company. Its mandate is to fill vacant positions in the Company in a timely and cost effective manner.

BUSINESS ENVIRONMENT AND STRATEGY

Industry

Many companies are increasingly utilizing employer-sponsored benefits programs as one of the tools to help them attract and retain employees in today's competitive market for talent. However, they are challenged in doing so because of the increasing cost of providing such programs to employees, which is driven by rising insurance premiums as a result of factors such as increasing healthcare costs, the entry of costly new drugs and treatments, the advent of new medical services, higher utilization rates, and the overall aging demographics of the workforce. Given these factors, companies are looking for value-added advice with respect to plan design, and strategies to minimize the cost of plans while continuing to provide competitive benefit programs that appeal to employees.

Concurrent with the evolution in client demands as described above, the supplier base for group benefits and group retirement products and services, which is primarily the insurance carriers, continues to consolidate, leading to fewer alternatives for benefits consultants to work with when devising and pricing benefit plans. At the same time, competition has increased not only from traditional market players, but also from new players focused on technology-based solutions, as well as from market participants who have traditionally focused on other segments of the market or adjacent sectors. Finally, the regulatory environments that can impact benefit and group retirement programs continue to evolve, not only as it relates to the products and services themselves (e.g. pension plan regulations and proposed national pharmacare plan), but also as it relates to the provision of products and services. Given these market dynamics, scale is becoming increasingly important.

The Canadian market for group benefits, group retirement and HR consulting products and services is dominated by many small players and a few large multinational firms. Historically, the market has been segregated by size: small and medium-sized enterprises have traditionally been serviced by a large number of small regional and local market players, providing a relatively narrow range of products and services, generally priced on a commission-based structure. The balance of the industry, which is focused on large employers and government accounts, has traditionally been serviced by a small number of multinational consulting firms, with a broader scope of services, primarily offered on fee-based structures. While a significant amount of consolidation has occurred among players servicing large enterprises (i.e. consolidation among the multinational consulting firms), the segment of the market servicing small- and medium-sized enterprises continues to be highly fragmented, with a significant number of small firms, many of which are encountering succession planning issues given the demographic characteristics of their consultant owners, servicing this market. Management believes that this, along with the increasing need for scale as described above, suggests that consolidation in this segment of the market is likely to continue.

Management believes that the current dynamics in the group benefits, group retirement and HR consulting sectors will continue to drive change within the industry, likely at an accelerating pace. In order to provide a compelling value proposition to employers, benefits, group retirement and HR consultants must provide innovative products, specialized services and customized solutions. Furthermore, in a highly competitive environment, consultants need to find ways to be more efficient and cost effective. As a result of these environmental factors, scale is increasingly important in these sectors.

OVERVIEW OF OPERATING PERFORMANCE

As a result of a focus on executing its strategic plan, the Company continues to be successful in building upon and growing operational capabilities by investing in employees skills and expertise and the tools they need to provide responsive solutions to address the Company's client's business challenges. The Company continued its positive momentum and strong performance during the year.

Notable Milestones Include

Completed the following strategic acquisitions and capital initiatives :

- Completed the acquisition of ACL Student Benefits Ltd., a post-secondary student benefits consulting firm based in Ontario;
- Completed the acquisition of Life Benefit Solutions Inc., a leading group benefits and retirement solutions consulting firm primarily focused on the First Nation market segment based in Winnipeg;
- Completed the acquisition of Benefit Partners Inc., a group benefits, group retirement and insurance advisory practice based in Ontario;
- Amended and increased the bank credit facility to $125,000 in committed credit availability, with an option to increase the facility by an additional $50,000, to a total of $175,000 to fund future growth initiatives; and
- Executed on the buy-back of selected retained economic interests in Coughlin and Bencom.

Continued to invest in talent to support a growing client base and enhance our strategic capabilities:

- Appointed Sue Tardi to the position of Chief Human Resources Officer responsible for developing and executing People Corporation's human resource strategy in support of the strategic direction of the Company, specifically in the areas of culture, talent management, change management, employee development, employee relations and total rewards;
- Hired and promoted senior leadership in Western Canada and Ontario and established regional office support to support the client base in these regions;
- Hired a new senior leader in Ontario to oversee our group benefit consulting businesses in that region; and
- Hired a new senior leader in Group Retirement Solutions with extensive enterprise market experience and several new professionals to support clients with expertise in product development, underwriting, sales and services, and group retirement and two senior corporate development resources to deepen and expand our ability to execute acquisitions.

Continued to execute integration initiatives to leverage the benefits of the platform:

- Completed the build-out of the new corporate office in Laval, Quebec and integrated the Quebec based businesses;
- Initiated the first phase of integration related to shared service functions for the recently acquired firms, including Lane Quinn, Silverberg, BPI and Life Benefit Solutions Inc; and
- Launched a managing general agent solution to provide back office support to our third party consultants.

Continued to invest in client-focused products and solutions and go to market strategies, including:

- Launched a new disability management and administration system solution;
- Completed and launched the pilot for People Connect, a new online Mental Health solution for clients;
- Added partners to the Company's market leading Preferred Provider Network, allowing our clients to access value added offerings and preferred pricing at some of Canada's most recognized national retailers;
- Added the "HR @ Your Service" product to our Sirius small group solution; and
- Enhanced our small group offerings by expanding our carrier partnerships.

Growth Through Acquisitions

The Company continues to pursue growth opportunities both organically, increasing its existing business by gaining new clients, increasing product and service penetration with existing clients, as well as through transactions in which the Company acquires new operating entities or subsidiaries. Over the past few years, the Company has enhanced its corporate development capabilities to execute transactions, through significant investments in people, technology and other organizational resources, and has developed techniques, processes and other intellectual capital, all with the objective of creating a compelling value proposition for new entities to join People Corporation.

Given the Company's strong financial position, Management believes it is well positioned to continue to make investments for growth.

The Company will consider acquisitions ranging in size and structure, but all share the characteristic of having a strong underlying strategic rationale, which may include enhancing the Company's position in existing markets or providing entry into adjacent markets, expanding the Company's administrative and technological capabilities, providing new supplier relationships, enhancing the breadth and depth of the Company's product and service offering and enhancing the plan member experience. At the same time, the Company also takes into consideration the financial characteristics of the underlying business of the acquisition target and the structural components and financial terms of the transactions so that the transaction will result in attractive financial returns to the Company.

With a flexible transaction model to address the objectives of vendors, and an operating model to support the ongoing success and growth of the underlying businesses, the Company continues to attract partners who want to join the People Corporation group of companies. In the past three fiscal years, nine transactions have been completed, and there continues to be significant momentum in this component of the Company's overall growth strategy. The following acquisitions were completed during the year ended August 31, 2019:

On November 27, 2018, the Company acquired Benefits Partners Inc. ("BPI"), a leading independent privately-owned employee group benefits and group retirement consulting firm in the Ontario market. The addition of BPI to the People Corporation group of companies enhances the Company's position in the Ontario market, including establishing a presence in regions in which the Company did not formerly have a physical location.

On February 11, 2019, the Company acquired Life Benefit Solutions Inc. ("Life"), a company providing group benefit consulting and group retirement solutions primarily focused on the First Nation market segment based in Winnipeg, Manitoba. The addition of Life establishes a meaningful entry point into the large, growing and important First Nation market segment, and provides a platform from which to continue to build.

On July 30, 2019, the Company acquired ACL Student Benefits Ltd. ("ACL"), one of the largest privately-owned post-secondary student benefits consulting firms in Canada. The addition of ACL to the People Corporation group of companies enhances the Company's market position in the post-secondary student benefits sector and broadens the Company's reach into the international student segment under the Morcare brand.

The following acquisitions were completed subsequent to the year ended August 31, 2019:

On October 31, 2019, the Company acquired Collage Technologies Inc. ("Collage"), a leading cloud-based digital human resource, employee benefits administration and payroll solution provider focused on the small and medium-sized business segment in Canada. The addition of Collage to the People Corporation group of companies brings deep expertise building digital solutions, which will further enable the Company to enhance technology-enabled product and service delivery and integration across its business.

On November 28, 2019, the Company acquired the Apri Group of Companies ("Apri"), a national group benefits consulting firm, group benefits managing general agency ("MGA"), and third-party administrator ("TPA") headquartered in Richmond Hill, Ontario.

OUTLOOK

In order to position itself for continued growth, the Company invests significantly in people, technology and other organizational resources, and has developed techniques, processes and other intellectual capital to provide a compelling value proposition to its clients. Driven by these investments, the Company continues to pursue growth opportunities both organically, increasing its existing business by gaining new clients and increased penetration of products and services within its existing client base, hiring of new benefit consultants, as well as through acquisitions in which new operating entities or subsidiaries become part of the Company. Given the positive underlying industry trends and characteristics, the ongoing development of the Company's operating and transaction models, and the overall value proposition the Company provides to stakeholder groups that include its clients, consultants, suppliers and employees, Management currently expects to continue to generate growth in the foreseeable future.

NON-IFRS FINANCIAL MEASURES

The Company reports non-IFRS financial measures, including Standardized EBITDA, REI, Adjusted EBITDA, Adjusted EBITDA before REI, Adjusted Net Earnings, Operating Income before Corporate Costs, and Operating Working Capital as key measures used by Management to evaluate performance of the business, to compensate employees and to facilitate a comparison of quarterly and annual results of ongoing operations. Adjusted EBITDA is also a concept utilized in measuring compliance with debt covenants. The Adjusted EBITDA measure is commonly reported and widely used by investors and lending institutions as an indicator of a company's operating performance, ability to incur and service debt, and as a valuation metric. While used to assist in evaluating the operating performance and debt servicing ability of the Company, readers are cautioned that Adjusted EBITDA as reported by the Company may not be comparable in all instances to Adjusted EBITDA as reported by other companies.

The CPA's Canadian Performance Reporting Board defined EBITDA to foster comparability of the measure between entities Standardized EBITDA. Standardized EBITDA represents an indication of an entity's capacity to generate income from operations before taking into account Management's financing decisions and costs of consuming tangible and intangible capital assets, which vary according to their vintage, technological age and Management's estimate of their useful life. Accordingly, Standardized EBITDA comprises revenue less operating costs before interest expense, capital asset depreciation, intangible asset amortization and impairment charges, and income taxes.

Adjusted EBITDA is calculated to exclude items of an unusual or one-time nature that do not reflect normal or ongoing operations of the Company and should not be included in assessment of the Company's ability to service or incur debt. Adjusted EBITDA excludes acquisition, integration and reorganization costs, REI, and share-based compensation. Acquisition, integration and reorganization costs, which do not relate to the current operating performance of the business but are typically costs incurred to expand operations or improve productivity and efficiency, are comprised of professional fees and other non-recurring incremental costs incurred to secure and complete specific acquisitions; non-operating expenses associated with integrating acquired operations into the Company's business model subsequent to completion of an acquisition; and non-recurring expenses, including severance costs, recruiting fees and direct costs associated with the reorganization of operations to position the Company for building additional scale and to enhance operating performance.

OVERVIEW OF FINANCIAL PERFORMANCE

Adjusted Net Earnings

The adjusted results are intended to highlight the core operating business of the Company by removing non-recurring items and consolidated earnings (loss) that are not attributable to the Company. These items include i) non-recurring acquisition, integration and restructuring charges, ii) changes to the fair value of non-controlling interest put options and other financing instruments, and iii) equity-based REI, all net of applicable taxes. The reconciliation of Net income (loss) to Adjusted net earnings, and the resulting adjusted earnings per share, are presented below.

The following is a reconciliation of the Company's Net income (loss) to Adjusted net earnings and Adjusted net earnings per share:

	FOR THE THREE MONTHS ENDED		FOR THE YEAR ENDED	
	AUG 31, 2019	AUG 31, 2018	AUG 31, 2019	AUG 31, 2018
Net income (loss)	**$ 2,931**	**$ (9,479)**	**$ (2,609)**	**$ (6,921)**
Add (deduct):				
Change in estimated fair value of non-controlling interest put option (non-taxable)	41	7,681	8,518	11,737
Change in estimated fair value of other financing instruments (non-taxable)	(2,111)	2,013	(2,111)	2,013
Acquisition, integration and reorganization costs (net of tax)	2,038	1,928	7,512	4,631
Equity-based REI (non-taxable)	(1,166)	(1,012)	(5,089)	(4,060)
Adjusted net earnings	**$ 1,733**	**$ 1,131**	**$ 6,221**	**$ 7,400**
Weighted average number of common shares (basic)	60,918,514	55,978,442	60,767,364	54,353,322
Adjusted net earnings per share (basic)	$ 0.03	$ 0.02	$ 0.10	$ 0.14

For the three months ended August 31, 2019, Adjusted net earnings increased by $602. The increase is primarily due to growth in Adjusted EBITDA, which was partially offset by an increase income taxes (net), interest on long-term debt, share-based compensation and depreciation and amortization expenses.

For the year ended August 31, 2019, Adjusted net earnings decreased by $1,179. The decrease is primarily due to an increase in depreciation and amortization expense, share-based compensation, income taxes (net) and interest on long-term debt, partially offset by the increase in Adjusted EBITDA.

Adjusted EBITDA

The following is a reconciliation of the Company's Net income (loss) to Standardized EBITDA and Adjusted EBITDA:

	FOR THE THREE MONTHS ENDED		FOR THE YEAR ENDED	
	AUG 31, 2019	AUG 31, 2018	AUG 31, 2019	AUG 31, 2018
Net income (loss)	$ **2,931**	$ **(9,479)**	$ **(2,609)**	$ **(6,921)**
Add:				
Depreciation, amortization and impairment losses	3,815	3,606	14,585	10,659
Finance expenses, net	(783)	10,464	10,165	15,926
Income taxes, net	1,381	968	4,629	4,298
Standardized EBITDA	**7,344**	**5,559**	**26,770**	**23,962**
Add:				
Acquisition, integration and reorganization costs	2,784	2,634	10,263	6,327
Compensation-based REI	672	951	2,864	2,854
Share-based compensation	965	564	4,128	1,313
Adjusted EBITDA before REI	**11,765**	**9,708**	**44,025**	**34,456**
Deduct:				
Compensation-based REI	(672)	(951)	(2,864)	(2,854)
Equity-based REI	(1,166)	(1,012)	(5,089)	(4,060)
Adjusted EBITDA	$ **9,927**	$ **7,745**	$ **36,072**	$ **27,542**
Adjusted EBITDA before REI as a % of Revenue	27.2%	26.8%	27.1%	26.4%
Adjusted EBITDA as a % of Revenue	23.0%	21.3%	22.2%	21.1%

Adjusted EBITDA before REI for the three months ended August 31, 2019, was $11,765, an increase of $2,057, or 21.2% from $9,708 reported for the same period in the prior year. Factors influencing the increase in Adjusted EBITDA before REI include:

- Revenue growth of $6,913 representing increased contribution of run rates from acquisitions as well as organic growth resulting from the addition of new clients and inflation; offset by,
- Increased personnel and compensation expenses of $3,368, primarily attributable to the increased employee count resulting from the acquired operations representing $1,821 of the change, increases in variable compensation expenses tied directly to the higher revenue and an expanded staff complement to accommodate current growth in operations with marginal growth within the Corporate support functions; and
- An increase of other operating costs of $1,488, primarily as a result of acquired operations, higher general and administration expenses and to a lessor extent higher administration fees.

For the three months ended August 31, 2019, Adjusted EBITDA before REI as a percentage of Revenue was 27.2%, which has increased from 26.8% reported for the same period in the prior year. The increase in the Adjusted EBITDA, before REI, as a percentage of Revenue is primarily due to the favorable impact of higher Adjusted EBITDA margins from recent acquisitions. As the Company continues to grow, it is expected that it will also be able to leverage its corporate resources, which would result in a favorable impact on Adjusted EBITDA margin.

Adjusted EBITDA for the three months ended August 31, 2019, was $9,927, an increase of $2,182, or 28.2% from $7,745 reported for the same period in the prior year. The increase in Adjusted EBITDA is due to the factors affecting Adjusted EBITDA before REI, net of the vendors' interest in Coughlin, BPA, Silverberg, BPI, H+P and Bencom of $1,838, which decreased by $125 (6.4%) as compared to the same period in the prior year.

Adjusted EBITDA before REI for the year ended August 31, 2019, was $44,025, an increase of $9,569, or 27.8% from $34,456 reported for the same period in the prior year. Factors influencing the increase in Adjusted EBITDA before REI include:

- Revenue growth of $31,976 representing increased contribution of run rates from acquisitions as well as organic growth resulting from the addition of new clients and natural inflationary factors; offset by,
- An increase in personnel and compensation expenses of $18,237 primarily attributable to the increased employee count resulting from acquired operations representing $9,353 of the change, increases in variable compensation expenses tied directly to the higher revenue and an expanded staff complement to accommodate current growth in operations with marginal growth within the Corporate support functions; and
- An increase of other operating costs of $4,170, partially as a result of acquired operations, and other general and administrative expenses inclusive of professional fees, office supplies, business development and travel.

For the year ended August 31, 2019, Adjusted EBITDA before REI as a percentage of Revenue was 27.1%, which has increased from 26.4% reported for the same period in the prior year. The increase in the Adjusted EBITDA before REI, as a percentage of Revenue is primarily due to the favorable impact of higher Adjusted EBITDA margins from recent acquisitions and organic revenue growth. As the Company continues to grow, it is expected that it will also be able to leverage its corporate resources, which would result in a favorable impact on Adjusted EBITDA margin.

Adjusted EBITDA for the year ended August 31, 2019, was $36,072, an increase of $8,530, or 31.0% from $27,542 reported for the same period in the prior year. The increase in Adjusted EBITDA is due to the factors affecting Adjusted EBITDA before REI, net of the vendors' interest in Coughlin, BPA, Silverberg, BPI, H+P and Bencom of $7,953, which increased by $1,039 (15.0%) as compared to the same period in the prior year.

Operating Income Before Corporate Costs

Corporate costs represent expenses incurred to support the executive management of the Company, such as executive remuneration, public company compliance costs, certain insurance premiums and corporate development activities.

The following is a reconciliation of the Company's Adjusted EBITDA to Operating Income before Corporate Costs:

	FOR THE THREE MONTHS ENDED		FOR THE YEAR ENDED	
	AUG 31, 2019	AUG 31, 2018	AUG 31, 2019	AUG 31, 2018
Adjusted EBITDA	**$ 9,927**	**$ 7,745**	**$ 36,072**	**$ 27,542**
Add:				
Corporate costs	1,284	1,183	4,986	4,835
Operating income before corporate costs	**$ 11,211**	**$ 8,928**	**$ 41,058**	**$ 32,377**

Corporate costs for the three months ended August 31, 2019, were $1,284 versus $1,183 for the same period in the prior year. The increase of $101 is primarily related to an increase in professional fees and business development costs.

Operating income before corporate costs for the three months ended August 31, 2019, was $11,211 versus $8,928 for the same period in the prior year. The increase of $2,283 is primarily due to contributions from acquired operations in Adjusted EBITDA.

Corporate costs for the year ended August 31, 2019, were $4,986 versus $4,835 incurred in the prior comparative period. The increase of $151 is primarily due to an increase in public company costs.

Operating income before corporate costs for the year ended August 31, 2019, was $41,058 versus $32,377 for the same period in the prior year. The increase of $8,681 is primarily due to organic growth in Adjusted EBITDA and contributions from acquired operations.

SELECTED ANNUAL INFORMATION

	AUG 31, 2019		AUG 31, 2018		AUG 31, 2017	
Revenue	$	162,494	$	130,518	$	105,840
Net income (loss)	$	(2,609)	$	(6,921)	$	3,479
Net income (loss) per share (basic)	$	(0.04)	$	(0.13)	$	0.07
Total assets	$	327,477	$	262,555	$	169,953
Total non-current financial liabilties	$	148,775	$	102,426	$	79,037

The Company's revenue compounded annual growth rate (CAGR) over the past three years was 26.7%. Revenue growth year over year is the result of both organic and acquisitive growth. Organic growth during fiscal 2019 (8.9%), 2018 (10.1%), and 2017 (11.1%) has remained fairly consistent while acquired growth has fluctuated based on the number, size, and timing of acquisitions completed during fiscal 2019 (15.6%), 2018 (13.2%), and 2017 (21.5%).

The Net income (loss) reported over the past three fiscal years, has been significantly impacted by fair value adjustments related to management's estimate of future cash outflows related to non controlling interest put options and contingent acquisition consideration obligations; increased amortization of intangible assets related to acquired customer relationships; and continued investment in acquisition, integration, and reorganization activities in order to support completed acquisitions and to drive future growth. Excluding these adjustments, Net income (loss) would have increased each year due to higher EBITDA resulting from increased revenue and profit margin.

The change in total assets and total non-current financial liabilities has been significantly impacted by acquisitions. The increase in total assets is primarily attributable to acquired customer relationships and goodwill. Non-current financial liabilities have primarily increased as a result of financing of acquisitions through non-controlling interest put options, vendor-take-back debt, contingent consideration obligations and deferred tax liabilities.

Revenue

Revenue from the Consulting Solutions division is primarily comprised of commissions from insurance carriers. In addition, the Company provides group retirement plan advisory services from which it earns commissions paid by the carrier who administers and invests the funds. The Company is a reseller of benefit products and services and therefore assumes no underwriting risk as the insurance policy is underwritten by the insurance carrier.

Revenue from the Benefit Solutions division is primarily from fees earned for third party administration services. In addition, the Company earns fees from the group retirement consulting and administration, and individual financial services including insurance and wealth management.

Revenue from the Human Resource Solutions division is primarily earned from hourly or fixed fees for consulting services and as a percentage of compensation for recruiting services.

The calculation of ‘organic growth’ includes: i) year-over-year increases or decreases in revenue from operating units the Company has owned longer than one year; and ii) increases or decreases in revenue recognized from operating units the Company has owned for less than one year above or below baseline acquired revenue. The calculation of the ‘acquired revenue’ includes a baseline representing estimated revenue of the acquired operations at the time of acquisition.

Revenue is as follows:

FOR THE THREE MONTHS ENDED				FOR THE YEAR ENDED			
AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE	AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE
$ 43,192	$ 36,279	$ 6,913	19.1%	$ 162,494	$ 130,518	$ 31,976	24.5%

For the three months ended August 31, 2019, the Company experienced revenue growth of $6,913 (19.1%). The Company recognized acquired growth of $3,601 (10.0%) resulting from the acquired operations of Silverberg, Life, BPI and ACL. Organic growth of $3,312 (9.1%) is primarily from the addition of new clients, increasing product and service penetration with existing clients and natural inflationary factors.

For the year ended August 31, 2019, the Company experienced revenue growth of $31,976 (24.5%) due primarily to revenues from acquired operations of Dalbec, Rockwater, Lane Quinn, Silverberg, BPI, Life and ACL, as well as organic growth. The Company recognized acquired growth of $20,338 (15.6%) and organic growth of $11,638 (8.9%). Organic growth is primarily due to the factors similar to those affecting the three month period.

Personnel and Compensation Expenses

The largest operating expense of the Company is compensation and related costs which includes salaries, bonuses and commissions, compensation-based REI, stock-based compensation, group benefits, and payroll taxes.

Personnel and compensation expenses are as follows:

FOR THE THREE MONTHS ENDED				FOR THE YEAR ENDED			
AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE	AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE
$ 26,733	$ 23,011	$ 3,722	16.2%	$ 102,913	$ 79,739	$ 23,174	29.1%

The Company believes that investment in its employees and associate consultant networks are key to ensuring successful execution of its strategic plans.

The increase in personnel and compensation for the three months ended August 31, 2019, of $3,722 is attributable to the increased employee count resulting from the acquisition of Silverberg, BPI, Life and ACL representing $1,821 of the increase, variable compensation tied directly to higher revenue, and an expanded staff complement to accommodate current growth of operations. Acquisition, integration, and reorganization compensation costs and share-based compensation have increased by $231 and $401, respectively during the period.

For the three months ended August 31, 2019, personnel and compensation costs represent 61.9% of revenues (2018 – 63.4%). Adjusting for acquisition, integration and reorganization compensation costs and share-based compensation, personnel and compensation costs as a percentage of revenue for the three months ended August 31, 2019, would have been 56.1% (2018 – 58.3%).

The increase in personnel and compensation costs for the year ended August 31, 2019, of $23,174 is primarily due to factors similar to those affecting the three month period with the increased employee count resulting from the acquisitions representing $9,353. Acquisition, integration, and reorganization compensation costs and share-based compensation have increased by $2,111 and $2,815, respectively during the period.

For the year ended August 31, 2019, personnel and compensation costs represent 63.3% of revenues (2018 – 61.1%). Adjusting for acquisition, integration and reorganization compensation costs and share-based compensation, personnel and compensation costs as a percentage of revenue for the twelve months ended August 31, 2019, would have been 57.1% (2018 – 57.1%).

General and Administrative Expenses

General and administrative expenses include expenses relating to acquisition, integration and reorganization, travel, office supplies, telephone and internet, computer costs, professional fees, advertising, business development and other costs supporting operations.

General and administrative expenses are as follows:

FOR THE THREE MONTHS ENDED				FOR THE YEAR ENDED			
AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE	AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE
$ 6,134	$ 4,818	$ 1,316	27.3%	$ 21,785	$ 16,297	$ 5,488	33.7%

For the three months ended August 31, 2019, general and administrative expenses have increased by $1,316 (27.3%) compared to the three months ended August 31, 2018 primarily due to the following:

- An increase of $200 resulting from a higher general and administrative run rate from the acquisitions;
- An increase of $463 pertaining to acquisition, integration and reorganization costs; and
- An increase of $653 in general and administrative expenses, resulting from an increase in business development costs and office and computer supplies partially offset by a decrease in professional fees.

For the year ended August 31, 2019, general and administrative expenses have increased by $5,488 (33.7%) primarily due to the following:

- An increase of $1,006 resulting from a higher general and administrative run rate from recent acquisitions;
- An increase of $2,495 pertaining to acquisition, integration and reorganization costs; and
- An increase of $1,987 in general and administrative expenses, resulting from an increase in business development costs and office and computer supplies partially offset by a decrease in professional fees.

Depreciation and Amortization Expense

Depreciation is recognized over the estimated useful lives of each part of an item of property and equipment in a manner which most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Definite life intangible assets are amortized from the date of acquisition or, for internally developed assets, from the time the asset is available for use. Amortization is recognized on a straight-line basis over the estimated useful life of the asset.

Depreciation and amortization expense is as follows:

FOR THE THREE MONTHS ENDED				FOR THE YEAR ENDED			
AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE	AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE
$ 3,815	$ 3,606	$ 209	5.8%	$ 14,585	$ 10,659	$ 3,926	36.8%

Depreciation and amortization expense increased by $209 (5.8%) for the three months ended August 31, 2019, as compared to the same period in the prior year. The increase in depreciation pertains primarily to the Company's new head office and increased amortization on customer relationships.

For the year ended August 31, 2019, depreciation and amortization expense increased by $3,926 (36.8%) compared to the prior year. The increase in amortization expense of $3,376 is primarily driven by higher amortization on customer relationships of $3,902 combined with a decrease in the amortization on computer software, customer contracts and software license of $526. The increase in depreciation of $550 pertains to the Company's new head office.

Occupancy Costs

Occupancy costs are as follows:

FOR THE THREE MONTHS ENDED				FOR THE YEAR ENDED			
AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE	AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE
$ 1,752	$ 1,947	$ (195)	(10.0)%	$ 6,304	$ 6,125	$ 179	2.9%

Occupancy costs for the three months ended August 31, 2019, of $1,752 have decreased by $195 (10.0%), due to an office lease contract written-off during the fourth quarter of fiscal year 2018 as a result of the consolidation of practices into the Company's new head office and partly offset by incremental lease costs associated with the acquisitions of Silverberg, BPI, Life and ACL.

Occupancy costs for the year ended August 31, 2019, of $6,304 have increased by $179 (2.9%), due primarily to incremental lease costs associated with the acquisitions of Dalbec, Rockwater, Lane Quinn, Silverberg, BPI, Life and ACL and partly offset by reduced occupancy costs relating to the Company's new head office.

Administration Fees

Administration fees represent amounts paid by the Company to third party claims adjudicators for services provided on behalf of the Company to certain of its clients on its TPA platform.

Administration fees are as follows:

FOR THE THREE MONTHS ENDED				FOR THE YEAR ENDED			
AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE	AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE
$ 1,130	$ 861	$ 269	31.2%	$ 4,188	$ 4,026	$ 162	4.0%

Administration fees increased by $269 (31.2%) for the three months ended August 31, 2019, primarily as a result of a new product launched during the second half of fiscal year 2019 by one of the Company's TPA practices and an increase in the volume of claims processed, which is a direct result from the increase in TPA revenue.

The increase in administration fees of $162 (4.0%) for the year ended August 31, 2019, is due to the factors similar to those affecting the three month period; partially offset by the Company's ability to leverage its scale to reduce its costs incurred per claim.

Finance Expenses

Finance expenses, net of interest income, are as follows:

	FOR THE THREE MONTHS ENDED				FOR THE YEAR ENDED			
	AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE	AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE
Interest and other finance costs	$ 1,109	$ 569	$ 540	94.9%	$ 3,043	$ 1,908	$ 1,135	59.5%
Accretion on financing instruments	178	201	(23)	(11.4)	715	268	447	166.8
Change in fair value estimates	(2,070)	9,694	(11,764)	(121.4)	6,407	13,750	(7,343)	(53.4)
	$ (783)	$ 10,464	$ (11,247)	(107.5)%	$ 10,165	$ 15,926	$ (5,761)	(36.2)%

Finance expenses decreased by $11,247 (107.5%) for the three months ended August 31, 2019. The change is primarily due to a decrease in fair value adjustment related to non-controlling interest put options and contingent considerations; partially offset by an increase in interest on long-term debt.

Finance expenses decreased by $5,761 (36.2%) for the year ended August 31, 2019. The change is primarily due to the factors similar to those affecting the three month period.

Public Company Costs

Public Company costs are as follows:

	FOR THE THREE MONTHS ENDED				FOR THE YEAR ENDED			
	AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE	AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE
	$ 99	$ 83	$ 16	19.3%	$ 535	$ 369	$ 166	45.0%

Public company costs have increased by $16 (19.3%) for the three months ended August 31, 2019. The increase is primarily due to the Company engaging an investor relations firm.

Public company costs have increased by $166 (45.0%) for the year ended August 31, 2019. The increase is primarily due to the Company engaging an investor relations firm and higher costs related to its annual general meeting.

SELECTED QUARTERLY INFORMATION

The selected financial information provided below is derived from the Company's unaudited quarterly financial statements for each of the last eight quarters:

	Q4 2019	Q3 2019	Q2 2019	Q1 2019	Q4 2018	Q3 2018	Q2 2018	Q1 2018
Revenue	$43,192	$42,427	$40,533	$36,342	$36,280	$33,254	$32,515	$28,470
Operating & corporate expenses	(32,099)	(31,530)	(29,914)	(27,791)	(27,522)	(24,910)	(24,332)	(22,151)
Adjusted EBITDA	9,927	9,509	9,210	7,426	7,745	7,374	7,029	5,394
Finance expenses	783	(3,143)	(5,024)	(2,782)	(10,464)	(1,619)	(2,214)	(1,628)
Depreciation and amortization	(3,815)	(3,940)	(3,495)	(3,334)	(3,606)	(2,516)	(2,331)	(2,207)
Stock-based compensation	(965)	(919)	(1,178)	(1,066)	(564)	(236)	(284)	(230)
Equity-based REI	(1,166)	(1,389)	(1,410)	(1,124)	(1,012)	(970)	(1,153)	(925)
Income tax expense, net	(1,381)	(652)	(1,879)	(717)	(968)	(1,070)	(1,359)	(902)
Acquisition, integration and reorganization costs	(2,784)	(2,889)	(2,418)	(2,173)	(2,634)	(1,419)	(1,385)	(889)
Net income (loss)	2,931	(644)	(3,374)	(1,522)	(9,479)	1,484	610	464
Adjusted net earnings	1,733	2,203	1,165	1,120	1,132	2,872	1,950	1,447
Total assets	327,477	292,113	284,236	265,631	262,555	221,022	194,756	189,691
Total loans and borrowings	86,740	67,157	63,321	44,435	38,274	54,944	38,999	35,893
Total other liabilities	110,875	98,990	95,748	93,535	96,166	67,897	61,209	60,222
Shareholders' equity	129,862	125,965	125,168	127,660	128,116	98,180	94,548	93,577
Net income (loss) per share (basic)	0.05	(0.01)	(0.06)	(0.03)	(0.17)	0.03	0.01	0.01
Net income (loss) per share (diluted)	0.05	(0.01)	(0.06)	(0.03)	(0.17)	0.03	0.01	0.01
Adjusted net earnings per share (basic)	$0.03	$0.04	$0.02	$0.02	$0.02	$0.05	$0.04	$0.03

LIQUIDITY AND CAPITAL RESOURCES

Liquidity ensures the Company has sufficient financial resources available at all times to meet its obligations. This involves effectively managing assets and liabilities while maintaining an optimal capital structure. The Company manages this risk by ensuring it has adequate cash and access to credit to meet its obligations in the most cost-effective manner possible. Cash flow from operations, together with cash on hand and unutilized credit available on existing credit facilities are expected to be sufficient to meet operating and capital expenditure requirements.

The Company also continues to actively investigate acquisition and other growth opportunities. The Company expects to finance future acquisitions from a combination of available cash, unutilized credit available on existing credit facilities, vendor financing, expanded credit facilities, issuance of equity as part of the consideration and equity proceeds from treasury issuance.

Contractual Obligations

The following table summarizes, as at August 31, 2019, the Company's contractual obligation for the periods specified.

		PAYMENTS DUE BY PERIOD			
	TOTAL	LESS THAN 1 YEAR	1-3 YEARS	4-5 YEARS	THEREAFTER
Trade and other liabilities	$ 28,256	$ 25,536	$ 1,381	$ 996	$ 343
Loans and borrowings	88,325	3,440	83,685	1,200	–
Lease obligations	14,868	3,846	5,899	3,152	1,971
Non-controlling interest put options	77,198	15,449	45,163	5,740	10,846
	$ 208,647	**$ 48,271**	**$ 136,128**	**$ 11,088**	**$ 13,160**

Management believes that operations will generate sufficient cash flows to fund ongoing operations and finance its seasonal working capital needs.

Cash Flows

The following table summarizes the Company's cash flows for the three months ended August 31, 2019:

FOR THE THREE MONTHS ENDED	AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE
Net income (loss) for the period	$ 2,931	$ (9,479)	$ 12,410	(130.9)%
Add non-cash items, net	2,706	13,807	(11,101)	(80.4)
Changes in non-cash working capital	(438)	4,247	(4,685)	(110.3)
Net cash from operating activities	5,199	8,575	(3,376)	(39.4)
Net cash used by investing activities	(31,887)	(29,025)	(2,862)	9.9
Net cash from financing activities	13,263	20,932	(7,669)	(36.6)
Net increase (decrease) in cash	**$ (13,425)**	**$ 482**	**$ (13,907)**	**(2,885.3)%**

Cash generated from operating activities for the three months ended August 31, 2019, decreased by $3,376 as compared to the prior year. Changes in working capital accounts reflect the inclusion of BPI, Life, and ACL operations.

Significant influences of cash inflows and outflows related to operating activities for the three month period versus the same period in the prior year include the following:

- Cash generated from increased Adjusted EBITDA before REI, was $2,057 higher than was generated in the prior year. Management believes Adjusted EBITDA is a valuable indicator of the Company's ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures;
- Cash used to fund acquisitions, integration and reorganization costs increased $151;
- Finance costs and income taxes used $876 more cash than as compared to the prior year. The increase in the use of cash in the current quarter was due to the higher outstanding loan balances resulting in higher cash interest costs of $539, partially offset by a reduction in income taxes paid during the quarter of $329, and cash from changes in other non-cash working capital accounts increased by $9;

- Cash used to pay compensation-based REI decreased by $279 as compared to the same period in the previous fiscal year due primarily to the Company acquiring the remaining economic interest in Bencom; and
- Decrease in cash from changes in working capital accounts of $4,685 due to current period acquisitions and timing of cash receipts and payments from normal operating processes.

Cash used by investing activities for the three months ended August 31, 2019, increased by $2,862 as compared to the same period in the prior year. The change is primarily due to $3,096 more cash used to fund current year acquisitions, partially offset by $234 less cash used to acquire property, equipment and intangible assets.

Cash generated by financing activities for the three months ended August 31, 2019, decreased by $7,669 as compared to the same period in the prior year. The change is primarily due to the Company receiving $38,078 of cash in the fourth quarter of the prior year from the private placement of shares. Other significant changes in financing activities include an increase in proceeds from loans and borrowings of $57,196 and an increase in the repayment of loans and borrowings of $24,346 as a result of the Company amending and restating its credit agreement.

The following table summarizes the Company's cash flows for the fiscal year ended August 31, 2019:

FOR THE YEAR ENDED	AUG 31, 2019	AUG 31, 2018	$ VARIANCE	% VARIANCE
Net loss for the period	$ (2,609)	$ (6,921)	$ 4,312	(62.3)%
Add non-cash items, net	22,058	24,717	(2,659)	(10.8)
Changes in non-cash working capital	(3,063)	(559)	(2,504)	447.9
Net cash from operating activities	16,386	17,237	(851)	(4.9)
Net cash used by investing activities	(56,442)	(65,265)	8,823	(13.5)
Net cash from financing activities	31,426	51,213	(19,787)	(38.6)
Net increase (decrease) in cash	**$ (8,630)**	**$ 3,185**	**$ (11,815)**	**(371.0)%**

Cash generated from operating activities for the year ended August 31, 2019, decreased by $851 as compared to the same period in the prior year. Changes in working capital accounts reflect the inclusion of BPI, Life, and ACL operations.

Significant influences of cash inflows and outflows related to operating activities for the year include:

- Cash generated from increased Adjusted EBITDA before REI, was $9,569 higher than was generated in the prior year. Management believes Adjusted EBITDA is a valuable indicator of the Company's ability to generate liquidity by producing operating cash flow to fund working capital needs, service debt obligations, and fund capital expenditures;
- Cash used to fund acquisitions, integration and reorganization costs increased $3,936;
- Finance costs and income taxes used $3,980 more cash than as compared to the prior year, which was the result of an increase in cash used to fund 2019 income tax obligations and 2019 income tax installments $2,634, an increase in finance costs $1,135 and cash from changes in other non-cash working capital accounts increased by $211; and
- Decrease in cash from changes in working capital accounts of $2,504 due to current period acquisitions and timing of cash receipts and payments from normal operating processes.

Cash used by investing activities for the year ended August 31, 2019, decreased by $8,823 as compared to the prior year. The change is primarily due to $5,924 less cash used to acquire property, equipment and intangible assets and $2,899 less cash used to fund current year acquisitions.

Cash generated from financing activities is primarily dependent on the timing of the Company completing acquisitions and Management's decision to fund these transactions from either its credit facility or raise proceeds from the private placement of shares. In the year ended August 31, 2019, $40,667 of cash was provided from its credit facilities, while in the prior year, $54,246 of cash was provided from the private placement of shares, net of changes in loans and borrowings.

Capital Management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide opportunities for growth to shareholders and benefits for other stakeholders and to maintain financial flexibility in, or to take advantage of, organic growth and new acquisition opportunities as they arise.

The Company includes cash, bank financing, vendor take-back debt and shareholders' equity in the definition of capital. The Company manages its capital structure and adjusts it in light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust capital structure, the Company may issue new shares, issue new debt, renegotiate vendor-take-back debt or issue new debt to replace existing debt with different terms & conditions. The Company has the opportunity to use its swingline commitment during the year to finance cash flows related to seasonal changes in non-cash working capital items. The Company did not make use of this facility during the year.

Working Capital

The Company's working capital (defined as current assets less current liabilities) as at August 31, 2019, is set forth in the table below. The Company defines "Operating Working Capital" as current assets less current liabilities excluding contract liabilities.

Contract liabilities represents payment received in advance for services which have not yet been performed. Contract liabilities are recognized into income as services are rendered, in accordance with the revenue recognition policies described in the Company's financial statements. Contract liabilities is a non-cash liability and therefore Management believes that adding back contract liabilities provides a more accurate reflection of the liquidity and working capital position of the Company.

The table below reconciles the differences in the calculation of working capital and Operating Working Capital.

	AUG 31, 2019	AUG 31, 2018
Current Assets	$ 35,798	$ 36,798
Less:		
Current Liabilities	48,840	32,013
Working capital	(13,042)	4,785
Add back:		
Contract liabilities	5,207	–
Deferred revenue	–	3,289
Operating Working Capital	**$ (7,835)**	**$ 8,074**

The Company manages its working capital balance in conjunction with its overall capital structure. Due to the acquisitive nature of the Company and the Company's continual use of cash to complete acquisitions, the Company will generally carry sufficient cash balances, at any point in time, in order to meet its short term obligations. The Company has access to a credit facility and therefore the cash balances are minimized, with any excess cash used to pay down loans and borrowings in order to reduce financing costs.

The Company's working capital position is negative at year end, due to the current portion of non-controlling interest put options. The Company intends to draw funds on its credit facility in order to settle non-controlling interest put options as they come due in the next fiscal year.

The Company maintains a swingline commitment of $5,000 to facilitate management of short-term working capital requirements. As at August 31, 2019, the Company had not utilized this facility.

Credit Facilities

On June 25, 2019, the Company amended and restated its existing credit agreement with a syndicate of Canadian banks which includes the following commitments:

1. $5,000 swingline commitment to fund operating cash flow needs. As at August 31, 2019, the Company had not utilized this facility (August 31, 2018 – nil).
2. $125,000 revolving commitment which has been used to refinance the acquisition facility under the previous agreement and to fund future acquisitions. As at Aug 31, 2019, the balance owing on this facility was equal to $71,241 (August 31, 2018 – nil).

In addition, the facility agreement provides for an option, from time to time, to request an increase in the amount of the revolving commitment by an amount of not less than $5,000 and not more than $50,000, subject to the satisfaction of certain terms and conditions. The exercise of the option would result in the size of the revolving commitment increasing from $125,000 to a maximum of $175,000 and overall credit capacity being increased to a maximum of $180,000. The loan matures on June 1, 2022, unless extended pursuant to the terms of the agreement. The facility is secured by a general security agreement over the assets of the Company and its subsidiaries and is subject to covenants. As at August 31, 2019, the Company was in compliance with all of its financial and non-financial covenants.

Prior to the amendment described above the Company was a party to an agreement with a syndicate of Canadian banks. On June 28, 2019, all components described below were fully extinguished:

1. $5,000 revolving credit facility to fund operating cash flow needs. As at August 31, 2018, the Company had not utilized this facility.
2. Term 1 – $19,500 term credit facility installment loan which was used to refinance the acquisition facility balance outstanding under the previous agreement and to fund acquisitions. As at August 31, 2018, the balance owing on this facility was 17,998.
3. Term 2 – $9,500 term credit facility to fund leasehold improvements at the Company's head office. As at August 31, 2018, the balance owing on this facility was $8,786.
4. Revolver – $63,800 revolving credit facility to fund future acquisitions. As at August 31, 2018, the balance owing on this facility was nil.

Share Capital

The Company has authorized share capital of an unlimited number of common voting shares. The Company's outstanding securities are comprised of:

	AUG 31, 2019	AUG 31, 2018
Common shares, issued and outstanding	60,918,514	60,640,511
Stock options outstanding	3,498,872	3,681,861
Restricted stock units outstanding	454,340	442,279
Deferred stock units outstanding	109,385	69,278

In connection with the acquisition of Life, the Company issued 9,842 common shares as part of the total consideration for the transaction. The remainder of the change in share capital during the year ended August 31, 2019, can be attributed to stock options granted or exercised and the settlement of Restricted Stock Units under the Company's Security Based Compensation Plan.

Subsequent to the completion of the fiscal year 2019, on October 16, 2019, the Company closed a bought deal private placement financing (the "Offering") with a syndicate of underwriters led by Cormark Securities Inc. (collectively, the "Underwriters"). Pursuant to the Offering, the Company issued 6,983,500 common shares (the "Shares") of the Company at a purchase price of $9.10 per Share, including 389,500 Shares issued pursuant to the partial exercise of the Underwriters' over-allotment option, for gross proceeds to the Company of $63,549,850. The Underwriters received a cash commission equal to 5.0% of the gross proceeds raised in the Offering.

Contingencies

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

RISK FACTORS

The Company operates in a well-established and highly competitive industry and its results of operations, business prospects and financial condition are subject to a number of risks and uncertainties and are affected by a number of factors outside the control of Management of the Company. These factors include, but are not limited to, the following:

Key Personnel

The Company is highly dependent upon the expertise and experience of its personnel, particularly those engaged in generating revenue, including, but not limited to, those involved in benefits plan design and administration, benefits legislative and regulatory issues, group retirement plan design and specialized human resource consulting, recruitment and career management. The Company's operations depend, in part, on the relationships and reputations these individuals have established with clients, often over many years. In the event the Company were to lose a number of key personnel, client relationships could be negatively impacted, which could lead to material adverse effects on the Company's operating and financial results.

Recruitment of high performing consultants in our industry is becoming more competitive, especially as the labour pool is shrinking with aging advisors leaving the market at a rate that is outpacing the entry of new talent. Other firms may offer more attractive compensation packages, work arrangements or geographic preferences than we can offer.

The Company currently has many experienced employees who hold senior positions in the Company, who have various professional designations and who have developed deep and trusted relationships with clients. While the Company provides a competitive compensation structure for its employees, including an employee share purchase plan and a security based compensation plan and has comprehensive employment agreements in place with its employees to protect the Company, the loss of a number of key personnel may have a material adverse effect on the business of the Company. The Company's ability to attract, retain and develop new employees into senior positions could affect the business of the Company.

Client Relationships

Group insurance contracts are generally renegotiated on an annual basis with clients, often resulting in insurance premium pricing increases or decreases. Accordingly, there can be no guarantee that insurance contracts sold through the Company in the past will be renewed on a go forward basis or at the same pricing level. While the Company has several benefit and insurance clients with contracts that extend for one to seven years, the majority of the Company's benefit and pension revenue is derived from contracts that can be cancelled upon thirty days' notice. The Company's experience is that most clients terminate during the renewal process rather than during the policy year. While the Company's clients are diversified both in size and industry, if a number of the Company's largest clients were to terminate their contracts with the Company at the same time, this could result in a significant reduction in revenue, which could have a material adverse effect on the Company's revenues, financial condition and operating results.

Insurance Company Relationships

In certain cases, the Company acts as the advisor to end user employers and associations to broker group insurance products with insurance companies. There can be no assurance that the Company will be able to maintain its existing relationships with these insurance companies and the failure to do so could have a material adverse effect on the Company's business, financial condition and operating results. In addition, during the renewal process, the Company's benefits consulting teams will provide benefits planning and consulting services based on the availability of insurance products and pricing of such products. Changes in available products could result in decreased benefits coverage and/or decreased premiums which generally would result in decreased revenue for the Company.

Regulation, Policies and Certification

The Company's group benefits and group retirement consulting and administration services are subject to laws and regulations that are constantly evolving. Changes in such laws or regulations could make some of our products or services less attractive to clients. In addition, the laws and regulations differ from province to province and the Company is required to keep up-to-date with the laws and regulations of each province.

The rules and regulations governing income and commodity taxes are complex and wide-ranging, and the calculation of income taxes and applicability of commodity taxes requires judgment in interpreting tax rules and regulations. The Company's tax filings are subject to government audits that could result in material changes to the amount of current and future income taxes and related costs.

Any changes to laws, rules, regulations or policies could have a material adverse effect on the Company's business, financial condition and operating results.

Technology and Information Security

The Company is reliant on computerized operational and reporting systems. The Company makes reasonable efforts to ensure that back-up systems and redundancies are in place and functioning appropriately and maintains a disaster recovery plan to protect against significant system failures. While a computer system failure would not be expected to critically damage the Company in the long term, there can be no assurance that a computer system crash or like event would not have a material impact on its financial results in the short term.

Information security risks have increased in recent years due, in part, to the proliferation, sophistication and constant evolution of new technologies used by hackers and external parties. The Company's technologies, systems and networks and third parties providing services to the Company, may be subject to attacks, breaches or other compromises. In the event of such an occurrence, the Company may experience, among other things, financial loss, a loss of customer or business opportunities, disruption to operations, misappropriation or unauthorized release of confidential, financial or personal information, litigation, regulatory penalties or intervention, remediation, investigation or restoration cost, and reputational damage.

Access to Capital

The Company relies principally on bank debt, vendor-take-back debt financing and issuance of common shares to fund its acquisitions. The Company may require additional funds to make future acquisitions of group benefit, group retirement and human resource consulting businesses and may require additional funds to market and sell its products into the marketplace. The ability of the Company to arrange such financing in the future, and to repay its existing debt, will depend in part upon the prevailing capital market conditions, as well as on the business performance of the Company. While the Company has been successful in the past, there is no assurance that capital will be available under terms that are satisfactory to the Company.

Pursuant to its articles of incorporation, the Company is authorized to issue an unlimited number of common shares for consideration and on such terms as are established by the Board of Directors without the approval of any shareholders. Further issuance of common shares may dilute the interests of existing shareholders. If additional capital financing is not available on terms favourable to the Company, the Company may be unable to grow or may be required to limit or halt its strategic growth plans. In addition, if the Company experiences financial difficulty, the Company's creditors who have security interests in the Company's assets, may decide to exercise their rights to acquire or dispose of the Company's assets.

Future Growth via Acquisitions

The Company's growth and expansion plans contain a three-pronged approach of generating growth: 1. gaining new clients organically; 2. increasing product and service penetration with existing clients; and, 3. through transactions in which the Company acquires new operating entities or subsidiaries. There can be no assurance that an adequate number of suitable new client and acquisition candidates will be available to the Company to meet this area of focus of its expansion plans, or in the event that such businesses are available for acquisition that they will be available at a price which would allow the Company to operate on a profitable basis. The Company competes for acquisition and expansion opportunities with entities that have substantially greater resources than the Company and these entities may be able to outbid the Company for acquisition targets.

Integration of Future Acquisitions

There can be no assurance that businesses acquired by the Company in the future will achieve acceptable levels of revenue and profitability or otherwise perform as expected. The Company may be unable to successfully integrate businesses that it may acquire in the future, due to diversion of Management attention, strains on the Company's infrastructure, difficulties in integrating operations and personnel, entry into unfamiliar markets, or unanticipated legal liabilities or tax, accounting or other issues. A failure to integrate acquired businesses may be disruptive to the Company's operations and negatively impact the Company's revenue or increase the Company's expenses. Risks related to the integration of acquisitions are mitigated through the Company's due diligence procedures and legal structure of its acquisitions.

Potential Undisclosed Liabilities Associated with Acquisition – Limited Indemnification

In connection with acquisitions completed by the Company, there may be liabilities and contingencies related to the acquired entity that the Company failed to discover or was unable to quantify in its due diligence conducted prior to the execution of the acquisition, and the Company may not be indemnified for some or all of these liabilities and contingencies. The existence of any material liabilities or contingencies could have a material adverse effect on the Company's business, financial condition, liquidity and results of operations.

Interest Rate

Advances under the Company's credit facilities bear interest at variable rates. The Company may incur further indebtedness in the future that also bears interest at variable rates or it may be required to refinance its debt at higher rates. While the Company attempts to manage its interest rate risk, there can be no assurance that it will hedge such exposure effectively or at all in the future. Accordingly, increases in interest rates could adversely affect the Company's cash flows.

Insurance

The Company believes that its professional errors and omissions insurance, director and officer liability insurance, cyber liability insurance and commercial general liability insurance coverage address all material insurable risks, provides coverage that is similar to that which would be maintained by a prudent operator of a similar business and is subject to deductibles, limits and exclusions which are customary or reasonable given the cost of procuring insurance and current operating conditions. However, there can be no assurance that such insurance will continue to be offered on economically feasible terms, that all events that could give rise to a loss or liability are insurable, or that the amounts of insurance will at all times be sufficient to cover each and every loss or claim that may occur involving the Company's assets or operations.

Canadian Economy and Competitive Conditions

The Company's future success is dependent upon the direction and state of the Canadian economy. The business, operating results and financial condition of the Company could be materially affected by a prolonged and deep recession or downturn in the Canadian economy. There is no assurance that the Company will have sufficient financial resources to withstand a prolonged and deep recession.

The insurance brokerage market is highly competitive and is composed of a large number of companies of varying size and scope of services. Insurance companies themselves also offer their products through other methods, including insurance agents and direct distribution channels, which are competitive with the insurance brokerage industry and the Company.

Brand and Reputation

The Company is dependent, to a large extent, on its client relationships and its reputation with clients. Damage to the Company's brand or reputation could result in the loss of client relationships, which could result in a material adverse effect on the Company's business, financial condition and operating results. There can be no assurance that future incidents will not negatively affect the Company's brand or reputation.

Internal Control

As a venture issuer, the Company is not required to certify the design and evaluation of the Company's disclosure controls and procedures ("DC&P") and internal controls over financial reporting ("ICFR"), as defined by National Instrument 52-109 and as such has not completed such an evaluation. Investors should be aware that inherent limitations on the ability of a certifying officers of a venture issuer to design and implement, on a cost effective basis, DC&P and ICFR may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

Critical accounting policies are defined as those that are both very important to the portrayal of the Company's financial condition and results, and require Management's most difficult, subjective or complex judgments. In preparing the Company's consolidated financial statements in accordance with IFRS, Management is required to make certain estimates, judgments and assumptions that it believes are reasonable based upon available information, historical information and/or forecasts. These estimates, judgments and assumptions affect the reported amounts of assets and liabilities at the date of the financial statements and the reported revenues and expenses during the reporting periods. Actual results could differ from these estimates. The accounting policies which Management believes are the most critical to aid in fully understanding and evaluating the Company's reported financial results include those relating to revenue recognition, business acquisitions and accounting for the resulting customer relationships and contracts, goodwill, contingent acquisition consideration and non controlling interest put obligations, as well as income taxes.

Revenue recognition

Revenue includes fees and commissions generated from administrative, advisory and consulting services provided to clients. Revenue and related costs from these services is recognized in accordance with the five step model in IFRS 15:

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

Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires judgment.

Additional information about the Company's new revenue recognition accounting policies is as follows:

Services and Performance Obligations

Benefit solutions
Benefit solutions revenue is primarily from fees earned for third-party administrative services. In addition, the Company earns fees from group retirement consulting and administration, and individual financial services including insurance and wealth management. Revenue from administrative services is recognized as services are provided and the performance obligation is met, except as described below.

Group benefit commission revenue from clients where advisory services and plan administration services are provided by the Company is generally received in advance and recorded as a contract liability on the consolidated statement of financial position. Commission advances are recognized in revenue over time based on the number of months for which the commission revenue was advanced. The transaction price and consideration received is reduced for expected return commissions due to policy cancellation and adjustments. The transaction price reduction is determined based on historical data.

Group benefit commission revenue from clients where the Company provides only advisory services is recognized in income at the effective or renewal date of the policy, with the transaction price reduced for expected return commissions due to policy cancellation and adjustments. The transaction price reduction is determined based on historical data.

Variable consideration is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

Consulting solutions
Consulting solutions revenue is primarily comprised of commissions from insurance carriers. In addition, the Company provides group retirement plan advisory services from which it earns commissions paid by the carrier who administers and invests the funds. Revenue from consulting services is recognized as services are provided and the performance obligation is met.

Human Resource solutions
Human Resource solutions revenue is primarily earned from hourly or fixed fees for consulting services and as a percentage of compensation for recruiting services. Fee revenue from consulting services is recognized as services are provided and the performance obligation is met. For fee revenue that is contingent on certain criteria being met, consulting service revenue is not recognized until the criteria have been met.

Other
All other revenue is recognized as services are rendered by the Company. Other revenue includes investment income recorded on an accrual basis.

Incremental costs of obtaining a contract and costs to fulfill a contract

The Company incurs incremental costs in obtaining contracts for new clients, the renewal of contracts for existing clients, and in the fulfillment of the contracts for these clients. Previously all implementation and fulfillment costs were expensed once revenue on the contracts with customers was recognized. Under IFRS 15, incremental costs of obtaining and renewing contracts, and fulfillment costs on certain customer contracts with terms in excess of 12 months, will be recognized as contract assets and expensed over the term of the related contract. The Company considers the renewal period in the contract in addition to the initial term of the contract, when the renewal is highly probable, in determining the recognition period for the contract asset.

Business combinations

For acquisitions, the Company measures goodwill as the fair value of the consideration transferred including the recognized amount of any non-controlling interest in the acquiree, less the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in profit or loss.

Transaction costs that the Company incurs in connection with a business combination, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

Intangible assets

(i) Goodwill
Goodwill represents the excess of the purchase price paid for the acquisition of subsidiaries over the fair value of the net tangible and intangible assets acquired. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses.

(ii) Other intangible assets
Other intangible assets consist of acquired customer relationships and contracts. Other intangible assets acquired separately are measured on initial recognition at cost. The cost of

identifiable intangible assets acquired in a business combination is equal to fair value as at the date of acquisition. Following initial recognition, identifiable intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Definite life intangible assets are amortized from the date of acquisition or, for internally developed assets, from the time the asset is available for use. Amortization is recognized either on a declining balance or on a straight-line basis over the estimated useful life of the asset, and the residual values and useful lives of the assets are reviewed at each financial year end and adjusted if appropriate.

Intangible assets are considered to have indefinite lives where Management believes that there is no foreseeable limit to the period over which the intangible assets are expected to generate net cash flows.

Contingent consideration obligations

The Company recognizes liabilities, if any, resulting from a contingent consideration arrangement at their acquisition date fair value and such amounts form part of the cost of the business combination. Subsequent changes in the fair value of contingent consideration arrangements are recognized in Net income (loss) for the period.

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

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

Non-controlling interest put options

The Company recognizes non-controlling interest put options as non derivative financial liabilities, which are classified as fair value through profit and loss are measured at fair value, with gains and losses recognized in Net income (loss). Non-controlling interest put option is classified as fair value through profit and loss.

The Company initially recognizes debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognized initially on the trade date at which the Company becomes a party to the contractual provisions of the instrument.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled or expire.

Deferred Tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

CHANGES IN ACCOUNTING POLICIES

As described in note 3(a) of the accompanying consolidated financial statements, the Company adopted the following new and revised accounting standards:

IFRS 15, Revenue from Contracts with Customers (“IFRS 15”)

The Company has adopted IFRS 15 effective September 1, 2018 using the modified retrospective approach, which recognizes the cumulative effect of initial application (if any) as an adjustment to opening retained earnings (deficit) at September 1, 2018 without restatement of comparatives. There was no impact on retained earnings as a result of adoption.

IFRS 9, Financial Instruments (“IFRS 9”)

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied retrospectively. There was no impact on retained earnings as a result of the date of adoption of IFRS 9 as at September 1, 2018.

NEW STANDARDS NOT YET ADOPTED

The following new and revised Standards and Interpretations have been issued by the IASB but are not yet effective and have not been applied in preparing the condensed consolidated interim financial statements:

IFRS 16, Leases (“IFRS 16”)

On January 13, 2016, the IASB issued IFRS 16, Leases (“IFRS 16”). The new standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 will replace IAS 17, Leases (“IAS 17”).

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use (“ROU”) asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company is currently completing its transition plan and its evaluation of the impact of adopting IFRS 16 on its financial statements.

The Company intends to adopt IFRS 16 using the modified retrospective method. Under the modified retrospective method, comparative financial information is not restated and continues to be reported under the accounting standards in effect for those periods. Under the principles of the new standard, lease liabilities will be measured at the present value of the remaining lease payments, discounted using the Company’s incremental borrowing rate as at September 1, 2019. The associated ROU assets will be measured at the lease liability amount on September 1, 2019, resulting in no adjustment to the opening balance of retained earnings.

The Company intends to use the following practical expedients permitted under the new standard:

- applying a single discount rate to a portfolio of leases with similar characteristics;
- accounting for leases with a remaining lease term of less than twelve months as at the date of adoption as short-term leases;
- continuing to expense low dollar value leases as incurred;
- using the Company's previous assessment of impairment under IAS 37 for onerous contracts instead of re-assessing the ROU asset for impairment on September 1, 2019; and
- using hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Furthermore, the Company intends to apply IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and related interpretations will not be reassessed. Therefore, the definition of a lease under IFRS 16 will be applied only to contracts entered into or changed on or after September 1, 2019.

The estimated impact of the adoption of the standard is a lease liability of approximately $13.1 million and a ROU asset of approximately $12.4 million with no impact on retained earnings. The ROU asset will be net of the provision for onerous leases of $0.7 million relating to the leases recognized in the consolidated statement of financial position immediately before the date of initial application. The additional ROU asset and lease liability is expected to result in an increase in depreciation and amortization expense and increase in non-cash finance expenses on lease liabilities, with a corresponding decrease in operating lease expenses.

SEASONALITY

As the Company continues to grow through acquisitions, the revenue trends from quarter to quarter may change depending on the relative significance of acquisitions in a fiscal year and the seasonal variances of the client renewals of those particular acquisitions. As a result of such acquired growth and organic growth, the revenue and Adjusted EBITDA trends from quarter to quarter within a fiscal year may continue to vary, however the annual revenue trends will increasingly be more representative of the Company's annual revenue run rate as the Company achieves increasing scale.

OFF-BALANCE SHEET ARRANGEMENTS

Other than as outlined below, the Company does not have any off-balance sheet arrangements.

The Company sponsors certain individual pension plans ("IPP") which were assumed as a result of and established prior to the date of certain acquisitions. While the IPPs are ongoing, the Company's obligation to make contributions towards any funding deficiency required by pension legislation is indemnified by the beneficiaries of the respective IPPs. Conversely, any funding surpluses are payable to the beneficiaries of the respective IPPs. As a result, the Company has no net exposure to unfunded or overfunded IPPs.

FINANCIAL INSTRUMENTS

The Company's financial instruments consist of basic financial instruments which are typically used in operations, including cash, restricted cash, trade and other receivables, trade payables, accrued and other liabilities. Additional financial instruments include long-term debt, contingent consideration obligations, non-controlling interest put options and other non-current assets.

CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian Dollars)
Years ended August 31, 2019 and August 31, 2018

Independent Auditor's Report

To the Shareholders of People Corporation:

Opinion

We have audited the consolidated financial statements of People Corporation and its subsidiaries (the "Company"), which comprise the consolidated statements of financial position as at August 31, 2019 and August 31, 2018, and the consolidated statements of comprehensive income (loss), changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at August 31, 2019 and August 31, 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audits in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audits of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises:

- Management's Discussion and Analysis; and
- The Annual Report, but does not include the consolidated financial statements and our auditor's opinion thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audits of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audits or otherwise appears to be materially misstated.

We obtained Management’s Discussion and Analysis prior to the date of this auditor’s report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

The Annual Report is expected to be made available to us after the date of the auditor’s report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company’s financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits and significant audit findings, including any significant deficiencies in internal control that we identify during our audits.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Craig Schatkowsky.

Winnipeg, Manitoba

MNP LLP

December 6, 2019

Chartered Professional Accountants

PEOPLE CORPORATION

Consolidated Statements of Financial Position
(Expressed in Canadian Dollars)

	NOTE		AUGUST 31, 2019		AUGUST 31, 2018
Assets					
Current assets:					
Cash		$	12,489,692	$	21,119,220
Trade and other receivables	5		20,714,900		13,735,697
Income tax receivable			292,187		112,745
Prepaid and other current assets			2,301,395		1,830,716
Total current assets			35,798,174		36,798,378
Non-current assets:					
Property and equipment	6		12,661,874		10,667,472
Goodwill and intangible assets	7		275,233,325		213,428,886
Loans and other assets	8		3,450,478		1,660,384
Contract cost assets			333,273		–
Total non-current assets			291,678,950		225,756,742
Total assets		**$**	**327,477,124**	**$**	**262,555,120**
Liabilities and shareholders' equity					
Current liabilities:					
Trade and other liabilities	9	$	25,683,861	$	21,649,670
Deferred revenue			–		3,288,650
Contract liabilities			5,207,406		–
Non-controlling interest put options	11		14,960,783		–
Loans and borrowings	12		2,988,017		7,074,946
Total current liabilities			48,840,067		32,013,266
Trade and other liabilities	9		2,046,762		2,165,489
Non-controlling interest put options	11		40,763,584		52,613,161
Loans and borrowings	12		83,752,227		31,198,602
Deferred tax liability	13		22,212,807		16,448,628
Total liabilities			**197,615,447**		**134,439,146**
Shareholders' equity:					
Share capital	14		125,765,547		124,672,253
Contributed surplus			6,009,327		2,747,472
Retained earnings (deficit)			(1,913,197)		696,249
Total shareholders' equity			**129,861,677**		**128,115,974**
Total liabilities and shareholders' equity		**$**	**327,477,124**	**$**	**262,555,120**

Commitments and contingencies (Note 21)

Subsequent events (Note 27)

The accompanying notes are an integral part of these Consolidated Financial Statements.

ON BEHALF OF THE BOARD OF DIRECTORS

/s/ "Eric Stefanson"
Director, Chair of the Audit & Risk Committee

/s/ "Laurie Goldberg"
Director, Chief Executive Officer

PEOPLE CORPORATION

Consolidated Statements of Comprehensive Income (Loss)
(Expressed in Canadian Dollars)

	NOTE		YEAR ENDED AUGUST 31, 2019		YEAR ENDED AUGUST 31, 2018
Revenue	17	$	162,494,106	$	130,518,057
Operating expenses	22		125,461,735		100,228,915
Depreciation and amortization	6,7		14,584,971		10,659,028
Finance expenses					
Change in estimated fair value of non-controlling interest put options	18		8,517,983		11,736,962
Other finance expenses			1,646,665		4,188,947
Acquisition, integration and reorganization costs	22		10,263,376		6,326,566
	22		160,474,730		133,140,418
Income (loss) before income taxes			**2,019,376**		**(2,622,361)**
Income tax expense (recovery):					
Current	13		8,253,901		5,882,030
Deferred	13		(3,625,079)		(1,583,752)
			4,628,822		4,298,278
Net income (loss) and comprehensive income (loss)		**$**	**(2,609,446)**	**$**	**(6,920,639)**

Earnings (loss) per share					
Basic	14,c	$	(0.04)	$	(0.13)
Diluted	14,c	$	(0.04)	$	(0.13)

The accompanying notes are an integral part of these Consolidated Financial Statements.

Consolidated Statements of Changes in Equity
(Expressed in Canadian Dollars)

	NOTE	SHARE CAPITAL	CONTRIBUTED SURPLUS	RETAINED EARNINGS (DEFICIT)	TOTAL
Balance, August 31, 2017		**$ 58,861,256**	**$ 1,892,859**	**$ 7,616,888**	**$ 68,371,003**
Net loss and comprehensive loss for the year		–	–	(6,920,639)	(6,920,639)
Issuance of common shares	14,b	62,906,800	–	–	62,906,800
Acquisition-related issuance of shares	14,b	1,914,315	–	–	1,914,315
Settlement of restricted stock units	14,b	63,031	(167,594)	–	(104,563)
Exercise of stock options	14,b	926,851	(291,003)	–	635,848
Share-based payments	15,b,c,d	–	1,313,210	–	1,313,210
		65,810,997	854,613	(6,920,639)	59,744,971
Balance, August 31, 2018		**$ 124,672,253**	**$ 2,747,472**	**$ 696,249**	**$ 128,115,974**
Balance, August 31, 2018		**$ 124,672,253**	**$ 2,747,472**	**$ 696,249**	**$ 128,115,974**
Net loss and comprehensive loss for the year		–	–	(2,609,446)	(2,609,446)
Acquisition-related issuance of shares	14,b	74,575	–	–	74,575
Settlement of restricted stock units	14,b	183,715	(626,993)	–	(443,278)
Exercise of stock options	14,b	835,004	(239,874)	–	595,130
Share-based payments	15,b,c,d	–	4,128,722	–	4,128,722
		1,093,294	3,261,855	(2,609,446)	1,745,703
Balance, August 31, 2019		**$ 125,765,547**	**$ 6,009,327**	**$ (1,913,197)**	**$ 129,861,677**

The accompanying notes are an integral part of these Consolidated Financial Statements.

PEOPLE CORPORATION

Consolidated Statements of Cash Flows
(Expressed in Canadian Dollars)

	NOTE	YEAR ENDED AUGUST 31, 2019	YEAR ENDED AUGUST 31, 2018
Operating activities			
Net income (loss) for the year		$ (2,609,446)	$ (6,920,639)
Adjustments for:			
Depreciation	6	2,034,006	1,485,045
Amortization of intangible assets	7	12,550,965	9,173,983
Share-based compensation	15,b,c,d	4,128,722	1,313,210
Impairment losses on property, equipment and intangible assets	6,7	35	200,524
Finance expenses	18	10,164,648	15,925,909
Income tax provision	13	4,628,822	4,298,278
Net cash from operations		30,897,752	25,476,310
Change in non-cash operating working capital	16	(3,062,576)	(559,848)
Cash generated from operating activities		27,835,175	24,916,462
Finance costs paid		(3,042,601)	(1,907,810)
Income taxes paid		(8,406,393)	(5,771,895)
Net cash from operating activities		16,386,182	17,236,757
Investing activities			
Acquisition of subsidiaries, net of cash acquired	4	(51,037,986)	(53,936,879)
Acquisition of property and equipment	6	(3,768,128)	(9,467,295)
Acquisition of intangible assets	7	(1,636,132)	(1,861,089)
Net cash used in investing activities		(56,442,246)	(65,265,263)
Financing activities			
Proceeds from exercise of stock options	15,b	595,130	635,848
Settlement of restricted stock units		(443,278)	(104,563)
Outflows relating to loans and other assets	8	(2,012,700)	(1,000,000)
Proceeds from loans and borrowings	12	116,861,085	55,662,250
Repayment of loans and borrowings	12	(76,194,933)	(63,366,897)
Proceeds from private placement of shares, net		–	61,950,909
Payment of dividends on non-controlling interest	11	(3,561,450)	(2,563,653)
Payment of put options on non-controlling interest	11	(3,817,318)	–
Net cash from financing activities		31,426,536	51,213,894
Net increase (decrease) in cash		(8,629,528)	3,185,388
Cash at beginning of the year		21,119,220	17,933,832
Cash at the end of the year		**$ 12,489,692**	**$ 21,119,220**

The accompanying notes are an integral part of these Consolidated Financial Statements.

1. REPORTING ENTITY

People Corporation (the "Company") was incorporated under the Ontario Business Corporations Act on July 5, 2006. The Company is a public company listed on the TSX Venture Exchange (the "TSX-V"), trading under the "PEO" symbol and is domiciled in Canada. The address of the Company's corporate office is 1403 Kenaston Boulevard, Winnipeg, Manitoba, Canada and the Company's registered office is 180 Bay Street, Suite 4400, Toronto, Ontario, Canada. These consolidated financial statements of the Company comprise accounts of the Company and its subsidiaries. The Company is primarily involved in the delivery of employee group benefit consulting, third-party benefits administration services, pension consulting and human resources consulting to help companies recruit, retain and reward employees.

2. BASIS OF PRESENTATION

These consolidated financial statements were approved by the Board of Directors and authorized for issuance on December 6, 2019.

(a) Statement of compliance

These consolidated financial statements were prepared on a going concern basis in accordance with International Financial Reporting Standards ("IFRS") effective August 31, 2019, as issued by the International Accounting Standards Board ("IASB").

(b) Basis of measurement

These consolidated financial statements have been prepared on the historical cost basis except for the following material items in the consolidated statement of financial position:

- financial instruments at fair value through profit or loss are measured at fair value
- share-based compensation awards are measured at fair value at grant date

(c) Functional and presentation currency

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

(d) Use of estimates and judgments

Preparation of these consolidated financial statements in conformity with IFRS requires management to make estimates, judgments, and assumptions that affect the application of policies and the reported amounts of assets, liabilities at the date of these consolidated financial statements and reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates. Areas of significant accounting estimates and judgments include determination of fair value of financial instruments, impairment of financial instruments, impairment of goodwill and intangible assets, business combinations, revenue recognition and deferred taxes. The Company also uses judgment when determining operating segments, contingencies, acquisition, integration and reorganization costs, non current assets and the determination of fair value of share based payments. Details on the estimates and judgments are further described in the relevant accounting policies in these Notes.

We are required to make estimates that affect the amount of revenue from contracts with customers under IFRS 15. The Company uses judgment to determine 1) whether it is the principal or the agent and 2) the timing of the transfer of control, at a point in time or over time.

The Company makes a number of estimates when calculating recoverable amounts using discounted future cash flows or other valuation methods to test for impairment. These estimates include the assumed growth rates for future cash flows, the number of years used in the cash flow model and the discount rate. The determination of CGUs or groups of CGUs for the purpose of impairment testing requires judgment.

Provisions are recognized for present legal or constructive obligations as a result of a past event, if it is probable that they will result in an outflow of economic resources and the amount can be reliably estimated. The amounts recognized for these provisions are the best estimates of the expenditures required to settle the present obligations or to transfer them to a third party at the statement of financial position date, considering all the inherent risks and uncertainties, as well as the time value of money. These provisions are reviewed as relevant facts and circumstances change.

The amounts of deferred tax assets and liabilities are estimated with consideration given to the timing, sources and amounts of future taxable income.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements.

(a) Changes in accounting policies

The Company adopted the following new and revised standards, along with any consequential amendments, effective September 1, 2018. These changes were made in accordance with the applicable transitional provisions.

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

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations.

The Company has adopted IFRS 15 using the modified retrospective effect method (using the practical expedient of recognizing the incremental costs of obtaining a contract as an expense when incurred if the amortization period of the asset the Company otherwise would have recognized is one year or less), with the effect of initially applying this standard recognized at the date of initial application of September 1, 2018. Accordingly, the information presented as at August 31, 2018, has not been restated to reflect the new requirements, and is presented as previously reported. Additionally, the disclosure requirements in IFRS 15 have not generally been applied to comparative information.

A description of the changes and the quantitative impact of the adoption of IFRS 15 are presented below.

There was no impact on retained earnings as a result of adopting IFRS 15 as at September 1, 2018.

The following tables summarize the impact of adopting IFRS 15 on the Company's consolidated statement of financial position as at August 31, 2019, for each of the line items affected below. There was no material impact on the Company's statement of comprehensive income (loss) and statement of cash flows for the year ended August 31, 2019.

	AS REPORTED	ADJUSTMENTS	AMOUNTS WITHOUT ADOPTION OF IFRS 15
Contract cost assets	333,273	(333,273)	–
Deferred revenue	–	(5,207,406)	(5,207,406)
Contract liabilities	(5,207,406)	5,207,406	–

The Company incurs incremental costs in obtaining contracts for new clients, the renewal of contracts for existing clients, and in the fulfillment of the contracts for these clients. Previously all implementation and fulfillment costs were expensed once revenue on the contracts with customers was recognized. Under IFRS 15, incremental costs of obtaining and renewing contracts, and fulfillment costs on certain customer contracts with terms in excess of 12 months, will be recognized as contract assets and expensed over the term of the related contract. The Company considers the renewal period in the contract in addition to the initial term of the contract, when the renewal is highly probable, in determining the recognition period for the contract asset.

IFRS 9, *Financial Instruments* ("IFRS 9")

(i) Classification and measurement of financial assets and liabilities

IFRS 9 contains three principal classification categories for financial assets: measured at amortized cost, fair value through other comprehensive income ("FVOCI"), and fair value through profit or loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. The standard replaces the previous classification categories of held to maturity, loans and receivables, and available for sale under IAS 39. The two principal classification categories for financial liabilities under IFRS 9 are amortized cost and FVTPL.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL: it is held within a business model whose objective is to hold assets to collect contractual cash flows; and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

The following table shows the original measurement categories under IAS 39 and the new measurement categories under IFRS 9 for each class of the Company's financial assets and liabilities as at September 1, 2018.

	ORIGINAL CLASSIFICATION UNDER IAS 39	NEW CLASSIFICATION UNDER IFRS 9	CARRYING AMOUNT ORIGINAL UNDER IAS 39	CARRYING AMOUNT NEW UNDER IFRS 9
Financial assets:				
Cash	FVTPL	Amortized cost	$ 21,119,220	$ 21,119,220
Trade and other receivables	Loans and receivables	Amortized cost	13,735,697	13,735,697
Loans receivable	Loans and receivables	Amortized cost	1,660,384	1,660,384
Financial liabilities:				
Trade and other liabilities	Amortized cost	Amortized cost	(23,815,159)	(23,815,159)
Loans and borrowings	Amortized cost	Amortized cost	(38,273,548)	(38,273,548)
Non-controlling interest put options	FVTPL	FVTPL	$ (52,613,161)	$ (52,613,161)

The adoption of IFRS 9 has not had a significant impact on the Company's measurement of financial assets and financial liabilities.

The following accounting policies apply to the subsequent measurement of financial assets and liabilities:

Financial assets at amortized cost are subsequently measured using the effective interest method. The amortized cost is reduced by impairment losses (see (ii) below). Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. The amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(ii) Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an expected credit loss ("ECL") model. The new impairment model applies to financial assets carried at amortized cost. The financial assets at amortized cost consist of cash, trade and other receivables and loans receivable.

Generally under IFRS 9, credit losses are recognized earlier than under IAS 39. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on historical experience and informed credit assessment and including forward-looking information.

The adoption of the new ECL impairment model has not had a significant impact on the Company's measurement of impairment losses on its financial assets carried at amortized cost.

(iii) Transition

Changes in accounting policies resulting from the adoption of IFRS 9 have been applied using the modified retrospective method. The Company has used an exemption not to restate comparative information for prior periods with respect to classification and measurement (including impairment) requirements. Accordingly, the information presented for the comparative period at August 31, 2018, does not generally reflect the requirements of IFRS 9 but rather those of IAS 39.

The following assessments have been made on the basis of the facts and circumstances that existed at the date of initial application: the determination of the business model within which a financial asset is held and the designation of financial liabilities as measured at FVTPL.

There was no impact on retained earnings as a result of adoption of IFRS 9 as at September 1, 2018.

(b) Future accounting changes

IFRS 16, Leases ("IFRS 16")

On January 13, 2016, the IASB issued IFRS 16, Leases ("IFRS 16"). The new standard is effective for annual periods beginning on or after January 1, 2019. IFRS 16 will replace IAS 17, Leases ("IAS 17").

This standard introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use ("ROU") asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company expects to adopt IFRS 16 using the modified retrospective method. Under the modified retrospective method, comparative financial information is not restated and continues to be reported under the accounting standards in effect for those periods. Under the principles of the new standard, lease liabilities will be measured at the present value of the remaining lease payments, discounted using the Company's incremental borrowing rate as at September 1, 2019. The associated ROU assets will be measured at the lease liability amount on September 1, 2019, resulting in no adjustment to the opening balance of retained earnings.

The Company intends to use the following practical expedients permitted under the new standard:

- applying a single discount rate to a portfolio of leases with similar characteristics;
- accounting for leases with a remaining lease term of less than twelve months as at the date of adoption as short-term leases;
- continuing to expense low dollar value leases as incurred;
- using the Company's previous assessment of impairment under IAS 37 for onerous contracts instead of re-assessing the ROU asset for impairment on September 1, 2019;
- using hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Furthermore, the Company intends to apply IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and related interpretations will not be reassessed. Therefore, the definition of a lease under IFRS 16 will be applied only to contracts entered into or changed on or after September 1, 2019.

The estimated impact of the adoption of the standard is a lease liability of approximately $13,150,000 and a ROU asset of approximately $12,422,000 with no impact on retained earnings. The ROU asset will be net of the provision for onerous leases of $728,000 relating to the leases recognized in the consolidated statement of financial position immediately before the date of initial application. The additional ROU asset and lease liability is expected to result in an increase in depreciation and amortization expense and increase in non-cash finance expenses on lease liabilities, with a corresponding decrease in operating lease expenses.

(c) Basis of consolidation

(i) Business combinations

For acquisitions, the Company measures goodwill as the fair value of the consideration transferred, including the recognized amount of any non-controlling interest in the acquiree, less the fair value of the identifiable assets acquired and liabilities assumed, all measured as of the acquisition date. When the excess is negative, a bargain purchase gain is recognized immediately in net income (loss).

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

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as a liability is remeasured as subsequent report dates with subsequent changes in the fair value of the contingent consideration recognized in net income (loss). The subsequent remeasurement of contingent consideration is estimated based on predetermined formulas as defined in the purchase agreements which are generally a multiple of estimated future revenue or earnings of the acquired companies exceeding target thresholds over a specified period.

The Company recognizes liabilities in trade and other liabilities (see note 9), if any, at their acquisition date fair value and such amounts form part of the cost of the business combination. Subsequent changes in the fair value of contingent consideration arrangements are recognized in net income (loss) for the period.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Company incurs in connection with a business combination are expensed as incurred.

(ii) Subsidiaries

Subsidiaries are entities controlled by the Company. The financial statements of subsidiaries are included in these consolidated financial statements from the date that control commences until the date that control ceases. Where necessary, adjustments are made to the financial statements of acquired subsidiaries to conform their accounting policies to the Company.

Intercompany balances and transactions, and any realized or unrealized revenue and expenses arising from intercompany transactions, are eliminated in preparing these consolidated financial statements.

These consolidated financial statements include the accounts of the Company and its subsidiaries:

	Common Ownership %	Economic Interest %
People First HR Services Ltd.	100.0%	100.0%
Hamilton + Partners Inc., including its subsidiaries: *Employee Benefits Inc., Disability Concepts Inc., 6814407 Canada Corporation*	100.0%	50.0%-70.0%
Bencom Financial Services Group Inc.	100.0%	100.0%
Coughlin & Associates Ltd.	100.0%	72.0%
BPA Financial Group Ltd., including its subsidiaries: *Benefit Plan Administrators Ltd., Benefit Plan Administrators (Atlantic) Ltd., BPA Consulting Group Ltd., BPA Internet Connections Ltd., TAL Insurance Brokers Ltd., 1739813 Ontario Ltd., and Alluvus Solutions Inc.*	50.0%-100.0%	78.2%
Sirius Benefit Plans Inc.	100.0%	100.0%
Skipwith & Associates Insurance Agencies Inc.	100.0%	100.0%
Lane Quinn Benefit Consultants Ltd.	100.0%	100.0%
Silverberg & Associates Inc.	100.0%	75.0%
Benefit Partners Inc.	100.0%	75.0%
Life Benefit Solutions Inc.	100.0%	100.0%
ACL Student Benefits Ltd.	100.0%	100.0%

Economic interest represents the share of earnings attributable to the Company through common share ownership excluding earnings attributable to the principals of acquired companies through restricted non-voting classes of shares

(d) Financial instruments

This note provides information about the Company's accounting policy related to the initial recognition and measurement, subsequent measurement, and derecognition of financial instruments. The Company's impairment policy and exposure to various risks associated with the financial instruments are discussed in notes 3(i) and 18, respectively

(i) Financial assets

On initial recognition, a financial asset is classified and measured at amortized cost, fair value through other comprehensive income (FVOCI), or fair value through profit and loss (FVTPL).

The Company classifies non-derivative financial assets that the Company intends to hold in order to collect the contractual cash flows and have fixed or determinable payments that are not quoted in an active market as amortized cost. This includes cash, trade and other receivables, and loans receivable.

Financial assets carried at amortized cost are initially recognized at fair value plus transaction costs and subsequently carried at amortized cost using the effective interest method when the Company becomes party to the contractual provisions of the instrument.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Financial assets at amortized cost are subsequently measured using the effective interest method. The amortized cost is reduced by impairment losses (see note 3(i) below). Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

Financial assets are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Company has a currently enforceable legal right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(ii) Non-derivative financial liabilities

Financial liabilities are initially measured at fair value and subsequently measured at amortized cost unless classified as FVTPL, when the entity becomes party to the contractual provisions of the instrument.

The Company recognizes trade and other liabilities and loans and borrowings initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition these financial liabilities are measured at amortized cost using the effective interest method.

The Company recognizes non controlling interest put options and contingent consideration obligations initially at fair value, with gains and losses as a result of subsequent measurement including any interest recognized in net income (loss).

The Company derecognizes a financial liability when its contractual obligations are extinguished.

Financial liabilities are offset and the net amount presented in the consolidated statement of financial position when, and only when, the Company has a currently enforceable legal right to offset the recognized amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

(e) Share capital

Common voting shares are classified as equity. Incremental costs directly attributable to the issue of common voting shares are recognized as a deduction from equity, net of any tax effects.

(f) Cash

Cash and cash equivalents may include cash on hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less and restricted cash.

(g) Property and equipment

(i) Recognition and measurement

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. When parts of an item of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. The costs of the day-to-day servicing of property and equipment are recognized in the consolidated statement of comprehensive income (loss) in the period in which they are incurred.

(ii) Depreciation

Depreciation is recognized in the consolidated statement of comprehensive income (loss) over the estimated useful lives of each part of an item of property and equipment in a manner which most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. The estimated useful lives for the current and comparative periods are as follows:

Asset	Basis	Rate
Leasehold improvements	Straight-line	Shorter of useful life or term of the lease
Furniture & fixtures	Diminishing balance	20%
Computer equipment	Diminishing balance	30%
Automobiles	Diminishing balance	30%

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

(h) Goodwill and intangible assets

(i) Goodwill

Goodwill represents the excess of the purchase price paid for the acquisition of subsidiaries over the fair value of the net assets acquired. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized but is subject to an annual impairment test.

(ii) Intangible assets

Intangible assets consist of internally-developed software, acquired customer relationships and brands, customer contracts and acquired software. Intangible assets acquired separately are measured on initial recognition at cost. The cost of identifiable intangible assets acquired in a business combination is equal to the fair value as at the date of acquisition. Following initial recognition, identifiable intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

Internally-developed software is recognized at the aggregate cost of all eligible development costs, when the following criteria are met: (i) technically feasible; (ii) management intention to complete development; (iii) the Company is able to use the software once implemented; (iv) future benefits associated with the software can be demonstrated; (v) adequate technical, financial, and other resources to complete development and to use the software are available; and (vi) expenditures attributable to the software during its development can be reliably measured. Eligible expenditures capitalized as part of internally-developed software include external direct costs of materials and services consumed in development, and payroll and payroll-related costs for employees who are directly associated with and who devote time to the development of the software.

Definite life intangible assets are amortized from the date of acquisition or, for internally developed assets, from the time the asset is available for use. Amortization is recognized in the consolidated statement of comprehensive income (loss) on a straight-line basis over the estimated useful life of the asset, and the residual values and useful lives of the assets are reviewed at each financial year-end and adjusted if appropriate. The estimated useful lives for the current and comparative periods are as follows:

Asset	Basis	Rate
Acquired customer relationships and brands	Straight-line	8 – 10 years
Customer contracts	Straight-line	term of the contract
Computer software (including internally developed)	Straight-line	4 – 10 years

(i) Impairment

(i) Financial assets

The Company recognizes loss allowances for ECLs on financial assets measured at amortized cost and measures the allowance at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on historical experience and informed credit assessment and future probability of default.

At each reporting date, the Company assess whether a financial asset carried at amortized cost is credit-impaired. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive), discounted at the effective interest rate of the financial asset. Loss allowances are deducted from the gross carrying amount of the assets and recognized in the net income (loss).

(ii) Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. For goodwill and intangible assets (that have indefinite useful lives or that are not yet available for use) the recoverable amount is estimated each year at the same time.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash generating unit", or "CGU"). For the purposes of goodwill impairment testing, goodwill acquired in a business combination is allocated to the CGU, or the group of CGUs, that is expected to benefit from the synergies of the combination. This allocation is subject to an operating segment recoverability test and reflects the lowest level at which that goodwill is monitored for internal reporting purposes.

The Company's corporate assets do not generate separate cash inflows. If there is an indication that a corporate asset may be impaired, then the recoverable amount is determined for the CGU to which the corporate asset belongs.

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in net income (loss). Impairment losses recognized in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro-rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(j) Trade and other liabilities

Trade payables include obligations to pay for goods or services that have been acquired in the ordinary course of business. Trade payables are classified as current liabilities if payment is due within one year or less and are recognized initially at fair value and subsequently measured at amortized cost.

Other liabilities include accruals for salaries and compensation, contingent consideration obligations, provisions and other obligations incidental to the Company's normal business operations. They are classified as current when it is expected to be settled within one year of the reporting period date, and are recognized initially at fair value and subsequently measured at amortized cost.

(k) Contract liabilities

Contract liabilities represent payments received in advance for services which have not yet been performed. Contract liabilities are recognized into income as services are rendered, in accordance with the revenue recognition policies described below.

(l) Insurance premium liabilities and related cash

In its capacity as third party administrators, the Company collects premiums from clients and remits premiums and claim payments, net of agreed deductions, such as taxes, administrative fees and commissions, to insurance carriers. As the Company is acting in its capacity as third party administrators to collect and remit premiums to insurance underwriters and claim payments to individuals, the Company is considered to have a legal right to offset premiums collected and corresponding liabilities. As such, the cash and investment balances relating to these liabilities have been offset against the related liability in the Company's consolidated statement of financial position.

(m) Employee benefits

(i) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(ii) Share-based payment transactions

Share-based payments are comprised of equity-settled Employee Share Purchase Plan ("ESPP"), equity-settled stock options, equity-settled performance-conditioned Restricted Stock Units and equity-settled Deferred Stock Units (collectively, "Equity-Settled Awards"). Equity-Settled Awards granted to employees and directors of the Company are measured at the fair value of the equity instruments at the grant date. The grant date fair value of Equity-Settled Awards are recognized as compensation expense, with a corresponding increase in equity, over the period that the awards vest. The amount recognized as an expense is adjusted to reflect the number of Equity-Settled Awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of Equity-Settled Awards that do meet the related service and non-market performance conditions at the vesting date. For Equity-Settled Awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no reconciliation for differences between expected and actual outcomes.

The Company's contributions under its ESPP are expensed as incurred.

Equity-Settled Awards to non-employees are measured at the fair value of the goods and services received unless that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instrument granted and measured at the date the Company obtains the good or the counterparty renders the service.

(n) Revenue recognition

Revenue includes fees and commissions generated from administrative, advisory and consulting services provided to clients. Revenue and related costs from these services is recognized in accordance with the five step model in IFRS 15:

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

Additional information about the Company's new revenue recognition accounting policies is as follows:

Benefit solutions

Benefit solutions revenue is primarily from fees earned for third-party administrative services. In addition, the Company earns fees from group retirement consulting and administration, and individual financial services including insurance and wealth management. Revenue from administrative services is recognized as services are provided and the performance obligation is met, except as described below.

Group benefit commission revenue from clients where advisory services and plan administration services are provided by the Company is generally received in advance and recorded as a contract liability on the consolidated statement of financial position. Commission advances are recognized in revenue over time based on the number of months for which the commission revenue was advanced. The transaction price and consideration received is reduced for expected return commissions due to policy cancellation and adjustments. The transaction price reduction is determined based on historical data.

Group benefit commission revenue from clients where the Company provides only advisory services is recognized in income at the effective or renewal date of the policy, with the transaction price reduced for expected return commissions due to policy cancellation and adjustments. The transaction price reduction is determined based on historical data.

Variable consideration is recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur.

Consulting solutions

Consulting solutions revenue is primarily comprised of commissions from insurance carriers. In addition, the Company provides group retirement plan advisory services from which it earns commissions paid by the carrier who administers and invests the funds. Revenue from consulting services is recognized as services are provided and the performance obligation is met.

Human Resource solutions

Human Resource solutions revenue is primarily earned from hourly or fixed fees for consulting services and as a percentage of compensation for recruiting services. Fee revenue from consulting services is recognized as services are provided and the performance obligation is met. For fee revenue that is contingent on certain criteria being met, consulting service revenue is not recognized until the criteria have been met.

Other

All other revenue is recognized as services are rendered by the Company. Other revenue includes investment income recorded on an accrual basis.

The Company incurs incremental costs in obtaining contracts for new clients, the renewal of contracts for existing clients, and in the fulfillment of the contracts for these clients. Previously all implementation and fulfillment costs were expensed once revenue on the contracts with customers was recognized. Under IFRS 15, incremental costs of obtaining and renewing contracts, and fulfillment costs on certain customer contracts with terms in excess of 12 months, will be recognized as contract assets and expensed over the term of the related contract. The Company considers the renewal period in the contract in addition to the initial term of the contract, when the renewal is highly probable, in determining the recognition period for the contract asset.

(o) Finance income and finance costs

Finance income comprises interest income on funds invested which is recognized as it accrues in net income (loss), using the effective interest method. Finance costs comprise interest expense on borrowings which are recognized in net income (loss) using the effective interest method.

Foreign currency gains and losses are reported on a net basis.

(p) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in net income (loss) except to the extent that it relates to a business combination, or items recognized directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The Company follows the asset and liability method of accounting for income taxes. Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss on acquired goodwill and differences relating to investments in subsidiaries and jointly controlled entities to the extent that it is probable that they will not reverse in the foreseeable future. In addition, deferred tax is not recognized for taxable temporary differences arising on the initial recognition of goodwill. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

(q) Earnings per share

Basic earnings per share is calculated by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period.

Diluted earnings per share is calculated by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for the effects of all dilutive potential common shares, which comprise stock options, tandem stock appreciation rights, restricted stock units and deferred stock units at the weighted average price of the Company's common shares for the period.

4. BUSINESS ACQUISITIONS

During the year, the Company acquired the following businesses:

ACL Student Benefits Ltd. ("ACL")

Effective July 30, 2019, the Company acquired all of the issued and outstanding shares of ACL a company providing consulting services related to health and dental benefits to student associations at Canadian post-secondary education institutions, and to international students attending Canadian universities and colleges, primarily in Ontario, Alberta and New Brunswick. The total purchase price for the acquisition of ACL included cash payment on closing of the transaction, subject to final working capital adjustment and vendor take-back note payable following the second period of the closing and contingent consideration. The vendor take-back note is subject to potential adjustment related to the financial performance of the business over that period. In addition, ACL vendors may be eligible to receive a potential additional payment after three years following closing of the transaction should the business exceed certain financial performance thresholds.

Life Benefit Solutions Inc. (“Life”)
Effective February 11, 2019, the Company acquired all of the issued and outstanding shares of Life, a company providing group benefit consulting and group retirement solutions primarily focused on the First Nation market segment based in Winnipeg, Manitoba. Total consideration paid for the acquisition of Life included cash, subject to final adjustments for working capital, vendor take-back notes, common shares of the Company and contingent consideration. Vendor take-back notes payable are subject to both claw back adjustments and an earn back provision tied to achievement of certain financial metrics set out in the share purchase agreement. The contingent consideration recorded is based on Life reaching predetermined EBITDA targets, over the three annual periods from March 1, 2019, to February 28, 2022, multiplied by the transaction multiple.

Benefit Partners Inc. (“BPI”)
Effective November 27, 2018, the Company acquired BPI, a company providing group benefit consulting and group retirement solutions to clients based primarily in Ontario. Total consideration paid for the acquisition of BPI included cash, subject to final adjustments for working capital, and non-controlling interest put options. The Company holds a 100% voting interest and holds a 75% economic interest in BPI through ownership of all of the issued dividend-bearing common shares of BPI.

The BPI Principals collectively hold a 25% economic interest in the business through ownership of non-voting, non-cumulative, dividend-bearing special shares of BPI (“BPI Principal Shares”). All classes of non-voting, non-cumulative, dividend-bearing shares of BPI have an ongoing contractual right to receive quarterly dividends based on a calculation derived from BPI’s earnings. The Company is entitled to a priority on the payment of dividends declared on the BPI dividend-bearing shares to the extent of a specified earnings amount.

In addition, the Company has a future right to purchase the BPI Principal Shares (“BPI Call Options”) and individual BPI Principals have a future right to require the Company to purchase the BPI Principal Shares (collectively, the “BPI Put Options”), subject to the satisfaction of certain terms and conditions and by giving notice to the Company. On the effective date of exercise of the BPI Call Options or the BPI Put Options, the BPI Principals pro-rata right to earn dividends will be terminated.

These acquisitions enable the Company to continue execution of its growth strategy and expansion of its national presence.

The Company accounted for these transactions as business combinations and has applied the acquisition method of accounting in accordance with IFRS 3. The recognized amounts of assets acquired and liabilities assumed in these transactions and the acquisition date fair value of the total consideration paid or payable are as follows:

	ACL STUDENT BENEFITS LTD.	LIFE BENEFIT SOLUTIONS INC.	BENEFIT PARTNERS INC.	TOTAL
Assets acquired and liabilities assumed				
Goodwill (including assembled workforce)	$ 22,318,182	$ 11,037,904	$ 5,680,351	$ 39,036,437
Customer relationships and other intangible assets	19,472,241	9,736,000	4,474,594	33,682,835
Property and equipment	148,772	59,138	52,405	260,315
Deferred tax liabilities	(5,426,196)	(2,848,298)	(1,182,510)	(9,457,004)
Net working capital	(254,386)	(732,462)	(278,106)	(1,264,954)
Cash	504,387	1,346,576	79,872	1,930,835
	$ 36,763,000	$ 18,598,858	$ 8,826,606	$ 64,188,464
Consideration paid or payable				
Cash payment upon closing	$ 31,200,000	$ 14,840,425	$ 6,779,660	$ 52,820,085
Working capital adjustment due to vendors	–	73,781	74,955	148,736
Non-controlling interest put options	–	–	1,971,991	1,971,991
Vendor take-back notes payable	4,325,000	3,610,077	–	7,935,077
Contingent consideration obligation	1,238,000	–	–	1,238,000
Common shares issued by the Company	–	74,575	–	74,575
	$ 36,763,000	$ 18,598,858	$ 8,826,606	$ 64,188,464

Total consideration paid for the acquisition of ACL, during the period, is subject to final adjustments for working capital. The fair values of the net identifiable assets were determined provisionally at August 31, 2019.

A part of the goodwill recorded on the acquisitions can be attributed to the assembled workforce and the operating know how of key personnel. However, no intangible assets qualified for separate recognition in this respect. The remaining goodwill represents the excess of purchase price over net assets.

The Company's consolidated statement of comprehensive income (loss) include the results of operations for Benefit Partners Inc., Life Benefit Solutions Inc., and ACL Student Benefits Ltd. from their respective dates of acquisition to August 31, 2019. The acquisitions contributed the following revenue and net income during the year ended August 31, 2019:

		AUGUST 31, 2019 AS REPORTED
Operating revenues		
Benefit Partners Inc.	$	2,689,372
Life Benefit Solutions Inc.	$	3,173,156
ACL Student Benefits Ltd.	$	1,658
Net income (loss) and comprehensive income (loss)		
Benefit Partners Inc.	$	530,078
Life Benefit Solutions Inc.	$	774,002
ACL Student Benefits Ltd.	$	(296,325)

If the acquisitions had occurred on September 1, 2018, management estimates that consolidated revenue for the year ended August 31, 2019, would have been $177,032,920, consolidated net income (loss) would have been $(178,610), and earnings (loss) per share would have been ($0.00). In determining these amounts, management assumed that the fair value adjustments that arose on the date of acquisition would have been the same if the acquisition had occurred on September 1, 2018.

During the prior year, the Company acquired the following businesses:

Silverberg & Associates Inc. ("Silverberg")
Effective August 1, 2018, the Company acquired Silverberg, an independent privately-owned employee group benefits consulting firm in Western Canada. Total consideration paid for the acquisition of Silverberg included cash, subject to final adjustments for working capital and non-controlling interest put options. The Company holds a 100% voting interest and holds a 75% economic interest in Silverberg through ownership of all of the issued dividend-bearing common shares of Silverberg.

The Silverberg Principals collectively hold a 25% economic interest in Silverberg through ownership of non-voting, non-cumulative, dividend-bearing special shares of Silverberg ("Silverberg Principal Shares"). All classes of non-voting, non-cumulative, dividend-bearing shares of Silverberg have an ongoing contractual right to receive quarterly dividends based on a calculation derived from Silverberg's earnings. The Company is entitled to a priority on the payment of dividends declared on the Silverberg dividend-bearing shares to the extent of a specified earnings amount.

In addition, the Company has a future right to purchase the Silverberg Principal special shares ("Silverberg Call Options") and individual Silverberg Principals have a future right to require the Company to purchase the Silverberg Principal special shares (collectively, the "Silverberg Put Options"), subject to the satisfaction of certain terms and conditions and by giving notice to the Company. On the effective date of exercise of the Silverberg Call Options or the Silverberg Put Options, the Silverberg Principal's pro-rata right to earn dividends will be terminated.

Lane Quinn Benefit Consultants Ltd. ("Lane Quinn")
Effective May 23, 2018, the Company acquired all of the issued and outstanding shares of Lane Quinn, a group benefits consulting firm in the Alberta market. Total consideration paid for the acquisition of Lane Quinn included cash, subject to final adjustments for working capital, vendor take-back notes, common shares of the Company and contingent consideration. Vendor take-back notes payable are subject to claw back adjustments tied to achievement of certain financial metrics. The contingent consideration recorded is based on Lane Quinn exceeding predetermined EBITDA targets, over the three annual periods from August 1, 2018, to July 31, 2021, multiplied by the transaction multiple. The present value of the estimated contingent consideration has been determined using a 15.8% discount rate.

Rockwater Benefits Company ("Rockwater")
Effective February 1, 2018, the Company acquired specific assets, liabilities and business operations of Rockwater, an established group retirement and group benefits insurance advisory practice based in Ontario. Total consideration paid for the acquisition of Rockwater included cash and vendor take-back notes. Vendor take-back notes payable are subject to claw back adjustments tied to achievement of certain revenue metrics.

Assurances Dalbec Ltée ("Dalbec")
Effective December 1, 2017, the Company acquired specific assets, liabilities and business operations of Dalbec, a Third Party Administrator (TPA) and Third Party Payor (TPP) service provider for employee benefit plans of small and medium sized companies in the Québec market. Total consideration paid for the acquisition of Dalbec included cash, subject to final adjustments for working capital, vendor take-back notes and contingent consideration. Vendor take-back notes payable are subject to claw back adjustments tied to achievement of certain revenue metrics. The contingent consideration recorded is based on Dalbec exceeding predetermined revenue targets, over the three annual periods from December 4, 2017, to December 3, 2020, multiplied by a multiple. The present value of the estimated contingent consideration has been determined using a 5.0% discount rate.

	DALBEC	ROCKWATER	LANE QUINN	SILVERBERG	TOTAL
Assets acquired and liabilities assumed					
Goodwill (including assembled workforce)	$ 7,462,986	$ 1,225,773	$12,482,106	$ 24,114,013	$ 45,284,878
Customer relationships and other intangible assets	8,692,126	1,726,966	11,083,900	19,164,600	40,667,592
Property and equipment	–	–	39,441	25,750	65,191
Deferred tax liabilities	–	–	(3,024,803)	(5,078,619)	(8,103,422)
Liabilities assumed	–	–	(1,068,363)	–	(1,068,363)
Net working capital	(152,180)	–	(319,481)	(587,341)	(1,059,002)
Cash	–	–	300,443	945,978	1,246,421
	$16,002,932	$ 2,952,739	$19,493,243	$ 38,584,381	$ 77,033,295
Consideration paid or payable					
Cash payment on closing	$11,270,000	$ 2,000,000	$12,931,637	$ 29,045,000	$ 55,246,637
Cash received on closing for negative working capital	(185,419)	–	–	–	(185,419)
Working capital adjustment due to / (from) vendors	33,239	–	(69,794)	158,637	122,082
Non-controlling interest put options	–	–	–	9,380,744	9,380,744
Vendor take-back notes payable	4,332,131	952,739	3,919,551	–	9,204,421
Contingent consideration obligations	552,981	–	789,541	–	1,342,522
Common shares issued by the Company	–	–	1,922,308	–	1,922,308
	$16,002,932	$ 2,952,739	$19,493,243	$ 38,584,381	$ 77,033,295

A part of the goodwill recorded on the acquisitions can be attributed to the assembled workforce and the operating know how of key personnel. However, no intangible assets qualified for separate recognition in this respect.

5. TRADE AND OTHER RECEIVABLES

The Company had the following trade and other receivables:

	AUGUST 31, 2019	AUGUST 31, 2018
Trade receivables	$ 15,255,890	$ 13,623,605
Less: loss allowance	(269,383)	(219,383)
Net trade receivables	14,986,507	13,404,222
Other receivables	5,728,393	331,475
Total trade and other receivables	$ 20,714,900	$ 13,735,697

As at August 31, 2019, the balance in other receivables included an estimated insurance recovery. The Company's exposure to credit risk and impairment losses related to trade and other receivables is disclosed in note 23.

6. PROPERTY AND EQUIPMENT

The Company had the following property and equipment as at August 31, 2019:

	LEASEHOLD IMPROVEMENTS	FURNITURE & FIXTURES	COMPUTER EQUIPMENT	AUTOMOBILES	TOTAL
Cost					
Balance, September 1, 2018	$ 8,624,458	$ 4,422,956	$ 3,057,460	$ 22,345	$ 16,127,219
Additions	2,465,052	653,711	649,365	–	3,768,128
Write down of property and equipment	(63,145)	(81,869)	(12,978)	–	(157,992)
Acquisition through business combination	127,392	84,352	48,571	–	260,315
Balance, August 31, 2019	11,153,757	5,079,150	3,742,418	22,345	19,997,670
Accumulated depreciation					
Balance, September 1, 2018	(1,108,095)	(1,982,499)	(2,356,444)	(12,709)	(5,459,747)
Depreciation for the year	(1,117,029)	(562,021)	(352,065)	(2,891)	(2,034,006)
Write down and disposal	63,145	81,869	12,943	–	157,957
Balance, August 31, 2019	(2,161,979)	(2,462,651)	(2,695,566)	(15,600)	(7,335,796)
Carrying amount	$ 8,991,778	$ 2,616,499	$ 1,046,852	$ 6,745	$ 12,661,874

The Company had the following property and equipment as at August 31, 2018

	LEASEHOLD IMPROVEMENTS	FURNITURE & FIXTURES	COMPUTER EQUIPMENT	AUTOMOBILES	TOTAL
Cost					
Balance, September 1, 2017	$ 3,014,366	$ 2,603,089	$ 3,150,294	$ 119,181	$ 8,886,930
Additions	6,757,528	2,195,953	513,814	–	9,467,295
Write down of property and equipment	(1,153,021)	(433,710)	(608,630)	(96,836)	(2,292,197)
Acquisition through business combination	5,585	57,624	1,982	–	65,191
Balance, August 31, 2018	8,624,458	4,422,956	3,057,460	22,345	16,127,219
Accumulated depreciation					
Balance, September 1, 2017	(1,539,050)	(2,021,000)	(2,601,311)	(59,321)	(6,220,682)
Depreciation for the year	(722,058)	(387,231)	(363,763)	(11,993)	(1,485,045)
Write down and disposal	1,153,013	425,732	608,630	58,605	2,245,980
Balance, August 31, 2018	(1,108,095)	(1,982,499)	(2,356,444)	(12,709)	(5,459,747)
Carrying amount	$ 7,516,363	$ 2,440,457	$ 701,016	$ 9,636	$ 10,667,472

During the year ended August 31, 2018, the Company wrote off property and equipment with an original cost of $2,292,197 and a net book value of $46,217 primarily in connection with the move to the Company's new head office building.

7. GOODWILL AND INTANGIBLE ASSETS

The Company had the following goodwill and intangible assets as at August 31, 2019:

	GOODWILL	CUSTOMER RELATIONSHIPS	CUSTOMER CONTRACTS	COMPUTER SOFTWARE	TOTAL
Cost					
Balance, September 1, 2018	$ 125,019,060	$ 112,990,735	$ 3,977,849	$ 6,797,122	$ 248,784,766
Additions	–	–	–	1,636,132	1,636,132
Acquisition through business combination	39,036,437	33,665,300	–	17,535	72,719,272
Balance, August 31, 2019	164,055,497	146,656,035	3,977,849	8,450,789	323,140,170
Accumulated amortization					
Balance, September 1, 2018	–	(28,106,638)	(3,375,368)	(3,873,874)	(35,355,880)
Amortization for the period	–	(11,979,432)	(88,291)	(483,242)	(12,550,965)
Balance, August 31, 2019	–	(40,086,070)	(3,463,659)	(4,357,116)	(47,906,845)
Carrying amount	$ 164,055,497	$ 106,569,965	$ 514,190	$ 4,093,673	$ 275,233,325

The Company had the following goodwill and intangible assets as at August 31, 2018:

	GOODWILL	CUSTOMER RELATIONSHIPS	CUSTOMER CONTRACTS	COMPUTER SOFTWARE	TOTAL
Cost					
Balance, September 1, 2017	$ 79,734,182	$ 72,248,647	$ 3,880,000	$ 5,553,361	$ 161,416,190
Additions	–	228,696	97,849	1,534,544	1,861,089
Write down and disposal	–	(154,200)	–	(290,783)	(444,983)
Acquisition through business combination	45,284,878	40,667,592	–	–	85,952,470
Balance, August 31, 2018	125,019,060	112,990,735	3,977,849	6,797,122	248,784,766
Accumulated amortization					
Balance, September 1, 2017	–	(19,966,289)	(3,295,629)	(3,210,655)	(26,472,573)
Amortization for the period	–	(8,140,349)	(79,739)	(953,895)	(9,173,983)
Write down and disposal	–	–	–	290,676	290,676
Balance, August 31, 2018	–	(28,106,638)	(3,375,368)	(3,873,874)	(35,355,880)
Carrying amount	$ 125,019,060	$ 84,884,097	$ 602,481	$ 2,923,248	$ 213,428,886

Included in computer software additions is $1,526,974 (August 31, 2018 – $1,130,466) of internally developed assets.

The Company completed its annual impairment tests for goodwill and concluded that there was no impairment. For impairment test purposes, the carrying value of goodwill has been allocated as follows:

	NOTE		AUGUST 31, 2019		AUGUST 31, 2018
Coughlin & Associates Ltd.		$	25,930,637	$	25,930,637
BPA Financial Group Ltd.			14,665,972		14,665,972
Hamilton & Partners Inc.			11,600,184		11,600,184
Assurances Dalbec Ltée	4		7,462,986		7,462,986
Lane Quinn Benefit Consultants Ltd.	4		12,482,106		12,482,106
Silverberg & Associates Inc.	4		24,114,013		24,114,013
Benefit Partners Inc.	4		5,680,351		–
Life Benefit Solutions Inc.	4		11,037,904		–
ACL Student Benefits Ltd.	4		22,318,182		–
Other			28,763,162		28,763,162
		$	164,055,497	$	125,019,060

The key assumptions used to calculate the value in use are those regarding discount rates, growth rates and expected changes in profit margins. The values of these assumptions reflect past experience.

The after tax weighted average cost of capital was determined to be 16.0% (August 31, 2018 – 16.0%) and is based on a risk-free rate, an equity risk premium adjusted for betas of comparable publicly traded companies, an unsystematic risk premium, an after-tax cost of debt based on the Company's financing arrangements and the capital structure of comparable publicly traded companies.

Cash flow projections have been discounted using rates of return derived from the Company's after-tax weighted average cost of capital considering specific risks relating to each CGU. At August 31, 2019, the after-tax discount rate used in the recoverable amount calculations was 16.0% (August 31, 2018 – 16.0%). The pretax discount rate was 21.9% (August 31, 2018 – 21.9%).

The Company included five years of cash flows in its discounted cash flow model. The cash flow forecasts were extrapolated beyond the five year period using estimated average long term growth rate of 5.0% (August 31, 2018 – 5.0%).

8. LOANS AND OTHER ASSETS

The Company had the following loans and other assets:

		AUGUST 31, 2019		AUGUST 31, 2018
Loans receivable	$	2,366,773	$	1,892,110
Restricted cash		1,500,000		–
Total loans and other assets		3,866,773		1,892,110
Less current portion of loans and other assets		(416,295)		(231,726)
Total non-current loans and other assets	$	3,450,478	$	1,660,384

The Company made an interest-bearing loan to facilitate the transfer of certain economic interest through the ongoing right to earn performance-based commissions and fees and ownership of non-voting, non-dividend earning special shares in a subsidiary. The current portion of loans receivable is included in trade and other receivables.

The Company has an agreement in which it provides an interest bearing forgivable loan over ten years subject to certain conditions, which provides for future additional advances.

9. TRADE AND OTHER LIABILITIES

The Company had the following trade payables, accrued and other liabilities:

		AUGUST 31, 2019		AUGUST 31, 2018
Trade payables and other liabilities	$	20,058,501	$	18,763,502
Post-retirement benefits and contingent consideration obligations		2,291,833		3,735,836
Provisions		5,380,289		1,315,821
		27,730,623		23,815,159
Less current portion of trade and other liabilities		25,683,861		21,649,670
Total non-current trade and other liabilities	$	2,046,762	$	2,165,489

The fair value of the contingent consideration obligations are subsequently revalued by discounting the estimated future payment obligations at each reporting date. The changes in fair value of the estimated liability in future periods will be recorded in finance costs in subsequent consolidated statement of comprehensive income (loss). Significant unobservable assumptions include:
1) projected revenue and EBITDA of the practices, 2) growth rates based on historical results, and 3) discount rates ranging from 4.5% to 16.0%.

10. INSURANCE PREMIUM LIABILITIES AND RELATED CASH

In its capacity as third-party benefits administrator, the Company collects premiums from insurers and remits premiums, net of agreed deductions, such as taxes, administrative fees and commissions, to insurance underwriters. These are considered flow-through items for the Company and, as such, the cash and investment balances relating to these liabilities are deducted from the related liability in the consolidated statement of financial position. The Company has the following amounts held in accounts segregated from the Company's operating funds for insurance premium liabilities.

		AUGUST 31, 2019		AUGUST 31, 2018
Payable to carriers and insured individuals or groups	$	106,910,623	$	90,448,848
Less related cash balances		106,910,623		90,448,848
	$	–	$	–

11. NON-CONTROLLING INTEREST PUT OPTIONS

The Company is subject to the following non-controlling interest put options:

	NOTE	AUGUST 31, 2019	AUGUST 31, 2018
Balance, beginning of year		$ 52,613,161	$ 34,059,108
Acquisition through business combination	4	1,971,991	9,380,744
Change in estimated fair value	18	8,517,983	11,736,962
Less payment of dividends on non-controlling interest		(3,561,450)	(2,563,653)
Less non-controlling interest put/call options exercised		(3,817,318)	–
		55,724,367	52,613,161
Less current portion of non-controlling interest put options		14,960,783	–
Total non-current non-controlling interest put options		$ 40,763,584	$ 52,613,161

Changes in estimated fair value represents accretion of interest and changes in assumptions used to estimate the liability related to future dividend payments and put features.

On October 16, 2018, the Company acquired 2,000 Class C special shares of BPA, being all of the issued and outstanding Class C Special shares, from one of the BPA Principals, pursuant to the Company's call right under the BPA Shareholder agreement, for a total purchase price of $558,795. The Class C special shares were non-voting and non-dividend bearing and did not participate in BPA's earnings. This transaction did not change the economic interests in BPA that are held by the Company and the BPA Principals.

On January 2, 2019, the Company executed its right to purchase 5,000 Coughlin Vendor Shares for total consideration of $2,899,750. The Coughlin Vendor was entitled to dividend payments derived from Coughlin's earnings up to the period ending November 30, 2018, thereafter the Coughlin Vendor will not be entitled to be paid any further dividends. The Company's economic interest in Coughlin has increased from 67% to 72% effective the second quarter of fiscal year 2019.

During the second quarter of fiscal year 2019, the vendors exercised their Bencom Put Options. As at August 31, 2019, a liability of $712,275 was recognized in connection with the Bencom Put Option, which has been determined based on a settlement agreement between the vendors and the Company. Effective June 14, 2019, the Company now owns 100% economic interest in Bencom.

On October 22, 2019, the Company executed its right to purchase 5,000 BPA Vendor Class "A" Shares for total consideration of $2,709,194. This BPA Vendor is entitled to dividend payments derived from BPA's earnings up to the period ending November 30, 2019. The Company's economic interest in BPA will increase from 78.2% to 83.2% effective the end of the first quarter of fiscal year 2020.

(a) Benefit Partners Inc.

In connection with the BPI acquisition, the Company entered into various agreements whereby the BPI Principals, through non-voting, non-cumulative, dividend-bearing shares of BPI ("BPI Principal Shares"), hold an aggregate 25% economic interest in BPI ("BPI Retained Economic Interest").

All classes of non-voting, non-cumulative, dividend-bearing shares of BPI have an ongoing contractual right to receive dividends based on a calculation derived from BPI's earnings. The Company is entitled to a priority on the payment of dividends declared on the BPI dividend-bearing shares to the extent of a specified earnings amount.

In addition, the Company has a future right to purchase the BPI Principal Shares ("BPI Call Options") and individual BPI Principals have a future right to require the Company to purchase the BPI Principal Shares (collectively, the "BPI Put Options"), subject to the satisfaction of certain terms and conditions and by giving notice to the Company. On the effective date of exercise of the BPI Call Options or the BPI Put Options, the BPI Principal's pro rata right to earn dividends will be terminated.

The liability recognized in connection with the BPI Retained Economic Interest, which includes the fair value of future dividend entitlements of the BPI Principal Shares and the BPI Put Options, has been determined based on a pre-determined formula defined in an agreement which is based on a multiple of estimated future earnings of BPI, the estimated future exercise dates of BPI Put Options and other factors. Individual BPI Principals are restricted from exercising their respective BPI Put Options until dates on or after November 27, 2020, subject to certain terms and conditions including restrictions requiring a minimum time period between individual exercise dates.

(b) Silverberg

In connection with the Silverberg acquisition, the Company entered into various agreements whereby the Silverberg Principals, through non-voting, non-cumulative, dividend-bearing shares of Silverberg ("Silverberg Principal Shares"), hold an aggregate 25% economic interest in Silverberg ("Silverberg Retained Economic Interest").

All classes of non-voting, non-cumulative, dividend-bearing shares of Silverberg have an ongoing contractual right to receive dividends based on a calculation derived from Silverberg's earnings. The Company is entitled to a priority on the payment of dividends declared on the Silverberg dividend-bearing shares to the extent of a specified earnings amount.

In addition, the Company has a future right to purchase the Silverberg Principal Shares ("Silverberg Call Options") and individual Silverberg Principals have a future right to require the Company to purchase the Silverberg Principal Shares (collectively, the "Silverberg Put Options"), subject to the satisfaction of certain terms and conditions and by giving notice to the Company. On the effective date of exercise of the Silverberg Call Options or the Silverberg Put Options, the Silverberg Principal's pro rata right to earn dividends will be terminated.

The liability recognized in connection with the Silverberg Retained Economic Interest, which includes the fair value of future dividend entitlements of the Silverberg Principal Shares and the Silverberg Put Options, has been determined based on a pre-determined formula defined in an agreement which is based on a multiple of estimated future earnings of Silverberg, the estimated future exercise dates of Silverberg Put Options and other factors. Individual Silverberg Principals are restricted from exercising their respective Silverberg Put Options until dates on or after August 1, 2021, subject to certain terms and conditions including restrictions requiring a minimum time period between individual exercise dates.

(c) BPA

In connection with the BPA acquisition, the Company entered into various agreements whereby the BPA Principals, through a class of non-voting, non-cumulative, dividend-bearing shares of BPA ("BPA Principal Shares") and options to acquire BPA Principal Shares at a nominal price over a period of approximately four and one-half years from April 13, 2016 ("BPA Share Options"), can collectively hold an aggregate 33% economic interest in BPA ("BPA Retained Economic Interest"). Effective September 1, 2018, the BPA Principals held a 21.8% (August 31, 2018 – 16.2%) Retained Economic Interest in BPA. The remaining 11.2% of BPA Share Options will vest evenly on an annual basis over the next two years.

All classes of non-voting, non-cumulative, dividend-bearing shares of BPA have an ongoing contractual right to receive dividends based on a calculation derived from BPA's earnings. The Company is entitled to a priority on the payment of dividends declared on the Company Shares to the extent of a specified earnings amount. BPA dividend entitlements are paid in arrears on a quarterly basis.

In addition, the Company has a future right to purchase the BPA Principal Shares ("BPA Call Options") and individual BPA Principals have a future right to require the Company to purchase the BPA Principal Shares (collectively, the "BPA Put Options"), subject to the satisfaction of certain terms and conditions and by giving notice to the Company. On the effective date of exercise of the BPA Call Options or the BPA Put Options, the BPA Principal's pro-rata right to earn dividends will be terminated.

The liability recognized in connection with the BPA Retained Economic Interest, which includes the fair value of future dividend entitlements of the BPA Principal Shares and the BPA Put Options, has been determined based on a predetermined formula, including the exercise of BPA Share Options on vesting, defined in an agreement which is based on a multiple of estimated future earnings of BPA, the estimated future exercise dates of BPA Put Options and other factors. Individual BPA Principals are restricted from exercising their respective BPA Put Options until dates on or after August 31, 2019, subject to certain terms and conditions including restrictions requiring a minimum time period between individual exercise dates.

On October 16, 2018, the Company acquired 2,000 Class C special shares of BPA, being all of the issued and outstanding Class C Special shares, from one of the BPA Principals, pursuant to the Company's call right under the BPA Shareholder Agreement, for a total purchase price of $558,795. The Class C special shares were non-voting and non-dividend bearing and did not participate in BPA's earnings. This transaction did not change the economic interests in BPA that are held by the Company and the BPA Principals.

On October 22, 2019, the Company executed its right to purchase 5,000 BPA Vendor Class "A" Shares for total consideration of $2,709,194. This BPA Vendor is entitled to dividend payments derived from BPA's earnings up to the period ending November 30, 2019. The Company's economic interest in BPA will increase from 78.2% to 83.2% effective the end of the first quarter of fiscal year 2020.

(d) Coughlin

In connection with the Coughlin acquisition, the Company entered into various agreements whereby the former Coughlin shareholders (the "Coughlin Vendors") retained an initial 34% minority economic interest ("Coughlin Retained Economic Interest") through a class of non-voting, non-cumulative, dividend-bearing shares of Coughlin ("Coughlin Vendor Shares"). At August 31, 2019, the Coughlin Vendors' retained economic interest is 28% after various call/put options have been exercised in the current and prior years. In addition, certain of the Coughlin Vendors were issued a class of non-voting, non-cumulative, dividend-bearing shares of Coughlin ("Coughlin Spring Shares") in which the aggregate Coughlin Retained Economic Interest can increase to 34% on August 31, 2020, subject to certain specified terms and conditions having been met and subject to Coughlin achieving certain financial performance targets over the five year period following the date of close, and thereby reducing the Company's economic interest in Coughlin to 66%.

All classes of non-voting, non-cumulative, dividend-bearing shares of Coughlin have an ongoing contractual right to receive dividends based on a calculation derived from Coughlin's earnings. The Company is entitled to a priority on the payment of dividends declared on a distinct class of Coughlin dividend-bearing shares to the extent of a specified earnings amount. Coughlin dividend entitlements are paid in arrears on a quarterly basis.

In addition, the Company has the right to purchase the Coughlin Vendor Shares and the Coughlin Spring Shares ("Coughlin Call Options") and individual Coughlin Vendors have the right to require the Company to purchase the Coughlin Vendor Shares and the Coughlin Spring Shares (the "Coughlin Put Options") by giving notice to the Company. On the effective date of exercise of the Coughlin Call Options or the Coughlin Put Options, the Coughlin Vendor's right to earn earnings-based dividends will be terminated.

The liability recognized in connection with the Coughlin Retained Economic Interest, which includes the fair value of future dividend entitlements of the Coughlin Vendor Shares and Coughlin Spring Shares and the Coughlin Put Options, has been determined based on a pre-determined formula defined in an agreement which is based on a multiple of estimated future earnings of Coughlin, the estimated future exercise dates of Coughlin Put Options and other factors. Individual Coughlin Vendors are restricted from exercising their respective Coughlin Put Options until dates on or after August 31, 2018, subject to certain terms and conditions including restrictions requiring a minimum time period between individual exercise dates.

On September 1, 2016, 1,000 Coughlin Vendor Shares were exercised under the terms of the Coughlin Put Options with a total value of $450,904, resulting in the Company's economic interest in Coughlin increasing from 66.0% to 67.0%.

On January 2, 2019, the Company executed its right to purchase 5,000 Coughlin Vendor Shares for total consideration of $2,899,750. The Coughlin Vendor was entitled to dividend payments derived from Coughlin's earnings up to the period ending November 30, 2018, thereafter the Coughlin Vendor will not be entitled to be paid any further dividends. The Company's economic interest in Coughlin has increased from 67% to 72% effective the second quarter of 2019.

(e) H+P

In connection with the acquisition of H+P on July 9, 2013, the Company entered into various agreements whereby the H+P vendors hold an economic interest in H+P through the ongoing right to earn performance-based commissions and fees. In addition, the H+P vendors hold ongoing ownership through non-voting, non-dividend earning special shares ("H+P Special Shares"). The Company has the right to purchase the H+P Special Shares ("H+P Call Option") and the vendors have the right to require the Company to purchase the H+P Special Shares ("H+P Put Option") at certain dates in the future, subject to certain vesting and other conditions. On the effective date of exercise of the H+P Call Option or the H+P Put Option, the H+P vendor's right to earn performance-based commissions and fees will be terminated.

The liability recognized in connection with the H+P Put Option has been determined based on a pre-determined formula defined in an agreement which is based on a multiple of estimated future earnings of H+P, the estimated future exercise dates and other factors. The H+P Put Options are exercisable at any time by the non-controlling shareholder(s), subject to certain terms and conditions.

(f) Bencom

In connection with the acquisition of Bencom Financial Service Group Inc. ("Bencom"), the Company entered into various agreements whereby the vendors hold an economic interest in Bencom through the ongoing right to earn performance-based commissions and fees. In addition, the vendors hold ongoing ownership through non-voting, non-dividend earning special shares ("Bencom Special Shares"). The Company has the right to purchase the Bencom Special Shares ("Bencom Call Option") and the vendors have the right to require the Company to purchase the Bencom Special Shares ("Bencom Put Option") at certain dates in the future, subject to certain vesting and other conditions. On the effective date of exercise of the Bencom Call Option or the Bencom Put Option, the Bencom vendor's right to earn performance-based commissions and fees will be terminated.

During the second quarter of 2019, the vendors exercised their Bencom Put Options. The liability recognized in connection with the Bencom Put Option has been determined based on a settlement agreement between the vendors and the Company. Effective June 14, 2019, the Company now owns 100% economic interest in Bencom.

The fair value of the liability associated with the non-controlling put options is determined by discounting the estimated future payment obligation at each reporting date, and changes in fair value of the estimated liability in future periods will be recorded in finance costs in subsequent consolidated statement of comprehensive income (loss).

Significant unobservable inputs assumptions include: (i) put option exercises over periods ranging from 6 to 60 months; (ii) Contractually-defined EBITDA of BPA, Coughlin, H+P, Bencom, Silverberg and BPI before considering the retained economic interest attributable the respective vendors generated ("Put Earnings") as at August 31, 2019 equal to $30.6 million; (iii) growth rates applied to Put Earnings ranging from 0.7% to 10.0% annually based on historical results; and (iv) discount rate of 16.0%. An increase in the Put Earnings would result in an increase to the liability associated with the non-controlling put options. A 1.0% change in the discount rate would decrease or increase the liability associated with the non-controlling put options by $979,000.

12. LOANS AND BORROWINGS

The Company had the following loans and borrowings, which are measured at amortized cost:

	AUGUST 31, 2019	AUGUST 31, 2018
Term and revolving credit facility		
(a) Term 1: A bank loan bearing interest of bankers' acceptance rates plus an amount equal to 1.75% to 3.50% per annum subject to certain terms, secured by the assets of the Company, repayable in quarterly installments equal to 2.00% to 3.00% of the opening principal balance throughout the term of the agreement. The loan was repaid in full on June 28, 2019.	$ –	$ 17,998,430
(b) Term 2: A bank loan bearing interest of the bankers' acceptance rates plus an amount equal to 1.75% to 3.50% per annum subject to certain terms, secured by the assets of the Company, to the extent not previously paid, the principal shall be due and payable on the maturity date. The loan was repaid in full on June 28, 2019.	–	8,786,000
(c) Credit Facility: A bank loan bearing interest of the bankers' acceptance rates plus an amount equal to 1.45% to 3.00% per annum subject to certain terms, secured by the assets of the Company, to the extent not previously paid, the principal shall be due and payable on the maturity date. The loan matures June 1, 2022, unless extended pursuant to the agreement.	71,241,000	-
Total term and revolving credit facility	**71,241,000**	**26,784,430**
Vendor take-back loans		
(d) A vendor take-back loan bearing no interest per annum, unsecured, payable in two annual installments of $750,000. The amortized cost of the loan has been discounted using a rate of 2.56%. The loan was repaid in full on April 12, 2019.	-	738,451
(e) A vendor take-back loan bearing no interest per annum, unsecured, payable in two payments: $325,000 in the first year and $425,180 in the second year. The loan is subject to certain performance conditions set out in the share purchase agreement. The amortized cost of the loan has been discounted using a rate of 2.56%. The loan was repaid in full on August 21, 2019.	-	740,348
(f) A vendor take-back loan bearing no interest per annum, unsecured, payable in two payments of $575,000 and $425,000 on the date that is 15 and 27 months following acquisition date, respectively. The loan is subject to certain performance conditions set out in the asset purchase agreement. The amortized cost of the loan has been discounted using a rate of 2.90%. The loan matures on May 1, 2020.	415,867	966,638

	AUGUST 31, 2019	AUGUST 31, 2018
(g) A vendor take-back loan bearing no interest per annum, unsecured, payable in five payments: $150,000 in the first year and $300,000 annually thereafter. The amortized cost of the loan has been discounted using a rate of 4.40%. The loan matures June 12, 2020.	289,892	568,191
(h) A vendor take-back loan bearing no interest per annum, unsecured, payable in four payments: $650,000 on the date that is 15 months following acquisition date and $1,200,000 annually thereafter. The loan is subject to certain performance conditions set out in the share purchase agreement, which was amended during the third quarter of 2019. The amortized cost of the loan has been discounted using a rate of 4.75%. The loan matures on December 31, 2022.	3,697,271	3,965,288
(i) A vendor take-back loan bearing no interest per annum, secured by the assets of the Company, payable in three annual installments of $1,610,000. The loan is subject to certain performance conditions set out in the asset purchase agreement. The amortized cost of the loan has been discounted using a rate of 5.00%. The loan matures on March 1, 2021.	3,067,849	4,493,291
(j) A vendor take-back loan bearing no interest per annum payable in three payments: $1,092,500 in the first and second year and $1,900,000 in the third year. The loan is subject to certain performance conditions set out in the share purchase agreement. The amortized cost of the loan has been discounted using a rate of 4.50%. The loan matures on June 1, 2022.	3,699,903	-
(k) A vendor take-back loan bearing no interest per annum, secured by the assets of the Company, payable in one payment of $4,800,000 in the second year. The loan is subject to certain performance conditions set out in the share purchase agreement. The amortized cost of the loan has been discounted using a rate of 4.5%. The loan matures on December 12, 2021.	4,325,000	-
Total vendor take-back loans	**15,495,782**	**11,472,207**
Finance lease liabilities		
(l) A finance lease repayable in monthly installments of $1,082 and secured by the assets to which the obligation relates. The lease expires December 13, 2019, and includes an implicit interest rate equal to 4.71%.	3,462	16,911
Total finance lease liabilities	**3,462**	**16,911**
	86,740,244	38,273,548
Less current portion of:		
Term loans	-	3,329,132
Vendor take-back loans	2,984,555	3,733,311
Current Portion of Finance Lease Liabilities	3,462	12,503
	2,988,017	7,074,946
	$ 83,752,227	**$ 31,198,602**

On June 25, 2019, the Company amended and restated its existing credit agreement with a syndicate of Canadian banks which includes the following commitments:

1. $5,000,000 swingline commitment to fund operating cash flow needs. As at August 31, 2019, the Company had not utilized this facility (August 31, 2018 – $nil).
2. $125,000,000 revolving commitment which has been used to refinance the acquisition facility under the previous agreement and to fund future acquisitions. As at August 31, 2019, the balance owing on this facility was equal to $71,241,000 (August 31, 2018 – $nil).

In addition, the facility agreement provides for an option to, from time to time, request an increase in the amount of the revolving commitment by an amount of not less than $5,000,000 and not more than $50,000,000, subject to the satisfaction of certain terms and conditions. The exercise of the option would result in the size of the revolving commitment increasing from $125,000,000 to a maximum of $175,000,000 and overall credit capacity being increased to a maximum of $180,000,000. The loan matures on June 1, 2022, unless extended pursuant to the terms of the agreement. The facility is secured by a general security agreement over the assets of the Company and its subsidiaries and is subject to covenants. As at August 31, 2019, the Company was in compliance with all of its financial and non-financial covenants.

Prior to the amendment described above, the Company was a party to an agreement with a syndicate of Canadian banks. On June 28, 2019, all components described below were fully extinguished:

1. $5,000,000 revolving credit facility to fund operating cash flow needs. As at August 31, 2018, the Company had not utilized this facility.
2. Term 1 – $19,500,000 term credit facility installment loan which was used to refinance the acquisition facility balance outstanding under the previous agreement and to fund acquisitions. As at August 31, 2018, the balance owing on this facility was $17,998,430.
3. Term 2 – $9,500,000 term credit facility to fund leasehold improvements at the Company's head office. As at August 31, 2018, the balance owing on this facility was $8,786,000.
4. Revolver – $63,800,000 revolving credit facility to fund future acquisitions. As at August 31, 2018, the balance owing on this facility was $nil.

The following table provides details on the changes in the Company's Loans and Borrowings during the fiscal year 2019:

	TERM 1	TERM 2	REVOLVER	CREDIT FACILITY	VTB	FINANCE LEASE	TOTAL
Balance, August 31, 2018	$ 17,998,430	$ 8,786,000	$ –	$ –	$ 11,472,207	$ 16,911	$ 38,273,548
Proceeds	–	–	30,620,085	86,241,000	–	–	116,861,085
Repayment	(17,998,430)	(8,786,000)	(30,620,085)	(15,000,000)	(3,776,969)	(13,449)	(76,194,933)
Consideration on acquisition	–	–	–	–	7,935,077	–	7,935,077
Amortization/ Other	–	–	–	–	(134,533)	–	(134,533)
Balance, August 31, 2019	$ –	$ –	$ –	$ 71,241,000	$ 15,495,782	$ 3,462	$ 86,740,244

The following table provides details on the changes in the Company's Loans and Borrowings during the fiscal year 2018:

	TERM 1	TERM 2	REVOLVER	VTB	FINANCE LEASE	TOTAL
Balance, August 31, 2017	$18,882,750	$ –	$ 14,500,000	$ 3,116,080	$ 27,895	$ 36,526,725
Proceeds	1,117,250	9,500,000	45,045,000	–	–	55,662,250
Repayment	(2,001,570)	(714,000)	(59,545,000)	(1,094,398)	(11,929)	(63,366,897)
Consideration on acquisition	–	–	–	9,204,421	–	9,204,421
Amortization/Other	–	–	–	246,104	945	247,049
Balance, August 31,2018	$17,998,430	$ 8,786,000	$ –	$11,472,207	$ 16,911	$ 38,273,548

13. INCOME TAXES

Income taxes recognized in net income (loss) comprise the following:

	AUGUST 31, 2019	AUGUST 31, 2018
Income (loss) before income taxes	$ 2,019,376	$ (2,622,361)
Statutory tax rate	26.81%	26.84%
Income tax provision (recovery) at statutory tax rates	541,395	(703,842)
Adjustment to income taxes		
Non-deductible items	3,826,243	3,988,952
Prior period current tax provision (recovery) and other	409,402	(448,687)
Prior period deferred tax provision (recovery)	66,782	1,461,855
Changes in tax rate	(215,000)	–
	4,628,822	4,298,278
Current taxes	8,253,901	5,882,030
Deferred taxes	(3,625,079)	(1,583,752)
	$ 4,628,822	$ 4,298,278

Significant components of deferred tax assets and liabilities are as follows:

		AUGUST 31, 2019		AUGUST 31, 2018
Deferred tax assets				
Property and equipment	$	52,949	$	240,543
Onerous leases		71,220		352,771
Equity issue and financing costs		835,707		1,144,351
Non-capital losses carried forward		2,710,307		1,906,273
	$	3,670,183	$	3,643,938
Deferred tax liabilities				
Intangible assets		(25,695,824)		(19,978,205)
Other		(187,166)		(114,361)
		(25,882,990)		(20,092,566)
Net deferred tax liabilities	$	(22,212,807)	$	(16,448,628)

Movement in net deferred tax liabilities:

		AUGUST 31, 2019		AUGUST 31, 2018
Balance, August 31, 2018	$	(16,448,628)	$	(10,878,605)
Recognized in the statement of income and comprehensive income		3,625,079		1,583,752
Recognized in business acquisitions		(9,457,004)		(8,103,422)
Recognized in equity		–		955,891
Other		67,746		(6,244)
Balance, August 31, 2019	$	(22,212,807)	$	(16,448,628)

14. SHARE CAPITAL

(a) Authorized

The Company has authorized share capital of an unlimited number of common voting shares with no par value.

(b) Shares issued and outstanding

Shares issued and outstanding are as follows:

	NUMBER OF COMMON VOTING SHARES		AMOUNT
Balance, August 31, 2017	51,001,140	$	58,861,256
Private placement of shares	9,004,500		62,906,800
Acquisition-related issuance of shares	235,001		1,914,315
Exercise of stock options	384,534		926,851
Settlement of restricted stock units	15,336		63,031
Balance, August 31, 2018	60,640,511		124,672,253
Acquisition-related issuance of shares	9,842		74,575
Exercise of stock options	216,172		835,004
Settlement of restricted stock units	51,989		183,715
Balance, August 31, 2019	60,918,514	$	125,765,547

In connection with the acquisition of Life Benefit Solutions Inc. on February 11, 2019, the Company issued 9,842 common shares to one of the vendors for an aggregate value of $74,575 net of issuance costs.

During fiscal year 2018, on August 21, 2018, the Company closed a private placement offering of 5,227,900 shares at a price of $7.70 per share, for gross proceeds of $40,254,830. The offering resulted in net proceeds of $38,654,611 after share issuance and commission costs, including a deferred tax asset of $576,948 relating to share issuance and commission costs.

During fiscal year 2018, on November 22, 2017, the Company closed a private placement offering of 3,776,600 shares at a price of $6.70 per share, for gross proceeds of $25,303,220. The offering resulted in net proceeds of $24,252,189 after share issuance and commission costs, including a deferred tax asset of $378,943 relating to share issuance and commission costs.

During fiscal year 2018, in connection with the acquisition of Lane Quinn, the Company issued 235,001 common shares to the vendors for an aggregate value of $1,914,315 net of issuance costs.

(c) Earnings per share

Basic earnings per share is calculated by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding during the period.

Diluted earnings per share is calculated by dividing net income (loss) attributable to common shareholders by the weighted average number of common shares outstanding, adjusted for the potentially dilutive effect of the total number of additional common shares related to grants outstanding at August 31, 2019, that would have been issued by the Company under its Security Based Compensation Plan.

The following details the earnings per share, basic and diluted, calculations for the years ended August 31, 2019, and August 31, 2018:

		AUGUST 31, 2019		AUGUST 31, 2018
Net income (loss) attributable to common shares (basic and diluted)	$	(2,609,446)	$	(6,920,639)
Weighted average number of common shares (basic)		60,767,364		54,353,322
Weighted average number of common shares (diluted)		60,767,364		54,353,322
Net income (loss) per share (basic)	$	(0.04)	$	(0.13)
Net income (loss) per share (diluted)	$	(0.04)	$	(0.13)

The average market value of the Company's shares for the purposes of calculating the dilutive effect of stock options was based on quoted market prices for the period during which the options were outstanding.

For the years ended August 31, 2019, and August 31, 2018, stock options were excluded from the calculation of diluted loss per share as their effect would have been anti-dilutive.

15. SHARE-BASED PAYMENTS

The Company's Security Based Compensation Plan allows for the issuance of stock options, restricted stock units and deferred stock units.

Under the Security Based Compensation Plan, awards may be granted to any director, officer, employee or consultant of the Company or of any of its affiliates by the Company's Board of Directors. Subject to the adjustment provisions provided for in the Security Based Compensation Plan and the applicable rules and regulations of all regulatory authorities to which the Company is subject (including the TSX Venture Exchange), the aggregate number of common shares reserved for issuance pursuant to the Security Based Compensation Plan cannot exceed 7,236,222, which number takes into account the common shares that are available for issuance under the Company's Security Based Compensation Plan.

At the Company's Annual General Meeting on February 26, 2019, the shareholders passed a resolution amending the Company's Security Based Compensation Plan, to increase the number of Common Shares available for issuance by 1,250,000, from 5,986,222 to 7,236,222 Common Shares, inclusive of Common Shares issuable pursuant to the Company's prior security-based compensation plans.

For the year ended August 31, 2019, the Company recorded non-cash expense to recognize Stock Option, RSU and DSU grants to employees and directors of the Company equal to $4,128,722 (August 2018 – $1,313,210).

(a) Employee share purchase plan

The Company has an ESPP whereby both employee and Company contributions are used to purchase shares on the open market for employees. The Company's contributions are expensed as incurred as there is no vesting period. Under the plan, the Company matches $1 for every $4 contributed by employee contributions of between 2% and 5% of annual base remuneration.

At August 31, 2019, there were 395 participants (August 31, 2018 – 338) in the plan. The total number of shares purchased during the year ended August 31, 2019, on behalf of participants, including the Company contribution, was 258,495 shares (August 31, 2018 – 226,560 shares). During the year ended August 31, 2019, the Company's matching contributions totaled 51,699 shares (August 31, 2018 – 45,312 shares).

For the year ended August 31, 2019, the Company recorded an expense to recognize the matching contribution equal to $408,094 (August 31, 2018 – $330,728).

(b) Stock option plans

Stock options may be granted to directors, officers, employees and service providers of the Company on terms that the directors of the Company may determine within the limitations set forth in the Security Based Compensation Plan or former Stock Option Plan or by security regulators. Options shall not be granted for a term exceeding eight years under the terms of the Security Based Compensation Plan or five years under the terms of the former Stock Option Plan.

Changes in the number of options outstanding during the years ended August 31, 2019, and August 31, 2018, were as follows:

	AUGUST 31, 2019		AUGUST 31, 2018	
	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Balance, beginning of period	3,681,861	$ 6.64	1,298,480	$ 2.73
Granted	60,000	7.36	2,774,847	7.78
Exercised	(216,172)	2.75	(384,534)	1.65
Forfeited and expired	(11,817)	3.06	(6,932)	2.94
Cancelled	(15,000)	7.36	–	–
Balance, end of period	3,498,872	$ 6.91	3,681,861	$ 6.64
Options exercisable, end of period	573,912		569,197	

For the year ended August 31, 2019, the Company granted 60,000 stock options to employees that will vest in three equal tranches over the next three years. During the year, the Company received proceeds equal to $595,130 (August 31, 2018 – $635,848) from the exercise of 216,172 (August 31, 2018 – 384,534) options. Related to these transactions, the Company transferred $239,874 (August 31, 2018 – $291,003) from contributed surplus to share capital.

Options outstanding at August 31, 2019 consisted of the following:

RANGE OF EXERCISE PRICES	NUMBER OUTSTANDING	REMAINING CONTRACTUAL LIFE	WEIGHTED AVERAGE EXERCISE PRICE	NUMBER EXERCISABLE
$ 2.87 – $ 3.00	400,711	3.87 years	$ 2.88	240,711
$ 3.01 – $ 4.00	164,282	4.46 years	3.60	154,223
$ 4.01 – $ 5.00	214,032	4.65 years	4.28	154,032
$ 7.01 – $ 7.93	2,719,847	4.12 years	7.91	24,946
$ 2.87 – $ 7.93	3,498,872	4.14 years	$ 6.91	573,912

For the year ended August 31, 2019, the Company recorded an expense to recognize stock option compensation expense for options granted to employees and directors of the Company equal to $2,662,021 (August 31, 2018 – $441,940).

During fiscal year 2018, the Company granted 2,600,000 options to certain senior executives. Except in certain circumstances, all of the options vest on the third anniversary of the issuance. Of the 2.6 million options granted, 60% or 1.56 million are performance conditioned options, with a requirement for the Company's share price to reach a threshold of $12.00 in order for these options to vest. The remaining 40% or 1.04 million are regular options. All of the options have an exercise price of $7.93 per share, have a term of 5 years and otherwise are subject to the terms of the Plan. The stock option compensation expense for options issued to certain senior executives was determined based on the fair value of the options at the grant date using a Monte Carlo simulation approach.

Expected life time vesting options	4.00 years
Expected life performance vesting options	4.06 years
Risk-free interest rate	2.21%
Dividend yield	nil
Forfeiture rate	nil
Volatility factor of expected market price of the Company's shares	40.10%

The stock option compensation expense for options issued in normal course to employees was determined based on the fair value of the options at the date of measurement using the Black Scholes option pricing model (see note 20) with the following weighted average assumptions:

	AUGUST 31, 2019	AUGUST 31, 2018
Expected option life	5.00 years	5.00 years
Risk-free interest rate	2.20%	1.85%
Dividend yield	nil	nil
Forfeiture rate	6.29%	7.44%
Volatility factor of expected market price of the Company's shares	26.22%	27.20%

For awards that vest at the end of a vesting period, compensation cost is recognized on a straight-line basis over the period of service. For awards subject to graded vesting, each installment is treated as a separate award with separate fair value and a separate vesting period. The estimated forfeiture rate is adjusted to actual forfeiture experience as information becomes available.

For recently granted stock options, the expected life of the share options is based on historical data and current expectations and is not necessarily indicative of exercise patterns that may occur. Volatility is determined based on the five-year share price history of the Company. The expected volatility reflects the assumption that the historical volatility over a period similar to the life of the options is indicative of future trends, which may also not necessarily be the actual outcome. The expected volatility of previously granted stock options was determined based on the five-year share price history of the Company and comparable listed entities.

(c) Performance-conditioned Restricted Stock Units ("RSUs")

The Company has conditionally granted RSUs (payable in cash or shares of the Company's common stock at the discretion of the Board of Directors) to employees, that may be earned at the end of a one-year performance period, based on each fiscal year ("the performance period"), subject to certain financial metrics for the performance period. In order to earn RSUs a minimum threshold must be achieved, with the maximum number of RSUs being earned upon achievement of the target.

For the year ended August 31, 2019, the Company conditionally granted 142,160 RSUs related to the current fiscal year. The RSUs, if earned, are scheduled to vest on or after November 29, 2021, conditional upon continued employment with the Company until such date.

Changes in the number of RSUs outstanding during the years ended August 31, 2019, and August 31, 2018, were as follows:

	AUGUST 31, 2019		AUGUST 31, 2018	
	NUMBER OF RSUS	GRANT PRICE $	NUMBER OF RSUS	GRANT PRICE $
Balance, beginning of period	442,279	$ 4.77	325,156	$ 3.87
Granted	142,160	7.97	151,814	6.60
Settled	(106,379)	3.53	(31,203)	4.11
Forfeited	(23,720)	7.73	(3,488)	6.59
Balance, end of period	454,340	$ 5.91	442,279	$ 4.77

The fair value of RSUs awarded is determined at grant date calculated based on the five-day volume weighted average price of the Company's common shares preceding grant date and the related stock compensation expense is recognized over the vesting period which is the period over which all of the specified vesting conditions are satisfied. The number of RSUs awarded is determined based on the fair market value of those RSUs on the date credited.

On January 29, 2019, the Company settled 106,379 fully vested RSUs and recorded a fair value adjustment of $250,990 (August 31, 2018 – $39,350) to recognize the incremental stock compensation expense incurred to net settle the RSUs.

For the year ended August 31, 2019, the Company recorded an expense to recognize vesting of RSUs granted to employees and directors of the Company equal to $882,205 (August 31, 2018 – $622,773).

(d) Deferred Stock Units ("DSUs")

Independent members of the Company's Board of Directors are paid a portion of their annual retainer in the form of DSUs, which vest on the date determined by the Board of Directors. In addition, certain employees of the Company are granted DSUs that form part of their compensation arrangement. The underlying security of DSUs are the Company's common shares, which are valued based on their volume weighted average closing price for the five trading days prior to the date on which the DSUs are granted. The DSUs will be settled by the issuance of common shares by the Company unless, subject to the consent of the Company, the Director elects to receive cash in lieu of common shares.

Changes in the number of DSUs outstanding during the years ended August 31, 2019 and August 31, 2018, were as follows:

	AUGUST 31, 2019		AUGUST 31, 2018	
	NUMBER OF DSUS	GRANT PRICE $	NUMBER OF DSUS	GRANT PRICE $
Balance, beginning of period	69,278	$ 5.33	41,478	$ 3.86
Granted	40,107	8.32	27,800	7.52
Balance, end of period	109,385	$ 6.43	69,278	$ 5.33

The fair value of DSU's awarded is determined at grant date calculated based on the volume weighted average price of the Company's common shares for the five business days preceding grant date and the related salary expense is recognized over the vesting period which is the period over which all of the specified vesting conditions are satisfied, if any. The number of DSUs awarded is determined based on the fair market value of those DSUs on the date credited. A portion of the DSUs were granted subsequent to year end.

For the year ended August 31, 2019, the Company recorded an expense to recognize DSUs granted to directors of the Company totaling to $333,506 (August 31, 2018 – $209,147) for annual awards covering the 2019 fiscal year.

16. SUPPLEMENTAL CASH FLOW INFORMATION

The following table provides details on changes in non-cash working capital items during the years ended August 31, 2019, and August 31, 2018:

	AUGUST 31, 2019	AUGUST 31, 2018
Trade and other receivable	$ (1,677,913)	$ (2,343,697)
Prepaid and other current assets	(105,168)	(289,869)
Contract cost assets	(333,273)	–
Loans receivable	222,606	294,590
Trade and other liabilities	(1,649,099)	2,488,342
Deferred revenue	(3,288,650)	(709,214)
Contract liabilities	3,768,921	–
	$ (3,062,576)	$ (559,848)

17. REVENUE

The effect of initially applying IFRS 15 on consolidated revenue is described in note 3.

In the following table, revenue is disaggregated by the Company's lines of business:

		AUGUST 31, 2019		AUGUST 31, 2018
Benefit Solutions	$	95,786,847	$	87,703,208
Consulting Solutions		59,504,718		36,896,980
HR Solutions and Other		7,202,541		5,917,869
	$	162,494,106	$	130,518,057

18. FINANCE EXPENSES

The Company's finance expenses for the years ended August 31, 2019, and August 31, 2018, were comprised of the following:

	NOTE		AUGUST 31, 2019		AUGUST 31, 2018
Interest and finance costs on long-term debt		$	2,520,332	$	1,756,432
Other finance costs, net			522,269		151,378
Non-cash finance costs					
Accretion on financing instruments			715,313		267,955
Change in estimated fair value of non-controlling interest put options	11		8,517,983		11,736,962
Change in estimated fair value of other financing instruments			(2,111,249)		2,013,182
			7,122,047		14,018,099
		$	10,164,648	$	15,925,909

Accretion expenses on financing instruments represent the implied interest cost related to non-interest bearing vendor take-back loans initially recognized on a discounted basis (see note 12).

19. FINANCIAL INSTRUMENTS

Fair value measurement

The Company's financial instruments measured at fair value through profit or loss include contingent consideration obligations and non controlling interest put options. The valuation techniques used to measure level 3 financial instruments are described in the referenced notes.

The following presents the Company's assets and liabilities measured at fair value on a recurring basis and categorized by hierarchy level:

	(QUOTED PRICES IN AN ACTIVE MARKET FOR IDENTICAL ASSETS) LEVEL 1	(SIGNIFICANT OTHER OBSERVABLE INPUTS) LEVEL 2	(SIGNIFICANT OTHER UNOBSERVABLE INPUTS) LEVEL 3
August 31, 2018			
Contingent consideration obligations	–	–	3,355,703
Non-controlling interest put options	–	–	52,613,161
August 31, 2019			
Contingent consideration obligations	–	–	1,311,966
Non-controlling interest put options	–	–	55,724,367

The carrying value of the Company's trade and other receivables, trade payables, accrued and other liabilities approximate their fair values due to the immediate or short-term maturity of these instruments. The carrying value of the long-term debt approximates its fair value as the interest rates are consistent with the current rates offered to the Company for debt with similar terms. The carrying value of the other non current assets approximates its fair value as the interest rates are consistent with the current rates offered by the Company for loans with similar terms.

Level 1 Unadjusted quoted prices in active markets for identical assets or liabilities. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

20. DETERMINATION OF FAIR VALUES

A number of the Company's accounting policies and disclosures require the determination of fair value, for both financial instruments and non financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

(a) Property and equipment

The fair value of property and equipment recognized as a result of a business combination is based on market values. The market value of property is the estimated amount for which a property could be exchanged on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably and willingly.

(b) Intangible assets

The fair value of customer contracts and customer relationships is based on the discounted cash flows expected to be derived from the use and eventual sale of the assets.

(c) Share-based payment transactions

The fair value of the employee share options are measured using the Black Scholes or Monte Carlo valuation models. Measurement inputs include share price on measurement date, exercise price of the instrument, expected volatility (based on weighted average historic volatility adjusted for changes expected due to publicly available information), weighted average expected life of the instruments (based on historical experience and general option holder behavior), expected dividends, and the risk free interest rate (based on government bonds). Service and non market performance conditions attached to the transactions are not taken into account in determining fair value.

Restricted Stock Units are conditionally granted and subject to achievement performance goals. The fair value of each Restricted Stock Unit is estimated in accordance with IFRS 2 on the grant date based on the volume weighted average of the closing prices of common shares on the stock exchange for the five immediately preceding trading sessions, and are amortized over the vesting period, subject to the terms of the plan. Dependent on the expected nature of settlement, the Company may periodically revalue RSUs.

The fair value of Deferred Stock Units are estimated in accordance with IFRS 2 on the grant date based on the volume weighted average of the closing prices of common shares on the stock exchange for the five immediately preceding trading sessions. Deferred Stock Units vest immediately and are expensed in the period granted.

(d) Non-controlling interest put option

The fair value of the non controlling interest put option has been determined by discounting estimated future cash flows based on an appropriate discount rate. The estimated future cash flows are calculated based on pre determined formulas as defined in the purchase agreements which are based on a multiple of estimated future earnings, estimated future exercise dates and other factors.

21. COMMITMENTS AND CONTINGENCIES

(a) Lease obligations

The Company leases premises and various office equipments under agreements which expire on various dates up to December 2027. Future minimum lease payments as at August 31, 2019, are as follows:

Next 12 months	$	3,845,981
13 – 24 months		3,368,198
25 – 36 months		2,530,711
37 – 48 months		1,830,810
49 – 60 months		1,320,976
Thereafter		1,971,330
	$	14,868,006

Included in operating expenses for the year ended August 31, 2019 are operating expenses in respect of leased premises and equipment of $4,111,410 (August 31, 2018 – $4,329,449).

(b) Contingencies

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

22. EXPENSES BY NATURE

The Company's expenses for the years ended August 31, 2019, and August 31, 2018, were comprised of the following:

	NOTE	AUGUST 31, 2019	AUGUST 31, 2018
Personnel and compensation		$ 102,912,663	$ 79,739,189
General and administrative		21,785,274	16,296,494
Administration fees		4,187,809	4,025,752
Occupancy		6,304,162	6,125,276
Public company costs		535,203	368,770
		135,725,111	106,555,481
Depreciation and amortization	6,7	14,584,971	10,659,028
Finance expenses	18	10,164,648	15,925,909
		$ 160,474,730	$ 133,140,418

The Company's operating expenses and acquisition, integration and reorganization costs, as reported on the statement of comprehensive income (loss), for the years ended August 31, 2019, and August 31, 2018, were comprised of the following:

	AUGUST 31, 2019	AUGUST 31, 2018
Operating expenses	$ 125,461,735	$ 100,228,915
Acquisition, integration and reorganization costs	10,263,376	6,326,566
	$ 135,725,111	$ 106,555,481

For the year ended August 31, 2019, the Company incurred $10,263,376 (August 31, 2018 – $6,326,566) of acquisition, integration and reorganization costs. Acquisition, integration and reorganization costs are comprised of the following:

- Professional fees, personnel and compensation, and other non-recurring incremental costs incurred to secure and complete specific acquisitions;
- Non-operating outlays, which include personnel and compensation and general and administrative expenses, that are associated with integrating acquired operations into the Company's business model subsequent to completion of an acquisition; and
- Non-recurring outlays including consulting, recruiting, and severance costs associated with reorganization of operations.

Certain employees of the Company participate in a defined contribution pension plan. Contributions to the plan by the Company totaled $1,068,887 for the year ended August 31, 2019 (August 31, 2018 – $1,040,701).

23. FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments:

- Interest risk
- Credit risk
- Liquidity risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

(a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Financial assets and financial liabilities with variable interest rates expose the Company to cash flow interest rate risk. Financial assets and financial liabilities that bear interest at fixed rates are subject to fair value interest rate risk. The Company's credit facility bear interest at variable rates and vendor take- back loans are non-interest bearing. The carrying value of the long term debt approximates its fair value as the interest rates are consistent with the current rates offered to the Company for debt with similar terms.

The Company has identified an exposure to cash flows relating to variable interest rate loans. The Company does not use financial derivatives to decrease its exposure to interest risk. For the year ended August 31, 2019, a change in interest rate relating to loans and borrowings of 1% would have increased or decreased finance expense by approximately $490,100 (August 31, 2018 – $300,800).

(b) Credit Risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Company is exposed to credit risk from customers. In order to reduce its credit risk, the Company reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for expected credit losses is established based upon factors surrounding the credit risk of specific accounts, historical trends and future information. When a receivable balance is considered uncollectible, it is written off against the allowance for expected credit losses. Subsequent recoveries of amounts previously written off are credited against "general and administrative operating expenses" in the consolidated statement of comprehensive income (loss). The Company recorded an expense for bad debt during the year ended August 31, 2019, of $50,754 (August 31, 2018 – $10,413).

Pursuant to their respective payment terms, consolidated trade receivables were aged as follows as at August 31, 2019:

Current	$	13,620,167
31 – 60 days past due		1,036,440
61 – 90 days past due		292,179
Over 91 days past due		307,104
		15,255,890
Allowance for expected credit losses		(269,383)
	$	14,986,507

(c) Liquidity Risk

Liquidity risk is the risk that the Company would not be able to meet its financial obligations as they come to maturity or can only do so at excessive costs. Based on the Company's ability to generate cash flows through its ongoing operations, management believes that cash flows are sufficient to cover its known operating and capital requirements, as well as its debt servicing costs. The Company manages its cash resources through ongoing financial forecasts and anticipated cash flows.

Contractual obligations

The maturity dates of the Company's financial liabilities as at August 31, 2019, are as follows:

	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	MATURING IN THE NEXT 12 MONTHS	MATURING IN 13 TO 36 MONTHS	MATURING IN 37 TO 60 MONTHS	MATURING IN MORE THAN 60 MONTHS
Trade and other liabilities	$ 27,730,623	$ 28,256,395	$ 25,536,033	$ 1,380,522	$ 996,425	$ 343,415
Loans and borrowings	86,740,244	88,324,462	3,440,039	83,684,423	1,200,000	–
Lease obligations	–	14,868,006	3,845,981	5,898,909	3,151,786	1,971,330
Non-controlling interest put options	55,724,367	77,198,255	15,449,197	45,163,153	5,740,154	10,845,751
	$ 170,195,234	$ 208,647,118	$ 48,271,250	$ 136,127,007	$ 11,088,365	$ 13,160,496

24. CAPITAL MANAGEMENT

The Company views its capital as the combination of its cash, loans and borrowings, and shareholders' equity, which as at August 31, 2019, was equal to $202,612,229 (August 31, 2018 – $145,270,302). The Company's primary objective when managing capital is to safeguard the entity's ability to continue as a going concern while supporting the growth of the Company's business through organic growth and new acquisitions.

The Company manages the capital structure and makes adjustments to it in accordance with the aforementioned objective, as well as taking into consideration changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Company may issue new or repurchase existing shares and assume new or repay existing debt.

The credit facilities require the Company to maintain certain financial covenants. Management also uses these ratios as key indicators in managing the Company's capital. The Company complied with all the required financial covenants at August 31, 2019.

25. OPERATING SEGMENTS

The Company offers human resource consulting, recruitment services, pension advisory services, group benefits insurance, benefits and pension administration. As at August 31, 2019, the Company applied the aggregation criteria on the basis of type of services provided across all the segments is similar and in accordance with IFRS 8, *Operating Segments*, the Company was represented by and had one reportable segment. The Company operates exclusively within Canada.

26. RELATED PARTIES

(a) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Board of Directors and Officers are key management personnel. In addition to their salaries, the Company also provides non-cash benefits and participation in the Employee Share Purchase Plan (see note 15(a)) and Security Based Compensation Plan (see note 15(b), (c), (d)).

The following table details the compensation paid to key management personnel during the years ended August 31, 2019, and August 31, 2018:

		AUGUST 31, 2019		AUGUST 31, 2018
Salaries, fees and short-term employee benefits	$	3,452,995	$	3,828,077
Share-based payments		3,545,832		808,805
Post-employment obligations		212,000		–
	$	7,210,827	$	4,636,882

(b) Key management personnel and director transactions

As at August 31, 2019, directors and key management personnel owned 16.10% (August 31, 2018 – 16.66%) of the voting shares of the Company.

27. SUBSEQUENT EVENTS

(a) Private Placement

On September 23, 2019, the Company entered into an agreement with a syndicate of underwriters led by Cormark Securities Inc. (collectively the “Underwriters”) which the Underwriters have agreed to purchase, on a bought deal private placement basis, 6,594,000 common shares (the “Shares”) of the Company at a price of $9.10 per Share (the “Issue Price”), with an option, exercisable in whole or in part at any time prior to the closing date, to purchase for resale up to an additional 15% of the Shares sold at the Issue Price (the “Offering”).

The Offering was completed on October 16, 2019, and, pursuant to the Offering, the Company issued 6,983,500 Shares of the Company at a purchase price of $9.10 per Share, including 389,500 Shares issued through the partial exercise of the syndicate’s over-allotment option, for gross proceeds to the Company of $63,549,850. The members of the syndicate received a cash commission equal to 5.0% of the gross proceeds raised in the Offering.

The net proceeds of the Offering will be used to reduce debt, fund growth initiatives (including future acquisitions) and general corporate purposes. The Shares issued in connection with the Offering are subject to a statutory four-month hold which expires on February 17, 2020.

(b) Acquisition of Collage Inc.

Effective October 31, 2019, the Company acquired specific assets, liabilities and business operations of Collage Technologies Inc. (“Collage”), a leading cloud-based digital human resource, employee benefits administration and payroll solution provider focused on the small and medium sized business segment in Canada.

The Company will account for these transactions as a business combination and will apply the acquisition method of accounting in accordance with IFRS 3. The fair values of the identifiable assets and liabilities acquired in the transaction and the fair value of the total consideration paid or payable are as follows:

		COLLAGE
Assets acquired and liabilities assumed		
Goodwill (including assembled workforce)	$	7,993,668
Software and other intangible assets		4,175,000
Property and equipment		22,423
Deferred tax liabilities		(1,118,900)
Net working capital		(54,202)
	$	11,017,989
Consideration paid or payable		
Cash payment on closing		10,000,000
Debt assumed		1,059,812
Working capital adjustment due to / (from) vendors		(41,823)
	$	11,017,989

Total consideration paid for the acquisition of Collage, is subject to final adjustments for working capital. The fair values of the net identifiable assets have been determined provisionally and will be fully reflected in the Company’s next reporting period.

A part of the goodwill can be attributed to the assembled workforce and the operating knowhow of key personnel. However, no intangible assets qualified for separate recognition in this respect.

The cash payment at closing was funded by a portion of the net proceeds received from the recently completed private placement of shares.

(c) Acquisition of the Apri Group of Companies

On November 28, 2019 the Company acquired the Apri Group of Companies (“Apri”), a national group benefits consulting firm, group benefits managing general agency (“MGA”), and third-party administrator (“TPA”) headquartered in Richmond Hill, Ontario. The Company has acquired all of the issued and outstanding shares of Apri for a purchase price of $45.0 million, subject to post-closing adjustments for working capital. The purchase price is comprised of a payment of $38.6 million at closing, $1.9 million of the Company’s common shares, and the remaining $4.5 million in the form of a vendor take-back note, subject to certain conditions, to be repaid in equal installments on the first and second anniversaries of the closing.

The Company funded the cash payment at closing by drawing funds on its credit facility.

As this transaction has recently closed, a complete determination of the purchase consideration and the purchase price allocation to the net assets acquired will be fully disclosed in the consolidated financial statements during the first quarter of fiscal year 2020.

(d) Coughlin Call Options

On December 4, 2019, the Company executed its right to purchase 16,000 Coughlin Vendor Class “Y” and 1,500 Coughlin Vendor Class “Z” Shares for total consideration of $9,210,329. The Company’s economic interest in Coughlin will increase from 72.0% to 88.0% effective after the end of the first quarter of fiscal year 2020.

CORPORATE INFORMATION

EXECUTIVE MANAGEMENT TEAM:	Laurie Goldberg, Chief Executive Officer Dennis Stewner, Chief Financial Officer & Chief Operating Officer Brevan Canning, Executive Vice President & Group Head, Benefit Solutions Paul Asmundson, Executive Vice-President & Chief Corporate Development Officer Sue Tardi, Chief Human Resources Officer & Group Head, Human Resource Solutions
BOARD OF DIRECTORS:	Laurie Goldberg, Chairman Scott Anderson, Lead Director Richard Leipsic, Director Eric Stefanson, Director Beth Horowitz, Director
CORPORATE OFFICES:	Executive Head Office: 1403 Kenaston Boulevard Winnipeg, Manitoba R3P 2T5 Canada Registered Office: c/o McMillan LLP, 181 Bay Street, Suite 4400 Toronto, Ontario M5J 2T3 Canada
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LISTING:	Stock Exchange: TSX-V Symbol: PEO
ANNUAL GENERAL MEETING	February 26, 2020 3:00 PM Central Standard Time 1403 Kenaston Boulevard Winnipeg, Manitoba R3P 2T5 Canada

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