

# **INTEMA SOLUTIONS Inc.**

Interim Financial Statement  
(unaudited)

For three and six months period ending  
June 30th 2010 and June 30th 2009.

NOTICE REQUIRED UNDER INSTRUMENT 51-102  
« CONTINUOUS DISCLOSURE OBLIGATIONS »

*The attached financial statements have been prepared by the management of  
Intema Solutions inc. and have not been reviewed by our auditors.*

# INTEMA SOLUTIONS INC.

**Interim statement  
For the period ended June 30th, 2009 and 2010**

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**INTEMA SOLUTIONS INC**  
**STATEMENT OF EARNING AND DEFICIT**

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	Period of three months ending June 30th, 2010		Period of six months ending June 30th, 2010	
	2010	2009	2010	2009
Sales	587 015	580 558 \$	1 164 795 \$	1 076 368 \$
Direct Costs	187 278	26 749	234 863	48 464
Direct salaries	121 015	83 776	293 461	115 149
	308 293	110 525	528 324	163 613
<b>Gross earnings</b>	<b>278 722</b>	<b>470 033</b>	<b>636 471</b>	<b>912 755</b>
Selling and administrative expenses	338 622	217 530	692 627	523 166
Research and development costs	35 035	189 390	66 140	264 051
	373 656	406 920	758 766	787 217
<b>Earnings before the following items</b>	<b>(94 934)</b>	<b>63 113</b>	<b>(122 295)</b>	<b>125 538</b>
Financial expenses	16 052	37 690	56 728	68 577
Frais de réorganisation et indemnités	—	—	—	—
Perte sur radiation d'avances à recevoir	12 451	—	12 451	—
Amortization of capital assets	5 452	7 610	10 903	29 603
Amortization of intangible assets	84 732	140 058	153 066	258 686
<b>Earnings (loss) before income taxes</b>	<b>(213 621)</b>	<b>(122 245)</b>	<b>(355 442)</b>	<b>(231 328)</b>
Income taxes				
Current	—	—	—	—
Future	—	(10 263)	—	(45 253)
<b>Net earnings (loss)</b>	<b>(213 621)</b>	<b>(111 982) \$</b>	<b>(355 442)</b>	<b>(186 075) \$</b>
Deficit beginning of the period	(2 826 510)	(184 094)	(2 826 510)	(110 001)
<b>Deficit end of the period</b>	<b>(3 040 131)</b>	<b>(296 076) \$</b>	<b>(3 181 952)</b>	<b>(296 076) \$</b>
Net earnings (loss) per share				
- Basic	(0,0084) \$	(0,0045)	(0,0139) \$	(0,0075) \$
- Diluted	(0,0083)	(0,0045)	(0,0138)	(0,0075) \$
Weighted average number of comun shares	25 534 799	24 901 173	25 534 799	24 901 173

	As of June 30th		As of December 31st	
	2010		2009	
	(unaudited)		(audited)	
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Accounts receivable	309 210		406 595	
Work in progress	63 564		33 013	
Tax credits receivable	551 416		752 053	
Prepaid expenses	3 495		27 700	
Current portion of receivable from disposal of assets	175 000		200 000	
	1 102 686		1 419 361	
<b>RECEIVABLE FROM DISPOSAL OF ASSETS</b>	325 394		465 394	
<b>CAPITAL ASSETS</b>	44 990		38 203	
<b>OBLIGATION UNDER CAPITAL ASSETS LEASES</b>	15 240		17 929	
<b>SOFTWARE</b>	562 391		—	
<b>INTANGIBLE ASSETS</b>	552 717		620 369	
<b>TAX CREDITS NON REFUNDABLE</b>	455 448		409 047	
	3 058 865	\$	2 970 303	\$
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Bank indebtedness	216 471	\$	256 635	\$
Short term Bank loan	192 000		250 000	
Accounts payable and accrued liabilities	618 158		638 261	
Deferred revenues	22 382		30 815	
Current portion of long-term debt (note 2)	756 827		689 242	
Obligations under capital leases - portion short term	—		10 865	
	1 805 838		1 875 818	
<b>LONG-TERM DEBT (note 2)</b>	52 178		44 289	\$
<b>OBLIGATION UNDER CAPITAL LEASES</b>	—		585	
	1 858 016		1 920 692	
<b>SHAREHOLDERS' EQUITY</b>				
Capital stock (note 3)	3 844 394		3 812 713	
Debentures	475 000		—	
Contributed Surplus	63 407		63 408	
Deficit	(3 181 952)		(2 826 510)	
	1 200 849		1 049 611	
	3 058 865	\$	2 970 303	\$

**INTEMA SOLUTIONS INC.**  
**STATEMENTS OF CASH FLOWS**

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	Period of three months ending June 30th, 2010		Period of six months ending June 30th, 2010	
	2010	2009	2010	2009
<b>Operating activities</b>				
Net earnings (loss)	(213 621)	(111 982)	(355 442) \$	(186 075) \$
Adjustments for:				
Amortization of capital assets	5 452	7 610	10 903	29 603
Amortization of intangible assets	84 732	140 058	153 066	258 686
Perte sur radiation d'avances à recevoir	—	—	12 451	—
Future income taxes	—	(10 263)	—	(45 253)
	(123 437)	25 423	(179 023)	56 961
<b>Net changes in non-cash working capital items</b>	358 365	(125 380)	271 572	(236 910)
<b>Cash flows from operating activities</b>				
<b>Investing activities</b>	234 928	(99 957)	92 549	(179 949)
<b>Investing activities</b>				
Reimbursement of the balance of sale	—	60 000	165 000	414 872
Acquisition of capital assets	—	—	(10 693)	(47 123)
Acquisition of a company	—	—	(600 000)	(582 365)
Variation in deferred revenues	—	1 613	(8 433)	(1 523)
Variation of deferred tax credits	(32 355)	—	—	—
<b>Cash flows from (used in) investing activities</b>	(32 355)	61 613	(454 126)	(216 139)
<b>Financing activities</b>				
Increase of bank margin	(106 324)	68 371	(58 000)	49 467
Long-term debt	—	—	175 000	—
Increase of note payable	—	(20 767)	—	421 733
Repayment of long-term debt	(67 111)	(3 500)	(99 526)	(73 823)
increase of bank loan	(195 904)	—	(151 129)	—
Repayment of the capital lease obligation	(8 235)	(5 760)	(11 450)	(1 289)
Issuance of Common shares	—	—	31 681	—
Issuance of debentures	175 000	—	475 000	—
<b>Cash flows from (used in) financing activities</b>	(202 574)	38 344	361 576	396 088
Net decrease in cash and cash equivalents	—	—	—	—
Cash and cash equivalents at beginning of year	—	—	—	—
<b>Cash and cash equivalents at end of year</b>	—	—	— \$	— \$

**1. SIGNIFICANT ACCOUNTING POLICIES**

The unaudited consolidated interim financial statements were prepared by the Corporation in accordance with Canadian generally accepted accounting principles applicable to interim financial statements following the same accounting policies and methods and their applications in the most recent annual financial statements. In the opinion of the Management, all adjustments necessary for fair presentation are reflected in the interim financial statements. The unaudited interim financial statements should be read in conjunction with the audited annual financial statements and notes thereto for the year ended December 31, 2009,

**2. LONG TERM DEBT**

	June 30 th 2010	Decembe 31th 2009
Bank Loan bearing interest at the prime rate +2%, repayable in 54 monthly installments starting in january 2010	490 296	550 480
Economic Development Canada`s contribution, without interest, repayable in 8 semi-annual installments starting March 2009 maturing in September 2012.	41 769 \$	41 769 \$
Balance of sale payable in 2 annual installments, without interest, payable in january 2011 and 2012.	175 000	-
Economic Development Canada`s contribution, without interest, repayable in 8 semi-annual installments of \$16,441 starting January 2007 maturing in June 2010.	49 323	49 323
Loan from an employee, administrator, without interest and fixed terms of repayment.	-	25 000
Loan from a company, without interest and payment terms.	38 465	52 807
Loan from a company controlled by an administrator, without interest and fixed terms of repayment.	14 152	14 152
	809 005	733 531
<b>Current portion of long term debt</b>	<b>756 827</b>	<b>689 242</b>
<b>Long term debt</b>	<b>52 178 \$</b>	<b>44 289</b>

The bank convenents demand that the company maintain financial ratios. As of March 31st, some ratios were not maintain, therefore the long term debt was included in the current portion. The amount of the current portion of long term debt would be 367,262\$ and Long term debt 441 743\$ if we had calculated it with the normal installments.

### 3. CAPITAL STOCK

	As of June 30th, 2010		As of December 31st, 2009	
	Number of shares	Amount \$	Number of shares	Amount \$
Opening balance	24 901 173	3 812 713 \$	24 901 173	3 812 713 \$
Issuance of capital stock against payable	633 626	31 681	—	
Ending balance	25 534 799	3 844 394 \$	24 901 173	3 812 713 \$

On march 5th 2010, the company issued 633 626 class A shares against professional fees for 31,681\$.

#### Stock-based compensation plan

Under the terms of the employee stock option plan, the Company may from time to time grant options to its employees, directors and officer. The Plan provides for the grant of non-transferable and non assignable options for the purchase of common shares. The Board of Directors has the authority to select those officers, directors, employees and suppliers to whom options will be granted, to determine the limits, restrictions and conditions of the granting of options, and to interpret the Plan and make all decisions regarding thereto. The option price shall not be less than the market value of the common shares at the time the option is granted. The options may be exercised during periods which may vary but not exceed 10 years from the date of the grant.

**Variations in stock-options outstanding and the effect on the weighted average exercise price are summarized in the following tble:**

	As of June 30th , 2010		As of December 31st, 09	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Opening balance	290 000	0,21 \$	290 000	0,21 \$
Options exercised	-		—	
Options issued	575 000	0,10		
Options cancelled	-		—	
Ending balance	865 000	0,14 \$	290 000	0,21 \$

### 4. RELATED PARTIES TRANSACTIONS

During the first semester of 2010, the company paid profesionnal fees to a company related to a board member for a total of 23,283\$. These transactions have been made in the normal course of its activities at a fair exchange value accepted by the related parties,

**5. SEGMENTED INFORMATION**

The following table sets out certain geographic market information based on the client's location

Revenues from	Period of three months ended	
	June 30th, 2010	June 30th, 2009
Province of Québec	1 096 373 \$	892 846 \$
Rest of Canada	58 772	171 973
United States	9 650	11 549
Europe		
	<u>1 164 795 \$</u>	<u>1 076 368 \$</u>