INTEMA
Technologies + Marketing

INTEMA SOLUTIONS INC.

Financial Statements

Years ended December 31, 2014 et 2013

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Intema Solutions inc. are the responsibility of management and have been approved by the Board of Directors on April 29, 2015. The management responsibility in this respect includes the selection of appropriate accounting policies as well as the exercise of sound judgment in establishing reasonable and fair estimates in accordance with International Financial Reporting Standards (IFRS) appropriate in the circumstances.

The Company maintains accounting systems and internal controls designed to provide reasonable assurance that assets are safeguarded against loss or unauthorized use and that we can rely on the accounting records for the preparation of interim financial statements..

The Board of Directors assumes its responsibilities for the financial statements principally through its Audit Committee. The Audit Committee reviews the audited annual financial statements and recommends their approval to the Board of Directors. The Audit Committee also examines on a regular basis the results of the audits performed by the independent auditor on accounting policies of the Company. These financial statements have been audited by Brunet Roy Dubé, CPA s.e.n.c.r.l. and their report on the financial statements is set out below.

....
Roger Plourde
Chief executive officer

....
Robert Deslandes
Chief financial officer

....
Sébastien Plourde
Director and Corporative secretary

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the shareholders of Intema Solutions Inc.

We have audited the accompanying financial statements of INTEMA SOLUTIONS INC., which comprise the financial position as at December 31, 2014 and December 31, 2013, and the statements of income and comprehensive income, changes in equity and cash flows for the periods ended December 31, 2014 and December 31, 2013, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

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

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

7100, rue Jean-Talon Est
Bureau 1200
Montréal (Anjou), Québec H1M 3S3

Brunet Roy Dubé, CPA S.E.N.C.R.L.
Société de comptables professionnels agréés

Téléphone : 514 255-1001
Télécopieur : 514 255-1002
www.brd-cpa.com

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of INTEMA SOLUTIONS INC. as at December 31, 2014 and December 31, 2013, and its financial performance and cash flows for the periods ended December 31, 2014 and December 31, 2013 in accordance with International Financial Reporting Standards (IFRS).

Emphasis of matter

Without qualifying our opinion, we draw attention to Note 1 to the financial statements, which indicate the existence of a material uncertainty that may cast significant doubt about Company's ability to continue as a going concern.

Brunet Roy Dubé, CPA S.E.N.C.R.L.[1]

Montreal,
April 29, 2015

[1] CPA auditor, CA, public accountancy permit No. A108047

Audited Income Statements and Statements of Comprehensive Income

For the years ended December 31,

(in Canadians dollars)	2014 $	2013 $
Revenue from Continuing Operations	1,685,673	1,065,173
Direct Costs	186,514	133,272
Direct Labor	169,214	172,916
Gross Profit	1,329,945	758,985
Administrative and Sales Expenses	958,909	874,009
Research and Development Expenses	102,449	75,799
Operating Profit (Loss)	268,587	(190,823)
Financial Income (note 8)	25	525
Financial Expenses (note 8)	101,649	138,102
Profit (Loss) Before Following Items	166,963	(328,400)
Loss on balance on sale receivable write off	–	30,684
Gain on account payable write off (note 19)	26,500	–
Share-Based payments	–	24,510
Net Profit (Loss) Before Tax	193,463	(383,594)
Income Tax (note 10)		
Exigibles	82 128	–
Uses of losses carried forward	(82 128)	–
Net Profit (Loss) and Total Comprehensive Income	193,463	(383,594)
Weighted Average Number of Outstanding Shares during the Period (note 9)	46,039,873	33,772,772
Earnings (Loss) per Share (note 9)		
Basic and Diluted	0,0042	(0,0114)

The accompanying notes are an integral part of the Financial Statements.

Audited Statements of changes in Equity
For the years ended December 31, 2014 and 2013

(in Canadian dollars)

	Shares Capital Number	Shares Capital Amount	Warrants	Equity Component of the convertible debentures	Contributed Surplus	Deficit	Total Equity (Deficiency)
	#	$	$	$	$	$	$
Balance as at January 1st, 2014	35,594,799	4,241,725	71,470	33,850	134,140	(4,691,384)	(210,199)
Issuance of Capital Stock	10,000,000	792,000	508,000	—	(300,000)	—	1,000,000
Issuance cost of Shares	—	(192,283)	—	—	—	—	(192,283)
Shared issued for a debts conversion	7,304,980	182,624	—	—	182,625	—	365,249
Shares issued for an acquisition of business	719,000	82,685	—	—	—	—	82,685
Exerciced stock options	25,000	2,500	—	—	—	—	2,500
Exerciced warrants	150,000	16,425	(1,425)	—	—	—	15,000
Value attributed to the warrants expired	—	—	(56,250)	—	56,250	—	—
Value assigned to rights on expired convertable debentures	—	—	—	(33,850)	33,850	(7,200)	(7,200)
Net Profit and Total comprehensive income	—	—	—	—	—	193,463	193,463
Balance as at December 31, 2014	53,793,779	5,125,676	521,795	—	106,865	(4,505,121)	1,249,215
Balance as at January 1st 2013	32,074,799	4,145,392	56,250	33,850	86,830	(4,307,790)	14,532
Issue of Capital Stock	3,520,000	102,980	15,220	—	22,800	—	141,000
Cost of issuing Share	—	(6,647)	—	—	—	—	(6,647)
Share-based payments	—	—	—	—	24,510	—	24,510
Net Profit and Total comprehensive income	—	—	—	—	—	(383,594)	(383,594)
Balance as at December 31, 2013	35,594,799	4,241,725	71,470	33,850	134,140	(4,691,384)	(210,199)

The accompanying notes are integral part of the Financial Statements.

Audited Statements of Financial Position

As at December 31, (in Canadian dollars)	2014 $	2013 $
ASSETS		
Current		
Cash and cash equivalents (note 11)	245,592	21,524
Trade and other receivables (note 12)	475,041	116,043
Work in progress	172,922	149,909
Prepaid expenses	106,142	60,020
Research and Development Tax Credit Recoverable	156,472	148,170
Current Assets	1,156,169	495,666
Non-current		
Deposit	37,353	44,451
Investment (note 13)	4,990	35,899
Property, Plant and equipment (note 14)	45,998	13,654
Finance Leases Equipments (note 15)	71,135	71,292
Other Intangible Assets (note 16)	3,928	—
Goodwill (note 17)	158,866	49,536
Research and Development Tax Credit non Recoverable (note 10)	647,788	527,997
Non-current assets	970,058	742,829
Total Assets	2,126,227	1,238,495

Audited Statements of Financial Position

As at December 31, (in Canadian dollars)	2014 $	2013 $
LIABILITIES		
Current		
Employees benefits	299,790	365,108
Trade and Other Payables (note 19)	340,093	532,793
Short-term debts (note 20)	90,000	64,943
Deferred Income	25,926	7,400
Current portion of long-term debts (note 21)	57,45	151,197
Current portion of obligation under finance leases (note 22)	33,616	26,852
Current Liabilities	846,875	1,148,293
Non-currents		
Obligations under finance leases (note 22)	30,137	42,601
Convertible Debentures (note 23)	—	257,800
Non-currents Liabilities	30,137	300,401
Total Liabilities	877,012	1,448,694
Equity		
Share Capital (note 24)	5,125,676	4,241,725
Warrants	521,795	71,470
Equity component of the Convertible Debentures	—	33,850
Contributed Surplus	106,865	134,140
Deficit	(4,505,121)	(4,691,384)
Total Equity	1,249,215	(210,199)
Total Equity and Liabilities	2,126,227	1,238,495

The accompanying notes are integral part of the Financial Statements.

For the Board of Directors,

(signed) Roger Plourde, Director

(signed) Gérald Desourdy, Director

Audited Statements of Cash Flows

For the years ended December 31,	2014	2013
(in Canadien dollars)	$	$
Net Profit (loss) and Total Comprehensive Income	193,463	(383,594)
Non cash items from net profit (loss) and total comprehensive income		
Variation of the value of the redemption value of life insurance	4,909	4,993
Amortization of property, plant and equipment	3,913	5,049
Amortization of finance leases assets	25,134	20,250
Amortization of long-term debts expenses	12,666	21,713
Gain on accounts payable write off	(26,500)	—
Implicit interest of convertible debentures	—	7,891
Share-based payments	—	24,510
Loss on balance on sale receivable write off	—	30,687
Change in non-cash working capital items (note 25)	(436,023)	288,592
Net cash flow from operating activities	(222,438)	20,091
Acquisition of property, plant and equipment	(36,257)	(1,479)
Acquisition of intangible assets	(3,928)	—
Deposit in the redemption value of life insurance	(9,000)	(9,000)
Collection of redemption value life insurance	35,000	—
Business acquisition	(26,645)	—
Deposit on a business acquisition	(150,000)	—
Net cash flow from investing activities	(190 830)	(10,479)
Short-term debts	(64,943)	(110,057)
Long-term debts	(92,261)	(142,856)
Repayment of obligation under finance leases	(30,677)	(18,670)
Issues of Shares Capital	1,000,000	141,000
Exerciced warrants	15,000	—
Exerciced Stock options	2,500	—
Cost of issuing Shares	(192,283)	(6,647)
Net cash flow from financing activities	637,336	(137,230)
Net increase in cash and cash equivalents	224,068	(127,618)
Cash and cash equivalents at beginning of period	21,524	149,142
Cash and cash equivalents at end of period (note 11)	245,592	21,524

The accompanying notes are integral part of the Financial Statements.

Audited Notes to Financial Statements

For the years ended December 31, 2014 and 2013
(all amounts are in Canadian dollars, until indication)

Note 1. Governing Statutes, Nature of Operations and Going Concern

Intema Solutions inc., incorporated under the Canada Business Corporations Act, is a Company which provides consulting services in marketing and Web services, particularly in email campaing deployment to large businesses. The Company's registered office is located at 615 René-Lévesque West, Suite 1250, Montreal, Quebec, Canada, H3B 1P5. The Company is traded publicly on the TSX Venture Exchange under the symbol «ITM» and has no controlling shareholders.

Going concern

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and on the basis of the going concern assumption, meaning the Company will be able to realize its assets and discharge its liabilities in the normal course of operations. In light of the operating losses and unfulfilled financial ratios, those material uncertainties raise significant doubt about the Company's ability to continue as a going concern. The Company's ability to realize its assets and discharge its liabilities depends on the continued support of its lenders and shareholders. As at December 31, 2014 the Company has accumulated a working capital deficiency of $4,505,121 ($4,691,384 as at December 31, 2013) and a net profit of $193,463 during year 2014 (net loss of $383,591 as at December 31, 2013). Going concern of the Company depends of, among other things, its to ability achieve a satisfactory level of revenue, the support of its customers, the conclusion of new financial agreements and its ability to raise new sources of funds.

During the year 2014, the Company made the following transactions to compensate for some of the uncertainties above:

1) The Company has obtained additional funding by a conversion of debt into common share of $365,249.
2) The Company has obtained additional funding by a private placement in common shares of $1,000,000

Subsequent to the date of the year end, the Company obtained additional financing in the form of a common share private placement of $1,050,000 , which was completed in February 2015.

Facing the uncertainties described above, management intends to take the following measures :

1) The Company has set up a new business development plan for products oriented toward high potential markets;
2) The Company intends to complete additional financing with private placements and the conversion of debts in common shares;
3) The Company intends to raise additional funds by a short-term loan on its refundable tax credit receivable in 2014 and 2015.

Management believes that obtaining additional financing, reorienting its activities, and relying on the continued support of its existing customers and its shareholders, will help the Company to operate normally. However, there is no certainty that those measures will be sufficient to allow the continuation of the Company in the normal course of business.

The carrying amounts of assets, liabilities, revenues and expenses presented in the interim financial statements and the statements of financial position classification have not been adjusted as would be required if the going concern assumption was not appropriate.

Audited Notes to Financial Statements

For the years ended December 31, 2014 and 2013
(all amounts are in Canadian dollars, until indication)

Note 2. Statement of compliance with IFRS

The Company’s financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations currently issued and outstanding.

Those financial statements were approved by the Board of Directors April 29, 2015.

Note 3. Adoption of new and revised standards and interpretations

3.1 Accounting Standard Adopted in the Current Year

IAS 32 – Financial Instruments : Presentation

Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32), issued by the IASB in December 2011, amended this standard to address inconsistencies identified in applying some of the offsetting criteria. Paragraph AG38 has been deleted and paragraphs AG38B-AG38F have been added to clarify the meaning of the offsetting criterion "currently has a legally enforceable right to set off" and the principle behind net settlement, including identifying when some gross settlement systems may be considered equivalent to net settlement. The retrospective application of these amendments had no impact on the Company’s profit or loss or financial position.

IAS 36 – Impairment of Assets

This standard has been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in May 2013. The amendments more accurately reflect the IASB's previous decision to require: the disclosure of the recoverable amount of impaired assets; and additional disclosures about the measurement of the recoverable amount of impaired assets when the recoverable amount is based on fair value less costs of disposal, including the discount rate when a present value technique is used to measure the recoverable amount. The retrospective application of these amendments had no impact on the Company’s profit or loss or financial position.

IAS 39 – Financial Instruments : Recognition and Measurement

This standard has been revised to incorporate amendments issued by the IASB in June 2013. The amendments clarify that novation of a hedging derivative to a clearing counterparty as a consequence of laws or regulations or the introduction of laws or regulations does not terminate hedge accounting. The amendments are effective for annual periods beginning on or after January 1, 2014. Earlier application is permitted. The Company will adopt this new standard as of its effective date. The company is currently analyzing the possible impact of this standard on is consolidated statements.

IFRIC 21 – Levies

This new interpretation was issued by the IASB in May 2013. IFRIC 21 provides guidance on the accounting for levies within the scope of IAS 37 *Provisions, Contingent Liabilities and Contingent Asset*s. The main features of IFRIC 21 are as follows:

Note 3. Adoption of new and revised standards and interpretations (cont'd)

3.1 Accounting Standard Adopted in the Current Year (cont'd)

IFRIC 21 – Levies (cont'd)

- the obligating event that gives rise to a liability to pay a levy is the activity that triggers the payment of the levy, as identified by the legislation;
- and the liability to pay a levy is recognized progressively if the obligating event occurs over a period of time.

The interpretation is effective for annual periods beginning on or after January 1, 2014. Earlier application is permitted. The Company will adopt this new standard as of its effective date. The company is currently analyzing the possible impact of this standard on is consolidated statements.

3.2 Accounting Standard Issued but not yet applied

At the date of authorization of these financial statements, certain new standards, interpretations and amendments to existing standards have been published but are not yet effective and have not been adopted early by the Company. Management anticipates adopting these new standards as of its effective date. The Company is currently analysing the possible impact of this standard on its financial statements.

IFRS 9 – Financial Instruments

In October 2010, the IASB issued IFRS 9, which is the first part of a three-part project to replace IAS 39, Financial Instruments: Recognition and Measurement. The first part deals with the classification and measurement of financial assets and financial liabilities, and the two other parts will deal with impairment of financial assets and hedge accounting. The Company will have to classify financial assets as subsequently measured at either amortized cost or fair value, on the basis of its business model for managing financial assets and the contractual cash flow characteristics of the financial asset. Measurement of most financial liabilities at amortized cost is maintained. However, when an entity measures a financial liability at fair value, the portion of changes in fair value related to the entity's own credit risk must be reported in other comprehensive income rather than in net earnings (loss).

IFRS 15 – Revenue from Contracts with Customers

In May 2014, the IASB issued IFRS 15 Revenue from Contracts with Customers, which replaces IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers, and SIC-31 Revenue – Barter Transactions Involving Advertising Services.

The standard provides for a single model that applies to contracts with customers as well as two revenue recognition approaches: at a point in time or over time. The proposed model features a contract-based, five-step analysis of transactions to determine whether, when and how much revenue is recognized.

Note 3. Adoption of new and revised standards and interpretations (cont'd)

3.2 Accounting Standard Issued but not yet applied (cont'd)

IFRS 15 – Revenue from Contracts with Customers (cond't)

New thresholds have been established for estimates and judgments, which could impact the amount of revenue recognized and/or the timing of recognition.

The new standard applies to contracts with customers. It does not apply to insurance contracts, financial instruments or leases, which are within the scope of other IFRSs. The new standard is effective for the annual period beginning on January 1, 2017.

IAS 16 - Property, Plant and Equipment and IAS 38 - Intangible Assets

These standards have been revised to incorporate amendments issued by the IASB in May 2014. The amendments to IAS 16 clarify that the use of revenue-based methods to determine the depreciation of an asset is not appropriate. The amendments to IAS 38 clarify that an amortization method based on revenue is generally presumed to be an inappropriate basis for measuring the consumption of the economic benefits embodied in an intangible asset. However, the amendments provide limited circumstances when a revenue-based method can be an appropriate basis for amortization. The amendments are effective for annual periods beginning on or after January 1, 2016. Earlier application is permitted. The Company will adopt this new standard as of its effective date. The company is currently analyzing the possible impact of this standard on is consolidated statements.

IAS 19 – Employee Benefits

This standard (amended in 2011) has been revised to incorporate amendments issued by the IASB in November 2013. The amendments simplify the accounting for contributions from employees or third parties to defined benefit plans that are independent of the number of years of service. The amendments are effective for annual periods beginning on or after July 1, 2014. Earlier application is permitted. The Company will adopt this new standard as of its effective date. The company is currently analyzing the possible impact of this standard on is consolidated statements.

Annual Improvements to IFRSs 2010–2012 Cycle

The following standards have been revised to incorporate amendments issued by the International Accounting Standards Board (IASB) in December 2013:

IFRS 2 Share-based Payment – The amendments clarify the definition of vesting conditions.

IFRS 8 Operating Segments – The amendments add a disclosure requirement for the aggregation of operating segments and clarify the reconciliation of the total reportable segments' assets to the entity's assets.

IFRS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – The amendments clarify the requirements for the revaluation model regarding the proportionate restatement of accumulated depreciation

Note 3. Adoption of new and revised standards and interpretations (cont'd)

3.2 Accounting Standard Issued but not yet applied (cont'd)

IAS 24 Related Party Disclosures – The amendments clarify the identification and disclosure requirements for related party transactions when key management personnel services are provided by a management entity.

The amendments are effective for annual periods beginning on or after July 1, 2014. Earlier application is permitted. The Company will adopt this new standard as of its effective date. The company is currently analyzing the possible impact of this standard on is consolidated statements.

Annual Improvements to IFRSs 2011–2013 Cycle

The following standards have been revised to incorporate amendments issued by the IASB in December 2013:

IFRS 13 *Fair Value Measurement* – The amendments clarify that the portfolio exception applies to all contracts within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* or IFRS 9 *Financial Instruments*, regardless of whether they are financial assets or financial liabilities.

The amendments are effective for annual periods beginning on or after July 1, 2014. Earlier application is permitted. The Company will adopt this new standard as of its effective date. The company is currently analyzing the possible impact of this standard on is consolidated statements.

Note 4. Significants accounting policies

4.1 Base of measurement

The corporation financial statements as at December 31, 2014 and 2013 have been prepared on going concern assumption and on the historical cost basis, except for the revaluation of certain financial instruments at fair value. In addition. These financial statements are on accrual basis, except for cash flow information, and have been prepared according to significant accounting policies as described below.

4.2 Functional and presentation currency

The financial statements are presented in Canadian dollars (CDN), which is the functional currency.

4.3 Foreign currency translation of transaction

Transactions in foreign currency other than the entity's functional currency (foreign currencies) are recorded in functional currency at the rates of exchange prevailing at the dates of the transactions.

At each statement of financial position, monetary assets and liabilities in foreign currency are translated using the period end foreign exchange rate. Gains and losses arising from exchange differences from the settlement of these transactions and the revaluation of monetary items at the exchange rate prevailing at the end of the period are recorded in net income.

Note 4. Significants accounting policies (cont'd)

4.1 Foreign currency translation of transaction (cont'd)

Non-monetary assets and liabilities are translated using the historical rate on the date of the transaction.

All gains and losses on translation of these foreign currency transactions related to financing operations are included as net profit (loss) or as equity.

The Company does not use hedge accounting.

4.4 Financial Instruments

The Company aggregates its financial instruments into classes based on their nature and characteristics. Management determines the classification when the instruments are initially recognized, which is normally the date of the transaction.

All financial assets except those measured at fair value through profit or loss are subject to an annual impairment test and written down when there is evidence of impairment based on certain specific criteria mentioned further on.

All income and expenses related to financial instruments are reported under "Finance income" and "Finance costs."

Financial assets

For the purpose of subsequent measurement, financial assets are classified into the following categories upon initial recognition.

Financial assets at fair value through profit and loss

Financial assets in this category meet the definition of financial assets held for trading, or in respect of some conditions are designated as fair value through profit or loss upon initial recognition. The financial instruments included in this category are initially and subsequently recognized at fair value.

Derivatives are included in this category unless they are designated and effective hedging instrument.

These financial assets are held for purpose of selling them in short term. The instruments classified in this category are presented under current assets.

This category include cash and cash equivalents.

Available-for-sale assets

Available-for-sale assets are non-derivative financial assets that are either designated as such upon initial recognition or are not classified in any of the other categories.

They are included in current assets when they will be realized within 12 months of the reporting date, otherwise they are classified as non-current assets. The Company includes miscellaneous equity investments in this category.

Financial instruments included in this category are initially recognized at fair value plus directly attributable transaction costs. Subsequently, available-for-sale assets are measured at fair value, and unrealized gains or losses are recognized in other comprehensive income.

However, when a decline in the fair value of an available-for-sale financial asset has been recognized in other comprehensive income and there is objective evidence of prolonged impairment, the cumulative loss that has been recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment even though the financial asset has not been derecognized.

Directly attributable transaction costs and changes in fair value are recognized in profit or loss.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets when they will be realized within 12 months of the reporting date, otherwise they are classified as non-current assets. The Company includes cash and cash equivalents, and trade and other receivables in this category.

Financial instruments included in this category are initially recognized at fair value plus directly attributable transaction costs. Subsequently, loans and receivables are measured at amortized cost using the effective interest method.

Impairment loss

If there is objective evidence that an impairment loss on individual loans and receivables has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account or directly if the account is deemed uncollectible. When loans and receivables are deemed to be uncollectible after recording an allowance, they are written off against the allowance. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the previously recognized impairment loss is reversed by adjusting the allowance account. The reversal is limited to the amortized cost that would have been had the impairment not been recognized at the date the impairment is reversed. The amount of the impairment loss and the amount of the reversal are recognized in profit or loss.

4.4 Financial Instruments (cont'd)

Impairment loss (cont'd)

Pending the identification of impairment losses on individual assets, the Company collectively assesses the impairment (risk of collectability of the receivables) by grouping financial assets with similar credit risk characteristics. As soon as information is available that specifically identifies losses on individually impaired assets in a group, those assets are removed from the group. Future cash flows in a group of financial assets that are collectively evaluated for impairment are estimated on the basis of historical loss experience for assets with credit risk characteristics similar to those in the group. Estimates of changes in future cash flows reflect and are directionally consistent with changes in factors that are indicative of incurred losses in the Company and their magnitude. The methodology and assumptions used for estimating future cash flows are reviewed regularly to reduce any differences between loss estimates and actual loss experience.

Available-for-sale assets

Impairment losses recognized for available-for-sale assets are not reversed through profit or loss. If, in a subsequent period, the fair value of a debt instrument classified as available for sale (other than an equity security) increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed, with the amount of the reversal recognized in profit or loss.

When the asset is sold or the impairment charge is recognized, the accumulated gains or losses in other comprehensive income are reclassified to profit or loss and the reclassification is shown separately in the statement of comprehensive income. Foreign exchange gains and losses on financial assets classified as available for sale are recorded in other comprehensive income.

This category is used by the Company to classify investments in equity securities of unconsolidated entities that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured. These investments are accounted for at cost. If there is objective evidence that these assets are impaired, the amount of the impairment loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for similar financial assets.

Financial liabilities

Financial liabilities at fair value through profit and loss

Financial liabilities in this category meet the definition of financial liabilities held for trading, or in respect of some conditions are designated as fair value through profit or loss upon initial recognition. The financial instruments included in this category are initially and subsequently recognized at fair value.

Derivatives are included in this category unless they are designated and effective hedging instrument.

These financial liabilities are held for purpose of selling them in short term. The instruments classified in this category are presented under current assets.

Financial liabilities (cont'd)

No financial liability is classify in this category.

Other liabilities

Financial instruments included in this category are initially recognized at fair value less transaction costs. Subsequent to initial measurement, these other liabilities are measured at amortized cost. The difference between the initial carrying amount of these other liabilities and their redemption value is recognized in profit or loss over the life of the contract using the effective interest method. They are classified as current liabilities when they are payable within 12 months of the reporting date, otherwise they are classified as non-current liabilities. This item includes the following categories: trade and other payables, repayable government assistance and bank borrowings.

Compounds financial instruments

Compound financial instruments issued by the Company are classified separately as financial liabilities and equity based on the substance of the contractual agreement. On the date of issue, the fair value of the liability component is measured using the effective market rate of interest for a similar non-convertible instrument. This amount is accounted for as a liability at amortized cost using the effective interest method until the instrument is extinguished or reaches maturity. The equity component is determined by deducting the amount of the liability component from the total fair value of the compound instrument. This amount is recognized in equity, net of any tax effects, and is not subsequently remeasured.

4.5 Other Comprehensive Income

Other comprehensive income is the change in the Company's net assets that results from translations, events and circumstances from sources other than the Company's shareholders and includes items that would not normally be included in the net earnings such as foreign currency gains or losses on the translation of the financial statements of foreign operations. The Company's other comprehensive income, components of other comprehensive income and cumulative translation adjustments are presented in the statements of net earnings and comprehensive income and the statements of changes in shareholder's equity.

4.6 Transaction costs

Transaction costs related to financial instruments, except for financial assets and financial liabilities at fair value through profit or loss or available-for-sale, are recognized in the original cost of the asset or liability as fair value of financial instruments.

4.7 Revenues Recognotion

Revenue from continuing operations

The Company's revenue comes mainly from marketing consulting services, deployment of Internet marketing campaigns, the sale of software licenses, maintenance, consulting services and other services.

4.7 Revenues Recognition (cont'd)

Revenue from continuing operations (cont'd)

The license revenue comes from licenses granted to permanent use of the Company's software products. Revenue from maintenance come from the annual subscription fee for updates and software support. In addition , as part of its activities, the Company develops and maintains for its clients' websites in addition to providing accommodation and reservation of domain names for these sites.

Marketing consulting services products and Internet marketing campaigns deployment are recognized when there is persuasive evidence of an agreement, as the services are rendered, the price is determinable and collectability is reasonably assured.

Hosting drawn products spanning a period of over a month are amortized over the term of the contract. The unrecognized portion is presented in liabilities as deferred income. Revenue from the sale of domain names are recognized when recording them.

Revenues from contracts with multiple services (licenses, maintenance and professional services) are recognized each service based on the fair value of the service.

Interest income

Interest income is recognized on an accrual basis using the effective interest method.

4.8 Government assistance

The income tax credits related to scientific research and development activities are accounted for in reduction of the related expenses incurred during the year. Government assistance is recognized when there is reasonable assurance that the Company has met the requirements of the approved grant program or, with regard to tax credits, when there is reasonable assurance that they will be realized.

Accounted income tax credits must be review and approve by Government Tax Authority, and tax credit allow could differ from tax credit accounted.

4.9 Research and Development Costs

Research and development costs are recorded as expenses in the year in which they are incurred. Development costs of new products are accounted for capitalization in accordance with criteria generally accepted, to the amount which the recovery may be considered as certain. Deferred development costs are amortized on a useful life basis, beginning in the first year of commercialization.

4.10 Share-based payment

The Company applies IFRS 2 Share based Payment to transactions whose award and settlement are share-based and to cash-settled share-based transactions. In applying this standard, stock options and bonus shares granted to employees are measured at fair value. The amount of such fair value is recognized in profit or loss over the vesting period, with a corresponding increase in equity.

Note 4. Significants accounting policies (cont'd)

4.10 Share-based payment (cont'd)

Share appreciation rights, which will be settled in cash, are measured at fair value and recognized in profit and loss with a corresponding entry to the liability incurred. The liability is remeasured at each reporting date until settlement. The fair value of options and rights is determined using the Black-Scholes- valuation model taking into account the features of the plan and market data as at the grant date and on the basis of the Company's management assumptions.

The Company offers an incentive stock option plan. This plan is consider as equity.

Any consideration paid on the exercise of stock options is credited to common share capital and no compensation expense is recognized for this plan when stock and stock options are exercised.

The Company uses the fair value method of accounting for all stock options granted to its employees and to continued services providers to the Company, whereby a compensation expense is recognized over the vesting period of the options, with a corresponding increase to contributed surplus. When stock options are exercised, capital stock is credited by the sum of the consideration paid together with the related portion previously recorded to contributed surplus. The fair value of stock options at the grant date is determined according to the Black & Scholes options pricing model. Compensation expense is recognized over the vesting period of the stock options.

4.11 Income taxes

The Company accounts for its tax expense using the deferred tax assets and liabilities method. Deferred income tax assets and liabilities are determined based on the difference between the carrying amount and the tax basis of the assets and liabilities. Any change in the net amount of deferred income tax assets and liabilities is included in profit or loss. Deferred income tax assets and liabilities are determined based on enacted or substantively enacted tax rates and laws which are expected to apply to taxable profit for the periods in which the assets and liabilities will be recovered or settled. Deferred income tax assets are recognized when it is likely they will be realized. Deferred tax assets and liabilities are not discounted.

The tax expense includes current and deferred tax. This expense is recognized in profit or loss, except for income tax related to the components of other comprehensive income or equity, in which case the tax expense is recognized in other comprehensive income or equity respectively.

Current income tax assets and liabilities are obligations or claims for the current and prior periods to be recovered from (or paid to) taxation authorities that are still outstanding at the end of the reporting period. Current tax is computed on the basis of tax profit which differs from net profit. This calculation was made using tax rates and laws enacted or substantively enacted at the end of the reporting period.

The Company recognizes a deferred tax asset or liability for all deductible temporary differences arising from equity securities of subsidiaries, unless it is probable that the temporary difference will reverse in the foreseeable future and the Company is able to control the timing of the reversal.

4.12 Basic and diluted net earnings per share

Basic and diluted net earnings per share are calculated using the weighted average number of outstanding shares. The calculation of diluted earnings per share takes into account the potential impact of the exercise of all dilutive instruments (such as stock options and convertible bonds, etc.). When funds are obtained at the date of exercise of the dilutive instruments, the "treasury stock" method is used to determine the theoretical number of shares to be taken into account. If necessary, net profit is also adjusted for the finance cost, net of tax, relating to these instruments.

4.13 Cash and cash equivalents

Cash and cash equivalents include cash, bank balances and short-term, highly liquid investments with original maturities of three months or less, and that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

4.14 Work in process

Work in progress represent the fees that will be charged and collected from customers for contract work performed to date bear. Work in progress are measured at net realizable value based on the degree of progress.

Billings in excess of the inherent time value to the courses and to work which future services will be provided are presented under deferred revenue in the statement of financial position.

4.15 Property, plant and equipment

All items of property, plant and equipment are stated at historical cost, less any income tax credits, any accumulated depreciation and any accumulated impairment losses. Historical cost includes all costs directly attributable to the acquisition.

Depreciation of property and equipment is calculated based on useful lives, beginning at operating, deducting the residual value of property and equipment by using the following methods as described below:

Assets	Methods	Rate or period
Computer	Diminishing balance	30%
Furniture and office equipment	Diminishing balance	20%
Leasehold Improvements	Straight-line	Duration of rent

Useful lives, residual values and depreciation methods are reviewed annually. Such a review takes into consideration the nature of the assets, their intended use and technological changes.

Gains or losses on disposals of property and equipment, are determined as the difference between the disposal proceeds and the carrying amount of the assets and are presented distinctly in net income.

4.16 Lease

The Company leases some items of property, plant and equipment. A lease of property, plant and equipment is classified as a finance lease if it transfers to the Company substantially all the risks and rewards incidental to ownership. A lease of property, plant and equipment is classified as an operating lease if it does not transfer to the Company substantially all the risks and rewards incidental to ownership.

Lease payments under an operating lease, excluding costs for services such as insurance and maintenance, net of any incentive from the lessor, are recognized as an expense on a straight-line basis over the lease term.

4.17 Intangible Assets

Software

Software are amortized on the basis of their useful life using the straight-line method over a period of three years

Intangible assets generated internally by incurring research and development expenditures

Expenditures related to research activities are recognized as an expense in the period in which they are incurred. An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognized if, and only if, the entity can demonstrate all of the following:

a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;

(b) its intention to complete the intangible asset and use or sell it;

(c) its ability to use or sell the intangible asset;

(d) how the intangible asset will generate probable future economic benefits. Among other things, the Company can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;

(e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

(f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Development costs are capitalized as asset as the above criteria are met. Where no internally generated intangible asset can be recognized, development expenditures are expensed in the period in which they are incurred.

After initial recognition, internally generated intangible assets are carried at cost less accumulated amortization and any accumulated impairment losses. They are amortized on a straight-line basis over their useful life, and an impairment loss is recognized in profit or loss when their recoverable amount is less than their net carrying amount.

Domain names

Domain names purchased by the Company are recognized at cost.

4.18 Business combinations and goodwill

The Company applies the acquisition method of accounting for all business combinations. The consideration transferred in connection with a business combination consists of the sum of the fair values of the assets transferred by the acquirer, the liabilities incurred by the acquirer to the former owners of the acquired business and equity interests issued by the acquirer. The consideration transferred includes any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value at the acquisition date.

The acquisition-related costs are expensed in the periods in which the costs are incurred and the services received.

All potential counterparties are recognized at fair value at the acquisition date. Changes in the fair value of contingent consideration resulting from events after the acquisition date which are classified as an asset or liability are recognized in accordance with IAS 39 Financial Instruments : Recognition and Measurement, either in net income or in other comprehensive income. Contingent consideration classified as equity are not remeasured and subsequent settlement is recognized in equity.

Goodwill with indefinite useful, is initially measured as the excess of the consideration transferred over the net of the amounts, at the acquisition date, the identifiable assets acquired and liabilities assumed.

Goodwill is not amortized but is subject to a systematic annual impairment test during the fourth quarter or whenever there is an indication of impairment. Rising interest rates, lower turnover and operating income include loss ratios that management monitors.

4.19 Impairment of assets

Non-current assets that have indefinite useful lives, for example goodwill, are not subject to amortization and are tested annually for impairment. Non-current assets with definite useful lives are tested for impairment whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of the fair value less costs to sell and value in use.

If at the end of each period there is any indication that an impairment loss recognized in prior periods for an asset other than goodwill may no longer exist or has decreased, the loss is reversed up to the asset's recoverable amount. However, the carrying amount after the reversal must not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior periods.

For purposes of impairment testing, if an asset does not generate cash inflows that are largely independent of the cash inflows from other assets or groups of assets, it is grouped with other assets to create a cash-generating unit (CGU), which correspond to the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. CGUs relate to the Company's brand assets and are allocated on the basis of the three geographic segments that are subject to internal monitoring.

4.19 Impairment of assets (cont'd)

If the recoverable amount of a CGU exceeds its carrying amount, the unit and the goodwill allocated to it are regarded as not impaired. If the carrying amount of the unit exceeds its recoverable amount, the Company first allocates the impairment loss to reduce the carrying amount of any goodwill allocated to the CGU and secondly to the other assets of the unit pro rata on the basis of the carrying amount of each asset in the unit. Moreover, when goodwill and another asset (or asset group) of a CGU are tested for impairment at the same time, the other asset (or asset group) is tested for impairment before goodwill. When the other asset (or asset group) is impaired, the impairment loss is recognized prior to goodwill being tested for impairment.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs to sell and its value in use. Value in use is determined on the basis of profit or loss projections over the useful life of the asset or CGU using management's forecast tools (for the 3 first years) and an estimate over the subsequent years based on long-term market trends for the asset or CGU involved. The calculation takes into account net cash flows to be received on disposal of the asset or CGU at the end of its useful life based on the growth and profitability profile of each asset or CGU.

An impairment loss recognized in prior periods for an asset or a CGU other than goodwill is reversed when there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount, without exceeding the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior periods. An impairment loss recognized for goodwill cannot be reversed.

4.20 Nature of provisioned liabilities

In accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets, provisions for risks and expenses are recognized to cover probable outflows of resources that can be estimated and that result from present obligations resulting from past events.

In the case where a potential obligation resulting from past events exists, but where occurrence of the outflow of resources is not probable or the estimate is not reliable, these contingent liabilities are disclosed in unrecognized commitments and litigation. The provisions are measured based on management's best estimate of the outcome based on facts known at the reporting date. The provisions include provisions for litigation (legal, employee-related), for the environment and others.

A provision is recorded when it becomes probable that a present obligation arising from a past event will require an outflow of resources that can be reliably estimated. The amount of the provision is the best estimate of the outflow of resources required to settle this obligation.

4.21 Employee benefits

Wages, contributions to government pension plans, paid annual leave, paid sick leave, bonuses and non-monetary benefits are short-term employee benefits, which are recognized in the period during which the Company's employees render the related services.

4.21 Employee benefits (cont'd)

Pension plans and other retirement benefits are post-employment benefits provided by the Company and result in the recognition of a liability or an asset and associated costs.

4.22 Convertible Debentures

Convertible debentures are classified according to their components. The financial liability representing the obligation to make the interest payments is classified as a long-term liability, and the equity component representing the conversion option and warrants held by the holder is disclosed in shareholders' equity under "Portion of convertible debentures included in equity".

The value of the liability component of convertible debentures is obtained by discounting future interest and principal payments by using a rate equal to the rate of similar debentures having no conversion right. The book value of the equity component of the convertible debentures is obtained by deducting the liability component value from the consideration received for the convertible debentures.

The interest related to the convertible debenture component is presented in deficit.

4.23 Equity

The share capital is presented at the value at which the shares were issued. Costs related to the issuance of shares, share purchase warrants or options are shown in equity as a deduction from the issue proceeds .

Shares capital and warrants

The common shares and the warrants are classified to equity. The issue proceeds are allocated between shares and warrants issued using the relative fair value method. The issue proceeds are first allocated to shares according to the stock prices at the time of issuance and any residual amount is allocated to the warrants.

The fair value of the warrants is determined using the valuation model Black & Scholes based on the characteristics of market data at the grant date based on assumptions determined by management of the Company.

Contributed Surplus

Contributed surplus includes, among others, expenses related to stock options until exercise of the options and amounts related to cancellations of warrants and options to purchase shares recorded as a reduction of contributed surplus during the expiration period.

Contributed surplus includes the difference between the share price and the fair value at a share issue given the valuation of financial instruments related .

The fair value of stock options is determined using the valuation model Black & Scholes based on the characteristics of market data at the grant date and on the basis of hypothesis determined by the direction of the company.

Audited Notes to Financial Statements

For the years ended December 31, 2014 and 2013
(all amounts are in Canadian dollars, until indication)

Note 5. Main sources of estimation uncertainly and critical judgments by management

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the carrying amount of assets and liabilities, and disclosures of contingent assets and liabilities as at the date of the financial statements, and the carrying amount of revenues and expenses for the reporting period. The Company also makes estimates and assumptions concerning the future. The determination of estimates requires the exercise of judgement based on various assumptions and other factors such as historical experience and current and expected economic conditions.

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The actual results are likely to differ from the judgments, estimates and assumptions made by management, and will seldom equal the estimated results.

The significant accounting policies subject to such judgement and the key sources of estimation uncertainty that, in the Company's opinion, could significantly affect the reported results or financial position, are as follows:

5.1 Research and development tax credits

Management has made a number of estimates and assumptions in determining the expenditures eligible for the research and development investment tax credit claim. Tax credits are available based on eligible research and development expenses consisting of direct expenditures and including a reasonable allocation of overhead expenses. It is possible that the allowed amount of the research and development investment tax credit claim could be materially different from the recorded amount upon assessment by the Canada Revenue Agency and Revenu Québec. Tax credits are recognized when there is reasonable assurance that they will be realized.

5.2 Stock-based compensation and other stock-based payments

The Company has a stock option plan which is described in note 24 to the financial statements. As regards stock options granted, the Company uses the fair value based method of accounting. The fair value of stock options is determined using the Black-Scholes option pricing model, which requires the use of certain assumptions, including future stock price volatility and expected life of the instruments.

The expected life is estimated using historical data and current expectations. The expected volatility is estimated using the historical volatility of the Company's stock over the same period as the expected life.

The expected life and the future volatility are uncertain and the option pricing model has limitations.

Note 5. Main sources of estimation uncertainly and critical judgments by management (cont'd)

5.3 Lease

In some cases, management is required to use judgment to determine whether leases are operating leases or finance leases where there is a transfer of risks and rewards incidental to ownership. Based on these judgments, management classifies the lease as either a finance lease or an operating lease.

Consequently, the leased computer equipment has been recognized as an asset at fair value, amortized on a straight-line basis over the period of expected use, and a corresponding obligation under a finance lease has been recognized. The Company leases some fixed assets. Leases agreements regarding fixed assets are classified as operating leases when the company does not retain substantially all the risks and rewards incidental to ownership. Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

5.4 Income taxes

Deferred tax assets and liabilities are due to temporary differences between the carrying amount for accounting purposes and the tax basis of certain assets and liabilities, as well as undeducted tax losses. Estimation is required for the timing of the reversal of these temporary differences and the tax rate applied. The carrying amounts of assets and liabilities are based on amounts recorded in the financial statements and are subject to the accounting estimates inherent in those balances. The tax basis of assets and liabilities and the amount of undeducted tax losses are based on the applicable income tax legislation, regulations and interpretations. The timing of the reversal of the temporary differences and the timing of deduction of tax losses are based on estimations of the Company's future financial results.

However, actual amounts of income tax expense only become final upon filing and acceptance of the tax return by the relevant authorities, which occur subsequent to the issuance of the financial statements. Additionally, estimation of income taxes includes evaluating the recoverability of deferred tax assets based on an assessment of the ability to use the underlying future tax deductions before they expire against future taxable income, in which case deferred tax assets are recognized for all deductible temporary differences.

The assessment is based upon enacted or substantively enacted tax laws and estimates of future taxable income. Changes in the expected operating results, enacted tax rates, legislation or regulations, and the Company's interpretations of income tax legislation, will result in adjustments to the expectations of future timing difference reversals, and may require material deferred tax adjustments. To the extent that forecasts differ from actual results, adjustments are recognized in subsequent periods.

The assessment is based upon enacted or substantively enacted tax laws and estimates of future taxable income. Changes in the expected operating results, enacted tax rates, legislation or regulations, and the Company's interpretations of income tax legislation, will result in adjustments to the expectations of future timing difference reversals, and may require material deferred tax adjustments. To the extent that forecasts differ from actual results, adjustments are recognized in subsequent periods.

Note 5. Main sources of estimation uncertainly and critical judgments by management (cont'd)

5.5 Works in progress

The Company conducts an important part of its activities pursuant to long term contracts with customers and under which revenues and costs are recognized using the percentage-of-completion method. The nature of these long term contracts requires the use of estimates of a contract's total costs and revenues upon completion.

Estimated revenues upon completion are adjusted according to expected order changes. Management must exercise its judgment to determine if it is probable that additional or lower revenues related to order changes will be realized.

Estimated contract costs upon completion include projected labor costs and productivity. These costs are impacted by the nature and complexity of the contracts in question, and the effect of change requests and potential delivery delays. Estimates are based on economic trends of performance.

Recognized revenues and margins are subject to revisions as the contract progresses to completion. Management conducts quarterly reviews of estimated costs and revenues to completion on a contract-by-contract basis. In addition, a detailed annual review is performed for each contract. The effect of any revision may be significant and is recorded by way of a cumulative catch-up adjustment in the period in which the estimates are revised.

5.6 Useful lives of non-current assets

Management estimates the useful life of each component of an asset. Management relies on an analysis of all relevant factors including, without limitation, the expected use of its fixed assets, and contractual terms allowing the renewal or extension of the legal or contractual useful life of an asset without substantial cost, as well as the history of renewals when it comes to intangible assets.

If the estimated useful life is revised, an increase or decrease of the annual depreciation charge will result.

5.7 Impairment losses

An impairment loss is recorded for the amount by which an asset's or cash-generating unit's (CGU) carrying amount exceeds its recoverable amount. The recoverable amount is the greater of its fair value less costs to sell and value in use. Management determines value in use by estimating the expected future cash flows from each asset or CGU and determines a suitable interest rate in order to calculate the present value of those cash flows. In most cases, determining the applicable discount rate involves estimating the appropriate adjustment to market risk and the appropriate adjustment to asset-specific risk factors. On measurement of expected future cash flows, management uses assumptions pertaining to future operating results, such as obtaining new contracts and their profitability. Those assumptions relate to future events and circumstances.

5.8 Business combinations and goodwill

For business combinations, the Company must make assumptions and estimates to determine the purchase price allocation of the business being acquired. To do so, the Company must determine the acquisition-date fair value of the identifiable assets acquired and liabilities assumed. Goodwill is the difference between the identified items acquired and the fair value of the consideration transferred on the acquisition date. These assumptions and estimates have an impact on the asset and liability amounts recorded in the consolidated statement of financial position on the acquisition date. In addition, the estimated useful lives of the acquired property, plant and equipment, the identification of other intangible assets and the determination of indefinite or finite useful lives of other intangible assets acquired will have an impact on the Company's profit or loss.

5.9 Fair value

All financial instruments are required to be recognized at fair value on initial recognition. Subsequent measurement of these instruments is at amortized cost or at fair value depending on their classification.

Fair value is the amount of consideration that would be agreed upon in an arm's length transaction, between knowledgeable, willing parties who are under no compulsion to act. This is a point-in-time measurement that may be changed in subsequent reporting periods due to market conditions or other factors.

Fair value of a financial instrument is determined by reference to quoted prices in the most advantageous active market to which the Company has immediate access. In the absence of an active market, fair value is determined on the basis of internal or external valuation models, including discounted cash flow models. Fair value determined using these valuation models, requires the use of assumptions concerning the amount and timing of estimated future cash flows, as well as number of variables. In determining these assumptions, external readily observable market inputs are considered, as applicable. When such data is unavailable, the Company uses the best possible estimate. Since they are based on estimates, these fair values may not be realized in an actual sale or immediate settlement of the instruments.

Note 28 provides details on these bases of calculation and on the estimates used.

5.10 Provisions and contingent liabilities

Judgements are made as to whether a past event has led to a liability that should be recognized in the consolidated financial statements or disclosed as a contingent liability. Quantifying any such liability often involves judgments and estimations. These judgments are based on a number of factors including the nature of the claims or dispute, the legal process and potential amount payable, legal advice received, previous experience and the probability of a loss being realized. Several of these factors are sources of estimation and uncertainty.

(all amounts are in Canadian dollars, until indication)

Note 5. Main sources of estimation uncertainly and critical judgments by management (cont'd)

5.11 Debentures

The Company reports separately in the statement of financial position liability component and the equity component of convertible debentures. The fair value of the compound instrument at issuance is split between the liability component and the equity component and is determined using an interest rate for a similar debt instrument devoid of equity component. The company must first establish the fair value of the conversion option and warrants that are presented in equity which is then deducted from the fair value of the compound instrument of the liability component. Thus, the estimates used to determine the fair value of the liability component included in the convertible debentures could affect the performance of the interest expense recognized in the financial statements if it were inadequate.

Note 6. Acquisition of business

On September 1st, 2014, the Company completed the acquisition of the business activities of a company operating under the name Cabestan, through the issuance of 719,000 common shares at a price of $ 0.115 per share and a cash payment of $26,645.

The acquisition of this business is consistent with the growth strategy through acquisition and implementation by the Company to increase its market share in the sector sending email campaign deployment for large businesses.

Purchase price :		$109,330
Consideration transfered :		
Value of shares issued	$82,685	
Cash	26,645	
Total	$109,330	

Since, no assets have been transferred and no liability have been assumed by the Company, the value of the agreed transaction was accounted for as goodwill.

An amount of $150,000 was paid to the seller as initial deposit during the negotiation process. This amount will be refund by the seller subsequent to December 31,2014 following the completion of the transaction as of September 1st, 2014.

The products of the company's activities acquired on September 1st, 2014 are $254,896.

The products of the acquired company's business, as if purchase took place on January 1st, 2014, are estimated to $600,000.

Management of the Company is not able to determine the specific net income attributable to the commercial activities acquired in light of the organizational restructuring resulting.

Audited notes to Financial Statements

For the years ended December 31, 2014 and 2013

(all amounts are in Canadian dollars, until indication)

Note 7. Operating expenses

Operating expenses include :	2014	2013
	$	$
Employees benefit	971,409	850,550
Production expenses	157,467	107,974
Research and development tax credit	(276,263)	(248,926)
Rent	86,852	85,928
Office expense	240,355	249,286
Professional fees	203,219	199,984
Bad debts (recovered)	5,000	(14,099)
Amortization of property, plant and equipment and equipment under finance leases	29,047	25,299
	1,417,086	1,255,996

Expenses as employees benefit include :		
Employees benefit	971,409	850,550
Share-based payments	—	10,800
	971,409	861,350

Note 8. Financial income and expenses

Financial expenses are detailled as follows :	2014	2013
	$	$
Interest income from cash and cash equivalents	25	525
Financial Income	25	525
Interest on payables	65,794	65,765
Interest and financial expenses on short-term debts	4,515	12,995
	70,309	78,760
Implicit interest on convertible debentures	—	7,891
Interest on convertible debentures	6,590	15,900
Interest and financial expenses on long-term debts	12,084	13,838
	18,674	37,629
Issuance cost of long-term debts	12,666	21,713
Financial expenses	101,649	138,102

Audited notes to Financial Statements

For the years ended December 31, 2014 and 2013
(all amounts are in Canadian dollars, until indication)

Note 9. Earnings (Loss) per share

Dilutive potential instruments (convertible debentures, warrants, stock option) have not been included in the calculation of dilutive earnings per share when the price was greater than the value of the common share price, or because of their anti dilutive effect.

Note 10. Income taxes

The effective tax rate of the company is established as follows :	2014	2013
Combined Statutory Rates	26.90 %	26,90 %
Rechearch and Development tax credit	(6,00 %)	(6,00 %)
Recognize tax benefits	6,00 %	6,00 %
Unrecognized tax benefits	–	26,90 %
Effective tax rate on profits	26.90 %	0,00 %

Total income tax is distributed as follows :	2014	2013
	$	$
Exigibles	82,128	–
Carry forward losses	(82,128)	–
	–	–

a) The income tax expense (benefit) attributable to income differs from the amounts calculated by applying the combined tax rate at the federal and provincial 26.90 % (26.90 % in 2013) to the profit before tax due to following elements :

	2014	2013
	$	$
Net result before taxes	193,463	(383,594)
Income taxes (Expected Recovery)	52,042	(103,187)
Increase (decrease) in income taxes resulting from :		
Excess of accounting armotissement on tax depreciation	6,194	–
Loss on balance on sale receivable write off	–	8,254
Research and development expenses	37,903	–
Share-Based payments	–	6,593
Gain on accounts payable write off	(7,129)	–
Directors life insurances	1,321	2,421
Issuance cost of shares	(11,269)	–
Implicites interest on convertible debentures	–	2,123
Repayment of obligation under finance leases	(9,662)	–
Non-deductible expenses	12,728	10,887
Recovered income taxes	(82,128)	(72,909)
Allocation to deferred losses	82,128	72,909
Current income taxes	–	–

b) The income tax expense on the income recognized in December 31, 2014 is offset by the application of carry forward fiscal losses in reduction of income tax payable.

Audited notes to Financial Statements

For the years ended December 31, 2014 and 2013

(all amounts are in Canadian dollars, until indication)

Note 10. Income taxes (cont'd)

Given the federal and provincial tax rates the important elements of assets and tax liabilities deferred in the statement of financial position are as follows :

	2014	2013
Deferred tax assets	$	$
Research and development expenses	815,901	805,462
Tangible and intangible assets	154,239	172,781
Unused tax credit	18,571	—
Unused fiscal losses	176,406	263,581
	1,165,117	1,241,824

	2014	2013
Deferred tax liabilities	$	$
Unused tax credit	—	79,200
Issuance cost of long-term debt	—	3,407
	—	82,607
Net deferred tax assets	1,165,117	1,159,217
Unrecognized tax benefits	(1,165,117)	(1,159,217)
Net deferred tax assets presented in the financial statement	—	—

The tax losses represent tax savings of $69,698 at December 31, 2014 and $156,872 at December 31, 2013. At December 31, 2014 , unused tax losses have the following maturities.

Year incurred	Federal $	Provincial $	Expiry Year
2008	275,469	—	2028
2012	28,236	—	2032
2013	160,945	—	2033
	464,650	—	

The undepreciated capital cost at December 31, 2014 is $683,476 ($686,544 in 2013) in federal and provincial. The tax loss carried forward capital is $396,687 at 31 December 2014 and 2013.

Tax credit

Non-refundable tax credits in the amount of $647,788 ($527,997 in 2013) arising from the eligible expenses that the Company expects to be able to use in the coming years. An amount of $79,445 non-refundable tax credit in 2010 was not recognized.

During the year ended December 31, 2014, the Company recognized tax credits for research and development amounting to $276,263 ($248,926 in 2013). These credits were recorded as a reduction of salary expense related and have not yet been the subject of assessment by tax authorities.

Audited Notes to Financial Statements

For the years ended December 31, 2014 and 2013

(all amounts are in Canadian dollars, until indication)

Note 11. Cash and cash equivalents

	2014 $	2013 $
Cash		
$ CAN	241,816	15,146
$ U.S.	3,831	6,446
Cash and cash equivalents	245,647	21,592
Bank overdraft	(55)	(68)
Net cash and cash equivalent as of cash flows tables	245,592	21,524

Note 12. Trade and other receivables

	2014 $	2013 $
Trade accounts receivables	301,114	115,843
Allowance for doubtful accounts	(10,000)	(5,000)
	291,114	110,843
Capital-stock subscription receivable	27,500	—
Deposit on a Business acquisition	150,000	—
Other receivable	6,427	—
Advance to employees without interest	—	5,200
Trade and other receivables	475,041	116,043

All amounts have short-term maturities. Their carrying values represent a reasonable approximation of fair value.

The net book value of outstanding debts of the Company is $291,114 ($110,843 in 2013) at the end of the year. The maturities of those loans are detailed in the following table:

Classification of past due receivable but

	2014	2013
	$	$
Non depreciated and issued per :		
0 to 30 days	172,833	57,400
31 to 60 days	91,434	36,297
61 to 90 days	23,538	4,990
Over 90 days	3,309	12,156
Total	291,114	110,843

(all amounts are in Canadian dollars, until indication)

Note 12. Trade and other receivables (cont'd)

Before accepting a new customer, the Company evaluates the credit quality of the potential customer and sets credit limits for that customer. Credit limits and credit quality evaluation are reviewed each year. To determine the collectability of a trade receivable, the Company considers any change in credit quality from the date the credit was initially granted to the reporting date.

The Company has not set up any provision for the accounts presented in the preceding table since the credit quality of those receivables has not changed significantly and they are still considered collectible. Receivables are normally recovered in 45 days (39 days in 2013).

The Company does not hold any security in respect of those receivables.

The following table discoses a reconciliation of changes in the allowance for doubtful accounts :

	2014	2013
	$	$
Balance, beginning of period	5,000	59,361
Impairment loss	–	(40,262)
Allowance	5,000	–
Gain on loss value	–	(14,099)
Balance, end of period	10,000	5,000

Receivables are written off when the Company estimates it will not collect the amount accounted for.

Note 13. Investment

The Company has an investment of $4,990 ($35,899 in 2013) as the redemption value of life insurance of a member of management.The change consists in deposits totaling $9,000 ($9,000 in 2013), an interest income of $427 ($566 in 2013), fees and taxes on life insurance premiums of $5,336 ($5,559 in 2013) and a withdrawal of $35,000 (nil in 2013).

Audited Notes to Financial Statements

For the years ended December 31, 2014 and 2013
(all amounts are in Canadian dollars, until indication)

Note 14. Property plant and equipment

14.1 Net value	2014	2013
	$	$
Cost	123,666	87,409
Accumulated depreciation and loss value	77,668	73,755
Net value	45,998	13,654

14.2 Reconciliation table

	Computers hardware	Furniture	Leasehold improvements	Total
Cost	$	$	$	$
Balance as at January 1st, 2013	55,935	11,562	18,433	85,930
Additions	1,479	—	—	1,479
Disposals	—	—	—	—
Balance as at December 31, 2013	57,414	11,562	18,433	87,409
Additions	2,366	—	33,891	36,257
Disposals	—	—	—	—
Balance as at December 31, 2014	59,780	11,562	52,324	123,666
Accumulated depreciation and loss value				
Balance as at January 1st, 2013	43,225	7,048	18,433	68,706
Amortization	4,146	903	—	5,049
Disposals	—	—	—	—
Balance as at December 31, 2013	47,371	7,951	18,433	73,755
Amortization	3,190	723	—	3,913
Disposals	—	—	—	—
Balance as at December 31, 2014	50,561	8,674	18,433	77,668

An amortization expense of $3,913 as been registered as direct costs in the income statement ($5,049 in 2013).

Audited Notes to Financial Statements

For the years ended December 31, 2014 and 2013
(all amounts are in Canadian dollars, until indication)

Note 15. Finance leases equipments

15.1 Net value

	2014	2013
	$	$
Cost	121,495	96,518
Accumulated depreciation and loss value	50,360	25,226
Net value	71,135	71,292

15.2 Reconciliation table

	Computer Hardware	Total
	$	$
Cost		
Balance as at January 1st, 2013	39,315	39,315
Additions	57,203	57,203
Disposals	—	—
Balance as at December 31, 2013	96,518	96,518
Additions	24,977	24,977
Disposals	—	—
Balance as at December 31, 2014	121,495	121,495
Accumulated depreciation and loss value		
Balance as at January 1st, 2013	4,976	4,976
Amortization	20,250	20,250
Disposals	—	—
Balance as at December 31, 2013	25,226	25,226
Amortization	25,134	25,134
Disposals	—	—
Balance as at December 31, 2014	50,360	50,360

An amortization expense of $25,134 as been registered in direct costs in the income statement ($20,250 in 2013).

Audited Notes to Financial Statements

For the years ended December 31, 2014 and 2013
(all amounts are in Canadian dollars, until indication)

Note 16. Other Intangible assets

16.1 Net value

	2014	2013
	$	$
Cost	678,928	675,000
Accumulated depreciation and loss value	675,000	675,000
Net value	3,928	—

16.2 Reconciliation table	Softwares	Domain names	Total
	$	$	$
Cost			
Balance as at January 1st, 2013	675,000	—	675,000
Additions	—	—	—
Disposals	—	—	—
Balance as at December 31, 2013	675,000	—	675,000
Additions	—	3,928	3,928
Disposals	—	—	—
Balance as at December 31, 2014	675,000	3,928	678,928
Accumulated depreciation and loss value			
Balance as at January 1st, 2013	675,000	—	675,000
Amortization	—	—	—
Disposals	—	—	—
Balance as at December 31, 2013	675,000	—	675,000
Amortization	—	—	—
Disposals	—	—	—
Balance as at December 31, 2014	675,000	—	675,000

No amortization expenses have been included in the income statement for 2014 and 2013.

(all amounts are in Canadian dollars, until indication)

Note 17. Goodwill

17.1 Net value

	2014	2013
	$	$
Cost	158,866	49,536
Accumalated depreciation and loss value	—	—
Net value	158,866	49,536

17.2 Reconciliation table

	Goodwill	Total
	$	$
Cost		
Balance as at January 1st, 2013	49,536	49,536
Additions	—	—
Disposals	—	—
Balance as at December 31, 2013	49,536	49,536
Additions (note 6)	109,330	109,330
Disposals	—	—
Balance as at December 31, 2014	158,866	158,866
Accumalated depreciation and loss value		
Balance as at January 1st, 2013	—	—
Loss of value registered in the net result	—	—
Disposals	—	—
Balance as at December 31, 2013	—	—
Loss of value registered in the net result	—	—
Disposals	—	—
Balance as at December 31, 2014	—	—

17.3 Goodwill impairment testing

The Company has conducted an annual goodwill impairment test in the fourth quarter of 2014 and fourth quarter of 2013 in accordance with the methods described in Note 4. The recoverable value of the cash-generating units exceeds their carrying amount. Consequently, no impairment loss was recorded for the goodwill for the years ended December 31, 2014, and December 31, 2013.

(all amounts are in Canadian dollars, until indication)

Note 17. Goodwill (cont'd)

17.3 Goodwill impairment testing (cont'd)

The Company has not changed the valuation method used for the goodwill impairment testing from the test performed at the first adoption of international Financial Reporting Standards (IFRS).

Note 18. Bank Indebtedness

The Company as no credit loan or bank loan as at December 31, 2014 and 2013.

Note 19. Trade and other payables

	2014	2013
	$	$
Trade and accrued payable	236,471	448,571
Sales tax	84,851	55,906
Interest payable on convertible debentures	4,664	17,309
Interest payable on long-term debts	14,107	11,007
Trade and other payables	340,093	532,793

Following an off court settlement and negotiations with suppliers, a total debt of $26,500 have been write off.

Note 20. Short-term debts

As at December 31, 2013, the Company had a loan from Investissement Québec of $64,943 bearing interest at the prime rate plus 5.5%, calculated monthly, secured by a morgage on the universality of property including refundable tax credits for research and development and by personal guarantee of a director. The loan has been reimbursed with the tax credit reimbursement in July 2014.

In December 2014, a convertible debenture with a face value of $90,000 issued in December 2012, has expired and outstanding as at December 31, 2014. This debenture was renegotiated in January 2015.

Audited Notes to Financial Statements

For the years ended December 31, 2014 and 2013
(all amounts are in Canadian dollars, until indication)

Note 21. Long-term debts

	2014 $	2013 $
Bank loans bearing interest at prime rate plus 3%, repayable in monthly installments capital of $11,910, interests payable monthly, secured by Investissement Québec, by a mortgage on the universality of the assets and by the personal guarantee of a shareholder, maturing in September 2014. (1)	–	84,261
Loan from Canada Economic Development, at average of the key interest rate of the Bank of Canada plus 3%, payable on December 31, 2010 (2)	34,769	34,769
Loan from Canada Economic Development, at average of the key interest rate of the Bank of Canada plus 3%, payable on December 31, 2010 (2)	22,681	30,681
Amount due to a private company owned by a director of the Company, without interest or fixed repayment conditions.	–	14,152
Issuance cost of the long-term debts	–	(12,666)
	57,450	151,197
Current portion	57,450	151,197
Long-term debts	–	–

(1) The loan has been completely reimbursed in September 2014.

(2) As at December 31, 2014, and December 31, 2013, the Company is in default with respect to the payment schedule of the debt to Canada Economic Development. Therefore, the balance of this loan is presented in the current liabilities since the Company is considered in default by the creditor. Negotiations are currently in process with Canada Economic Development to modify the terms of repayment.

(all amounts are in Canadian dollars, until indication)

Note 22. Obligations under finance leases

	2014 $	2013 $
Finance lease, 6.25%, maturing in October 2015, guaranteed by computer equipment	8,975	20,300
Finance lease, 7.78%, maturing in March 2017, guaranteed by computer equipment	19,770	27,525
Finance lease, 5.87%, maturing in July 2016, guaranteed by computer equipment	7,824	12,410
Finance lease, 5.85%, maturing in September 2016, guaranteed by computer equipment	6,035	9,218
Finance lease, 6.71%, maturing in September 2017, guaranteed by computer equipment	21,149	—
	63,753	69,453
Current portion	33,616	26,852
	30,137	42,601

Minimum payments under finance leases

Less than a year	36,833	30,672
Over one year and less than five years	31,549	45,351
	68,382	76,023
Interest included in minimum payments	4,629	6,570
Present value of minimum lease payments under finance leases	63,753	69,453

Note 23. Convertible debentures

During the year ended December 31, 2012, the Company issued a convertible debenture with a par value of $90,000 maturing in December 2014 and bearing interest at 6%. Interest is payable monthly. The convertible debenture is unsecured and is convertible into shares at a rate of $0.10 per common share. In addition the debenture is accompanied by 900,000 warrants at the rate of $0.12 expiring in December 2014. The debenture expired in December 2014 and is unpaid as at December 31, 2014.

Under the terms negotiated in January 2015, the Company issued a debenture with a nominal value of $90,000, maturing in December 2015, with an interest rate of 6% and is convertible into common shares at $0.10 per share at the issuer's option under certain conditions. In addition, the debenture is accompanied by 900,000 warrants at $0,.12 per share, expiring in December 2015.

On February 26, 2014, the Company reduced its debts by issuing 7,304,980 common shares at $0.05 per share totalling $365,249, including $175,000 in debentures expired in 2013.

Audited Notes to Financial Statements

For the years ended December 31, 2014 and 2013

(all amounts are in Canadian dollars, until indication)

Note 24. Equity

Share Capital

Authorized:

The Company's authorized capital stock consists of an unlimited number of voting and participationg common, without par value.

Issued:	2014	2013
Amount	$	$
Opening balance	4,241,725	4,145,392
Debts conversion (a)	178,530	–
Private placement (b)(f)(g)	603,811	96,333
Warrants exercised (c)	16,425	–
Stock options exercised (c)	2,500	–
Shares issued in return of an acquisittion (d)	82,685	–
Ending balance	5,125,676	4,241,725

Number of shares	2014	2013
	(in units)	(in units)
Opening balance	35,594,799	32,074,799
Debts conversion (a)	7,304,980	–
Private placement (b)	10,000,000	3,520,000
Warrants exercised (c)	150,000	–
Stock options exercised (c)	25,000	–
Goodwill (d)	719,000	–
Ending balance	53,793,779	35,594,799

a) On 26 February 2014, as part of a debt convertion, including $175,000 debenture into common shares, the Company issued, in the amount of $365,249, a total of 7,304,980 common shares at $0.05 per share, as well as 65,960 warrants at an exercise price of $0.10 for a period of one year following the closing of the private placement and $0.15 thereafter until February 26, 2016. The warrants are recorded in income statement at fair value of $455. Share issue expenses totaling $4,094 were recognized as part of this transaction reduced private financing and a reduction in value of $182,625 representing the difference between the value attributed to the share and its market price of $0.025, charged to contributed surplus.

This transaction included the conversion of 4,845,584 common shares in exchange for $242,292 of debt to two related persons.

(all amounts are in Canadian dollars, until indication)

b) August 8, 2014, as part of a private placement, the Company issued 10,000,000 common shares at $0.10 per share for a total amount of $1,000,000 and the issuance of 10,000,000 warrants at an exercise price of $0.20 for a period of two years following the closing. The investment amount is net of the fair value of the warrants in the amount of $508,000. In addition, the investment amount is presented increased by $300,000 representing the difference between the value attributed to the share and its market price of $0.13 at issuance. This difference is charged to contributed surplus. Share issue expenses totaling $188,189 have been recorded as a reduction in the value of the private placement. An amount of $25,000 on this investment is not received by December 31, 2014.

c) August 1st, 2014, the Company issued 150,000 common shares at $0.10 per share to a holder of warrants exercising its right to purchase shares in the amount of $15,000. The subscription amount was increased at fair value that was attributed to these warrants of $1,425.

d) September 1st, 2014, the Company acquired the business of e-mail marketing company. In return, INTEMA made a cash payment of $26,645 and proceeded to the issuance of 719,000 common shares at a price per share of $0.115.

e) December 22, 2014, the Company issued 25,000 common shares at a price of $0.10 per share to a share purchase option holder who has exercised its right to purchase shares in the amount of $ 2,500 not received on December 31,2014. The subscription amount has not been increased as the value for these options is zero.

f) March 7, 2013, as part of a private placement, the Company issued 2,000,000 common shares at a price of $0.05 per share, and issuied of 1,000,000 warrants for the exercice price of year of $0.10 for a period of one year following the closing of the private placement and $0.15 thereafter until March 7, 2015. The investment amount is net of the fair value of warrants in the amount of $8,000 and issue expenses totaling $3,406 . An amount of $35,000 related to the private placement was received in 2012.

g) December 18, 2013, as part of a private placement, the Company issued 1,520,000 common shares at a price of $0.05 per share , and issued 760,000 warrants at an exercise price of $0.10 for a period of one year following the closing of the private placement and $0.15 thereafter until December 18, 2015. the investment amount is net of the fair value of the warrants at amount of $7,220, the portion account to contributed surplus in the amount of $22,800 and issueance cost totaling $3,241.

Warrants issued to shareholders

Changes in the outstanding warrants issued to shareholders are detailed as follows :

	Number	Weighted average exercice price
Outstanding as at Jannuary 1st, 2013	4,170,000	0,125 $
Issued	1,760,000	0,125 $
Outstanding as at December 31, 2013	5,930,000	0,142 $
Issued (a) (b)	10,065,960	0,20 $
Converted (c)	(150,000)	0,15 $
Expired	(4,170,000)	0,144 $
Outstanding as at December 31, 2014	11,675,960	0,193 $

(all amounts are in Canadian dollars, until indication)

Warrants issued to shareholders (cont'd)

On December 24, 2014, 900 000 warrants expired without been exerciced. The fair value in the amount of $7,200 attributed to these warrants was reclassified to contributed surplus.

On November 13, 2014, 3 270 000 warrants expired without been exerciced. The fair value in the amount of $49,050 attributed to these warrants was reclassified to contributed surplus.

On December 18, 2013, the Company issued 760,000 warrants with the issuance of convertible debentures. They were recognized as a reduction of share capital at fair value of $7,220.

On March 7, 2013, the Company issued 1,000,000 warrants within a non-brokered private placement. They were recognized as a reduction of share capital at fair value of $8,000.

The fair value of the warrants granted was estimated using the Black-Scholes pricing model using the following assumptions:

	2014	2013
Expected life of the warrants	2 years	2 years
Expected volatility	89,5 % to 119,0 %	71,5 % to 116,5 %
Risk-free interest rate	1,02 % to 1,09 %	1,01 % to 1,10 %
Expected dividends	0,0 %	0,0 %

The expected volatility was determined by calculating the historical volatility of the Company's common share price back from the date of the grant and for a period corresponding to the expected life of the warrants. When computing historical volatility, management may disregard an identifiable period of time in which it considers that the share price was extraordinary volatile because of a specific event that is not expected to recur during the expected life of warrants. In addition, if the share price of the Company was extremely volatile for a period of identifiable time, for example as a result of a general market decline, management may put less emphasis on volatility during this period.

Summary table of outstanding and exercisable warrants as at December 31, 2014:

Expiring date	Number of warrants	Average remaining (year)	Weighted average exercice price
March 2015	1,000,000	0.17	0.15 $
December 2015	610,000	0.97	0.15 $
February 2016	65,960	1.17	133 $
August 2016	10,000,000	1.42	0.20 $
	11,675,960	1.28	193 $

(all amounts are in Canadian dollars, until indication)

Warrants issued to shareholders (cont'd)

Summary table of outstanding and exercisable warrants as at December 31, 2013:

Expiring date	Number of warrants	Average remaining year)	Weighted average exercice price
November 2014	900,000	0.88	0.12 $
December 2014	3,270,000	1.00	0.15 $
March 2015	1,000,000	1.17	146 $
December 2015	760,000	1.96	127 $
	5,930,000	1.25	142 $

Remuneration and Stock-based Payment

The shareholders of the Company have adopted stock option plan under which members of the Board of Directors may award stock options for common shares to directors, officers, employees and consultants. The conditions and the exercise price of each option are determined by the Board of Directors.

The maximum number of shares issuable under the plans is 5,435,412.

The total number of common shares reserved for stock option plan to directors, officers and employees shall not represent, over a 12 months period, more than 5% of the Company's common shares issued and outstanding, that number being calculated on the granted date.

The total number of common shares reserved for stock option plan to consultants and Investor' relationships services' providers shall not represent, over a 12 months period, more than 2% of the Company's common shares issued and outstanding, that number being calculated on the granted date.

The purchase price of the common shares upon the exercise of each option granted under the stock option plan will be the price determined by the Board of Directors or the Compensation Committee at the time of each option granted, but that price may not be less than the « Expected price » which means the market price at the time of each option granted less a discount according to the accepted rules by TSX Venture Exchange, subject to a minimum price of $0.10. The market price at the time of each option granted means the TSX Venture Exchange market closing price on the day before they are granted. If there is no trading on the day before, the closing price is replaced by the average of the bid-and-offered.

(all amounts are in Canadian dollars, until indication)

Note 24. Equity (cont'd)

Remuneration and Stock-based payment (Cont'd)

The stock options are exercisable at any time and expire 90 days after the departure date of the holder for directors and officers, and 30 days for consultants.

Changes in the stock options are detailled as follows :

	Number of options	Weighted everage exercice price
		$
Outstanding as at January 1st, 2013 31,	1,325,000	0.10
Expired	(125,000)	0.14
Granted	1,650,000	0.10
Outstanding as at December 31, 2013	2,850,000	0.10
Expired	(1,050,000)	0.10
Exerciced (e)	(25,000)	0.10
Outstanding as at December 31, 2014	1,775,000	0.10

During the year ended December 31, 2014, 450,000 stock-options granted to employees and 600,000 granted to non-employees at the exercice price of $0.10 have expired.

During the year ended December 31, 2013, the Company granted 500,000 stock options to employees and 450,000 to non-employees at the exercise price of $0.10 maturing on November 23, 2018.

During the year ended December 31, 2013, the Company granted 700,000 stock options to consultants at the exercise price of $0.10 maturing on November 23, 2015.

Compensation expenses and other payments based on shares relatively to options granted for the year ended December 31, 2013 amount to $24,510 and were recorded in net income under expenses related to stock options. From this amount, $10,800 was for the shares issued to employees stock options.

The fair value of those stock options has been determined using the Black-Scholes option pricing model and are base based on the following assumptions:

Expected life	2 to 5 years
Expected volatility	102,5 % to 159,2 %
Risk-free interest rate	1,07 % to 1,51 %
Expected Dividends	0,0 %

(all amounts are in Canadian dollars, until indication)

Renumeration and Stock-based Payment (cont'd)

Expected volatility is determined by calculating the historical volatility of the common share of the Company from the date of the grant and for a period corresponding to the expected life of the stock options. By calculating the historical volatility, management may disregard a period of time for which it considers that the share price was extraordinarily volatile became a specific event that is not expected to recur in the expected life of the stock option. In addition, if the share price of the Company was extremely volatile for a period of identifiable time, for example as a result of a general market decline, management may put less emphasis on volatility during this period.

Summary table of outstanding and exercisable options as at December 31, 2014

Expiring	Number of options	Weighted average remaining	Weighted average exercise price
October 2017	825,000	2.75	0.10
November 2015	100,000	0.89	0.10
November 2018	850,000	3.89	0.10
	1,775,000	3.19	0.10

Summary table of outstanding and exercisable options as at December 31, 2013

Expiring	Number of options	Weighted average remaining	Weighted average exercise price
December 2014	275,000	1.00	0.10
October 2017	925,000	3.75	0.10
November 2015	700,000	1.89	0.10
November 2018	950,000	4.89	0.10
	2,850,000	2.13	0.10

Audited Notes to Financial Statements

For the years ended December 31, 2014 and 2013
(all amounts are in Canadian dollars, until indication)

Note 25. Information on Cash Flows

Change in working capital items are detailled as follows:

	2014 $	2013 $
Trade and other receivables	(181,498)	61,761
Capital Stock subscription receivable	(27,500)	–
Work in process	(23,013)	(73,245)
Prepaid expenses	(46,122)	(19,815)
Research and Development Tax Credit recoverable	(128,093)	26,908
Deposit	7,098	395
Trade and other payables	(63,443)	208,362
Employees benefits	8,022	108,046
Defered income	18,526	(23,820)
	(436,023)	288,592

Items not affecting cash :		
Shares issued in conterpart of Business acquisition	82,685	–
Shares issued in conterpart of debts conversion	365,249	–
Gain on accounts payable write off	26,500	–
Acquisitions and obligations under finance leases assetsde biens loués	24,977	57,203
Suppliers compensation to balance balance receivable	–	9,313
Share issue portion carried to contributed surplus	–	22,800

Note 26. Commitments

The Company is committed to pay under long-term leases agreements, an amount of $634,237 before December 31, 2018. The payments are as follows over the next four years: 2015 - $178,297; 2016 - $166,012; 2017 - $148,464 and 2018 - $141,464.

Note 27. Related Perty Transactions

During the years ended December 31, 2014, and December 31, 2013, the Company made the following transactions with some officers and directors and companies controlled by officers or directors of Intema Solutions Inc.

	2014	2013
Amounts included in financial expenses	$	$
Interest expenses to a Director	1,171	7,500
Amounts included in statements of financial position		
Directors / managers		
Employees advance	_	5,200
Trade and other payables	_	120,183
Convertible debentures		125,000
Company owned by director / manager		
Long-term debts	_	14,152

(all amounts are in Canadian dollars, until indication)

Note 27. Related Party Transactions (cont'd)

Management consider that transactions were carried out in the normal course of business. They are measured at the exchange amount, which is the same amount of consideration established with non-related parties.

Company's key management personnel are members of the Board of directors, President and Chief Executive Officer, the Chief Operating Officer and the Chief Financial Officer. Key management personnel remuneration includes the following expenses:

	2014	2013
	$	$
Salaries and Benefits	199,084	177,607
Share-based payment	—	10,800
Director's fees	—	9,006
Professional fees	75,435	63,990
	274,519	261,403

Salaries and benefits include the remuneration of the President and Chief Executive Officer and the Chief Operating Officer and various indirect benefits as of car allowances.

The remuneration payable to directors totalled $113,400 at December 31, 2014 ($181,616 at December 31, 2013)

Note 28. Financial risks and Financial instruments

28.1 Fair value

Financial instruments carried at fair value in the statement of financial position are classified using a hierarchy that reflects the significance of the inputs used in making the measurements. Hierarchy for fair value consists of the following levels:

- Level 1 – fair value based on the quoted price within the bid-ask spread that is most representative of fair value in the circumstance ;

- Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices) ;

- Level 3 – valuations tehcniques based on a significant part of data for the asset or liability that are not based on observable market data (unobservable inputs).

The hierarchy that applies as part of the determination of fair value requires the use of observable market inputs whenever such inputs exist. A financial instrument is classified to the lowest level of the hierarchy for which a significant input has been considered in measuring fair value.

The carrying value of current Financials assets and liabilities approximate their fair value due to their expected realization in short term.

(all amounts are in Canadian dollars, until indication)

Note 28. Financial risks and Financial instruments (cont'd)

28.1 Fair value (cont'd)

The fair value of the investment is classified according to level 2 of the hierarchy for fair value. The fair value of the sale price balance receivable, long-term debt and the liability component of the convertible debentures is classified according to level 3 of the hierarchy for fair value.

The fair value of long-term debt and the liability component of the convertible debentures is determined based on future cash flows. The fair value of the sale price balance receivable is determined by discounting the future cash flows of the current funding agreement, according to interest rates on the market for loans with conditions and similar maturities.

The following tables show the classification of financial instruments as well as their carrying amount and fair value at December 31:

	2014				
	Loans and receivables	Assets and liabilities at fair value through net profit and loss	Financial liabilities at cost after amortization	Total carrying value	Fair value
	$	$	$	$	$
Financial assets					
Cash and cash equivalents	–	245,592	–	245,592	245,592
Trade and other receivables	475,041	–	–	475,041	475,041
Investment	–	4,990	–	4,990	4,990
	475,041	250,582	–	725,623	725,623
Financial liabilities					
Trade and other payables	–	–	236,471	236,471	236,471
Interest payable on convertibles debentures	–	–	4,664	4,664	4,664
Interest payable on long-term debts	–	–	14,107	14,107	14,107
Obligations under finance lease	–	–	63,753	63,753	63,753
Long-term debts	–	–	57,450	57,450	57,450
Debentures	–	–	90,000	90,000	90,000
	–	–	466,445	466,445	466,445

(all amounts are in Canadian dollars, until indication)

Note 28. Financial risks and Financial instruments (cont'd)

	2013				
	Loans and receivables	Assets and liabilities at fair value through net income	Financial liabilities at cost after amortization	Total carrying value	Fair value
	$	$	$	$	$
Financial assets					
Cash and cash équivalent	–	21,524	–	21,524	21,524
Trade and other receivables	116,043	–	–	116,043	116,043
Investment	–	35,899	–	35,899	35,899
	116,043	57,423	–	173,466	173,466
Financial liabilities					
Trade and other payables	–	–	448,571	448,571	448,571
Interest payable on convertibles debentures	–	–	17,309	17,309	17,309
Interest payable on long-term debts	–	–	11,007	11,007	11,007
Short-term debts	–	–	64,943	64,943	64,943
Long-term debts	–	–	151,197	151,197	151,197
Convertible debentures	–	–	257,800	265,000	265,000
	–	–	950,827	958,027	958,027

28.2 Financial risks management policy

The Company operates in an industry with a variety of financial risks: market risk (including currency risk, interest rate risk and price risk) , credit risk and liquidity risk. In order to minimize the negative effects on its financial performance, the Company has centralized cash management for defining, assessing and hedging financial risks. The Company does not enter into contracts for financial instruments including financial derivatives for speculative purposes.

The following analysis assesses the nature and extent of the risks to the balance sheet date, ie December 31, 2014.

28.2 Financial risks management policy (cont'd)

A) Market risk

Currency risk

The Company makes most of its revenues in local currency, which minimizes market risks associated with fluctuations in foreign currencies. Therefore, the Company does not use derivative financial instruments to minimize its foreign exchange risk.

Interest rate risk

Interest rate risk to which the Company is exposed arises from its short and long-term debts. Borrowing at floating interest rates exposes the Company to fluctuations in cash flows due to changes in interest rates, while borrowing at fixed interest rates exposes the Company to the risk of changes in fair value.

The short-term debt, long-term debt and a portion of the convertible debentures bare interest at floating rates and therefore expose the Company to fluctuations in cash flows. A portion of the convertible debentures bare interest at fixed rates expose the Company to risk of changes in fair value.

Increase / decrease of 50 basis points in interest rates would increase / decrease the net income and comprehensive income by $287 / ($287) ($2,000 / ($2,000) in 2013).

The Company continuously analyzes its exposure to interest rate and examines the renewal and refinancing options that are available to minimize that risk.

Price risk

The Company is exposed to limited price risk given the nature of its activities.

B) Credit risk

Cash and cash equivalents are held or issued by Canadian chartered financial institutions. Thus, the Company considers the risk of non-performance of those instruments to be negligible.

The Company's credit risk is primarily attributable to its trade and other receivables.

The Company provides credit to its customers in the normal course of business. It carries out ongoing credit evaluations with regard to its customers and closely monitors outstanding balances. As at December 31, 2014, 31% of accounts, deductions of allowance for doubtful accounts receivable were two customers (66% as at December 31 , 2013 were due from two customers).

(all amounts are in Canadian dollars, until indication)

28.2 Financial risks management policy (cont'd)

Accounts receivable are recognized in the statement of financial position net of allowance for doubtful accounts. This provision is based on the best estimates of the Company with regard to the ultimate recovery of balances for which collection is uncertain. The uncertainty about the probability of perception can arise from various indicators such as deterioration in the creditworthiness of a customer or deferral of perception when the aging of invoices exceeds the normal payment terms. Management regularly reviews accounts receivable, monitors past due balances and assesses the appropriateness of the allowance for doubtful accounts. Given the above, the Company believes that the credit risk is not significant.

For other receivables, the Company continuously evaluates the probable losses and establishes a provision for losses based on their estimated realizable value.

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations as they come due. Management reviews the level of liquidity of the Company to continuously ensure they have sufficient cash to meet its commitments. To ensure sufficient liquidity to meet its current obligations, the Company maintains payment terms with its customers similar to those it has with its suppliers. In addition, the financing of the Company is ensured by long-term borrowings and short-term credit facilities to ensure adequate financial resources to meet its obligations as they come due.

The Company is renewing its credit facilities. The following table summarizes the contractual maturities of financial liabilities.

Note 2. Information on the management of the Capital

December 31, 2013	Carrying Value	Contractual Cash Flow	0 to 6 months	6 to 12 months	12 to 24 months
	$	$	$	$	$
Trade, accrued payable and interest	255,242	255,242	255,242	–	–
Obligation under finance leases	63,753	68,832	18,416	18,427	31,549
Long term debts	57,450	57,450	57,450	–	–
Debentures	90,000	90,000	90,000	–	–
	466,445	471,524	421,108	18,427	31,549

(all amounts are in Canadian dollars, until indication)

Note 28. Financial risks and Financial instruments (cont'd)

28.2 Financial risks management policy (cont'd)

December 31, 2013	Carrying Value	Contractual Cash Flow	0 to 6 months	6 to 12 months	12 to 24 months
	$	$	$	$	$
Trade, accrued payable and other payable	476,887	476,887	476,887	–	–
Short-term debts	64,943	64,943	64,943	–	–
Long-terme debts	151,197	163,863	151,953	11,910	–
Convertible debentures	257,800	265,000	265,000	–	–
	950,827	970,693	958,783	11,910	–

Note 29. Information on the management of the Capital

As part of managing its capital, the Company's objectives are to ensure that sufficient liquidity is available to pursue its organic growth or to make strategic acquisitions, to ensure that the external requirements imposed by under its credit facilities are complied with, provide services to its clients and provide a satisfactory return to shareholders. The Company defines capital as the sum of its equity, its long-term debt, convertible debentures and its short-term debts.

On December 31, 2014, the total capital managed totaled an amount of $1,396,665 ($263,741 in 2013) and consists of equity in the amount of $1,249,215 ((210,199)$ in 2013), (a liability of convertible debentures in the amount of $257,800 in 2013) long-term debt in the amount of $57,450 ($151,197 in 2013) and short-term debt of $90,000 in 2014 ($64,943 in 2013).

The change in total capital compared to fiscal 2013 was $1,132,924, of which the main components are: net profit for the year of $193,463, the issuance of shares of $1,082,265, the conversion of debt into equity totaling $365,249, less issue costs of shares of $192,739, the long-term debt reduction of $93,747, a reduction of convertible debentures of $257,800 and an increase and short-term debt of $25,057.

The Company manages its capital structure to ensure that the cash flows of its operations and cash flows in the statement of financial position are greater than the interest expense and principal payments to be paid. The Board of Directors reviews and approves all significant transactions outside the ordinary course of business, including proposals on acquisitions or other major investments or provisions, the long-term debt payments and operating budgets and capital expenditure.

Note 30. Economic Dependence

During the year ended December 31, 2014, the Company realized sales to two major customers for amounts totaling $385,814 ($304,047 in 2013) and $734,540 ($267,616 in 2013) respectively.

The management of the Company assesses the degree of dependence associated with these clients as important given the recurrence of contracts from these customers.

Note 31. Segment Reporting

The Company has reviewed its activities and determined that it leads them in a single reportable operating segment. This single reportable operating segment derives its revenues from the sale of consulting services in marketing and the Internet, especially in the deployment of e-mailing campaign to large companies. Almost-all activities are carried out in Canada.

The assets of the Company, including, among others property and equipment and intangible assets are located in Canada.

Note 32. Events after the reporting period

On January 31, 2015, to replace an expired debenture of $90,000 in December 2014, the Company issued a convertible debenture with a face value of $90,000 due December 31, 2015 and bearing interest at 6%. Interest is payable monthly. The convertible debenture is unsecured and is convertible into shares at a rate of $0.10 per common share. In addition the debenture is accompanied by 900,000 warrants at the rate of $0.12 expiring on 31 December 2015.

On February 1st, 2015, as part of a private placement, the Company issued, in the amount of $750,000, a total of 10,000,000 common shares at $0.075 per share, and 10,000,000 warrants at an exercise price of $0.15 for a two year period following the closing of the private placement.

On February 2, 2015, as part of a private placement, the Company issued, in the amount of $300,000, a total of 3,000,000 common shares at a price of $0.10 per share, and 3,000,000 warrants at an exercise price of $ 0.17 for a two year period following the closing of the private placement.

On February 26, 2015, in connection with the conversion of the debenture issued January 31, 2015, the Company issued , in the amount of $90,000, a total of 900,000 common shares at a price of $ 0.10 per share.