



Recherche patient
www.zoommed.com...
ou patient sans dossier
Patient
Dernier : Pierre Tremblay
Signature :
REPE TATURE 1 1 2 3 4 5
Dre Lucie Sheehy
1-11-111-1
zoommed.com Z581-0722-1771-5220 p 1 de 1

PIERRE TREMBLAY
#DOS. 1122
DATE 31-mai-2009
Mucophage Comp. 500mg
1 co. BID. # 60. Ren.: 12
ASaphen Comp. Mast. 80mg
1 co. DIE. # 30. Ren.: 12
Altace Capsule 10mg
1 caps DIE. # 30. Ren.: 12
Lipitor Comp. 20mg
1 co. DIE. # 30. Ren.: 12
Symbicort Pd Inh. (app)
1 inh. BID. x 1 mois. Ren.

ZOOMMED

**ENFIN UNE COMMUNICATION DIRECTE ET EFFICACE
ENTRE MÉDECINS ET PHARMACIENS**



MANAGEMENT'S DISCUSSION AND ANALYSIS

The following management's discussion and analysis explains the results of operations, changes in financial position and cash flows of ZoomMed inc. and ZoomMed Medical inc. ("ZoomMed") as at August 31, 2009. It must be read in the context of the information provided by unaudited and audited consolidated financial statements of ZoomMed and accompanying notes for the periods ended August 31, 2009 and 2008, and information provided by the audited consolidated financial statements of ZoomMed and accompanying notes for May 31, 2009.

Management prepared this report, taking into account all available information as at October 6, 2009.

All financial information and financial statements presented in this analysis have been prepared in accordance with Canadian Generally Accepted Accounting Principles (GAAP). Unless otherwise indicated, all amounts are in Canadian dollars.

This management's discussion and analysis may contain information and statements on the future performance of ZoomMed, which are forward-looking in nature. These statements reflect management's expectations regarding future events, based on assumptions and uncertainties subject to risk factors, which we have identified in the risks and uncertainties section. Readers are hereby cautioned that actual results may differ materially from our expectations.

This report was submitted to our Audit Committee and approved by the Board of Directors of ZoomMed Inc.

BUSINESS DESCRIPTION

The Company was incorporated under the Canada Business Corporations Act on February 24, 2005. ZoomMed is committed to the development and the marketing of the **ZRx Prescriber**, an innovative product for physicians, to the **e-Pic** network communication enabling intercommunication of information prescriptions between physicians using the ZRx Prescriber and pharmacists who are members of the network and the **ZRx Pharma** communication network a tool of communication of information between pharmaceutical corporations and doctors who use the ZRx Prescriber.

About the ZRx Prescriber

ZoomMed developed the ZRx Prescriber, a technological innovative Web application that enables physicians to use a wireless device, such as the iPod Touch™, iPhone™, other PDA's or computers, to write and rapidly deliver scripts. The ZRx Prescriber is quick, efficient and intuitive. Since it is a stand-alone product, it can easily be integrated to any Electronic Medical Record application (EMR).

About the e-Pic communication network

ZoomMed's e-Pic communication network allows intercommunications between physicians who use the ZRx Prescriber and pharmacists who are members of the network. Thus, physicians and pharmacists can transfer, capture (scan), and electronically receive prescription information and prescription renewal information through this high speed and entirely secure network.

About the ZRx Pharma communication network

ZRx Pharma communication network, the new revolutionary communication tool allows information intercommunication between pharmaceutical corporations and physicians using the ZRx Prescriber, such





as; continuing medical education, new product launches, medical training, major medical alerts, clinical studies and surveys.

ZoomMed's common shares are trading on the TSX Venture Exchange under the symbol ZMD.

In accordance with Canadian GAAP, the qualifying transaction was treated as a reverse takeover by ZoomMed Medical Inc. and has been reported as a transaction on the shareholders' equity of ZoomMed Medical Inc. These consolidated interim financial statements reflect ZoomMed Medical Inc.'s carrying value balance since ZoomMed Medical Inc. was deemed as the acquirer.

On May 21, 2009, ZoomMed sold substantially all of its paramedical equipment division's assets and its franchise network called "ZoomCité" for cash gross proceeds of \$364,785, resulting in a \$139,275 gain on disposition of assets (net from selling fees of \$40,567). This arms length transaction represented only 2.5% of ZoomMed's total assets.

The Company sold this division to focus its human and financial resources, on the development and marketing of the ZRx Prescriber, e-Pic and ZRx Pharma communication networks, all of which represent significantly higher potential for growth.

The information contained in the consolidated interim financial statements dated August 31, 2009 and the Management's Discussion and Analysis report are based on continuing activities. Therefore, the information from previous years also reflects the Company's continuing activities in order to provide a more appropriate comparison.

OPERATING RESULTS

SELECTED INTERIM INFORMATION

OPERATING RESULTS FROM CONTINUING ACTIVITIES	ZoomMed Inc. As at August 31, 2009		ZoomMed Inc. As at August 31, 2008	
Revenues	\$	174,466	\$	111,355
Selling expenses		391,162		378,335
Administrative expenses		407,525		243,505
Operating expenses		438,251		360,023
EBITDA		(1,062,472)		(870,508)
Financial expenses		4,003		1,883
Amortization		293,391		308,400
Net loss from continuing activities before discontinued activities		(1,359,866)		(1,180,791)
Profit (loss) from the paramedical equipment division operations	\$	-	\$	(23,630)
Basic and diluted earnings per share	\$	(0.014)	\$	(0.014)
Basic and diluted earnings per share from continuing activities	\$	(0.014)	\$	(0.014)
Weighted average number of outstanding common shares		98,341,785		87,456,012

Revenues have increased slightly and are generated by the ZRx Prescriber. These revenues come primarily from pharmaceutical corporation contracts for the use of the ZRx Pharma communication network. The revenues from these contracts are recognized on a straight-line basis over the 12 month duration of the related agreements. Since the beginning of fiscal year 2010, the Company has signed contracts with pharmaceutical corporations totaling \$1,040,500. The ZRx Pharma communication network is now





recognized as a very efficient solution, giving great value to the communication efforts of small and large pharmaceutical corporations aiming to reach physicians.

Selling expenses remained fairly stable, with more frequent trips to our offices in Ontario explaining the slight increase of 3%.

The increase of \$164,020 for administrative expenses is explained by the introduction of our e-Pic communication network for pharmacies, the non-recurrent stock-based compensation stock costs of \$43,110 and the hiring of consultants for the development of the U.S. market.

Operating expenses amount to \$438,251 for the period ending August 31, 2009 compared to \$360,023 for the period ending August 31, 2008. The increase is mainly due to development costs, which represent an additional charge of \$63,565, as these development costs were previously capitalized. The hiring of personnel for the deployment of ZRx Prescriber also contributes to the increase because the hiring process was completed during the second quarter of fiscal year 2009.

The decrease in amortization costs is related to the decrease of capitalized development costs..

ZoomMed records an EBITDA (earnings (loss) before interest, taxes, depreciation and amortization) of \$(1,062,472) for the period ended August 31, 2009 and \$(870,508) for the corresponding period ended August 31, 2008.

ZoomMed recorded a net operating loss from continued activities of \$1,359,866 for the period ended August 31, 2009, and \$1,180,791 for the same period ended August 31, 2008.

ZoomMed recorded a net operating loss from the paramedical equipment division of \$23,630 for the three month period ending August 31, 2008. The Company sold this division to focus its human and financial resources, on the development and marketing of the ZRx Prescriber, e-Pic communication network and ZRx Pharma communication network, all of which represent significantly higher potential for growth. The sale of this division, dated May 21, 2009, allowed us to recover the loss for the year 2009 and generate a profit on abandoned activities of \$14,968.

ZoomMed registered a \$0.014 net loss per share for the period ended August 31, 2009, and \$0.014 for the period ended August 31, 2008.

FINANCIAL SITUATION

BALANCE SHEETS	ZoomMed Inc.	
	As at August 31, 2009	As at May 31, 2009
Cash	\$ 301,744	\$ 606,397
Guaranteed investment certificate	1,628,288	2,609,658
Working capital	1,326,141	2,547,798
Fixed assets	1,179,001	1,181,734
Intangible assets	2,732,061	2,839,832
Total assets	6,139,422	7,469,408
Long-term debt including current portion	94,742	111,200
Shareholders equity	5,188,231	6,504,987
Share capital	\$ 20,501,758	\$ 20,501,758





No material transactions have been completed during the quarter ending August 31, 2009. Changes in assets and liabilities are the result of normal operations of the Company. Management believes that revenues generated by the ZRx Prescriber are sufficient for Company growth. Since the beginning of fiscal year 2010, the Company has signed contracts with pharmaceutical corporations' amounting to \$1,040,500. The ZRx Pharma communication network is now recognized as a very efficient, giving great value to the communication efforts of small and large pharmaceutical corporations who aim to reach physicians.

During the first quarter of 2010 acquisitions of \$188,563 were recorded. Tangible and intangible assets have experienced a slight decrease as a result of amortization expense of \$293,391.

Long-term debt as at May 31, 2009 was \$94,742 \$ compare to \$111,200 as at August 31, 2009. The Company did not contract any additional debt during the quarter.

As at August 31, 2009, the Company's shareholders equity decreased by \$1,316,756, attributable to the three-month period loss ending August 31, 2009.

CASH FLOWS SITUATION	ZoomMed Inc. As at August 31, 2009		ZoomMed Inc. As at August 31, 2008	
Cash flows used in operating activities	\$	(1,107,614)	\$	(638,877)
Cash flows from financing activities		(18,611)		6,689,799
Cash flows used in investment activities		821,572		(226,936)
Cash increase		(304,653)		5,823,986
Cash end of year	\$	301,744	\$	6,776,929

Cash flows used for operating activities amounted to \$1,107,614 for the first quarter 2010, compared to \$638,877 for the corresponding 2009 quarter. This increase is mainly due to the period net loss.

During the quarter ending August 31, 2009, repayment of long-term debt was of \$18,611 for financing activities. During the quarter ending August 31, 2008 financing activities amounted to \$6,663,320 as a result of a \$7,671,514 public offering, of which \$1,797,515 was recorded to the contributed surplus.

For the period ended August 31, 2009 investment activities are linked to the acquisition of a \$1,000,000 guaranteed investment certificates, the acquisition of fixed assets for a net value of \$85,286 and acquisition of intangible assets of \$93,142. For the period ended August 31, 2008 investment activities were linked to the acquisition of fixed assets net amounted of \$174,877 and intangible assets acquisitions of \$52,059.

The net cash increase (decrease) from the three types of activities amounts to \$(304,653) for the period ended August 31, 2009 and \$5,823,986 for the same 2008 period.

CASH FLOWS AND LOANS

According to management, in addition to \$1,930,032 available, the cash flows required to finance our operating activities will come from revenues generated through agreements with pharmaceutical corporations using the ZRx Pharma communication network, as well as transactional revenues from pharmacists using our e-Pic communication network which allows the capture (scan), the transfer and/or the reception of prescription information electronically from physicians using the ZRx Prescriber.





BELOW-THE-LINE ARRANGEMENTS

There were no below-the-line arrangements or arrangements likely to have an impact on our operating results or our financial situation.

RELATED PARTY TRANSACTIONS

During the three-month period, the Company paid professional fees totaling \$21,000 to one corporation owned by shareholder and officer. As at August 31, 2009, accounts payable include an amount of \$7,000 relating to these transactions.

These transactions were carried out in the normal course of business and are measured at the exchange value, which is the value of the consideration established and agreed upon by the related parties.

OUTSTANDING SHARES, OPTIONS AND WARRANTS AS AT OCTOBER 6, 2009

Common shares	98,341,785
Warrants to agent and investors	14,875,224
Stock options in accordance with the stock option plan	9,736,500

ACCOUNTING ESTIMATES AND PRINCIPLES

Preparation of these financial statements in accordance with Canadian Generally Accepted Accounting Principles requires that management formulate estimates and assumptions affecting the amounts recorded in our financial statements and related notes. These estimates are based on management's best knowledge of current events, as well as actions, which the Company may take in the future. While actual results may differ from the estimates provided.

Financial statement items that require such estimates include future benefits from development costs, intellectual property, future income tax assets and goodwill, income tax provision, the recoverable amount of research and development tax credits, the assumptions used in the determination of the stock-based compensation charge and fair value of financial instruments. The notes 2, 15 and 16 of the financial statements describe the assumptions used.

The Company initiated a 10% rolling stock option plan. In accordance with the section 3870 of the Canadian Institute of Chartered Accountants (CICA) Handbook, "Stock-based compensation and other stock-based payments", the Company uses the fair value based method of accounting for all stock options granted. According to this method, the compensation expense in regard of the stock options is measured at the grant date's estimated fair value, using an option-pricing model (Black & Scholes), and is recognized during the grant date period, the counterpart being recognized as contributed surplus.

CHANGES IN ACCOUNTING POLICIES

On June 1, 2008, the Company adopted the new accounting standards related to: Section 1535 - "Capital Disclosures", Section 3862 - "Financial Instruments - Disclosures", Section 3863 - "Financial Instruments - Presentation" and Section 3031 - "Inventories". Figures for periods prior to June 1, 2008 were not restated.



Capital Disclosures (Section 1535)

This section establishes disclosure requirements concerning capital such as: qualitative information about an entity's objectives, policies and processes for managing capital; quantitative data about what it is defined as capital; whether the entity has complied with any externally imposed capital requirements and, if not, the consequences of such non-compliance. For additional information regarding the adoption of these new rules, see note 18.

Financial instruments – Disclosure and Presentation (Sections 3862 and 3863)

These new standards replace Section 3861 - "Financial Instruments – Disclosure and Presentation", revising and enhancing disclosure requirements. Presentation requirements remain unchanged.

Inventories (Section 3031)

In March 2007, the CICA published Section 3031 - "Inventories", which aligns accounting for inventories under Canadian GAAP with International Financial Reporting Standards ("IFRS"). This new standard provides more guidance on the measurement and disclosure requirements for inventories. It requires the measurement of inventories at the lower of cost and net realizable value and includes guidance on the determination of cost, including allocation of overheads and other costs incurred in bringing the inventories to their present location and condition. The standard also requires, for fungible inventories, the use of either first in, first out ("FIFO") or weighted average cost formula to measure the cost of inventories.

Besides the disclosure requirements under the terms of the Sections described above, the adoption of these new standards had no material impact on the Company's consolidated financial statement.

Intangible assets

In November 2007, the CICA issued Section 3064, "Goodwill and Intangible Assets", replacing Section 3062, "Goodwill and Other Intangible Assets", and section 3450, "Research and Development Costs". Various changes have been made to other sections of the CICA Handbook for consistency purposes. The new Section will be applicable to financial statement relating to fiscal years beginning on or after October 1, 2008. Accordingly, the Company adopted the new standards for its fiscal year beginning June 1, 2008. It establishes standards for the recognition of goodwill and intangible assets by profits-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in the previous Section 3062. The adoption of these new standards had no material impact on the Company's consolidated financial statement.

FUTURES CHANGES IN ACCOUNTING POLICIES

Business Combinations, Consolidated Financial Statements and Non-Controlling Interests

In December 2008, the CICA approved three new accounting standards Handbook Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements, and Section 1602, Non-Controlling Interests, replacing Section 1581, Business Combinations and Section 1600, Consolidated Financial Statements. Section 1582 provides the Canadian equivalent to IFRS 3 – Business Combinations (January 2008) and Sections 1601 and 1602 to IAS 27 – Consolidated and Separate Financial Statements (January 2008). Section 1582 requires additional use of fair value measurements, recognition of additional assets and liabilities, and increased disclosure for the accounting of a business combination.





The section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011. Entities adopting Section 1582 will also be required to adopt Sections 1601 and 1602. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination.

These standards will require a change in the measurement of non-controlling interest and will require the non-controlling interest to be presented as part of shareholders' equity on the balance sheet. In addition, the net earnings will include 100% of the subsidiary's results and will be allocated between the controlling interest and non-controlling interest. These standards apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011. Earlier adoption is permitted. All three standards are effective at the same time Canadian public companies will have adopted IFRS, for fiscal year beginning on or after January 1, 2011.

The Company is currently evaluating the impact of this standard on its consolidated financial statements.

International Financial Reporting Standards (IFRS)

In February 2008, the Canadian Accounting Standards Board (AcSB) confirmed January 1, 2011 as the date that IFRS will replace current Canadian GAAP for publicly accountable enterprises. Even if Canadian GAAP and IFRS are both principles-based and use comparable conceptual frameworks, there are significant recognition, measurement, presentation and disclosure differences. In the period leading up to the changeover, the AcSB expect to issue converged accounting standards, intentionally mitigating the impact of adopting IFRS at the changeover date.

We plan to prepare our interim and annual financial statements in accordance with IFRS for periods commencing June 1, 2011. Currently, the Company assesses the impact on the recognition and measurement of certain financial statement items according to IFRS. In the next interim financial report, the Company will be able to demonstrate some preliminary findings.

As mentioned in Note 4 to the interim financial statements, you will find below a table explaining our transition plan.

Our IFRS changeover plan

We have developed a detailed changeover plan, comprised of four phases expected to be completed according to the following timeline:

Phase	Selected key activities	Expected completion date
Diagnostic	. Identify significant high-level differences between the existing Canadian GAAP and IFRS, as relevant to our specific instance.	In progress
Design and planning	. Establish project strategy, infrastructure and timeframe; . Identify internal stakeholders that may be affected by the changeover; . Train the core project team; . Raise awareness across the organization.	Q2 / 2010 Q2 / 2010 Q2 / 2010 Q2 / 2010





Solution development	. Perform a detailed review of all relevant IFRS standards to identify differences with our current accounting policies;	During 2010 fiscal year
	. Select new accounting policies under IFRS including those in accordance with IFRS-1	During 2010 fiscal year
	. Develop a model for our IFRS financial statements;	During 2010 fiscal year
	. Design a process to prepare the IFRS comparative information;	During 2010 fiscal year
	. Identify effect on other internal and external stakeholders.	During 2010 fiscal year
<hr/>		
Implementation	. Gathering information and testing necessary changes in processes and systems;	During 2010 fiscal year
	. Prepare the opening balance sheet according to IFRS;	During 2011 fiscal year
	. Prepare the comparative financial statements according to IFRS;	During 2011 fiscal year
	. Prepare interim and annual financial statements according to IFRS;	During 2012 fiscal year
<hr/>		

CONTROLS AND PROCEDURES

The Company's President and Chief Executive Officer and Chief Financial Officer have reviewed the disclosure controls and procedures as required by Multilateral Instrument 52-109 of the Canadian Securities Administrators.

The Company's President and Chief Executive Officer and Chief Financial Officer have concluded that, to the best of their knowledge, there have been no changes to the Company's internal controls over financial reporting during the most recent quarter that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting. In conclusion, after analysis of controls and procedures and to the best of their knowledge, Company's President and Chief Executive Officer and the Chief Financial Officer consider that the controls and procedures are adequate.

RISKS AND UNCERTAINTIES

Credit risk management

The Company extends credit to its customers in normal course of business. Ongoing credit assessments are conducted and the balance sheet reflects the allowance for doubtful accounts. No qualitative assessments were conducted, since the management believes the credit risk is immaterial.

Interest rate risk management

The Company does not have any variable rate debt. Furthermore, the Company invests its cash in financial instruments bearing guaranteed interest. These financial instruments represent a minimal risk for the Company.





Market risk

The future performance of ZoomMed and its subsidiary is dependent on the continued popularity of its existing products and its ability to develop and introduce products that gain acceptance and satisfy consumer preferences in targeted markets. The popularity of any of its products may decline over time as consumer preferences change or as new competing products are introduced in targeted markets. The development of new systems and their distribution within the targeted market, require significant investments.

Liquidity risk

In order to meet additional capital requirements, ZoomMed may consider collaborative arrangements and additional public or private financing to fund all or a part of particular product development programs. Private financing could include the issuance of debt and the incurrence of additional equity securities, which could result in dilution to shareholders. There can be no assurance that additional funding will be available. The Company manages this risk by establishing detailed cash forecasts, as well as long-term operating and strategic plans. According to these forecasts, cash flows for operating activities will be generated by pharmaceutical corporation contracts and transaction revenues generated through the use, by pharmacists, of our prescription information communication network.

Key personnel risk

Recruiting and retaining qualified personnel is essential to ZoomMed and its subsidiary's success. We believe that we have been successful in recruiting excellent personnel to help them meet their objectives but, as their activities grow, it is possible that additional key financial, administrative, research and marketing personnel will be required. Although ZoomMed and its subsidiary believe that they will be successful in attracting qualified personnel, there can be no assurance to that effect.

CONTINUOUS DISCLOSURE AND SUPPLEMENTARY INFORMATION

ZoomMed files its consolidated financial statements, its management's discussion and analysis, its press releases and other required filing documents on SEDAR's database at www.sedar.com.

