



## INTRINSYC SOFTWARE INTERNATIONAL, INC.

### Consolidated Balance Sheets

(Unaudited and expressed in U.S. dollars)

As at	September 30, 2009	December 31, 2008
	<i>(Unaudited)</i>	
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$11,069,324	\$12,391,452
Restricted cash	-	207,755
Accounts receivable	4,327,660	6,083,190
Inventory	27,889	14,649
Prepaid expenses - current	377,692	523,916
Total current assets	15,802,565	19,220,962
Restricted cash	93,397	-
Prepaid expenses	46,550	18,998
Equipment	874,288	1,567,464
Intangible assets	3,967,084	4,034,000
Total assets	\$20,783,884	\$24,841,424
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$4,161,795	\$7,727,497
Capital lease obligation - current	43,949	82,911
Deferred revenue	584,519	754,301
Total current liabilities	4,790,263	8,564,709
Long-term capital lease obligation	14,400	39,483
Total liabilities	4,804,663	8,604,192
Shareholders' equity		
Share capital	108,288,585	108,288,133
Warrants and underwriters' options	4,047,763	4,489,508
Contributed surplus	5,063,451	4,260,625
Accumulated other comprehensive income (loss)	1,769,931	(159,400)
Deficit	(103,190,509)	(100,641,634)
Total shareholders' equity	15,979,221	16,237,232
Total liabilities and shareholders' equity	\$20,783,884	\$24,841,424



**INTRINSYC SOFTWARE INTERNATIONAL, INC.**  
**Consolidated Statements of Operations and Deficit**

(Unaudited and expressed in U.S. dollars)

<b>For the</b>	<b>Three months ended September 30, 2009</b>	<b>Three months ended September 30, 2008</b>	<b>Nine months ended September 30, 2009</b>	<b>Nine months ended September 30, 2008</b>
Revenues	\$4,355,340	\$7,870,120	\$13,630,768	\$18,991,671
Cost of sales	1,770,971	3,093,209	6,196,334	9,068,735
	2,584,369	4,776,911	7,434,434	9,922,936
Expenses				
Sales and marketing	750,233	2,317,495	2,638,750	5,968,344
Research and development	939,057	4,096,978	3,443,139	9,338,451
Administration	623,317	2,466,342	1,960,943	6,081,949
Amortization	305,797	737,487	964,543	1,160,191
Stock-based compensation	167,903	279,626	361,282	847,252
Technology Partnerships Canada Funding Investment	63,986	117,064	342,055	299,165
Loss (gain) on disposal of equipment	(39,810)	-	180,535	-
	2,810,483	10,014,992	9,891,247	23,695,352
Loss before other expense (earnings) and income taxes	226,114	5,238,081	2,456,813	13,772,416
Other expense (earnings)				
Foreign exchange loss (gain)	304,694	(311,606)	501,772	(473,495)
Interest expense (income)	(12,904)	(126,044)	(46,835)	(552,410)
Extraordinary expenses (income)	(166,171)	-	(166,171)	-
Restructuring	-	814,668	-	814,668
Loss before income taxes	351,733	5,615,099	2,745,579	13,561,179
Income tax expense (recovery)				
Current	(135,990)	114,536	(196,704)	292,929
Future	-	6,486	-	(29,921)
	(135,990)	121,022	(196,704)	263,008
Net loss for the period	215,743	5,736,121	2,548,875	13,824,187
Deficit, beginning of period	102,974,766	69,869,818	100,641,634	61,781,752
Deficit, end of period	103,190,509	75,605,939	103,190,509	75,605,939
Loss per share (basic and diluted)	\$0.00	\$0.04	\$0.02	\$0.09
Weighted average number of shares outstanding	163,259,025	160,928,816	163,256,969	147,861,766



## INTRINSYC SOFTWARE INTERNATIONAL, INC.

### Consolidated Statements of Comprehensive Loss

(Unaudited and expressed in U.S. dollars)

<b>For the</b>	<b>Three months ended September 30, 2009</b>	<b>Three months ended September 30, 2008</b>	<b>Nine months ended September 30, 2009</b>	<b>Nine months ended September 30, 2008</b>
Net loss for the period	(\$ 215,743)	(\$5,736,121)	(\$2,548,875)	(\$ 13,824,187)
Other comprehensive gain (loss):				
Unrealized gains (losses) on translating financial statements from functional currency to reporting currency	1,271,508	(1,023,660)	1,929,331	(2,457,503)
<b>Comprehensive income (loss)</b>	<b>\$1,055,765</b>	<b>(\$6,759,781)</b>	<b>(\$ 619,544)</b>	<b>(\$ 16,281,690)</b>



## INTRINSYC SOFTWARE INTERNATIONAL, INC.

### Consolidated Statements of EBITDA and Loss

(Unaudited and expressed in U.S. dollars)

For the	Three months ended September 30, 2009	Three months ended September 30, 2008	Nine months ended September 30, 2009	Nine months ended September 30, 2008
Revenues	\$4,355,340	\$7,870,120	\$13,630,768	\$18,991,671
Cost of sales	1,770,971	3,093,209	6,196,334	9,068,735
	2,584,369	4,776,911	7,434,434	9,922,936
Expenses				
Sales and marketing	750,233	2,317,495	2,638,750	5,968,344
Research and development	939,057	4,096,978	3,443,139	9,338,451
Administration	623,317	2,466,342	1,960,943	6,081,949
	2,312,607	8,880,815	8,042,832	21,388,744
EBITDA Income (Loss)	271,762	(4,103,904)	(608,398)	(11,465,808)
Amortization	305,797	737,487	964,543	1,160,191
Stock-based compensation	167,903	279,626	361,282	847,252
Technology Partnerships Canada Funding Investment	63,986	117,064	342,055	299,165
Foreign exchange loss (gain)	304,694	(311,606)	501,772	(473,495)
Interest expense (income)	(12,904)	(126,044)	(46,835)	(552,410)
Loss (gain) on disposal of equipment	(39,810)	-	180,535	-
Extraordinary expenses (income)	(166,171)	-	(166,171)	-
Restructuring	-	814,668	-	814,668
Income tax expense (recovery)				
Current	(135,990)	114,536	(196,704)	292,929
Future	-	6,486	-	(29,921)
	487,505	1,632,217	1,940,477	2,358,379
Net loss for the period under Canadian GAAP	(\$215,743)	(\$5,736,121)	(\$2,548,875)	(\$13,824,187)



## INTRINSYC SOFTWARE INTERNATIONAL, INC.

### Consolidated Statements of Cash Flows

(Expressed in U.S. dollars)

For the	Three months ended September 30, 2009	Three months ended September 30, 2008	Nine months ended September 30, 2009	Nine months ended September 30, 2008
<b>OPERATING ACTIVITIES</b>				
Net loss for the period	(\$215,743)	(\$5,736,121)	(\$2,548,875)	(\$13,824,187)
Items not involving cash:				
Amortization	305,797	737,487	964,543	1,160,191
Future income taxes	-	1,212	(2,603)	(33,093)
Stock-based compensation	167,903	279,626	361,282	847,252
Loss on disposal of equipment	-	-	220,345	-
Changes in non-cash operating working capital:				
Accounts receivable	377,622	(2,310,216)	2,316,640	(3,368,921)
Inventory	(27,603)	-	(13,267)	102,443
Prepaid expenses	(67,382)	529,778	160,527	(85,094)
Accounts payable and accrued liabilities	(802,194)	3,838,147	(3,918,209)	5,304,910
Deferred revenue	(270,003)	(155,982)	(277,831)	(74,970)
Cash used in operating activities	(\$531,603)	(\$2,816,069)	(\$2,737,448)	(\$9,971,469)
<b>INVESTING ACTIVITIES</b>				
Purchase of equipment	(32,658)	(1,048,149)	(58,599)	(1,606,846)
Loan receivable	-	1,936,241	-	(62,321)
Deferred acquisition costs	-	-	-	(1,448,982)
Cash paid on acquisition of Destinator, net of cash acquired	-	(7,844,260)	-	(7,844,260)
Cash used in investing activities	(32,658)	(6,956,168)	(58,599)	(10,962,409)
<b>FINANCING ACTIVITIES</b>				
Issuance of common shares and warrants	251	-	251	32,119,750
Share issuance costs	-	-	-	(2,186,676)
Repayment of capital lease obligation	(7,897)	(16,175)	(71,215)	(32,434)
Restricted cash	127,621	-	139,725	-
Cash provided by financing activities	119,975	(16,175)	68,761	29,900,640
Effect of exchange rate changes on cash and cash equivalents	909,536	(558,494)	1,405,158	(1,461,646)
Increase (decrease) in cash and cash equivalents	465,250	(10,346,906)	(1,322,128)	7,505,116
Cash and cash equivalents, beginning of period	10,604,074	30,005,623	12,391,452	12,153,601
Cash and cash equivalents, end of period	\$11,069,324	\$19,658,717	\$11,069,324	\$19,658,717