



INTRINSYC SOFTWARE INTERNATIONAL, INC.
Consolidated Balance Sheets

As at	June 30, 2010	December 31, 2009
	<i>(Unaudited)</i>	
ASSETS		
Current assets		
Cash and cash equivalents	\$ 10,250,513	\$ 11,710,227
Accounts receivable	3,113,704	3,401,467
Inventory	25,775	14,269
Prepaid expenses - current	148,263	313,528
Total current assets	13,538,255	15,439,491
Restricted cash	-	95,147
Prepaid expenses	42,685	47,063
Equipment	599,821	735,807
Intangible assets	3,394,315	3,880,481
Total assets	\$ 17,575,076	\$ 20,197,989
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Accounts payable and accrued liabilities	\$ 2,065,982	\$ 3,574,134
Current portion of long-term payable to Technology Partnerships Canada	70,449	-
Capital lease obligation – current	38,033	45,179
Deferred revenue	424,378	526,169
Total current liabilities	2,598,842	4,145,482
Long-term payable to Technology Partnerships Canada	226,293	-
Long-term capital lease obligation	-	7,388
Total liabilities	2,825,135	4,152,870
Shareholders' equity		
Share capital	108,288,585	108,288,585
Warrants and underwriters' options	270,046	4,029,953
Contributed surplus	9,106,916	5,230,217
Accumulated other comprehensive (loss) income	1,891,656	2,068,103
Deficit	(104,807,262)	(103,571,739)
Total shareholders' equity	14,749,941	16,045,119
Total liabilities and shareholders' equity	\$ 17,575,076	\$ 20,197,989



INTRINSYC SOFTWARE INTERNATIONAL, INC.

Consolidated Statements of Operations and Deficit

(Unaudited and expressed in U.S. dollars)

For the	Three months ended June 30, 2010	Three months ended June 30, 2009	Six months ended June 30, 2010	Six months ended June 30, 2009
Revenues	\$ 3,024,458	\$ 4,874,621	\$ 6,531,455	\$ 9,275,428
Cost of sales	1,497,857	2,144,748	2,888,723	4,425,363
	1,526,601	2,729,873	3,642,732	4,850,065
Expenses				
Sales and marketing	399,111	744,602	1,014,332	1,888,517
Research and development	638,852	1,140,993	1,479,787	2,504,082
Administration	477,626	534,036	1,034,607	1,337,626
Amortization	290,889	339,417	579,745	658,746
Stock-based compensation	58,747	108,871	116,792	193,379
Technology Partnerships Canada Funding Investment	282,077	143,135	287,192	278,069
Restructuring	-	-	485,478	-
Loss (gain) on disposal of equipment	-	199,793	(2,150)	220,345
	2,147,302	3,210,847	4,995,783	7,080,764
Loss before other expense (earnings) and income taxes	620,701	480,974	1,353,051	2,230,699
Other expense (earnings)				
Foreign exchange (gain) loss	(229,798)	310,261	(31,503)	197,078
Interest expense (income)	(10,194)	3,898	(16,796)	(33,931)
Loss before income taxes	380,709	795,133	1,304,752	2,393,846
Income tax recovery				
Current	(71,183)	(86,463)	(69,229)	(60,714)
Net loss for the period	309,526	708,670	1,235,523	2,333,132
Deficit, beginning of period	104,497,736	102,266,096	103,571,739	100,641,634
Deficit, end of period	\$104,807,262	\$102,974,766	\$104,807,262	\$102,974,766
Loss per share (basic and diluted)	\$0.00	\$0.01	\$0.01	\$0.02
Weighted average number of shares outstanding	163,259,070	163,254,903	163,259,070	163,254,903



INTRINSYC SOFTWARE INTERNATIONAL, INC.
Consolidated Statements of Comprehensive Loss

(Unaudited and expressed in U.S. dollars)

For the	Three months ended June 30, 2010	Three months ended June 30, 2009	Six months ended June 30, 2010	Six months ended June 30, 2009
Net loss for the period	(\$ 309,526)	(\$708,670)	(\$1,235,523)	(\$2,333,132)
Other comprehensive gain (loss):				
Unrealized gains (losses) on translating financial statements from functional currency to reporting currency	(711,683)	1,194,857	(176,447)	657,824
Comprehensive income (loss)	(\$1,021,209)	\$486,187	(\$1,411,970)	(\$1,675,308)



INTRINSYC SOFTWARE INTERNATIONAL, INC.

Consolidated Statements of EBITDA and Loss

(Unaudited and expressed in U.S. dollars)

For the	Three months ended June 30, 2010	Three months ended June 30, 2009	Six months ended June 30, 2010	Six months ended June 30, 2009
Revenues	\$3,024,458	\$4,874,621	\$ 6,531,455	\$ 9,275,428
Cost of sales	1,497,857	2,144,748	2,888,723	4,425,363
	1,526,601	2,729,873	3,642,732	4,850,065
Expenses				
Sales and marketing	399,111	744,602	1,014,332	1,888,517
Research and development	638,852	1,140,993	1,479,787	2,504,082
Administration	477,626	534,036	1,034,607	1,337,626
	1,515,589	2,419,631	3,528,726	5,730,225
EBITDA Income (Loss)	11,012	310,242	114,006	(880,160)
Amortization	290,889	339,417	579,745	658,746
Stock-based compensation	58,747	108,871	116,792	193,379
Technology Partnerships Canada Funding Investment	282,077	143,135	287,192	278,069
Restructuring	-	-	485,478	-
Loss (gain) on disposal of equipment	-	199,793	(2,150)	220,345
Foreign exchange (gain) loss	(229,798)	310,261	(31,503)	197,078
Interest expense (income)	(10,194)	3,898	(16,796)	(33,931)
Income tax recovery				
Current	(71,183)	(86,463)	(69,229)	(60,714)
	320,538	1,018,912	1,349,529	1,452,972
Net loss for the period under Canadian GAAP	(\$309,526)	(\$708,670)	(\$1,235,523)	(\$2,333,132)



INTRINSYC SOFTWARE INTERNATIONAL, INC.

Consolidated Statements of Cash Flows

(Unaudited and expressed in U.S. dollars)

For the	Three months ended June 30, 2010	Three months ended June 30, 2009	Six months ended June 30, 2010	Six months ended June 30, 2009
OPERATING ACTIVITIES				
Net loss for the period	(\$ 309,526)	(\$ 708,670)	(\$1,235,523)	(\$2,333,132)
Items not involving cash:				
Amortization	290,889	339,417	579,745	658,746
Future income taxes	-	(41,694)	-	(2,603)
Stock-based compensation	58,747	108,871	116,792	193,379
Loss on disposal of equipment	-	199,793	-	220,345
Changes in non-cash operating working capital:				
Accounts receivable	(842,175)	593,489	240,511	1,939,018
Inventory	(18,958)	-	(12,178)	14,336
Prepaid expenses	117,153	48,000	170,253	227,909
Accounts payable and accrued liabilities	(1,035,809)	(1,457,154)	(1,508,695)	(3,116,015)
Current portion of long-term payable to Technology Partnerships Canada	72,936	-	72,936	-
Deferred revenue	1,555	(115,051)	(97,291)	(7,828)
Cash used in operating activities	(1,665,188)	(1,032,999)	(1,673,450)	(2,205,845)
INVESTING ACTIVITIES				
Purchase of equipment	-	(3,075)	-	(25,941)
Cash used in investing activities	-	(3,075)	-	(25,941)
FINANCING ACTIVITIES				
Repayment of capital lease obligation	(7,233)	(9,596)	(14,272)	(63,318)
Long-term payable to Technology Partnerships Canada	234,282	-	234,282	-
Restricted cash	97,248	1,035	97,248	12,104
Cash provided by (used in) financing activities	324,297	(8,561)	317,258	(51,214)
Effect of exchange rate changes on cash and cash equivalents	(508,944)	904,620	(103,522)	495,622
Increase (decrease) in cash and cash equivalents	(1,849,835)	(140,015)	(1,459,714)	(1,787,378)
Cash and cash equivalents, beginning of period	12,100,348	10,744,089	11,710,227	12,391,452
Cash and cash equivalents, end of period	\$10,250,513	\$10,604,074	\$10,250,513	\$10,604,074