



**Intrinsic Software  
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## **Intrinsic Announces Amendment to NMI Electronics Limited Share Purchase Agreement of June 2002**

*Revised agreement frees up CDN\$2.5 million of restricted cash and increases working capital*

**Vancouver, BC, June 18, 2003**, Intrinsic Software International, Inc. (TSX:ICS), a global leader in creating, networking and managing specialized, intelligent devices, today announced the Company has successfully re-negotiated several significant terms and conditions with respect to the acquisition of the outstanding shares of Intrinsic Europe Limited ("IEL"), (formerly NMI Electronics Limited ("NMI")), originally signed June 26, 2002.

The Company has arranged for the mutual removal of the requirements for specific guarantees related to consideration earned and payable subsequent to May 31, 2003 as well as reduced the overall purchase price by approximately CDN\$800,000. In addition, a portion of the share consideration earned in both 2003 and 2004, which has a guaranteed floor price, or fixed minimum value, will be deferred until May 31, 2005.

"I am pleased that the former principals of NMI, now the managers of IEL, having successfully achieved their first year targets were willing to re-work the agreement" said Derek Spratt, President and CEO of Intrinsic. "The changes we have made free up cash for operations and technology investments, increase our working capital significantly, and allow us to more effectively operate as one integrated and unified team."

At the end of the Company's second quarter, February 28, 2003, guaranteed notes payable of C\$1.0 million were accrued and 1.7 million common shares were issuable based on the revenue target achievements at that time. Based on the revised agreement the estimated amounts at the end of the third quarter, May 31, 2003 will be guaranteed notes payable of C\$2.4 million and 2.2 million issuable common shares. The remaining restricted cash (C\$2.4 million) will revert to unencumbered cash available for use in general operations, to be replaced by a general assignment of security against the Company's assets.

### **About Intrinsic**

Intrinsic provides unique software and hardware solutions that enable companies to cost-effectively create, network and manage a wide range of consumer and industrial specialized, intelligent devices. By leveraging Intrinsic's products, engineering design services and systems integration expertise, customers make better decisions, improve productivity, and reduce time-to-market. Intrinsic is a rapidly expanding, public company with global customers such as Microsoft, Intel, Philips, Siemens, General Electric, Ford, and BEA Systems. To find out more about Intrinsic, visit [www.intrinsic.com](http://www.intrinsic.com).

News Release



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### **Forward Looking Statements**

This press release may contain forward-looking statements that involve risks and uncertainties. These forward-looking statements relate to, among other things, plans and timing for the introduction or enhancement of our services and products, statements about future market conditions, supply and demand conditions, and other expectations, intentions and plans contained in this press release that are not historical fact. Our expectations regarding future revenues depend upon our ability to develop and supply products, which we do not produce today and that meet defined specifications. When used in this press release, the words "plan," "expect," "believe," and similar expressions generally identify forward-looking statements. These statements reflect our current expectations. They are subject to a number of risks and uncertainties, including, but not limited to, changes in technology and changes in the pervasive computing market. In light of the many risks and uncertainties surrounding the pervasive computing market, you should understand that we couldn't assure you that the forward-looking statements contained in this press release will be realized. The Company disclaims any intent or obligation to update or revise publicly any forward-looking statements, whether as a result of new information, future events or results or otherwise.

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