



Intrinsyc Software International Inc. (ICS-TSX), \$1.18

Samsung Deal Potentially Game Changing

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Stock Rating: Buy

Target Price: \$2.00

US\$000, Yr-end Dec 31	F06 *	F07 *	F08E **	F09E **
Revenue	18,657	19,706	26,216	52,025
EBITDA	(12,495)	(14,164)	(10,872)	1,331
EPS f.d	(0.24)	(0.18)	(0.10)	(0.00)
Price/Sales	7.6x	7.2x	5.4x	3.1x
EV/Sales	6.5x	6.2x	4.6x	2.7x
Projected return				78%
Shares outstanding (basic)				119,493
Market capitalization				141,002
52-week High/Low				\$1.30/\$0.39

Company Profile: Intrinsyc Software International Inc. is a wireless software solutions provider. Its business is based on licensing software products developed in-house and providing systems integration services. Intrinsyc targets the growing wireless handheld market which includes consumer mobile handsets, personal navigation devices, smartphones, and other consumer converged devices.

Balance sheet as of Aug 07:

Cash ***	19,628
Debt	0

* In C\$; yr end was Aug 31.

** In US\$; company switching to US\$ reporting and FY aligned with CY

*** Current FX rate is parity

Source: Company reports; MGI Securities Inc.

Initiating coverage with a Buy recommendation and \$2.00 target. Several pending positive catalysts.

Consistent Execution. With six reference design wins for its Soleus software platform with leading industry ODM's/OEM's and silicon vendors to date, Intrinsyc software is executing on its software platform strategy.

Approaching Inflection Point. Imminent product launches based on Intrinsyc's Soleus platform from ODM/OEM customers over the next several months will mark an inflection point for the company. Product shipments from partners will drive margin royalty revenues marking the company's transition to a software company.

Samsung Partnership Potentially Game Changing. We believe the recent Soleus design win with Samsung's Semiconductor LSI division is potentially game changing for ICS. LSI supplies processors to Samsung Mobile (shipped over 150mm handsets last year) as well as numerous other ODM's/OEM's, which materially enhances the market opportunity for the company. **We are conservatively forecasting \$9.0mm in royalty revenues from this deal in F09, although our analysis indicates potential royalty revenues from this deal could exceed our forecast by \$15mm - \$25mm, which could add \$0.01 - \$0.02 to F09 EPS over and above our forecast.**

Software Model Leverage. Our analysis indicates that as the company's royalty model accelerates there is strong potential for higher operating leverage. In F10, we believe that ICS could potentially earn \$0.15 - \$0.20 per share. We are expecting the company to achieve positive earnings in 2H/F09.

Valuation and Recommendation

We are initiating coverage of Intrinsyc with a BUY recommendation and a \$2.00 target price. Our target is DCF based with a discount rate of 12% and a terminal growth rate of 5%. On an EV/Sales basis, ICS trades at 2.3x consensus F2009 estimates, essentially inline with its peers but well below industry leaders like RIM. We believe that given ICS' strong management team, pending catalysts and potential for upside to expectations, our valuation is justified.

Investment Opinion

Intrinsyc Software Inc. ("ICS") is an emerging leader in the wireless software solutions segment of the mobile devices and consumer electronics market. The company was founded in 1996 as a systems integration/services company focusing on wireless, handheld and embedded device development. Over the years ICS developed strength and expertise in telephony integration, power management, board support packages and integration capabilities across multiple operating systems (OS) like Symbian, Windows Mobile, Windows Embedded CE, Linux etc. This has enabled the company to build up an impressive client list including Microsoft, Marvell, Texas Instruments, Nokia, Motorola, and Samsung among others. The services business offers a stable book of business but has a modest growth outlook (~ 10%).

In 2004, the company began to develop a High Level Operating System (HLOS) called Soleus, targeted at the mid-tier feature phone segment. Handset devices in this segment typically lack the processing power, memory and battery power required to run a high capacity OS such as Windows Mobile or Symbian that can support advanced multi-media applications. Soleus offers handset/device Original Device Manufacturers (ODM), Original Equipment Manufacturers (OEM's) as well as silicon vendors a flexible platform that enables them to bring new multi-media handset designs to market faster and in a cost efficient manner. Soleus is based on Windows CE and was released in December 2006. To date, Soleus has secured six design wins with leading ODM's/OEM's as well as silicon chip vendors.

With several reference design wins under its belt and a healthy pipeline of opportunities, we believe the company is executing on its strategy of transitioning to a software solutions company from a pure services company. Software companies enjoy higher margins and multiples than service companies and we believe the company is poised for both margin and multiple expansion over the next several quarters. We expect the inflection point in 2H/08, at which point handsets/devices based on prior Soleus design wins will begin to ship and ICS will start to receive royalties per handset/device shipped. Royalty revenues have very high margins (> 90%) as Research & Development (R&D) expenses have been expensed upfront.

We are positive on the outlook for ICS given consistent execution, solid pipeline of opportunities, blue chip management team, pending margin and potential multiple expansion and reasonable valuation. We believe ICS is well positioned for solid growth and in our opinion the stock price is poised for appreciation over the next few quarters as pending catalysts unfold.

Blue Chip Management Team. While the company has developed a leading technology and a solid customer list, it is the strength and depth of the management team that is even more impressive. CEO Glenda Dorchak, who joined the company in July 2006, is a technology industry veteran with previous stints at IBM and Intel. Ms. Dorchak was VP and COO of Intel's Communications Group for five years before joining ICS. Mark Johnston, EVP Worldwide Sales and Business Development spent 22 years at Intel, including senior positions in sales and marketing. CTO Randy Kath spent nearly ten years at Microsoft and Souheil Gallouzi, VP & GM of Mobile Products and Development held senior roles at Qualcomm, Newbridge Networks and Nortel Networks. Mark Longo, VP of Corporate Development, rounds out the management team. The quality of the management team is a key asset for ICS (management team has deep relationship with ODM/OEM vendors) and recent data points (design wins) indicate that they are executing.

Large Addressable Market. The target market for Soleus is the feature phone segment of the broader handset market. Gartner estimates approximately 1.2bn handsets of all categories were shipped in 2007 and is forecasting total annual shipments of nearly 1.5bn handsets by 2010. The feature phone segment is estimated to be approximately 60% of the total market or 700mm units. ICS is targeting a subset of this market including Windows CE licensees and non-RTOS (Real Time Operating System) based handsets and estimates its current annual addressable market at approximately 150mm units. However, recent initiatives with certain partners (MOU with Japanese customer announced in December; Samsung design win) indicate that Soleus could be extended for use in other consumer electronics products, which expands the addressable market for its solution. We are forecasting an addressable market of 120mm - 170mm units in F09 and assuming a 6% - 8% penetration rate at a royalty rate of \$3.00 - \$4.00 per unit. The potential annual revenues to ICS from Soleus could be between \$35mm - \$70mm in the short term with the most likely result somewhere in between.

Exhibits 1. Intrinsic Market Share - Units Shipped (mm) (2009)
ICS Target Market - Units mm

	120	130	140	150	160	170	
Penetration	4%	4.8	5.2	5.6	6.0	6.4	6.8
	6%	7.2	7.8	8.4	9.0	9.6	10.2
	8%	9.6	10.4	11.2	12.0	12.8	13.6
	10%	12.0	13.0	14.0	15.0	16.0	17.0
	12%	14.4	15.6	16.8	18.0	19.2	20.4
	14%	16.8	18.2	19.6	21.0	22.4	23.8
	16%	19.2	20.8	22.4	24.0	25.6	27.2

Source: MGI Securities Inc.

Exhibit 2. Soleus Revenue Sensitivity (mm) (2009)
Soleus ASP Per Unit

	\$2.75	\$3.00	\$3.25	\$3.50	\$3.75	\$4.00	
Penetration	4%	\$13.2	\$15.6	\$18.2	\$21.0	\$24.0	\$27.2
	6%	\$19.8	\$23.4	\$27.3	\$31.5	\$36.0	\$40.8
	8%	\$26.4	\$31.2	\$36.4	\$42.0	\$48.0	\$54.4
	10%	\$33.0	\$39.0	\$45.5	\$52.5	\$60.0	\$68.0
	12%	\$39.6	\$46.8	\$54.6	\$63.0	\$72.0	\$81.6
	14%	\$46.2	\$54.6	\$63.7	\$73.5	\$84.0	\$95.2
	16%	\$52.8	\$62.4	\$72.8	\$84.0	\$96.0	\$108.8

Source: MGI Securities Inc.

Margin Expansion and Operating Leverage. The company is currently in transition mode from being a predominantly services company to a software company based on high margin royalty revenues. As this transition occurs and software revenues increase as a percentage of revenues, the impact to margins is expected to be significant. Typically, margin expansion leads to multiple expansion and we expect the company to trade closer to high growth software company multiples (4.0x – 6.0x EV/Sales) vs. 2.3x, currently. We are expecting software/royalty revenues to reach approximately 60% of total revenues by end of F2009 (from 10% in F07). Our analysis indicates each 5% increase in software revenue mix while holding operating expenses (as a % of revenue) constant, results in \$0.01 addition to EPS (Exhibit 3). For F2009 we are assuming a 58% software mix, operating expenses (65% of revenues), revenues of \$45.7mm and the company reaching net earnings break-even by 2H/F09.

Exhibit 3. EPS Sensitivity to Software Mix (2009)
Total Revenues (mm)

	\$45.0	\$48.0	\$51.0	\$54.0	\$57.0	\$60.0	
Software Mix	45%	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.03)	(\$0.03)
	50%	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.02)	(\$0.02)
	55%	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.01)
	60%	(\$0.01)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)	(\$0.00)
	65%	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01
	70%	\$0.01	\$0.01	\$0.01	\$0.01	\$0.02	\$0.02
	75%	\$0.02	\$0.02	\$0.02	\$0.02	\$0.03	\$0.03

Source: MGI Securities Inc.

As the company's royalty model accelerates beyond F09, we expect increased operating leverage. Assuming a software mix of 75% which we believe is achievable, our analysis indicates that ICS could earn \$0.15 - \$0.20 per share in F10 (Exhibit 4).

Exhibit 4. EPS Sensitivity to Operating Expenses (% of revenues)

		Revenues (mm)					
		\$55.0	\$65.0	\$70.0	\$75.0	\$80.0	\$85.0
Op Ex (% of Revs.)	42%	\$0.14	\$0.17	\$0.19	\$0.22	\$0.25	\$0.28
	45%	\$0.12	\$0.15	\$0.17	\$0.20	\$0.22	\$0.25
	48%	\$0.11	\$0.13	\$0.16	\$0.18	\$0.20	\$0.22
	51%	\$0.10	\$0.12	\$0.14	\$0.16	\$0.18	\$0.20
	54%	\$0.08	\$0.10	\$0.12	\$0.14	\$0.15	\$0.17
	57%	\$0.07	\$0.08	\$0.10	\$0.11	\$0.13	\$0.14
	60%	\$0.06	\$0.07	\$0.08	\$0.09	\$0.11	\$0.12

Source: MGI Securities Inc.

Referenceable Customer Base. ICS has built up an impressive list of customers initially through its services group including Texas Instruments, Motorola, Intel, Marvell, and Symbian among others. More importantly, we are encouraged by the company's ability to secure design wins for its Soleus software platform with top tier ODM's/OEM's like Samsung, Quanta, and Microstar International, among others. Since March 2007, the company has secured a total of six Soleus design wins. We believe the recently announced Samsung deal is **POTENTIALLY GAME CHANGING** for the company and while we are conservatively forecasting \$9.0mm in royalty revenues from this deal in F09 there could be significant upside to our forecast.

Valuation Not Reflecting Potential. ICS currently trades at 2.3x F09 EV/Sales, slightly above multiples at which IT companies with lower software mix trade, but below multiples for high growth software companies (typically 4.0x – 6.0x and above). This company is an execution story with software revenues not yet a material component of total revenues. However, we believe that the market is ignoring the quality of Intrinsyc's Soleus partners and the potential for upside when design wins translate into product launches. Our checks indicate ICS can expect at least 300K to 1.0mm units shipped per year per design win with a typical product cycle lasting 1.5 – 2.0 years. We are particularly excited by the company's success in securing design wins with silicon chip vendors (Nov 20th 2007 – likely Marvell) and more recently Samsung. **Large silicon vendors supply multiple ODM's/OEM's and provides ICS with a powerful channel to reach multiple ODM's/OEM's through a single partner.** The product road-maps of many ODM's/OEM's are aligned with the design road-maps of chipset vendors and we believe the market is not fully appreciating the value of ICS' design wins with silicon chipset vendors.

Samsung Potential. A case in point is the company's recent Soleus win with Samsung's Semiconductor LSI division. Samsung LSI not only supplies chip-sets to Samsung Mobile which shipped over 150mm handsets last year (of which we estimate 60% - 70% were feature phones), the LSI division also supplies several consumer electronics ODM's and OEM's. We believe the processor Samsung will be shipping with Soleus embedded will have applications for several consumer electronics devices including digital cameras, handheld navigation devices and other peripherals. Our checks with Samsung indicate the company is targeting several customers in the consumer electronics segment including Sanyo, Tom Tom and likely Epson in addition to Samsung Mobile. Tom Tom, we estimate, shipped over 8mm GPS-based navigation devices in 2007 and Sanyo is a consumer electronics giant.

We believe approximately 50% of Samsung's feature phones are RTOS based so factoring this in the addressable opportunity for the Soleus embedded processor within Samsung is likely around 45.0 mm – 55.0 mm units. We estimate this processor could have an addressable market opportunity of 60.0 – 90.0 million units if the consumer electronics segment and other handheld devices (navigation devices) are included. Assuming LSI's Soleus embedded processor captures 20% of the addressable market (as per our estimate), the impact to ICS could be approximately \$30.0mm assuming a discounted royalty of \$2.00 - \$2.50 per processor. **We are conservatively forecasting \$9.0mm in royalty revenues from this deal in F09, although our analysis indicates potential royalty revenues from this deal could exceed our forecast by \$15mm - \$25mm, which could add \$0.01 - \$0.02 to F09 EPS over and above our forecast.** Exhibits 5 – 7 highlight the sensitivity of the penetration rate to LSI's processor shipments.

Exhibit 5. Samsung Processor Penetration (Soleus) – Units (mm)

		Samsung Processors Shipped (mm)					
		60.0	65.0	70.0	75.0	80.0	85.0
Penetration Rate (%)	5%	3.0	3.3	3.5	3.8	4.0	4.3
	10%	6.0	6.5	7.0	7.5	8.0	8.5
	15%	9.0	9.8	10.5	11.3	12.0	12.8
	20%	12.0	13.0	14.0	15.0	16.0	17.0
	25%	15.0	16.3	17.5	18.8	20.0	21.3
	30%	18.0	19.5	21.0	22.5	24.0	25.5
	35%	21.0	22.8	24.5	26.3	28.0	29.8

Source: MGI Securities Inc.

Exhibit 6. Samsung Royalty Revenues Sensitivity (mm)

		Samsung Processors Shipped (mm)					
		\$2.00	\$2.15	\$2.30	\$2.45	\$2.60	\$2.75
Penetration Rate (%)	5%	\$6.0	\$7.0	\$8.1	\$9.2	\$10.4	\$11.7
	10%	\$12.0	\$14.0	\$16.1	\$18.4	\$20.8	\$23.4
	15%	\$18.0	\$21.0	\$24.2	\$27.6	\$31.2	\$35.1
	20%	\$24.0	\$28.0	\$32.2	\$36.8	\$41.6	\$46.8
	25%	\$30.0	\$34.9	\$40.3	\$45.9	\$52.0	\$58.4
	30%	\$36.0	\$41.9	\$48.3	\$55.1	\$62.4	\$70.1
	35%	\$42.0	\$48.9	\$56.4	\$64.3	\$72.8	\$81.8

Source: MGI Securities Inc.

Exhibit 7. Samsung Partnership EPS Impact

		ASP per Processor					
		\$2.00	\$2.15	\$2.30	\$2.45	\$2.60	\$2.75
Net Margin (%)	7%	\$0.00	\$0.00	\$0.00	\$0.01	\$0.01	\$0.01
	8%	\$0.01	\$0.01	\$0.01	\$0.01	\$0.01	\$0.02
	9%	\$0.01	\$0.02	\$0.02	\$0.02	\$0.02	\$0.03
	10%	\$0.02	\$0.02	\$0.03	\$0.03	\$0.03	\$0.04
	11%	\$0.03	\$0.03	\$0.04	\$0.04	\$0.05	\$0.05
	12%	\$0.04	\$0.04	\$0.05	\$0.06	\$0.06	\$0.07
	13%	\$0.05	\$0.05	\$0.06	\$0.07	\$0.08	\$0.09

Source: MGI Securities Inc.

We note that timing on how quickly higher penetration rates can be achieved is hard to accurately predict and the above analysis highlights the potential opportunity if Samsung LSI captures sufficient penetration with Samsung Mobile and other ODM's/OEM's. It is likely this could take two to three years to achieve and our analysis is an attempt to try and quantify what the potential opportunity here under an achievable set of assumptions.

Financial Analysis and Outlook

The company's historical growth rate and margins are reflective of a service company. In F07 the company had 6% top-line growth and reported gross margins of nearly 50% up from 39% in F06. This was largely driven by new benchmarks put in place including a milestone driven model on service projects and improved pricing discipline. In F07, 85% of revenues came from services with approximately 10% from software, but we note the Soleus platform was launched only in F07 and most design wins were secured after Q4/F07. Typically it takes approximately 9 – 12 months before a design win translates into royalty revenues and we believe F08 will be an inflection point for the company as the transition to a higher mix of high margin software revenues takes hold.

The company's revenue model for Soleus is an upfront payment of \$100K - \$150K per design win and annual maintenance with royalty revenues kicking in once handset devices start shipping. Our checks indicate that each design win with an ODM/OEM/Silicon vendor has contract obligations of between 0.3mm – 1.0mm handset shipments

based on a tiered pricing structure. Royalty for each handset/device is around \$4.0 net of license fees to Microsoft (\$3.0 - \$4.0 per device). The company gives a price break at 1.0mm units (likely \$0.25 - \$0.35) with a similar tiered structure for higher volumes with royalty revenues per handset bottoming at \$2.0 per handset for very high volumes. In F08 we expect software revenues to reach 24% of revenues (from 10% in F07) growing to 52% of revenues of in F09 as royalty model ramps. As highlighted above, the Samsung partnership gives us confidence that the company can meet our above consensus expectations for F09. The company is switching to US\$ reporting for F08 and aligning its fiscal year and calendar year.

Exhibit 8. Historical Financials and Projections

US\$ mm except EPS	F06 *	F07 *	F08E **	F09E **
Revenues	\$18.7	\$19.7	\$24.6	\$45.7
<i>Y/Y Growth **</i>		5.6%	24.9%	85.8%
Software Mix (% of Revs.)	10%	10%	24%	52%
Gross Margins (%)	39.3%	49.1%	52.5%	65.6%
EBITDA	-\$12.5	-\$14.2	-\$10.8	\$0.1
<i>% margin</i>	n.a.	n.a.	n.a.	0.2%
Net Income	-\$16.4	-\$16.9	-\$11.7	-\$1.3
<i>% margin</i>				
EPS (f.d)	-\$0.24	-\$0.18	-\$0.10	-\$0.01

* In C\$

** Assuming C\$/US\$ parity

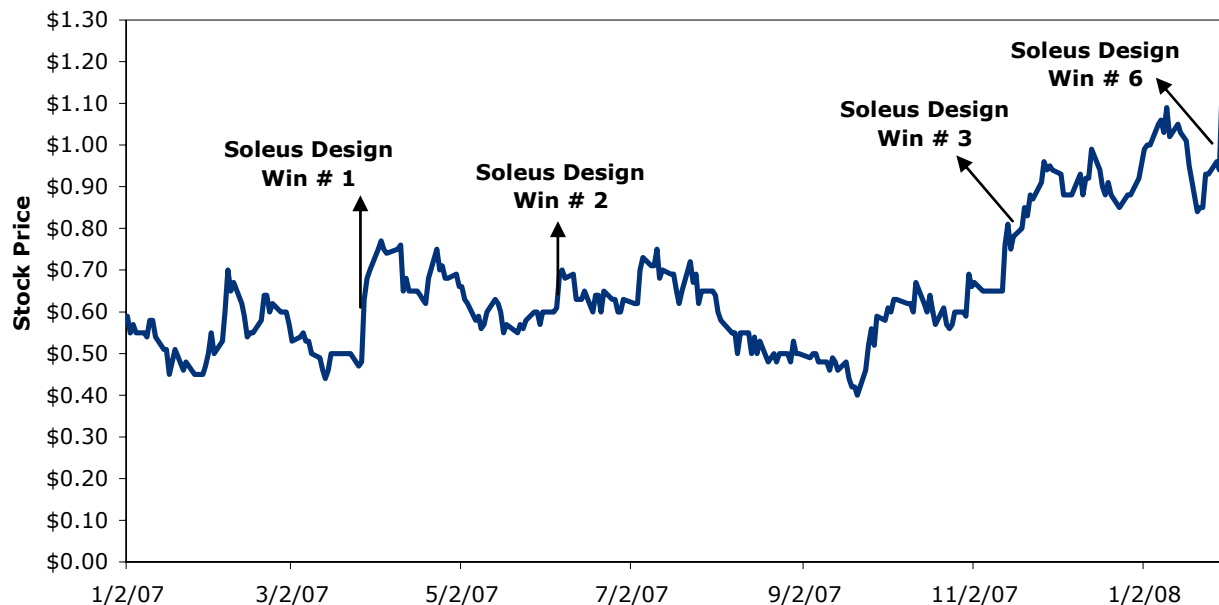
Source: Company reports, MGI Securities

Outlook and Catalysts. With 25% topline growth expected in F08 and 86% in F09 we have a positive outlook for ICS. Eliminating one outlier estimate we are above consensus for F09 (current consensus in C\$ - company switching to US\$ reporting) for F09 with revenues of \$45.7mm (vs. cons for \$41.8mm) and EPS of \$(0.01) (vs. cons for \$(0.02)). Our above consensus forecast reflects our confidence in the potential of recent deals (especially Samsung) to significantly impact financials heading into F09. Pending catalysts for the stock include:

- New design wins from ODM's/OEM's or silicon vendors;
- Commencement of royalty revenues ramp from previously secured design wins;
- Commencement and ramp up of royalties from Samsung deal (expected in late 2H/F08);
- Additional design wins from existing ODM/OEM partners;
- Potential for accretive acquisitions.

The stock can be news driven with design win announcements acting as temporary catalysts for the stock and the stock could likely be volatile in the short-term but we recommend investors take a medium to longer term view of this story as we expect sustainable multiple expansion once royalty revenues commence and the company transitions to a higher mix of high margin software revenues and positive earnings.

Exhibit 9. Stock Price and Design Win Announcements



Source: Bloomberg, MGI Securities Inc.

Valuation and Recommendation

We are initiating coverage of Intrinsyc with a **BUY** recommendation and a target price of **\$2.00** per share.

DCF. Based on a sensitivity of the discount rate (11% to 13%) and the terminal growth rate (4% to 5%), we calculate a target range of \$1.62 to \$2.44 per share (Exhibit 10). Using a discount rate of 12% and a terminal growth rate of 5%, we arrive at a price target of \$2.00.

Exhibit 10. DCF Sensitivity

		Discount Rate				
		10%	11%	12%	13%	14%
Terminal Growth Rate	3%	\$ 2.36	\$ 2.01	\$ 1.74	\$ 1.52	\$ 1.35
	4%	\$ 2.64	\$ 2.19	\$ 1.87	\$ 1.62	\$ 1.42
	5%	\$ 3.01	\$ 2.44	\$ 2.04	\$ 1.74	\$ 1.51
	6%	\$ 3.58	\$ 2.79	\$ 2.26	\$ 1.89	\$ 1.62

Source: MGI Securities Inc.

Relative Valuation. We have based our relative valuation analysis on public companies with a focus on the mobile infrastructure software space. On an EV/Sales basis, ICS trades at 2.3x consensus F2009 estimates, essentially inline with its peers but well below industry leaders like RIM. Our \$2.00 target equates to 4.8x F09 revenues on an EV/Sales basis, which is comparable to high growth software companies and industry leaders like RIM. We note the company is undergoing a fundamental transformation and as highlighted by several sensitivity analyses in our report it is hard to accurately predict the company's growth trajectory, revenue mix and margins. However, design wins with leading ODM's/OEM's and especially silicon vendors give us comfort our projections are achievable and the implied growth warrants a premium multiple. We believe that, given ICS' strong management team, pending catalysts and potential for upside to expectations our premium valuation is justified.

Exhibit 11. Relative Valuation

Company	Ticker	Share		Net Cash (MM)	Market Cap. \$MM	Net Cash / Share	EPS			Price/Earnings			Price/Sales			EV/Sales			Rev. Growth
		Price 8-Feb-08	Shares (MM)				FTM	FY1	FY2	FTM	FY1	FY2	FTM	FY1	FY2	FTM	FY1	FY2	FTM
Mentor Graphics	MENT	\$7.85	89.74	\$90	\$704	\$1.01	\$1.07	\$1.10	\$1.27	7.3x	7.1x	6.2x	0.8x	0.8x	0.7x	0.7x	0.7x	0.6x	15.25%
Opera Software	OPERA	\$2.35	119.54	\$83	\$281	\$0.70	\$0.06	\$0.06	\$0.11	38.2x	41.9x	21.7x	3.7x	3.7x	2.9x	2.6x	2.6x	2.0x	64.44%
Research In Motion	RIMM	\$84.95	561	\$1,254	\$47,657	\$2.24	\$3.12	\$3.37	\$4.53	27.2x	25.2x	18.8x	5.3x	5.3x	4.1x	5.1x	5.1x	4.0x	79.08%
Wind River Systems	WIND	\$8.24	87.24	\$101	\$719	\$1.16	\$0.42	\$0.47	\$0.55	19.6x	17.5x	15.0x	2.0x	1.9x	1.8x	1.7x	1.7x	1.5x	10.93%
Apple	AAPL	\$121.24	878.63	\$18,448	\$106,525	\$21.00	\$5.27	\$5.13	\$6.28	23.0x	23.6x	19.3x	3.2x	3.4x	2.8x	2.7x	2.8x	2.3x	25.26%
Average										23.1x	23.1x	16.2x	3.0x	3.0x	2.4x	2.6x	2.6x	2.1x	38.99%
Intrinsyc	ICS	\$1.18	119.5	\$19.6	\$141	\$0.16	-0.12	-\$0.11	-\$0.02	--	--	--	5.6x	5.4x	2.7x	4.9x	4.6x	2.7x	26.90%

* Opera Software is in NOK – converted at FC/USD 5.4045

Source: Bloomberg, Thomson One, MGI Securities Inc.

Risks to Outlook

Success Contingent on Soleus Design Wins: At present, ICS has six Soleus wins to its credit. The majority of the Company's eggs lie in the Soleus basket. As such, the Mobile Products Group is heavily reliant upon future wins and the shape of the feature phone segment. Though ICS has a healthy pipeline of potential licensees, future demand for the software is uncertain. Sales cycles have historically been lengthy and have fallen into the six to nine month range. Delays are a regular occurrence as customers ponder the expenditure and proceed with due diligence. Given the significant investment in R&D, it is critical for Soleus to generate revenue from design wins in a timely manner.

Technological Change: The software industry is constantly evolving. As such, ICS will have to improve existing products and develop new features in response. In a changing marketplace, there is no guarantee that the Company will be able to accomplish this in a timely fashion or at all. As well, there is no assurance that ICS will be able to compete with a competitor's improved technology which can potentially render its products obsolete.

The Emergence of the Smartphone: The sentiment that smartphones will continue to impact feature phone sales is widely held. It is therefore increasingly important for ICS to establish a stronghold on the HLOS market in order to solidify its position as the trend evolves. Conversely, there is also a possibility for players such as Symbian and Microsoft to move downstream and penetrate the feature phone space, potentially compromising ICS's market position.

Royalty Revenues: The company's transition to a software vendor depends on the level of royalty revenues and the pace at which these revenues accelerate. This depends on handset and electronic device shipments from ODM/OEM and silicon partners and timing of these shipments could impact the rate of royalty revenue increases.

Customer Concentration. This was an issue when the company was a pure services company with the top three customers accounting for over 40% of revenues. As Soleus related revenues ramps this percentage should decrease.



Appendix 1: Financials

Intrinsic Software										Intrinsic Software										
Income Statement										Income Statement										
Yr End Aug 31, C\$000's except per share figures										Yr End Dec 31, US\$000's except per share fig										
	F2005	F2006	F2007				F2007	Stub-Q			F2008E	F2008E				F2009E				
	Aug-05	Aug-06	Q1-07	Q2-07	Q3-07	Q4-07	Aug-07	Dec-07		Mar-08	Jun-08	Sep-08	Dec-08	Dec-08	Mar-08	Jun-09	Q3-09e	Q4-09e	F2009E	
			Nov-06	Feb-07	May-07	Aug-07	Aug-07												Dec-09	
Total Revenues		17,539	18,657	5,021	5,036	5,112	4,536	19,706	5,037	Total Revenues	4,812	4,986	6,465	8,352	24,616	9,346	10,397	12,207	13,825	45,775
	Y/Y%	15.6%	6.4%	10.3%	5.1%	16.5%	-7.9%	5.6%						24.9%	94.2%	108.5%	88.8%	65.5%	86.0%	
	Q/Q%			2.0%	0.3%	1.5%	-11.3%		11.0%			3.6%	29.7%	29.2%	11.9%	11.3%	17.4%	13.3%		
Cost of Sales		9,081	11,318	2,705	2,554	2,464	2,310	10,034	2,666	Cost of Sales	2,667	2,719	2,992	3,303	11,681	3,496	3,734	4,090	4,420	15,740
Gross Margin		8,458	7,339	2,316	2,482	2,648	2,226	9,672	2,371	Gross Margin	2,146	2,267	3,473	5,049	12,935	5,850	6,663	8,117	9,405	30,035
	Gross margin (%)	48.2%	39.3%	46.1%	49.3%	51.8%	49.1%	49.1%	47.1%		44.6%	45.5%	53.7%	60.5%	52.5%	62.6%	64.1%	66.5%	68.0%	65.6%
Operating Expenses		4,185	5,408	1,124	1,411	1,416	1,269	5,219	1,300	Operating Expenses	1,203	1,247	1,293	1,670	5,413	1,682	1,664	1,709	1,797	6,852
Administration	% of revenue	23.9%	29.0%	22.4%	28.0%	27.7%	28.0%	26.5%	25.8%	Administration	25.0%	25.0%	20.0%	20.0%	22.0%	18.0%	16.0%	14.0%	13.0%	15.0%
	Y/Y%	70.8%	29.2%	-19.1%	3.7%	16.8%	-12.3%	-3.5%			7.0%	-11.7%	-8.7%	31.6%	39.8%	33.5%	32.2%	7.6%	26.6%	
	Q/Q%			-22.3%	25.5%	0.3%	-10.4%		2.5%		-5.2%	3.6%	3.7%	29.2%	0.7%	-1.1%	2.7%	5.2%		
Marketing and sales	% of revenue	17.2%	18.5%	26.5%	33.7%	33.9%	40.3%	33.4%	36.3%	Marketing and Sales	30.0%	30.0%	25.0%	25.0%	27.0%	24.0%	22.0%	21.5%	19.5%	21.5%
	Y/Y%	-12.2%	14.9%	65.1%	92.0%	92.7%	111.0%	90.7%			8.3%	-11.8%	-6.8%	14.3%	55.4%	52.9%	62.4%	29.1%	48.3%	
	Q/Q%			53.9%	27.3%	2.2%	5.4%		0.0%		-21.0%	3.6%	8.1%	29.2%	7.4%	2.0%	14.7%	2.7%		
Research & Development	% of revenue	23.1%	58.8%	59%	66%	58%	62%	61.0%	55%	Research & Development	59.0%	56.0%	40.0%	40.0%	47.0%	35.0%	31.0%	27.0%	25.0%	28.9%
	Y/Y%	123.7%	171.3%	80.6%	24.4%	-1.3%	-24.0%	9.6%			-4.6%	-15.4%	-12.4%	19.5%	15.2%	15.4%	27.4%	3.5%	14.6%	
	Q/Q%			-19.0%	10.9%	-10.6%	-5.3%		0.0%		1.6%	-1.7%	-7.4%	29.2%	-2.1%	-1.5%	2.3%	4.9%		
Total Operating Expenses	% of revenues	11,236	19,834	5,433	6,409	6,103	5,891	23,836	5,922	Total Operating Expenses	5,486	5,535	5,496	7,099	23,615	7,196	7,174	7,629	7,949	29,949
	Y/Y%	64%	106%	108%	127%	119%	130%	121%	118%		114%	111%	85%	85%	96%	77%	69%	63%	58%	65%
	Q/Q%	46%	77%	41%	31%	20%	-2%	20%	1%		1%	-14%	-10%	21%	31%	30%	39%	12%	27%	
	Y/Q%			-73%	18%	-5%	-3%				-77%	1%	-1%	29%	-70%	0%	6%	4%		
EBITDA		(2,778)	(12,495)	(3,117)	(3,927)	(3,455)	(3,665)	(14,164)	(3,551)	EBITDA	(3,340)	(3,268)	(2,022)	(2,050)	(10,680)	(1,346)	(511)	488	1,456	86
	EBITDA Margin (%)	-15.8%	-67.0%	-62.1%	-78.0%	-67.6%	-80.8%	-71.9%			-69.4%	-65.5%	-31.3%	-24.5%	-43.4%	-14.4%	-4.9%	4.0%	10.5%	0.2%
Amortization		825	1,061	179	213	204	226	821	226	Amortization	226	226	226	226	903	226	226	226	226	903
EBIT		(3,603)	(13,557)	(3,296)	(4,140)	(3,659)	(3,891)	(14,985)	(3,777)	EBIT	(3,566)	(3,493)	(2,248)	(2,276)	(11,583)	(1,572)	(737)	262	1,230	(817)
	EBIT Margin (%)	-20.5%	-72.7%	-65.6%	-82.2%	-71.6%	-85.8%	-76.0%			-74.1%	-70.1%	-34.8%	-27.3%	-47.1%	-16.8%	-7.1%	2.1%	8.9%	-1.8%
Exchange (loss) gain		(483)	(428)	250	175	(489)	(61)	(126)		Exchange (loss) gain					0					0
Government Assistance		(215)	(261)		(2)	(153)	(136)	(291)		Government Assistance					0					0
Interest income (expense) (ST)		0	0				0	0		Interest income (expense) (ST)					0					0
Interest income (expense) (LT)		120	(358)	(28)	57	93	197	319	221	Interest income (expense) (LT)	180	139	102	79	499	56	39	33	37	165
Stock compensation		(816)	(915)	(200)	(210)	(96)	(163)	(669)	(163)	Stock compensation	(163)	(163)	(163)	(163)	(652)	(163)	(163)	(163)	(163)	(652)
Other		(745)	(928)			(3)		(930)		Other					0					0
EBT		(4,997)	(16,263)	(4,202)	(4,120)	(4,304)	(4,057)	(16,683)	(3,719)	EBT	(3,549)	(3,518)	(2,309)	(2,360)	(11,736)	(1,679)	(861)	132	1,104	(1,303)
	EBT Margin (%)	-28.5%	-87%	-84%	-82%	-84%	-89%	-85%			-73.7%	-70.5%	-35.7%	-28.3%	-47.7%	-18.0%	-8.3%	1.1%	8.0%	-2.8%
Income Taxes		77	203	86	156	108	42	392		Income Taxes					0					0
Current		(95)	(72)	(29)	(29)	(29)	11	(76)		Current					0					0
Future		(17)	131	57	127	79	53	316		Future					0					0
Income tax expense (recovery)		0.3%	-0.8%	-1%	-3%	-2%	-1%	-1.9%		Income tax expense (recovery)	0%	0%	0%	0%	0.0%	0%	0%	0%	0%	0.0%
Net Income		(4,980)	(16,394)	(4,259)	(4,247)	(4,383)	(4,110)	(16,999)	(3,719)	Net Income	(3,549)	(3,518)	(2,309)	(2,360)	(11,736)	(1,679)	(861)	132	1,104	(1,303)
	Net margin (%)	-28.4%	-87.9%	-84.8%	-84.3%	-85.7%	-90.6%	-86.3%			-73.7%	-70.5%	-35.7%	-28.3%	-47.7%	-18.0%	-8.3%	1.1%	8.0%	-2.8%
Weighted Average Shares O/S		54,477	67,618	83,043	83,043	91,015	119,493	94,149	119,493	Weighted Average Shares O/S	119,493	119,543	119,593	119,643	119,568	119,693	119,743	119,843	119,943	119,806
Basic		54,477	67,618	83,043	83,043	91,015	119,493	94,149	119,493		119,493	119,543	119,593	119,643	119,568	119,693	119,743	119,843	119,943	119,806
Fully Diluted																				
Earnings Per Share		(0.09)	(0.24)	(0.05)	(0.05)	(0.05)	(0.03)	(0.18)	(0.03)	Earnings Per Share	(0.03)	(0.03)	(0.02)	(0.02)	(0.10)	(0.01)	(0.01)	0.00	0.01	(0.01)
Basic																				
Fully diluted		(0.09)	(0.24)	(0.05)	(0.05)	(0.05)	(0.03)	(0.18)	(0.03)		(0.03)	(0.03)	(0.02)	(0.02)	(0.10)	(0.01)	(0.01)	0.00	0.01	(0.01)
	Y/Y%																			
	Q/Q%																			

Source: Company reports, MGI Securities Inc.



Intrinsyc Software									Intrinsyc Software										
F2007									F2009										
Cash Flow Statement									Cash Flow Statement										
Yr End Aug 31, C\$000's except per share	F2005	F2006	Q1-07	Q2-07	Q3-07	Q4-07	F2007	Stub-Q	Yr End Dec 31, US\$000's except per share	Q1-09e	Q2-09e	Q3-09e	Q4-09e	F2009E	Q1-09e	Q2-09e	Q3-09e	Q4-09e	F2009E
Aug-05	Aug-06	Nov-06	Feb-07	May-07	Aug-07	Aug-07	Dec-07	Mar-08	Jun-08	Sep-08	Dec-08	Dec-08	Mar-08	Jun-09	Sep-09	Dec-09	Dec-09	Dec-09	
Cash Flow from Operations									Cash Flow from Operations										
Net Earnings	(4,980)	(16,394)	(4,259)	(4,247)	(4,383)	(4,110)	(16,999)	(3,719)	Net Earnings	(3,549)	(3,518)	(2,309)	(2,360)	(11,736)	(1,679)	(861)	132	1,104	(1,303)
Amortization	825	1,061	179	213	204	226	821	226	Amortization	226	226	226	226	903	226	226	226	226	903
Stock based compensation	816	915	200	210	96	163	669	163	Stock based compensation	163	163	163	163	652	163	163	163	163	652
Foreign exchange		0							Foreign exchange										
Restructuring charge		0					0		Restructuring charge										
Future income taxes	(95)	(32)	(27)	(28)	(34)	11	(78)		Future income taxes										
Other		744	222			705	928		Other										
Funds in Trust		0							Funds in Trust										
Restricted cash		0							Restricted cash										
Accounts receivable, net of doubtful accounts	(528)	120	(1,189)	997	983	(82)	709	59	Accounts receivable, net of doubtful accounts	135	(104)	(888)	(1,132)	(1,989)	(596)	(631)	(1,086)	(971)	(3,284)
Other receivables	947								Other receivables					0	0				0
Prepaid expenses	(11)	(102)	(136)	24	96	(234)	(250)	37	Prepaid expenses	23	(17)	(148)	(189)	(331)	(99)	(105)	(181)	(162)	(547)
Inventories	144	23	(39)	21	40	74	95	(35)	Inventories	2	(2)	(15)	(19)	(33)	(10)	(11)	(18)	(16)	(55)
Accounts payable	888	1,220	(916)	(266)	304	431	(447)	(37)	Accounts payable	(398)	113	962	1,226	1,902	646	684	1,176	1,052	3,558
Income taxes payable	134	(44)	(57)	133	109	19	204	0	Income taxes payable	0	0	0	0	0	0	0	0	0	0
Deferred revenue	191	(294)	107	(91)	(99)	243	160	(98)	Deferred revenue	(123)	17	148	189	231	99	105	181	162	547
Other	0	0							Other					0	0	0	0	0	0
Total change in Non-Cash Working Capital	1,764	923	(2,231)	817	1,434	450	471	(74)	Total change in Non-Cash Working Capital	(362)	7	59	75	(220)	40	42	72	65	219
Cash Flow from Operations	(1,669)	(12,782)	(5,916)	(3,034)	(2,683)	(2,555)	(14,188)	(3,405)	Cash Flow from Operations	(3,522)	(3,122)	(1,861)	(1,896)	(10,401)	(1,250)	(430)	593	1,558	471
Cash Flow from Investing									Cash Flow from Investing										
Restricted cash		0				0	0	0	Restricted cash										
Purchase of short term investments	0	0							Purchase of short term investments										
Purchase of capital assets	(552)	(785)	(78)	(185)	(104)	(208)	(575)	(200)	Purchase of capital assets	(175)	(175)	(175)	(175)	(700)	(175)	(175)	(175)	(175)	(700)
Acquisition of intangible assets	(185)	0							Acquisition of intangible assets										
Funds in trust		0							Funds in trust					0					
Loan note	0	0							Loan note					0					0
Cash Flow from Investing	(737)	(785)	(78)	(185)	(104)	(208)	(575)	(200)	Cash Flow from Investing	(175)	(175)	(175)	(175)	(700)	(175)	(175)	(175)	(175)	(700)
Cash Flow from Financing									Cash Flow from Financing										
Restricted cash	0	0					0	0	Restricted cash					0					0
Repayment of shareholder loans							0	0	Repayment of shareholder loans					0					0
Term loan (repayments)	0	0					0	0	Term loan (repayments)					0					0
Repayments of capital lease obligation	0	0					(2)	(2)	Repayments of capital lease obligation					0					0
Issue of common shares, net of issue costs	5,124	21,779			18,225	1,710	19,935	0	Issue of common shares, net of issue costs					0					0
Other	0	6,956	(7,324)			(705)	(8,029)	0	Other					0					0
Cash Flow from Financing	5,124	28,735	(7,324)	0	18,225	1,003	11,905	0	Cash Flow from Financing	0	0	0	0	0	0	0	0	0	0
FX Impact									FX Impact	0	0	0	0	0	0	0	0	0	0
Net Cash Flow	2,718	15,168	(13,318)	(3,219)	15,439	(1,760)	(2,858)	(3,605)	Net Cash Flow	(3,697)	(3,297)	(2,036)	(2,071)	(11,101)	(1,425)	(605)	418	1,383	(229)
Cash position, beginning	4,600	7,318	22,486	9,168	5,949	21,388	22,486	19,628	Cash position, beginning	16,024	12,327	9,030	6,994	16,024	4,922	3,497	2,892	3,310	4,922
Cash position, end	7,318	22,486	9,168	5,949	21,388	19,628	16,024	16,024	Cash position, end	12,327	9,030	6,994	4,922	4,922	3,497	2,892	3,310	4,693	4,693

Source: Company reports, MGI Securities Inc.

Intrinsyc Software									Intrinsyc Software										
Balance Sheet									Balance Sheet										
Yr End Aug 31, C\$000's except per share figures									Yr End Dec 31, US\$000's except per share figures										
	F2005	F2006	F2007			F2007	Stub-Q			F2008E	F2008E			F2009E			F2009E		
	Aug-05	Aug-06	Q1-07	Q2-07	Q3-07	Q4-07	Aug-07	Dec-07	Mar-08	Jun-08	Sep-08	Dec-08	Dec-08	Q1-09e	Q2-09e	Q3-09e	Q4-09	Dec-09	
ASSETS									ASSETS										
Cash and cash equivalents	7,318	22,486	9,168	5,949	21,388	19,628	19,628	16,024	Cash and cash equivalents	12,327	9,030	6,994	4,922	4,922	3,497	2,892	3,310	4,693	4,693
Funds held in trust		0							Funds held in trust										
Restricted cash									Restricted cash										
Short term investments									Short term investments										
Accounts receivable	3,910	3,790	4,979	3,983	2,999	3,081	3,081	3,022	Accounts receivable	2,887	2,992	3,879	5,011	5,011	5,607	6,238	7,324	8,295	8,295
Other receivable		0					0	0	Other receivable			0	0	0	0	0	0	0	0
Inventories	134	111	150	129	90	16	16	50	Inventories	48	50	65	84	84	93	104	122	138	138
Prepaid expenses	346	386	398	372	299	541	541	504	Prepaid expenses	481	499	647	835	835	935	1,040	1,221	1,383	1,383
Income taxes recoverable	0	0					0	0	Income taxes recoverable			0	0	0	0	0	0	0	0
Total Current Assets	11,708	26,773	14,696	10,434	24,776	23,266	23,266	19,600	Total Current Assets	15,744	12,570	11,584	10,852	10,852	10,133	10,274	11,977	14,509	14,509
Funds held in trust									Funds held in trust										
Restricted cash									Restricted cash										
Property plant & equipment	981	1,361	1,339	1,390	1,369	1,479	1,479	1,454	Property plant & equipment	1,403	1,352	1,302	1,251	1,251	1,200	1,150	1,099	1,048	1,048
Goodwill (net of accumulated amortization)	14,189	14,189	14,189	14,189	14,189	14,189	14,189	14,189	Goodwill (net of accumulated amortization)	14,189	14,189	14,189	14,189	14,189	14,189	14,189	14,189	14,189	14,189
Intangible assets	1,213	556	477	398	320	241	241	241	Intangible assets	241	241	241	241	241	241	241	241	241	241
Other	578	578	185	187	164	157	157	157	Other	157	157	157	157	157	157	157	157	157	157
Total Assets	28,090	43,458	30,887	26,599	40,818	39,332	39,332	35,641	Total Assets	31,734	28,509	27,473	26,690	26,690	25,920	26,011	27,663	30,144	30,144
LIABILITIES & SHAREHOLDERS' EQUITY									LIABILITIES & SHAREHOLDERS' EQUITY										
Accounts payable and accrued liabilities	2,790	4,011	3,094	2,828	3,132	3,563	3,563	3,526	Accounts payable and accrued liabilities	3,128	3,241	4,202	5,429	5,429	6,075	6,758	7,935	8,986	8,986
Income taxes payable	263	219	162	295	404	423	423	423	Income taxes payable	423	423	423	423	423	423	423	423	423	423
Deferred revenue	837	543	649	559	460	703	703	604	Deferred revenue	481	499	647	835	835	935	1,040	1,221	1,383	1,383
Future income taxes		0					0	0	Future income taxes			0	0	0	0	0	0	0	0
Guaranteed loan note	0	0					0	0	Guaranteed loan note						0	0	0	0	0
Loan note	0	0					0	0	Loan note						0	0	0	0	0
Shareholder loans	0	0				15	15	15	Shareholder loans			15	15	15	15	15	15	15	15
Other									Other	15	15	15	15	15	15	15	15	15	15
Total Current Liabilities	3,890	4,772	3,906	3,682	3,997	4,704	4,704	4,569	Total Current Liabilities	4,048	4,178	5,287	6,702	6,702	7,447	8,236	9,594	10,807	10,807
Future income taxes	261	230	203	175	141	152	152	152	Future income taxes	152	152	152	152	152	152	152	152	152	152
Others		7,618				33	33	33	Others	33	33	33	33	33	33	33	33	33	33
SHAREHOLDERS' EQUITY									SHAREHOLDERS' EQUITY										
Share Capital	57,452	74,624	74,624	74,623	92,398	94,088	94,088	94,088	Share Capital	94,088	94,088	94,088	94,088	94,088	94,088	94,088	94,088	94,088	94,088
Shares to be issued									Shares to be issued										
Share purchase warrants	164	5,230	5,230	5,230	5,680	5,736	5,736	5,899	Share purchase warrants	6,062	6,226	6,389	6,552	6,552	6,552	6,552	6,552	6,552	6,552
Contribution surplus	1,897	2,952	3,151	3,362	3,457	3,584	3,584	3,584	Contribution surplus	3,584	3,584	3,584	3,584	3,584	3,747	3,910	4,073	4,236	4,236
Cumulative translation account	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	Cumulative translation account	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)	(28)
Accumulated deficit	(35,546)	(51,939)	(56,198)	(60,445)	(64,828)	(68,937)	(68,937)	(72,656)	Accumulated deficit	(76,205)	(79,723)	(82,032)	(84,392)	(84,392)	(86,071)	(86,932)	(86,800)	(85,696)	(85,696)
Total Shareholders' Equity	23,939	30,839	26,780	22,742	36,680	34,443	34,443	30,888	Total Shareholders' Equity	27,502	24,147	22,001	19,804	19,804	18,288	17,590	17,885	19,153	19,153
Total Liabilities & Shareholders' Equity	28,091	43,458	30,888	26,599	40,818	39,332	39,332	35,641	Total Liabilities & Shareholders' Equity	31,734	28,509	27,473	26,690	26,690	25,920	26,011	27,663	30,144	30,144

Source: Company reports, MGI Securities Inc.

Appendix 2: Management

Glenda M. Dorchak

Chairman and Chief Executive Officer

Ms. Dorchak joined Intrinsyc in July 2006 as Chairman and CEO. She previously held senior positions at Intel Corporation including VP & General Manager of the Consumer Electronics Group and VP & COO of the Communications Group.

Souheil Gallouzi

VP & General Manager of Product Marketing and Development

Mr. Gallouzi joined Intrinsyc in October 2007 as VP & General Manager of Product Marketing and Development. He was previously at Qualcomm as Senior Director of MediaFLO Technologies. He has also held management positions at Nortel Networks, Newbridge Networks and Leap Wireless.

Mark Johnston

EVP & General Manager, Worldwide Sales and Business Development

Mr. Johnston joined Intrinsyc in November 2006 as EVP & General Manager, Worldwide Sales and Business Development. He was previously at Intel Corporation for the past 22 yrs and has held senior positions including Director, Worldwide Technical Sales and Support; Director, Global Marketing for the Cellular and Handheld Products Group; and General Manager, Communications Sales and Marketing for Asia Pacific.

Randy Kath

Chief Technology Officer

Mr. Kath joined Intrinsyc in 2004 and has over 15 yrs of experience in software development, program management, product management, sales, marketing and business management. He was previously at Microsoft, Shepard's McGraw-Hill and General Dynamics.

Mark Longo

VP of Corporate Development, General Counsel and Corporate Secretary

Mr. Longo joined Intrinsyc in June 2007 as VP of Corporate Development, General Counsel and Corporate Secretary. He has previously held similar positions at Datawire Communications Networks Inc., Star Data Systems Inc. and Baycom Inc. and has a combined 15 yrs of experience in corporate governance, corporate law, technology law, investor relations and corporate development in the technology sector.

David Manuel

EVP & General Manager of Global Engineering Operations

Mr. Manuel joined Intrinsyc in 1999. He has over 22 yrs of international technology business experience and was previously at DAMOS SudAmerica (affiliate of Telecom Italia) and MacDonald Dettwiler and Associates.

David Fischer

Acting Chief Financial Officer

Mr. Fischer was appointed Acting Chief Financial Officer in July 2007. He is also the Senior Director of Finance and has over 10 yrs of experience in corporate finance. He was previously at Mobile Data Solutions Inc, as Controller and Director, Special Projects and at PricewaterhouseCoopers LLP as Manager, Assurance and Business Advisory Services Group.

Source: Company reports

Appendix 3: Board of Directors

Name	Background	Director Since
Glenda M. Dorchak	Prior to joining Intrinsic, Ms. Dorchak drove the strategic direction and product development for embedded communications and consumer electronics devices as the Vice President and General Manager of Intel Corporation's Consumer Electronics Group. Ms. Dorchak joined Intel in 2001 as Vice President and COO of its Communications Group playing a leading role in the consolidation of Intel's many communications technology businesses. Prior to her tenure at Intel, Ms. Dorchak served as Chairman and CEO of Value America, Inc., a leading online retailer that pioneered the sale of consumer products on the Internet. Ms. Dorchak began her career with IBM Canada in Vancouver, B.C., in 1974 and remained with IBM in Canada and the U.S. for over 20 years. She served in a variety of executive positions in sales, marketing and planning, including director of PC Direct and PC worldwide customer relationship marketing executive. Ms. Dorchak served as an independent Director on the Board of Directors of the Corporation in 2004 and 2005.	2006
Thomas Bitove	Mr. Bitove has a successful history of leadership in several corporate sectors, including the retail technology, hospitality and foodservices industries. Most recently, as Chairman of Wireless Airtime Direct Inc., Mr. Bitove was instrumental in the successful launch of a process that allows customers to use ATM bank machines as point-of-sale terminals. He also currently owns the distribution rights for the Red Bull Energy Drink throughout Ontario, Canada, one of the largest distributors in North America. Between 1989 and 2002, Mr. Bitove was CEO and President of Lettuce Serview LP and its successor companies. He successfully grew the business and sold it, together with the airport foodservice operations, to HMS Host, the world's foremost travel centre and air terminal food services company. Mr. Bitove has a BA in economics from the University of Western Ontario.	2005
George A. Duguay	Mr. Duguay is a senior executive with experience in the technology, financial services and resource industries. Since 1988, he has been the President of G. Duguay Services Inc, a partner of Duguay and Ringler Corporate Services until February 2006, a provider of corporate and financial administrative services to public companies. G. Duguay Services Inc. continues to act as a consultant to Duguay & Ringler Corporate Services. In addition, he was a founder of Equity Transfer & Trust Company, a provider of transfer agency and corporate trust services. He is presently Corporate Secretary of two public companies. For the period May 1993 to December 2004 he served as a Director of Genesis Microchip Inc., the world's leading supplier of display image processors listed on NASDAQ. Mr. Duguay is a Certified General Accountant and an associate of the Institute of Chartered Secretaries.	2003
Robert J. Gayton	Mr. Gayton holds a doctorate in Business from the University of California at Berkeley and was a former partner at Peat Marwick Mitchell. Dr. Gayton has directed the accounting and financial matters of public companies in the resource and non-resource fields since 1987.	1995
Joachim (Joe) Heel	Mr. Heel possesses over thirteen years of experience managing senior executive relationships in the technology industry. He joined Sun Microsystems in September 2005 and currently serves as the Senior Vice President of Sun's Global Storage Practice. He is responsible for Sun's sales of storage products worldwide, representing approximately \$2.5 billion of revenue and 1200 employees. Prior to Sun Microsystems, Mr. Heel was a Partner in the High Tech practice at McKinsey & Company where he advised clients in the United States, Europe and Latin America on corporate strategy, operations, mergers and acquisitions, business development and organization design. Mr. Heel also started and led McKinsey's office in Miami and oversaw its Private Equity practice. Mr. Heel holds a Ph.D. in Computer Science from the Massachusetts Institute of Technology ("MIT") and has published numerous academic papers.	2007
Ketan Kamdar	Mr. Kamdar has more than fifteen years of experience in the development, integration, and operations of wireless solutions in the wireless device, telecommunications infrastructure, wireless application, and semiconductor industries. He joined Broadcom in April 2005 and currently serves as a Vice President with global responsibility for Strategic Business Development with OEMs and ODMs, as well as interfacing worldwide with network operators, representing the Mobile Platforms and Wireless Connectivity Groups. Prior to Broadcom, he held several senior engineering and operational roles at AT&T Wireless/Cingular Wireless, most recently as the Vice President of the Device Development Group where he had corporate responsibility for directing, defining and commercializing mobile phones. Mr. Kamdar's experience and deep industry relationships will enable him to be a strong advisor as Intrinsic pursues opportunities to build strategic global partnerships around the Soleus development platform. Mr. Kamdar holds a Masters Degree in Electrical Engineering from Virginia Polytechnic Institute and State University, and earned his Bachelors Degree in Electronics and Telecommunications Engineering from Bombay University.	2007

Andrew J. McLeod	Mr. McLeod is a partner with the law firm Blake, Cassels & Graydon LLP, based in Vancouver. In addition to providing corporate and securities law advice to the Corporation, Mr. McLeod acts for numerous companies and investors in the technology and various other industries in British Columbia. Mr. McLeod holds a law degree and Masters degree in Business Administration, both from the University of Alberta.	2006
Vincent Schiralli	Schiralli has been a Director on Intrinsic's Board since April 2003. From September 2004 until his retirement in March 2007 he also served as President and Chief Operating Officer of the Corporation where he was responsible for Corporate Marketing and Business Development. He has been working in the software and telecommunications industry since 1968, where he began his career at IBM Canada Ltd. He served 25 years at IBM, holding several different positions including sales, operations and senior management. Mr. Schiralli was the former CEO of Qobra Systems Inc., a Virtual Private Network hardware and software company, and Passport Online Inc., an Internet Service Provider, which was purchased by Primus Telecommunications Canada Inc. in 2002. Mr. Schiralli was also the founder and President of Communitex, an Ontario-based Technology Association.	2003

Source: Company reports

Appendix 4: Share Ownership

<u>Name</u>	<u>Title</u>	<u>Shares</u>	<u>Options + Warrants</u>	<u>Total</u>	<u>%</u>
Glenda M. Dorchak	Chairman & CEO	80,000	1,425,000	1,505,000	1.01%
David Fischer	Senior Director Finance, Acting CFO	-	24,000	24,000	0.02%
Souheil Gallouzi	VP and General Manager of Product Marketing & Development	-	325,000	325,000	0.22%
Mark Johnston	Executive VP and General Manager of Worldwide Sales and Business Development	-	650,000	650,000	0.44%
Randy Kath	CTO and General Manager of Mobile Products Group	-	630,000	630,000	0.42%
Mark Longo	VP Corporate Development, General Council & Corporate Secretary	38,500	325,000	363,500	0.24%
David Manuel	Executive VP and General Manager of Engineering Services Group	21,712	543,300	565,012	0.38%
Andrew Morden	Former CFO	43,534	290,767	334,301	0.22%
Total Management		183,746	4,213,067	4,396,813	2.96%
Total Directors		919,336	1,502,222	2,421,558	1.63%
Total Insiders		1,103,082	5,715,289	6,818,371	4.59%
Retail & Institutional		118,496,918	23,284,711	141,781,629	95.41%
Total		119,600,000	29,000,000	148,600,000	100%

Source: Company reports

Appendix 5: Key Events

Date	Event
30-Jan-08	Samsung Semiconductor System LSI Division has signed a licensing agreement for the Soleus software platform. Under this licensing agreement, Samsung System LSI Division will bundle Soleus with a Samsung application processor as part of an integrated hardware and software platform for its ODM and OEM customers.
7-Jan-08	Intrinsyc and Micro-Star International (MSI) unveiled a Soleus-based consumer handset that features personal navigation and Mobile Digital TV (MDTV) capabilities. The 5608 wireless handset is MSI's first product for the mobile phone market, as well as the first in a series of planned Soleus-based mobile phones and wireless handheld devices.
10-Dec-07	Intrinsyc announced that it has signed a memorandum of understanding with a leading Japan-based Original Equipment Manufacturer (OEM) of consumer electronics products. Intrinsyc will extend its Soleus platform utilizing technology of the OEM and Intrinsyc.
20-Nov-07	A Silicon vendor has selected Soleus to be bundled with its chips to provide a full high-level operating system solution. Intrinsyc will also provide engineering services to assist with various integration requirements.
13-Nov-07	Quanta Computer, a notebook ODM agreed to license Soleus for a 3G HSDOA mobile device. Intrinsyc will also provide engineering services to support the development.
5-Jun-07	A Taiwanese manufacturer of computer hardware and consumer electronic products has licensed Soleus for the development of a GPS and MDTV device with mobile phone capabilities.
10-May-07	Intrinsyc raised \$20 million by way of a public offering of 33,334,000 common shares at an offer price of \$0.60 per share.
27-Mar-07	A leading global manufacturer of personal navigation and handheld devices has licensed Soleus for the development of GPS-enabled mobile phones.
21-Dec-06	Intrinsyc released Soleus Version 1.0.
31-Jul-06	Glenda Dorchak appointed Chairman and CEO of Intrinsyc.
12-Jun-06	Winstron Corporation, a major ODM of information and communication technology products has licensed Soleus for the development of mobile phones.
30-Mar-06	Intrinsyc raised \$24 million from a public offering of 26,796,401 units at an offering price per unit of \$0.90. Each unit is comprised of one common share and one half of one common share purchase warrant.
2-Oct-01	Obtained Gold member status in Microsoft's Windows Embedded Partner Program. The Company received the award for the second time the following year.
9-Jan-01	Listed on TSX. Previously listed on the Canadian Venture Exchange.
19-Jul-95	Company name changed to Intrinsyc Software Inc.
31-Aug-92	The Company was founded under the name I.T.C. Microcomponents Inc.

Source: Company reports

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3. The analyst has visited the issuers Vancouver Head Office. No payment or reimbursement was received from the issuer for the associated travel costs.

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