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Stock Symbol: VSE:ICS

## **BUSINESS UPDATE**

June 30, 1998. Intrinsic Software, Inc. announced today that audits have been completed and a draft fairness opinion has been rendered in connection with the proposed acquisition of Annasoft. The valuations of the two companies have been adjusted such that the shareholders of Intrinsic will hold approximately 68% of the share capital of the combined entity, on a fully diluted basis, and the shareholders of Annasoft will hold the balance, based on the fully diluted share capital of the two entities as at February 28, 1998. Final ownership interests will be subject to adjustment. The Company is in the process of completing its due diligence review and negotiating a definitive agreement.

Intrinsic Software Inc. (VSE:ICS, NASDAQ:ISYRF) develops, markets, sells, and supports software tools and components for the development of Microsoft Windows-based embedded systems. These tools and components enable OEMs to rapidly develop software applications for a wide range of consumer and commercial electronics products that span multiple industries. For more information, contact Intrinsic at [info@intrinsic.com](mailto:info@intrinsic.com) or World Wide Web Page: <http://www.intrinsic.com> or call (800) 474-7644.

On Behalf of the Board  
Intrinsic Software Inc.

Derek Spratt  
*President & CEO*