

The "e" in e-business is now embedded ...



Corporate Presentation

July 5, 2000

Solutions for creating,
linking, and managing
Internet devices

www.intrinsyc.com

Embedding the Enterprise

- **E-business is now about extending Internet efficiencies from the Enterprise to all segments of the Value Chain**
 - Ordering
 - Manufacturing
 - Inventory control
 - Delivery
 - Retail
 - Support
 - Consumer goods themselves
- **This implies**
 - Smart, flexible platforms
 - Robust, seamless distributed connectivity
 - Optimized operations, i.e. remote management

 The 'e' in e-business
is now embedded



Elevator Pitch

“Intrinsyc provides licensable technologies and supporting services that help its clients develop smart, Internet-ready products”

- Large and rapidly growing embedded market
- Impressive list of Fortune 500 clients
- Compelling “solutions” based business model
- Leading the industry in technological innovation
- Superb execution with satisfied customers
- Strong commitment to research & development
- Path to profitability in current calendar year



Corporate Overview

Key defining statements

“We leverage existing desktop PC and Internet technologies while developing value-added technologies that address the specific needs of this new market”

“The network is the computer - connectivity, distributed computing, and self configuring devices and networks are the key drivers for this emerging and rapidly growing market”

“Cross platform communications interoperability is an imperative”

Embedded Market

Post-PC era

Market Opportunities

- 7 billion microprocessors into over \$1 trillion products yearly
- 55.7 million Information Appliances by 2002
- Software portion of embedded systems is expected to be over US\$7 billion by the year 2001

Embedded Market

Right Place, Right Time

Market Drivers

- B2B e-commerce extending beyond the PC to all corporate systems
- Processing power essentially free
- Bandwidth becoming essentially free
- Networking/connectivity is key
- Open Standards
- Outsourcing

Corporate Overview

Financial Snapshot

ICS-V (29/06/00)	\$3.00	
52- Week Range	\$0.77 - \$9.70	
Shares Outstanding:	25 mln. (Basic)	
	36 mln. (Fully Diluted)	
Market Capitalization:	\$110,000,000	
Fiscal Year End:	August	
Revenue History:		
1997	\$ 60,000	
1998	\$ 600,000	
1999	\$2,250,000	
1Q00	\$ 321,000	9 customers
2Q00	\$ 512,000	13 customers
3Q00	\$1,012,000	40 customers
Treasury Balance	\$7.5 million	



Corporate Overview



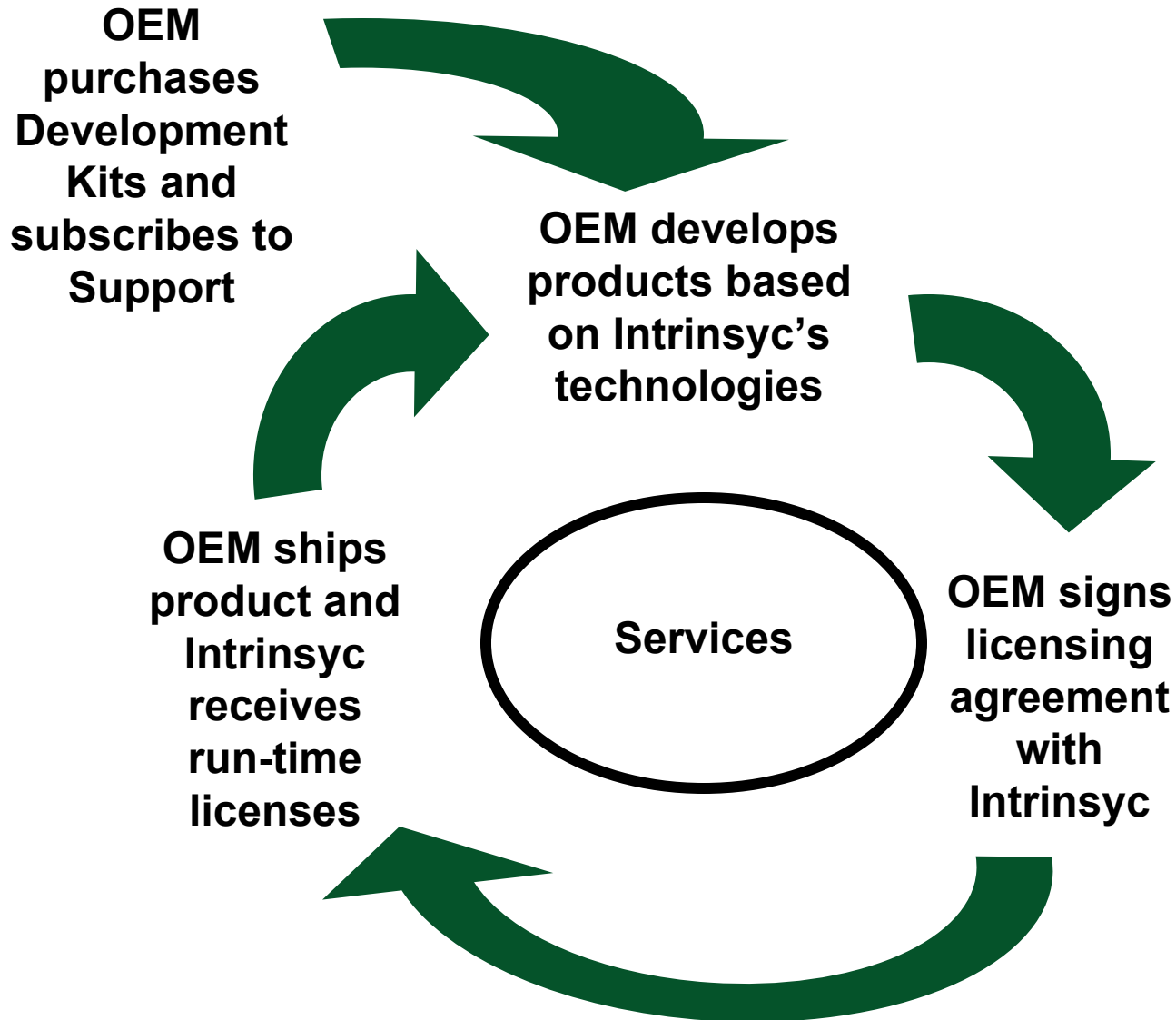
Corporate Overview

Business Model

- We're a technology licensing company, a solutions company (training, services, support and outsource manufacturing), and we're capable of becoming an ASP
- All customer engagements lead to downstream recurring revenues
- **Revenue Sources:**
 - Services, Training and support *(US\$1,800/man-day)*
 - H/W and S/W kit sales *(US\$5,000-\$50,000)*
 - H/W and S/W volume licensing *(US\$5-20 per item)*
 - Re-spin CErfBoard volume sales *(US\$300 per board)*
 - Potential: end-user product sales for specific market verticals
 - Potential: ASP monthly or transaction based fees for specific market verticals

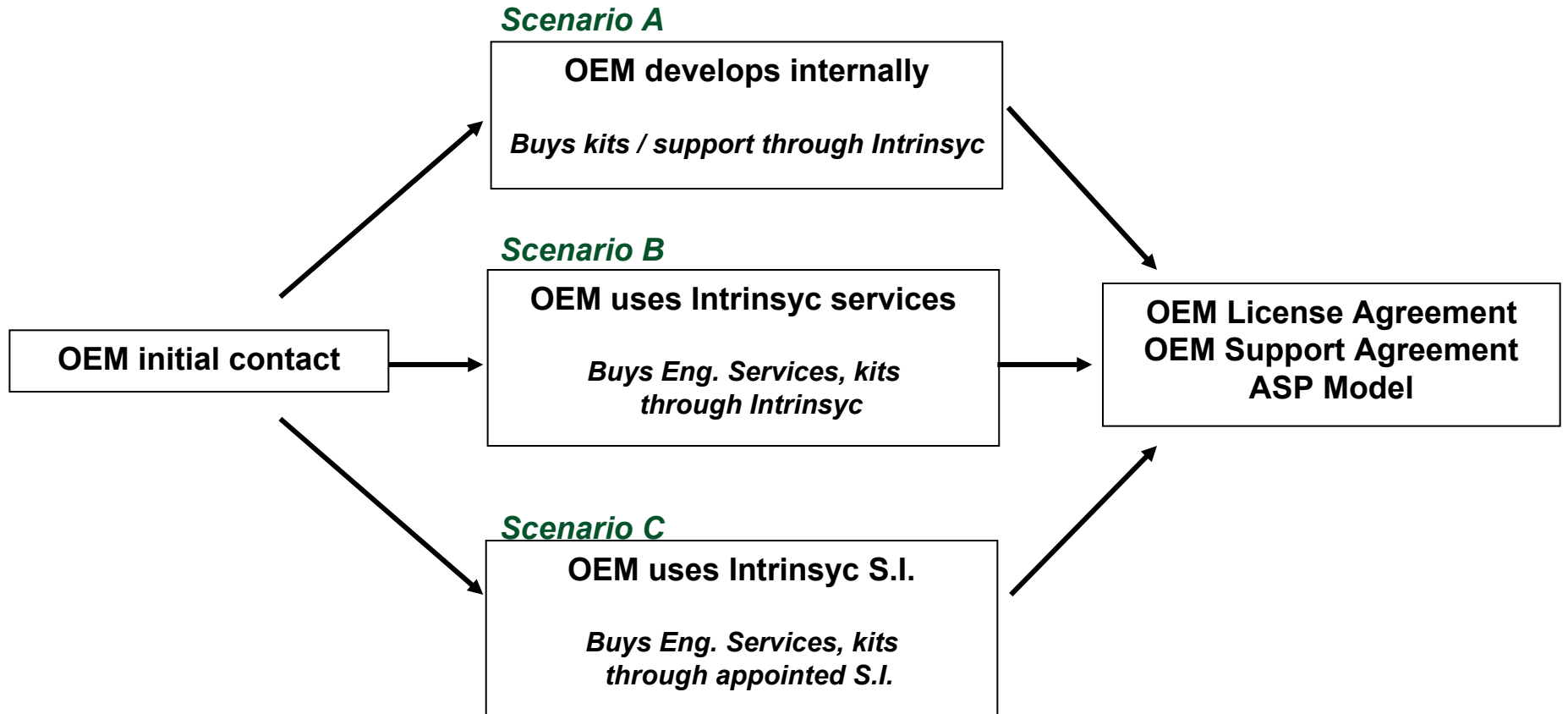


Business Model



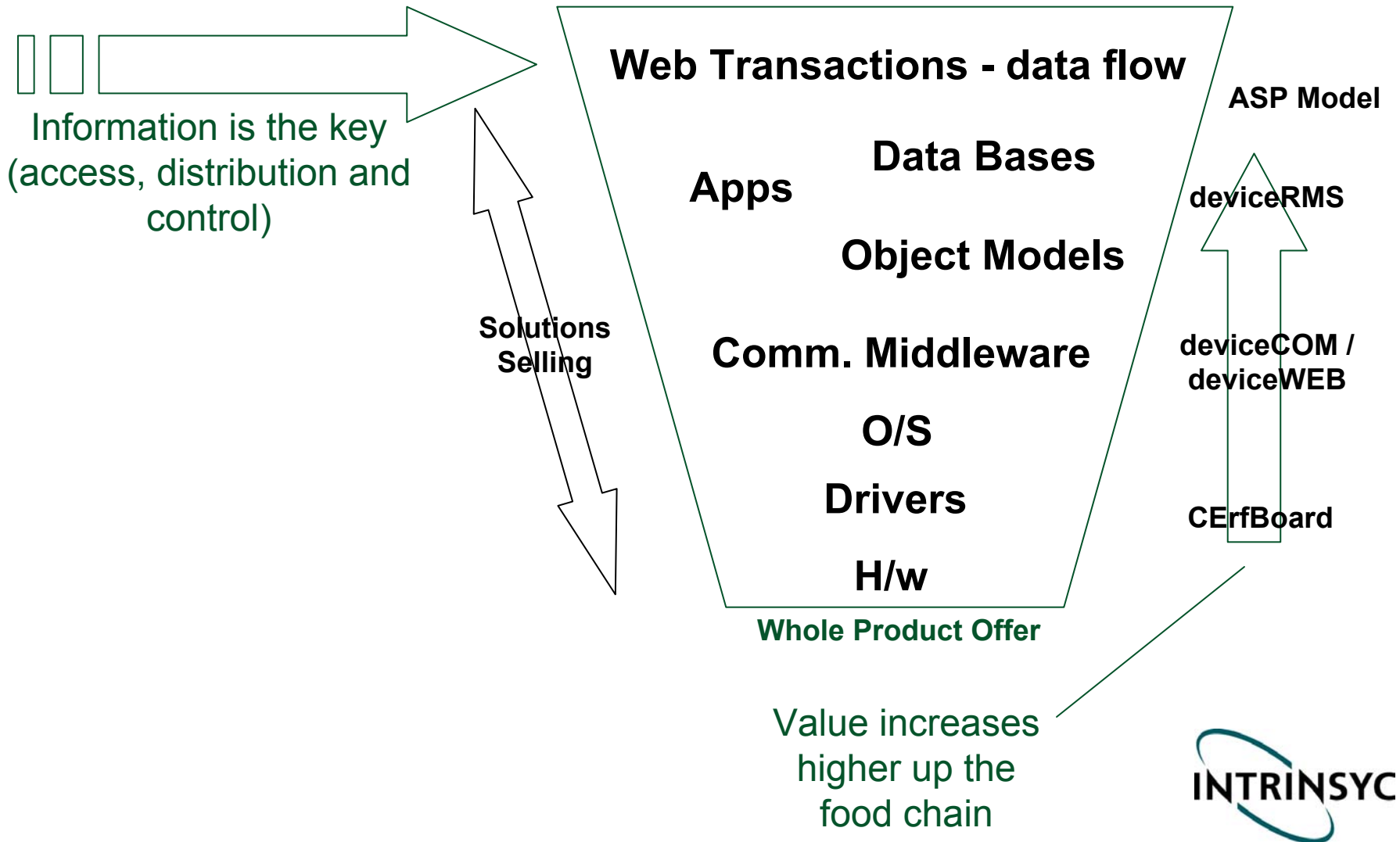
Corporate Overview

Path to Recurring Revenues



Corporate Overview

Internet Infrastructure Revenue Model



Intrinsyc's Customers

Typical Profiles

- Software licensing

Intellution

- End-to-end solutions – *architecture, design & implementation*

EATON

- Internet-enabling devices for legacy products

SIEMENS

INTRINSYC

Intrinsyc's Customers

AT&T	Iconics	PalmPalm Technology
Advantech	Infortech Golf	PDQ Manufacturing
Bosch	Intellution	Pioneer (Intel)
bSquare	Intermec	Radix Controls
Cadence Design Systems	Johnson Controls	Radisys
Card Guard Scientific	Kanematsu	Resort Technologies
Cyrrus	Kent Ridge Labs	Rosemount Analytical
DataView	Keops	Schnieder Automation
DB Consulting Group	LANovation	Siemens ATD
Digital Electronics	LHT Inc.	Siemens SBT
Digital Dispatch	Listman Home Tech	Softmart
Eaton - CCD	MTT Instruments	Spacelabs Medical
Eaton - Cutler Hammer	Mainbrace	Stick Networks
Eaton - TISD	Maintenance Strategies	Systems Intergation
Embedded Planet (Mot)	Medical News Network	Taylor Control Products
Enhanced Messaging	Medtronic	Teletrol
Epad MD	Melbourne Management	Thomson Technologies
Equitrac	Microsoft	Touchstar Manufacturing
Ford	Microsoft (MCS)	Trakonic
FYI Quest	MicroSynergy	Tri-TEK Corporation
GE	Mitsubishi	Via Inc
GM	Nestle	Western Money Systems
Global Logistics	Nortel Networks	Wyle (Intel)
HighwayMaster	Object Automation	WYSE
Honeywell	Pacific Consultants	ZeroVisibility Corp.



Intrinsyc Customers

Balancing our customer base

- **Fortune 100 accounts. Why?**
 - News releases have more impact
 - A/R risk reduction
 - Typically high margins on services work
 - Large services contracts
 - High production volumes
 - Infinite depth and breadth of adjacent opportunities
- **Smaller Companies. Why?**
 - In a tough stock market, revenues and profits matter, now!
 - Lower pursuit costs and times
 - More receptive to innovative solutions (our offer)
 - Gateway to Fortune 100 accounts

Revenue Breakdown

Review of FY99->1Q01 (with estimates)

- **US\$5.7M in revenues:**

– 4 Mobile	\$1.9M	33%
– 11 PDA	\$1.2M	22%
– 4 BA	\$800K	14%
– 17 IA	\$650K	12%
– 6 other	\$550K	10%
– 4 POS	\$300K	6%
– 4 from SIs	\$200K	3%

- **Breakdown by revenue contribution:**

- 57% services, 25% product, 12% licenses, 6% kits

- **Breakdown by product mix (# of customers):**

– Cerfboards (kits/re-spins/manuf)	9/11/0	50%
– Services	22	50%
– Pure deviceCOM/OPC (kits/licensing)	2/4	15%
– deviceSUITE (kits/licensing)	10/4	33%

Building Alliances

Partnerships

- Microsoft (April 19)
- Embedded Planet (April 24)
- Intel (February 15)
- Hitachi (February 23)
- BSQUARE (ongoing)

Further Opportunities

- Microsoft Consulting Services
- Pioneer, Wyle - Intel distribution channels
- Redhat, Lineo, Montavista, WindRiver - O/Ses
- Silicon and board vendors

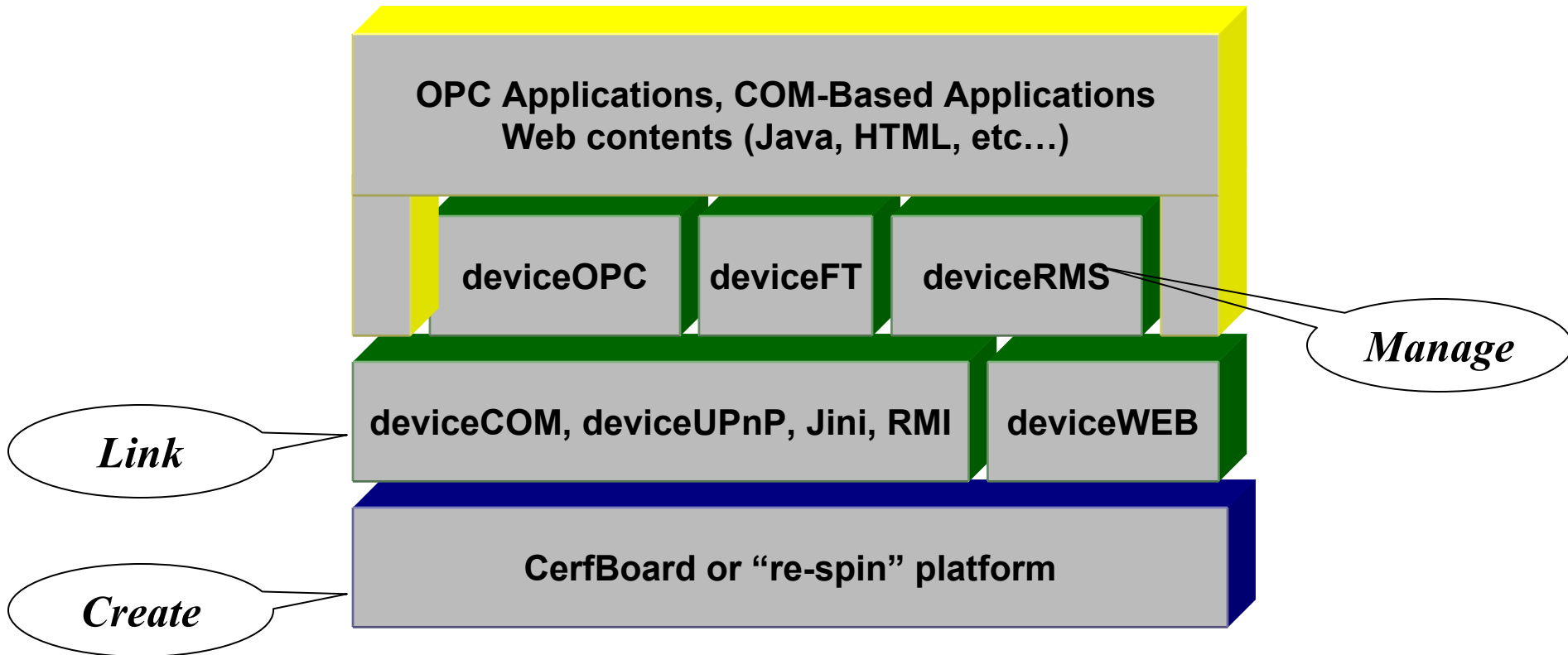
Technologies

Leadership and Innovation

- '97
 - **deviceFT**: application fault-tolerant technology for embedded Windows systems
 - **deviceWEB**: first embedded web server for Windows CE, highlighted by Microsoft at Comdex; **deviceRMS 1.0** - first remote management solution for Windows CE
- '98
 - **Integration Expert for Windows NT**: visual OS authoring tool for optimizing embedded NT systems
 - **Integration Expert for Windows CE**: first Windows CE visual OS authoring companion tool for the Microsoft Embedded Toolkit/Platform Builder
- '99
 - **deviceCOM**: first 3rd party technology to bring robust DCOM functionality to embedded Windows systems
 - **microCERfBoard-SH3**: smallest Windows CE web-enabled device
- '00
 - **CerfBoard-SA1110**: first reference platform for Intel's new product line. First CE and Linux port to this processor, first Linux flash file system
 - **deviceCOM for Linux**: first cross embedded solution for DCOM on Linux
 - **deviceUPnP, deviceRMS 3.0**: first Universal Plug and Play open standard system for remote device management

Technologies

An integrated set of platform, connectivity and management solutions



CerfBoard

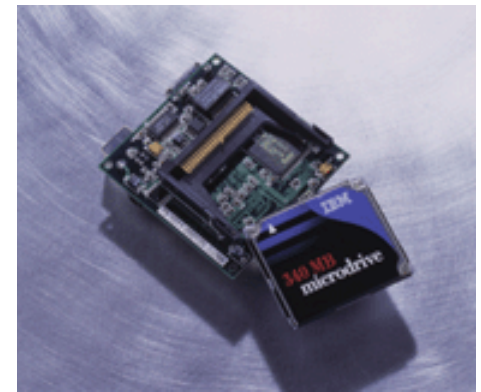
Extending our solutions offering to the hardware level

Description

- A low-cost, web-ready embedded reference platform
- Flexible
 - Headless design
 - Or full PDA development
- StrongARM 1110 version
- Support for Ethernet, digital I/O, serial ports, parallel ports, 4 to 32 Mb of SDRAM and 4 to 16Mb of Flash

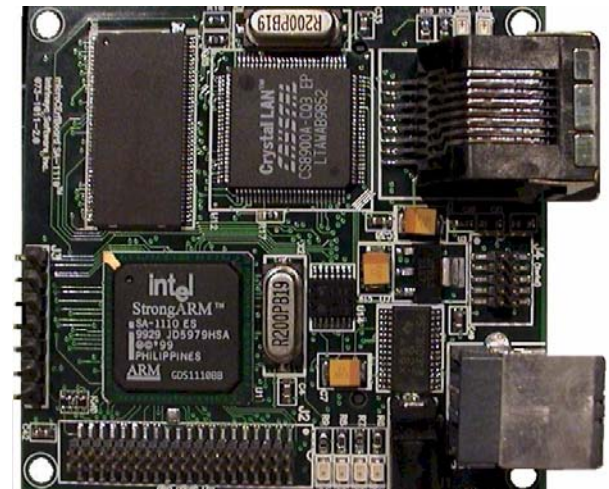
Applications

- home automation
- building automation
- data collection for utilities
- vending machines
- factory floor controllers (e.g. OPC front-end to PLC devices)



microCerfBoard SA1110:

*8Mb SDRAM, 16Mb Flash,
Ethernet, USB, CF+, LCD, 3 serial
ports on a 2" x 2" package!*

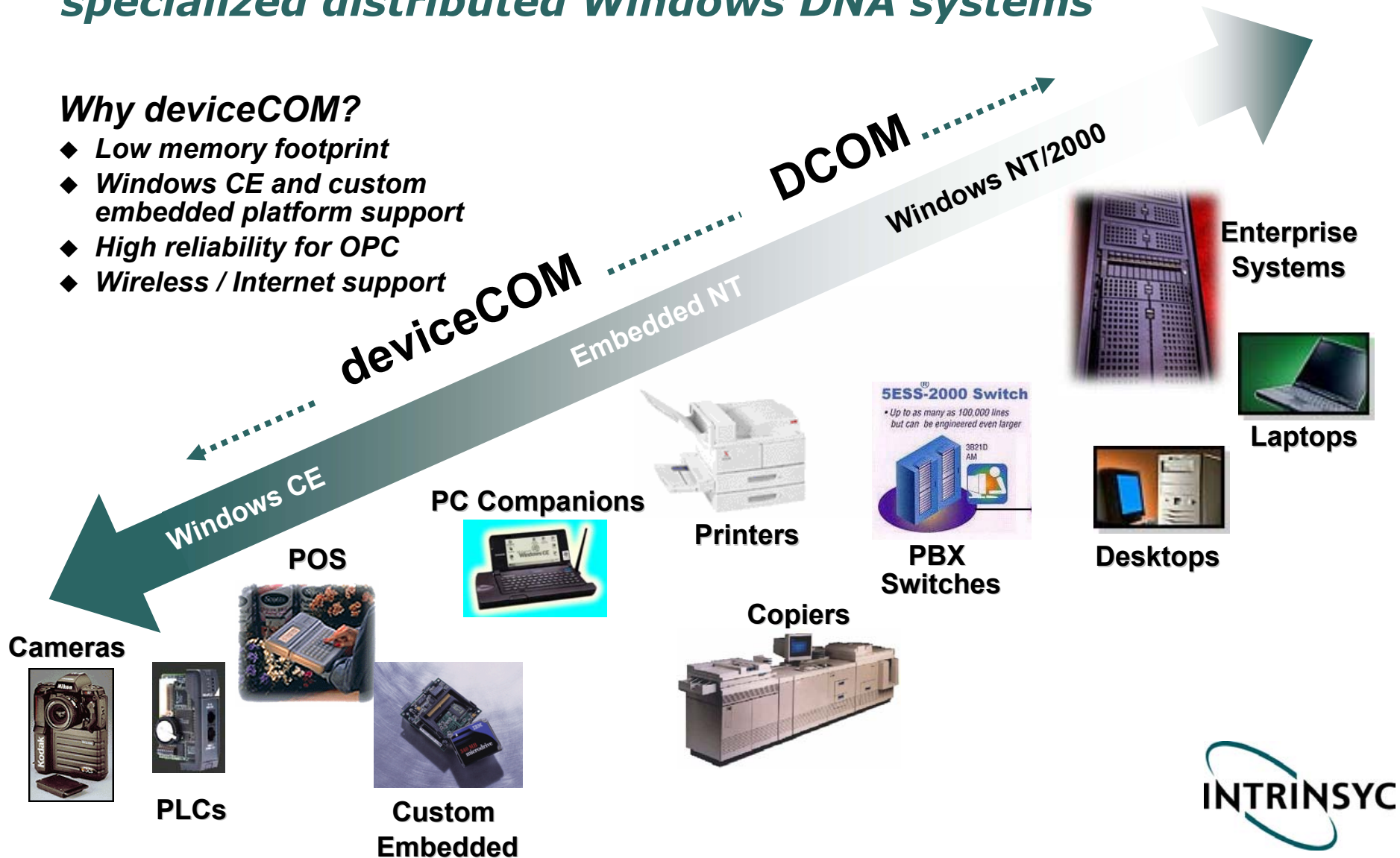


deviceCOM

An extension of the DCOM model for embedded and specialized distributed Windows DNA systems

Why deviceCOM?

- ◆ Low memory footprint
- ◆ Windows CE and custom embedded platform support
- ◆ High reliability for OPC
- ◆ Wireless / Internet support



Technologies

Core Competencies, Differentiation

- **Solutions focus with unique h/w + s/w offerings**
- **Distributed software systems**
 - COM, DCOM, UPnP, Java, Jini, RMI
- **OS platforms**
 - Windows, Linux, VxWorks
- **Web technologies**
 - HTTP, ISAPI, XML, SOAP, ActiveX
- **Discovery and remote management technologies**
 - UPnP, Jini, RMI
- **Automation (factories, buildings, hospitals)**
 - OPC client/server/architecture
- **Embedded platforms**
 - OS authoring – optimizing embedded operating systems
 - Hitachi Super-H RISC & Intel StrongArm based h/w

Technologies

Our Vision

- **We will continue to embrace & extend the Microsoft COM/DCOM distributed object model**
 - Growing standard at the Enterprise layer (NT and Unix)
 - Multi-programming language support, broad base of developers
- **We will incorporate and aligned to emerging Microsoft technologies and industry standards**
 - COM+, SOAP, UPnP, XML
- **We will embrace true O/S independence and cross platform compatibility in 2000**
 - Java as the underlying programming language and structure of choice for most new technology development efforts, JINI, RMI as remote management extensions for future deviceRMS products.
 - Extending core technologies to support all major non-Windows platforms, i.e. recognize Windows-centric enterprise and integrate non-Windows elements from other specialized applications

Competition

- **Competitive strength from the integrated ensemble of products**
- **Ongoing research and development**
- **Barriers to entry**
 - Hardware & device driver expertise
 - Distributed computing system expertise
 - Low-level programming expertise
 - Complex engineering services expertise

Financial Projections

Revenue and Profit Targets FY01

- **Basic targets:**
 - US\$10M in revenues
 - Profitable
- **Breakdown by type:**
 - 5% kits (50-100 kits)
 - 10% licensing (200,000 s/w and/or h/w components)
 - 25% product (10,000 Cerfboards)
 - 60% services (35-40 full time technical staff billed out)
- **Breakdown by industry:**
 - 25% PDA, 15% IA, 20% BA, 20% Mobile, 20% other

Financial Projections

Growth Strategy

- **Expand Partnerships**
- **Expand Distribution Channels**
- **Broaden Customer Base**
- **Expand Sales Force in the US**
- **Scale operations, management, board against the plan**

A teal-colored graphic consisting of two overlapping, slightly offset oval shapes that form a larger, irregular oval frame around the text.

INTRINSYC

now you can