



**Intrinsic Software  
International, Inc.** 604 801 6461 *Telephone*  
700 West Pender St. 604 801 6417 *Facsimile*  
10th floor [www.intrinsic.com](http://www.intrinsic.com)  
Vancouver, BC  
Canada V6C 1G8

## **Intrinsic Software Closes \$8 Million Debenture Financing**

*Crucial step forward in company's strategic drive to develop the world's leading  
Windows CE-based mobile phone operating system*

**Vancouver, BC, October 4, 2005** - Intrinsic Software International, Inc. (TSX: ICS) today announced the completion of an \$8.0 million financing with Wellington Financial Fund II ("Wellington Financial").

The financing is by way of secured debentures maturing on October 3, 2007. The maturity date may be extended by one year if Intrinsic meets certain pre-determined financial targets and may also accelerate in certain circumstances including a default by the Corporation or in the event of a change of control of the Corporation. Intrinsic has the right to repay the debentures in whole or in part, subject to certain restrictions. The debentures have an annual interest rate of 12.5% with monthly payments of interest only until maturity, and are secured by a charge over all of the assets of Intrinsic and its subsidiaries. The net proceeds from the financing of approximately \$7.0 million after deducting fees and expenses relating to the financing will be used primarily to fund the development of Intrinsic's Windows CE-based mobile phone operating system, as well as for general working capital. As part of the financing, Intrinsic has agreed to appoint Mark McQueen, President and Chief Executive Officer of Wellington Financial LP, to Intrinsic's Board of Directors.

Concurrent with the financing, Intrinsic has issued to Wellington Financial an aggregate of 3,870,968 special warrants of Intrinsic. Each special warrant is exercisable, without payment of additional consideration, for one common share purchase warrant. Each common share purchase warrant entitles the holder to purchase one common share of Intrinsic at an exercise price of \$0.62 per share at any time prior to October 3, 2010.

"The Wellington investment in Intrinsic Software is a strong vote of confidence in the company's core business and its strategic drive to develop the world's leading Windows CE-based mobile phone operating system," said Derek Spratt, CEO, Intrinsic. "Recent research by Strategy Analytics estimates that sales of mobile phone handsets reached 361 million in the first half of 2005 and forecasts 775 million units for the full-year 2005. This represents a massive opportunity for independent mobile phone operating systems now and in the future. Intrinsic's long standing relationship with Microsoft and expertise of Windows development ideally positions us to productize mobile phones based on Windows CE and we are very excited about the future."

Genuity Capital Markets acted as exclusive financing agent for Intrinsic on the offering.

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### **About Intrinsic Software International, Inc.**

Intrinsic Software is a mobility software and services company. Our technologies and services allow companies to identify and create innovative solutions that make mobile devices connect and work. Intrinsic Software's unique experience enables companies to deliver winning mobile devices and solutions that build stronger and more profitable businesses.

Since 1996, Intrinsic Software has used its innovations, creativity and technical agility to help over 2000 enterprise customers connect their applications together, and bring more than 200 leading-edge products to market. Intrinsic Software has a strong customer base and has formed solid partner alliances with some of the leading technology companies in the world.

Intrinsic Software is a publicly traded company, headquartered in Vancouver, Canada with additional regional development offices in Bellevue, Washington and Birmingham, UK. To find out more about Intrinsic Software, visit: [www.Intrinsic.com](http://www.Intrinsic.com).

### **About Wellington Financial LP**

Founded in 2000, Wellington Financial LP is a privately held, \$83-million specialty finance bridge lending, term and venture debt firm, providing debt financing for private and public companies in its chosen fields. Wellington transactions are generally between \$2 million and \$10 million, but the fund has issued term sheets up to \$30 million due to its ability to syndicate transactions. Wellington clients vary in size, sector and business model, but generally have current year revenue of at least \$5 million. Wellington is managed by a partnership controlled by Fund management and Clairvest Group Inc. (CVG:TSX), who jointly have contributed a large financial stake to Fund II. Wellington's limited partners include several Canadian institutional investors, such as pension funds, life insurance companies and money managers. Please visit our website at [www.wellingtonfund.com](http://www.wellingtonfund.com).

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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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