



DECISION DYNAMICS
TECHNOLOGY

2009

Management Discussion and Analysis

For the Three and Twelve Month Periods
Ended December 31, 2009 and 2008



April 20, 2010

Management Discussion and Analysis

The Management Discussion and Analysis focuses on key items from the audited Consolidated Financial Statements for the year ended December 31, 2009. These statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). Additional information regarding the Company is available on SEDAR at www.sedar.com. Such additional information is not incorporated by reference herein and should not be deemed to be made part of this Management Discussion and Analysis, except as indicated herein.

Forward-Looking Statements or Information

In this Management Discussion and Analysis the Company makes forward-looking statements or provides forward looking information (collectively "forward-looking statements"). These forward-looking statements include but are not limited to comments with respect to objectives and strategies, financial condition, results of operations and industry conditions. By their nature, these forward-looking statements involve numerous assumptions, inherent risks and uncertainties, both general and specific, and the risk that such forward-looking statements will not be achieved. Some of the material assumptions that Management has made are:

- the condition of the financial markets will remain at current levels for the foreseeable future
- customers, new and existing, will continue to acquire and expand their use of project cost control and productivity improvement software
- we will continue to be able to attract, motivate and retain talented employees at a sufficient level to achieve our strategic plans

Readers of this analysis are cautioned not to place undue reliance on these forward-looking statements as a number of important factors could cause actual results to differ materially from the plans, objectives and intentions expressed in such forward-looking statements. The Operating Risks section of this Management Discussion and Analysis provides additional information regarding key factors that could cause actual results to differ materially from those projected in our forward-looking statements. Some of the key factors we have considered are:

- impact of the current financial markets condition
- impact of market demand for Oncore™ on revenue growth
- degree of competition in target markets
- our ability to control expenses
- technological changes to Oncore™
- length of sales cycle required to close customer opportunities
- our ability to execute our strategic plans
- our ability to recruit and retain high caliber employees

We caution that the foregoing list of factors is not exhaustive and that, when relying on forward-looking statements to make decisions, investors and others should carefully consider the foregoing factors as well as other uncertainties and events. The forward-looking statements contained herein represent our expectations as of April 20, 2010 and, accordingly, are subject to change after such date. The Company disclaims any intention or obligation to publicly update or revise any forward-looking statements, whether written or verbal, whether as a result of new information, future events or otherwise, except as may be expressly required by applicable securities laws.

Financial Highlights

Stated in thousands of Canadian dollars except per share amounts

\$'000 except per share amounts	Three months ending			Year Ending		
	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007
Operating Results ⁽¹⁾						
Revenue	467	549	851	3,198	2,212	4,002
Net loss before discontinued operations	(677)	(682)	(618)	(1,866)	(3,003)	(1,316)
Basic and diluted loss per share, before discontinued operations	(0.01)	(0.01)	(0.01)	(0.03)	(0.05)	(0.02)
Basic and diluted income (loss) per share, after discontinued operations	(0.01)	(0.01)	(0.04)	(0.03)	0.004	(0.03)
EBITDA ⁽²⁾	(602)	(700)	(432)	(1,623)	(2,089)	(1,235)
Financial Position						
Cash and cash equivalents				2,075	3,815	1,107
Working capital ⁽³⁾				2,197	4,064	1,290
Total assets				3,525	5,391	6,148

(1) Operating results exclude discontinued operations.

(2) "EBITDA" is defined as net income (loss) before interest, income taxes, depreciation and amortization. EBITDA should not be construed as an alternative to net income (loss) for the purpose of analyzing our operating performance or financial position, as it is a non-GAAP measure and does not have any standardized meaning prescribed by GAAP. The Company's method of calculating EBITDA may differ from the methods used by other issuers, and accordingly, the Company's EBITDA may not be comparable to similar measures used by other issuers. The Company regards EBITDA as a useful supplementary measure as it provides an indication of the Company's business operation without regards as to how these activities were financed.

(3) "Working capital" is defined as current assets less current liabilities. The calculation of working capital is disclosed in the Liquidity and Capital Resources section found later in this Management Discussion and Analysis. Working capital is a non-GAAP measure and may not be comparable to similar terms used by other entities in the industry; however the Company believes this term is an important indicator of financial position, and is relevant to readers within the investment community.

Overview

This section is forward-looking by nature. It is qualified in its entirety by the Forward Looking Statements or Information disclaimer at the beginning of this Management Discussion and Analysis. It is further qualified by the Operating Risks section at the end of this Management Discussion and Analysis.

Decision Dynamics, a public company incorporated under the laws of Canada, develops and markets Oncore™, an internet deployed project cost control and productivity management software application, which can be operated from either the Company's hosted system or within a customer's organization. Oncore™ provides cost control by capturing, costing and routing the information related to the actual project costs as they are incurred. This information can then be acted on through approvals, analysis and the calculation of performance metrics to provide more accurate and timely project management decisions.

Our customers are companies who perform capital projects with budgeted spends and range in type from pipeline transmissions to power transmission and generation to oil & gas processing companies to contractors. Our customers are looking for a software solution to address specific cost control issues within their organizations. Oncore™ is designed to be broadly used across an organization – from labor, materials and equipment input by line personnel at the project site, administrators in the office to a CEO or VP of Operations looking for real time reporting on project status.

Decision Dynamics Technology Ltd.

Management Discussion and Analysis

Oncore™ helps our customers streamline their business processes and address costly inefficiencies, by improving their ability to make timely, relevant decisions using the current data. Our product is designed to be a complement to our customer's existing business systems, and can be integrated with a variety of accounting packages, enterprise resource planning ("ERP"), scheduling software and gate entry/exit logging systems.

The Company offers a variety of licensing models, in recognition of the varied backgrounds of our customers. The current company licensing models include:

- Enterprise or Software as a Service ("SaaS"), which is based on a customer's overall project spend and provides for large scale deployment across an organization recognizing the need for changes in the number of users as a project proceeds through its lifecycle
- Transaction Based, which involves a transaction fee per unit input into the system and is ideal for our customers running plant turnarounds or short-term projects
- Designated User, which is a more traditional license model that is sold on a per seat basis and appeals to smaller customers that have a limited amount of users accessing the product.

The Company is undertaking the transition of these licensing models to our SaaS model. As discussed further in Strategy and Outlook and Quarterly Results, license fees for the SaaS model include a fixed and variable fee component. The Company believes this fee structure will provide our customers, new and existing, with a higher value proposition as the total license cost to them is tied to their overall project spend.

The Company offers Oncore™ application hosting for all license models. The Oncore™ hosted environment has been engineered for high availability, high performance, and maximum data security. For those customers that take advantage of the hosted option, the Company manages hardware, software, third party licensing and day-to-day operations of the Oncore™ application. The day-to-day operations include data backups, monitoring of hard drive space, memory usage, network performance, system availability, third party software and Oncore™ upgrades. Due to economies of scale, the Company's hosted application environment is an economical option for customers who depend on Oncore™ as a business critical system for spend capture, spend approvals and invoicing.

Decision Dynamics is a Microsoft Gold Certified Partner with over twenty years of experience in the energy industry. It operates a wholly-owned foreign subsidiary in the United States of America.

Strategy and Outlook

This section is forward-looking by nature. It is qualified in its entirety by the Forward Looking Statements or Information disclaimer at the beginning of this Management Discussion and Analysis. It is further qualified by the Operating Risks section at the end of this Management Discussion and Analysis.

2009 was a year of steady and positive change for the Company. Strategic investments made in the sales and development groups late in 2008, and early 2009, began to deliver quantifiable results and progress for the Company. Two significant license contracts to existing customers were closed during 2009. These contracts will provide the Company with revenues of approximately \$1.8 million throughout the next twenty-four months. Of the \$1.8 million in revenue, \$1.2 million was recognized in 2009. The Company undertook several successful services projects, including a large project during Q2 and Q3 2009 which generated close to \$300K in revenue. Two new customer contracts were closed during 2009, as a direct result of the Company's new sales and marketing initiatives. Early in 2009, the Company adopted a customer consultative sales methodology (Customer Centric Selling or "CCS") which requires the sales team to engage in several steps that provide key information about our customers' needs and requirements and where Oncore™ would provide the highest value proposition to our customers. The sales team follows a detailed process that includes qualifying the potential lead as an opportunity, determining what issues the customer is facing and focusing our customer interaction on how Oncore™ could empower our customers to resolve their issues, and achieve their top- and bottom-line objectives. As the process requires a constant focus on providing solutions and answers to known customer issues, the Company believes that use of this methodology will result in more valid revenue opportunities, a shortened sales cycle and a highly satisfied customer base.

Decision Dynamics Technology Ltd.

Management Discussion and Analysis

As a result of the adoption of CCS, the number of customer-facing opportunities saw a steady increase during 2009. Our sales representatives have initiated contact with current and potential customers that present valid opportunities to the Company, and the response from these contacts has been favorable. Since the beginning of Q3 2009, the number of prospects in our customer opportunity pipeline has grown 150%. The weighted value of our customer opportunity pipeline, which assigns a probability factor to each customer opportunity in our pipeline, has also increased 51% from the beginning of Q3 2009. The Company anticipates that CCS, and the close customer collaboration that is required with this approach, will continue to improve our ability to identify key opportunities, build a solid customer opportunity pipeline and turn opportunities into sales. The Company expects that use of CCS will also improve the Company's ability to proactively manage our revenue expectations. The Company is closely monitoring this to ensure that all barriers to success are removed.

In support of the sales team, the Decision Dynamics Marketing group has continued to focus on communicating the value proposition of Oncore™, both through its direct marketing materials, as well as an extensive redesign of the Company website. In December, the Company hosted a customer event which focused on showcasing our product to new customers from a variety of backgrounds. Customer response to this event was very positive, and the Company hosted another event in April 2010 to demonstrate new product functionality – Budget & Forecasting and Real-Time Queries - that will be delivered with Oncore™ 5.10, as well Oncore™ Mobile 1.0.

CCS has also resulted in developing much closer relationships with our existing customers. Our development and product management teams are working closely with our customers, to understand their use of the product, and what customers are looking for from future releases of Oncore™. This has allowed the Company to deliver the features and capabilities that our customers have requested. In June 2009, the development team released Oncore™ 5.8. Highlights of this release include Real-Time Reporting, strategic capability on hand held devices (PDA) and other high value enhancements requested by customers. This release was met with positive reactions and feedback from our installed customer base, and has led to new and innovative development plans. During Q3 2009, the Company continued with its strategic development objective of providing an innovative, progressive product offering to both new and existing customers. Several new initiatives were undertaken, including “at a glance project visibility and forecasting”, Oncore™ Mobile, and a rapid configuration and maintenance utility. The Company is looking forward to release of Oncore™ 5.10 early in the 2010 fiscal year. Highlights of this release will be the “at a glance” project visibility and forecasting module.

In 2009, the Company also launched a Customer Satisfaction initiative to work closely with our existing customers and proactively identify potential customer issues. The Company feels it has taken positive steps to protect our recurring revenue stream, and increase the potential to generate new license and services revenue in our existing customer base. The efforts put forth by our development, services and support team have resulted in encouraging feedback from our customers that we are responding in ways that increase their satisfaction, with both the Company and the Oncore™ product.

The Company feels optimistic that the build-up of our sales opportunity pipeline will result in increased sales in 2010. The Company has evaluated its current traditional license models and has undertaken the transition of these models to our SaaS model. The license fee for this model includes a fixed and variable fee component. The Company believes it will provide a higher value proposition to new customers, as the overall cost of the license is tied to the customer's overall project spend. This will also provide the Company with a smoother revenue stream and more predictable cash flow, as compared to the traditional license model which typically includes a non-recurring license sale with upfront cash payment. The transition to this model will result in less up-front cash flow and the Company anticipates that it will continue to experience negative cash flow during the early stages of this transition. However, as the opportunities in the customer opportunity pipeline convert to sales during 2010, the Company expects that the resulting recurring cash inflows from SaaS sales will exceed our expense run rate, and we will start to experience positive cash flow. The Company expects the transition to the SaaS model to continue over the next eighteen months.

The Company revenue for 2009 is 45% higher than 2008. The Company is encouraged with the results of the current fiscal year, with a sales team that was new to the Company and the product offering, and the implementation of a new sales methodology and process. As previously disclosed, Q4 2009 was largely what the Company expected to see – service revenues that were comparable to Q3 2009, and lower license revenues. License revenues are unpredictable, as they are impacted by the timing of customer decisions and contract execution, as well as the license model.

Decision Dynamics Technology Ltd.
Management Discussion and Analysis

The Company anticipated that many of the new license opportunities in the customer pipeline would not execute in 2009, but expects that many of these new license opportunities will materialize in 2010.

Operating expenses decreased in Q4 2009, as a result of the Company's efforts to closely manage expenses, and focus spending on strategic development initiatives. 2009 expenses on a year-to-date basis are higher than 2008, as the Company executed on many strategic initiatives within the sales and development departments. The Company will continue to manage its expenses closely in 2010 with spending focused on strategic development initiatives.

While the Company is encouraged by the results experienced in 2009, and is optimistic about the opportunities that are in the customer pipeline, our ability to finalize the sales cycle through to sale has been severely impacted by customer concerns about the viability of the Company. A consistent barrier to sale has been the Company's ongoing negative cash flow and the lack of new sales. For our customers, Oncore™ is a business critical application, and concerns about the long-term viability of the Company have impacted our customer's decisions to execute a new license agreement with the Company. While our sales efforts have been largely successful through the opportunity and demonstration phase of the sales cycle, the securing of customer contracts has proven difficult.

The Company has reviewed its operational strategy and has determined the most appropriate strategic approach is a sale of the Company. Late in 2009, the Company signed a mutual confidentiality agreement with Coreworx Inc. ("Coreworx"), a subsidiary of Acorn Energy Inc. ("Acorn") (NASDAQ: ACFN), to begin discussions around a possible sale of the Company. On January 7, 2010, the Company entered into a non-binding letter of intent for the sale of the Company, to Coreworx. On March 2, 2010, the Company and Coreworx executed a definitive agreement for the sale of the Company. Subject to shareholder approval at the Special Meeting to be held on April 27, 2010, the sale is expected to close by April 30, 2010. As of April 16, 2010, assuming a per share value of \$6.37 per Acorn share, the sale attributes a value of \$0.107 per Company share, based on outstanding Company Common stock on that date of 59,748,599, on a diluted basis.

Acorn is a holding company focused on improving the efficiency and environmental impact of the energy infrastructure, fossil fuel and nuclear industries. Acorn's operating companies leverage advanced technologies to transform the existing energy infrastructure. Acorn aims to acquire primarily controlling positions in companies led by promising entrepreneurs and to add value by supporting those companies with financing, branding, positioning, and strategy and business development. The combined company, in which Company shareholders will hold an equity interest (assuming completion of the sale), will have increased scale to conduct research and development, sell internationally and realize operating and capital-raising efficiencies, while reducing its exposure to any one product.

Results of Operations (restated to include continuing operation only)

	Three Months Ending			Year Ending		
	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007
\$ '000 except per share amounts						
Revenue	467	549	851	3,198	2,212	4,002
Expenses	1,069	1,147	1,263	4,821	4,301	5,217
EBITDA	(602)	(598)	(412)	(1,623)	(2,089)	(1,215)
Other (amortization, interest, other)	(75)	(82)	(206)	(243)	(914)	(101)
Loss before discontinued operations	(677)	(680)	(618)	(1,866)	(3,003)	(1,316)
Basic and diluted loss per share, before discontinued operations	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.03)	(\$0.05)	(\$0.02)
Basic and diluted income (loss) per share, after discontinued operations	(\$0.01)	(\$0.01)	(\$0.04)	(\$0.03)	\$0.004	(\$0.03)
Weighted average number of common shares outstanding	59,005	60,212	60,202	59,449	60,212	56,081

Decision Dynamics Technology Ltd.
Management Discussion and Analysis

Revenues for 2009 increased 45% over 2008, and were down 20% from 2007. Revenue for 2009 includes two large and two smaller new license contracts, as compared to 2008 in which there was minimal new license revenue. 2007 included numerous license sales that have created our existing customer base, and now form a strong maintenance and support recurring revenue stream for the Company. Quarterly revenues for Q4 2009 are lower than the same periods in 2008 and 2007. Q4 2008 included consulting revenue provided to the purchaser of the Wellcore product line, while Q4 2007 included both three upfront license sales and higher services revenues from implementations on new license sales earlier in 2007.

On a year-to-date basis, 2009 expenses were 12% higher than 2008, reflecting the impact of spending focused on strategic initiatives - expenses related to the data centre relocation, and investments made in personnel, training and marketing initiatives as well as higher commission expense incurred on a higher revenue stream. 2009 expenses were 8% less than in 2007, reflecting the Company's ongoing expense management efforts and commitment to investment in strategic initiatives only. Total expenses for Q4 2009 decreased 7% from Q4 2008, and 15% from Q3 2007. Many of the Company initiatives (restructuring, data centre relocation, sales and development team hiring) occurred in the first half of 2009.

2009 amortization and other costs are significantly less than the same period in 2008 and higher than 2007. Although asset amortization costs in 2009 are higher due to the acquisition of data centre equipment late in 2008, the 2008 results included a \$597K goodwill impairment loss recorded on the sale of the Wellcore product line. The increase in 2009 amortization and other costs over 2007 reflects the acquisition of the data centre equipment, as well as foreign exchange gains recorded in 2007. Q4 2009 amortization and other costs are lower than both 2008 and 2007, due to foreign exchange gains being recorded in 2008 and 2007. Although asset amortization costs were higher in 2009, this increase has been offset by reduced interest expense in 2009, due to the repayment of long term debt in Q3 2008.

The revenues, expenses and overall results are discussed in detail below.

Revenue

\$ '000 except per share amounts	Three Months Ending			Year Ending		
	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007
License	359	284	508	2,513	1,152	2,657
Services	108	265	343	685	1,060	1,345
Total	467	549	851	3,198	2,212	4,002
Recurring	346	340	278	1,482	1,261	1,232
Non-Recurring	121	209	573	1,716	951	2,770
	467	549	851	3,198	2,212	4,002

Revenues for Q4 2009 decreased 15% and 55% over the Q4 2008 and 2007, respectively. Q4 2009 included an adjustment to non-recurring license revenue - removing the impact of this adjustment, Q4 2009 license sales were comparable to Q4 2008. Compared to Q4 2007, which included the sale of three new license sales, Q4 2009 license revenues decreased 29%. With many of the Company's customer opportunities shifting into 2010, services revenues for Q4 2009 decreased from both Q4 2008 and Q4 2007. Higher services revenues in Q4 2007 are a result of implementations for the new license sales in both Q4 2007 as well as earlier in 2007. Services revenues for Q4 2008 included incremental third party consulting revenue that the Company provided to the purchaser of the Wellcore product line.

The significant increase in year-to-date 2009 license revenue over 2008 is due to the closing of two significant license contracts in Q2 2009, as well as a higher recurring revenue stream from maintenance contracts and usage licenses. 2009 license revenues are slightly below 2007 license revenues. Both 2009 and 2007 included the closing of significant license contracts.

Decision Dynamics Technology Ltd.
Management Discussion and Analysis

Services revenue for 2009 decreased 35% and 49% from 2008 and 2007, respectively. Services revenue in 2008 included professional services generated from late 2007 license sales, as well as incremental third party consulting revenue. 2007 services revenue is significantly higher than 2009, as a substantial portion of the license sales in 2007 were to first-time customers and involved extensive professional services engagements. Comparatively, most of the new license sales in 2009 occurred to existing customers. While these license sales have increased the breadth of our product installation within these customers, the product is well deployed within these customers and as a result, the Company does not expect an immediate increase in services revenue on projects directly attributable to these sales i.e. implementations. However, the Company believes the expansion of Oncore™ licensing within these customers will continue to provide future license and services revenue opportunities. *The foregoing statement contains forward-looking information. It is qualified in its entirety by the Forward Looking Statements or Information disclaimer at the beginning of this Management Discussion and Analysis. It is further qualified by the Operating Risks section at the end of this Management Discussion and Analysis.*

Recurring revenues continued to grow in Q4 2009, with a slight increase over Q4 2008, and a 24% increase over Q4 2007. 2009 year-to-date revenues have also increased over the same periods in 2008 and 2007, with a growth rate of 18% and 20%, respectively. The growth in the recurring revenue base has been generated from maintenance and hosting contracts from new license sales, as well as license fees on contracts for which the revenue is recognized ratably. Recurring revenues currently represent approximately 46% of the total revenue for 2009.

The Company's revenues remain largely dependent upon a small number of customers. The top six customers provided approximately 90% of 2009 revenue, as compared to 84% and 77% in 2008 and 2007, respectively. This increase in dependence in 2009 is due to continued license and service sales within the existing installed customer base in 2009, as well as barriers to new sales due to new customer concerns on the long-term viability of the Company. 3% of the Company's 2009 year-to-date revenue is derived from US based customers, which has decreased from 24% in 2008 and 19% in 2007. Although the Company's number of US customers has not dropped, the revenue generated from this geography has decreased. The Company's US based customers acquired new licenses and required implementation services throughout 2007 and 2008, and were primarily in post-implementation phase during 2009.

With the sale of the Company to Coreworx, it is anticipated that customers' concerns about the viability of the Company will no longer be a barrier to sale. Should potential customers respond favorably to the Company sale, and the Company continues to make progress in its sales process, product technology and product roadmap, the Company expects an improvement to its top-line results in 2010.

The foregoing paragraph contains forward-looking information. It is qualified in its entirety by the Forward Looking Statements or Information disclaimer at the beginning of this Management Discussion and Analysis. It is further qualified by the Operating Risks section at the end of this Management Discussion and Analysis.

Gross profit

	Three Months Ending			Year Ending		
	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007
\$ '000						
Revenue	467	549	851	3,198	2,212	4,002
Cost of sales	(192)	(174)	(273)	(1,090)	(1,018)	(1,372)
Gross profit (1)	275	375	578	2,108	1,194	2,630
Gross margin (1)	59%	68%	68%	66%	54%	66%

Notes

- (1) "Gross profit" is revenue less cost of sales and "gross margin" is gross profit divided by revenue expressed as a percentage.
- (2) Gross profit and gross margin do not have a standardized meaning under GAAP and may not be comparable to the same terms as used by other entities in the industry; however, the Company believes they are an important measure of performance and indicator of success for software businesses and are relevant to readers within the investment community.

Decision Dynamics Technology Ltd.

Management Discussion and Analysis

Cost of sales includes the cost of professional services, support and customer hosting personnel (both productive and non-productive time), warranty work, hosting costs and sales commissions. Expenses for 2009 also include the costs associated with the relocation of the Company data centre facility.

Cost of sales may vary substantially from quarter to quarter. From time-to-time service personnel may work on sales projects or development projects thereby reducing the charge to cost of sales. Warranty work does not produce revenues, and the expense related to non-chargeable and administrative tasks included in cost of sales will vary throughout the year.

Q4 2009 and year-to-date 2009 cost of sales was 10% and 7% higher than Q4 2008 and 2008, respectively and decreased 30% and 21% from Q4 2007 and year-to-date 2007, respectively. Although 2009 includes lower personnel related expenses than both 2008 and 2007, due to restructuring, this has been offset by higher third party consulting expenses to deliver customer projects in Q2 and Q3 2009, as well as higher commissions on new license sales in 2009.

Gross margin is dependent upon the mix of license and services revenue, customer service requirements and service utilization rates. The decrease in gross margin for the Q4 2009 compared to Q4 2008 and Q4 2007 is due to the lower service revenues experienced during Q4 2009. Gross margin for year-to-date 2009 improved over 2008, and was consistent with 2007. This increase for the year over 2008 is due to the revenue mix during 2009, which had a higher license revenue stream relative to services revenue, compared to 2008.

Expenses

\$ '000	Three Months Ending			Year Ending		
	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007
Research and development	275	208	397	1,149	886	1,427
Selling and marketing	271	222	136	1,089	682	1,022
Restructuring costs	-	9	28	206	223	48
General and administration	262	521	382	1,082	1,381	1,027
Share Accumulation Plan	53	(14)	(37)	171	(66)	42
Other stock based compensation	16	28	83	34	177	279
	<u>877</u>	<u>974</u>	<u>989</u>	<u>3,731</u>	<u>3,283</u>	<u>3,845</u>

Total expenses for Q4 2009 decreased 10% and 11% from the same periods in 2008 and 2007. Although research and development and selling and marketing expenses were higher in Q4 2009 over Q4 2008, reflecting the Company's strategic objective of investing in these departments, this has been offset by decreased general and administration expense in Q4 2009. Q4 2008 included one-time retention bonuses and hiring costs incurred with recruitment in sales and development. The decrease from Q4 2007 was primarily due to staff and organizational restructuring, but also due to cost cutting measures the Company implemented to align expenses.

Expenses for the year ended December 31, 2009 increased 14% from 2008, and decreased slightly from 2007. The increase over 2008 is due to strategic hiring and investment expenses completed in development, selling and marketing. Although expenses in these areas increased 43% over 2008, this increase has been partially offset by decreased spending in general and administration, as the Company continues to focus spending on strategic areas.

Research and development expenses for year-to-date 2009 were 30% higher than 2008, and 32% higher in Q4 2009, due to personnel investments that the Company has made, as well as incremental third party consulting undertaken on product design, product development and technical publications. Compared to year-to-date and Q4 2007, research and development expenses decreased 19% and 31% respectively. This decrease from 2007 is primarily a result of the staff restructuring undertaken in 2008, as well as cost cutting measures implemented by the Company to align expenses. As well, there is some overlap between research and development and service personnel competencies. This provides the Company with some flexibility in the allocation of personnel to service projects and to new product development. As a result, research and development expenses may vary due to allocations of staff throughout the year to or from service projects. The 2007 expenses reflect not only a higher headcount and salary base, but lower allocations out of development into other departments.

Decision Dynamics Technology Ltd.

Management Discussion and Analysis

2009 year-to-date selling and marketing expenses increased 60% over 2008, and were comparable to 2007. The increase in 2009 expenses is directly attributable to the increase in the Company sales force and related overhead expenses, strategic marketing initiatives and the adoption of CCS during the 2009 fiscal year. Selling and marketing expenses for Q4 2009 increased 22% over Q4 2008, as most of the hiring in the Sales group occurred late in 2009 and early 2010. Q4 2009 doubled over Q4 2007, reflecting the minimal staff investments and initiatives undertaken in 2007, as the Company cut back on these expenses until 2009.

Restructuring expenses for Q4 and year-to-date 2009 are comparable to the same periods in 2008. There was minimal restructuring undertaken in 2007 as the Company and organization wide restructuring was undertaken in the 2008 and 2009 fiscal years.

General and administration expenses for 2009 decreased 22% over the same period in 2008, and were comparable to 2007. 2008 included retention and performance bonuses that were paid upon successful completion of the sale of Wellcore. As well, 2009 expenses were lower due to personnel restructuring and decreased public company expenses i.e. insurance, legal, listing fees. Q4 2009 general and administration expenses were 50% less than Q4 2008, reflecting the retention and performance bonuses expensed in Q4 2008, as well as decreased personnel and labour expenses. Compared to Q4 2007, general and administration expenses were 31% less in Q4 2009, substantially due to personnel restructuring undertaken in the finance and human resources departments, and decreased public company expenses.

The recovery of the Company stock price in 2009 is reflected in the increase in stock based compensation related to the Directors Stock Accumulation Plan ("SAP") for both Q4 2009 and year-to-date 2009. The SAP is valued each quarter using a volume weighted average stock price. Due to a declining stock price in 2008, this resulted in a reduction of the liability of this plan in 2008 as this liability is measured at the quarter end volume weighted average stock price, and a recovery of expense was recorded in 2008. As the stock price improved in 2009, the value of the SAP liability was adjusted to reflect a higher stock price.

In the last quarter of 2008, the SAP was modified by the Company. The directors determined that a modification of the SAP was necessary to address the impact of an undervalued share price when calculating the allocation of shares into the SAP. Under this modification, the share price used in the calculation of the quarterly share allocation would be set at \$.04 or the quarterly volume weighted average price, whichever is greater. This modification impacts only the calculation of the amount of shares allocated into the SAP, and has no impact on the valuation of the liability and related expense or recovery. In addition, the directors were given the option of receiving their annual compensation half in cash and half in DSUs, or completely in cash. For both the last quarter of 2008 and all of 2009, the majority of the non-management directors elected to receive their compensation split evenly between DSUs and cash, which provides the maximum amount of DSUs available under the modified SAP. Following termination of board service, the directors will receive the then current fair market value in common shares held in the nominal account.

Other stock based compensation decreased in Q4 and year-to-date 2009, in part due to personnel restructuring undertaken, resulting in a decrease in the compensation expense associated with employee stock options. In Q4 2009, the board of directors approved a Shares for Services grant to employees, excluding officers. As part of this grant, all outstanding employee stock options were cancelled. Stock based compensation for Q4 2009 and the year 2009 reflects both the recovery of expense due to the cancellation of the employee stock options, as well as the stock based compensation associated with the Shares for Services.

Decision Dynamics Technology Ltd.
Management Discussion and Analysis

Amortization and Other Expenses

\$ '000	Three Months Ending			Year Ending		Dec 31, 2007
	Dec 31, 2009	Dec 31, 2008	Dec 31, 2007	Dec 31, 2009	Dec 31, 2008	
Amortization of property and equipment	48	95	108	190	166	203
Foreign exchange (gain) loss	22	(93)	56	46	(42)	(236)
Loss (gain) on disposal of equipment and leasehold improvements	3	99	20	(3)	99	20
Interest income	(2)	(19)	(8)	(11)	(26)	(17)
Interest expense	4	1	31	21	121	130
Goodwill impairment loss	-	-	-	-	597	-
	75	83	207	243	915	100

2009 amortization increased over 2008 due to investments made in the Company data centre facility. Amortization for 2009 is comparable to 2007. The Company incurred high amortization in 2009 due to the data centre investments, however 2007 had a higher amortization as assets are amortized on a declining balance basis. During 2008, assets were disposed of, reducing the asset base available for amortization. The decrease in Q4 2009 amortization over 2008 is due to a one-time adjustment made in Q4 2008 in the allocation of amortization to the discontinued operation. Without the impact of this adjustment, Q4 2009 quarterly amortization increased over Q4 2008, reflecting the impact of capital expenditures incurred to upgrade the data centre in Calgary and to replace old equipment and infrastructure.

The significant differences in foreign exchange from quarter to quarter and over the last three years result from the extensive fluctuations in the Canadian and United States dollar exchange rates. Foreign exchange differences arise primarily from differences arising from the conversion of assets owned by the Company's US subsidiary from US dollars to Canadian dollars, and on consolidation of the US subsidiary. Foreign exchange fluctuations therefore will continue, depending on the level of fluctuation in the Canadian and United States dollar exchange rates. *The foregoing statement contains forward-looking information. It is qualified in its entirety by the Forward Looking Statements or Information disclaimer at the beginning of this Management Discussion and Analysis. It is further qualified by the Operating Risks section at the end of this Management Discussion and Analysis.*

In 2008, the Company closed its Houston office, and downsized its Edmonton office. All leasehold improvements and any surplus assets that were not relocated to the Calgary office were disposed of, resulting in a loss on disposal of assets.

The Company invests surplus funds not immediately required for operations and these generate small amounts of interest income, as do the Company's cash balances. During Q2 2009, the Company entered into a multiple year sales contract under which a series of cash payments will be received over the term of the contract. This contract has been treated as a financial instrument, and has been included in accounts receivable. The value of this sales contract has been accounted for initial recognition at fair value, and subsequent recognition at amortized cost using the effective interest method. Revenue relating to the accretion of accounts receivable is included in interest income for Q4 2009 and year-to-date 2009. Interest income due to accretion is determined using the effective interest rate method.

Interest expense in Q4 and year-to-date 2009 decreased due to the Company's retirement of its long term debt during the third quarter of 2008. Interest expense recorded in 2009 is administrative in nature ie. (bank charges).

During the third quarter of 2008, Management performed a goodwill impairment test on the goodwill that remained after disposing of the Wellcore product line. The remaining goodwill was found to be impaired, and an impairment loss for the entire amount of the remaining goodwill has been recorded.

Decision Dynamics Technology Ltd.

Management Discussion and Analysis

Income taxes

The Company has approximately \$25.0 million dollars of tax pools available in Canada and the United States to offset income in the respective jurisdictions. A future income tax asset has not been recognized, as it is more likely than not the future tax asset will not be fully realized.

Net income (loss)

	Three Months Ending			Nine Months Ending		
	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31	Dec. 31
	2009	2008	2007	2009	2008	2007
Revenue	467	549	541	3,198	2,212	4,002
Net loss, before discontinued operations	(677)	(682)	(618)	(1,866)	(3,003)	(1,316)
Loss per share, before discontinued operations	(\$0.01)	(\$0.01)	(\$0.01)	(\$0.03)	(\$0.05)	(\$0.02)
Income (loss) per share, after discontinued operations	(\$0.01)	(\$0.01)	\$0.04	(\$0.03)	\$0.004	(\$0.03)

The Company bottom line results for Q4 2009 were comparable to Q4 2008 and Q4 2007. Despite decreased revenue in Q4 2009, the Company's decreased spending mitigated some of this impact on its bottom line. On a year-to-date basis, excluding the goodwill impairment charge recorded in 2008, results for 2009 improved \$540K over year-to-date 2008, due to stronger license sales in 2009. 2009 revenues were \$804K less than 2007, and bottom-line results were \$550K less than 2007, reflecting the Company's efforts to focus spending substantially on strategic initiatives.

Quarterly Results

The following quarterly results have been restated to reflect the results of continuing operations only (in thousands of Canadian dollars except per share amounts):

	Dec 31	Sept 30	June 30	Mar 31	Dec 31	Sept 30	June 30	March 31
	2009	2009	2009	2009	2008	2008	2008	2008
Revenue	467	478	1,842	411	549	455	575	633
Net income (loss), before discontinued operations	(677)	(622)	402	(969)	(682)	(1,308)	(582)	(430)
Income (loss) per share, before discontinued operations	(\$0.01)	(\$0.01)	\$0.01	(\$0.02)	(\$0.01)	(\$0.02)	(\$0.02)	(\$0.01)
Income (loss) per share, after discontinued operations	(\$0.01)	(\$0.01)	\$0.01	(\$0.02)	(\$0.01)	\$0.04	(\$0.02)	(\$0.01)

The Company has historically experienced "lumpy" revenues, which is typical of our Designated User and Transaction Based software license models. A number of factors can result in this revenue pattern – timing of customer contract signing, as seen in Q2 2009, which included new license sales under our Designated User and Enterprise licensing models, and short term projects or turnarounds under our Transaction Based licensing model, as also experienced in Q2 2009.

A more significant issue in the Company's difficulty in improving its top-line growth is ongoing customer concern about the viability of the Company. As stated in Strategy and Outlook, a consistent barrier to sale has been the Company's ongoing negative cash flow. For our new and potential customers, Oncore™ is a business critical application, and concerns about the long-term viability of the Company have impacted our customers' decisions to execute a new license agreement with the Company. This has directly impacted the Company's ability to secure new license revenue. The Company recognized that more significant capitalization was required to allow the Company to continue execution of its strategic objectives, and improve revenue results. The Company anticipates that the sale to Coreworx will alleviate many of our customers' concerns, and result in the close of revenue opportunities for Oncore™.

Decision Dynamics Technology Ltd.

Management Discussion and Analysis

Also noted in Strategy and Outlook, the Company has undertaken extensive personnel restructuring, recruited new sales and development personnel that provide the skill sets needed to deliver the Company's strategic objectives and relocated the customer data center facility from Edmonton to Calgary. All of these initiatives have been substantially completed as of Q2 2009. Although these initiatives resulted in higher expenses for 2008 and the first half of 2009, the Company believes these initiatives will position the Company to achieve its strategic objectives.

In Q3 2008, the Company recorded a \$1.3M net loss. Included in this loss was a \$597K goodwill impairment charge on the goodwill that remained in the Company subsequent to the disposition of the Wellcore product. Excluding the impact of this, as well as a \$58K loss recorded on the disposition of assets, net loss for that quarter would have been \$653K.

The foregoing section is forward-looking by nature. It is qualified in its entirety by the Forward Looking Statements or Information disclaimer at the beginning of this Management Discussion and Analysis. It is further qualified by the Operating Risks section at the end of this Management Discussion and Analysis.

Liquidity and capital resources

Working Capital

At December 31, 2009, working capital was \$2.2 million, as compared to \$4.1 million as of December 31, 2008. The Company expended approximately \$47K on the repurchase of shares under the Company's Normal Course Issuer Bid. In addition, the Company spent approximately \$113K on capital assets and approximately \$275K on restructuring payments in 2009. Of the \$724K in trade accounts receivable, approximately \$375K is considered collectible within the next quarter and the remaining \$349K is considered collectible during the last three quarters of 2010. At December 31, 2008, the Company had recorded a \$0.5 million holdback from the sale of the Wellcore product line, which was collected in 2009. With the exception of the Director's SAP and the Company's warranty accrual, accounts payable and accrued liabilities are planned for payment over the next six months, depending on the nature of the payable and/or accrual.

Working capital, December 31, 2008	\$	4,071
Repurchase of shares		(47)
Capital assets		(113)
Restructuring payments		(275)
Directors SAP accrual		(153)
Used in operations and other		(1,286)
Working capital, December 31, 2009		<u>2,197</u>

Notes:

- (1) Working capital is current assets minus current liabilities. It does not have a standardized meaning under GAAP and may not be comparable to the same terms as used by other entities in the industry; however, the Company believes that it is an important measure of performance and indicator of success for software businesses and are relevant to readers within the investment community

Capital requirements

The Company has been utilizing the inflow of capital from the sale of the Wellcore product line in 2008, in addition to new license sales, to provide the Company with the financial capacity for continued development of the Oncore™ line of products and to make strategic investments in sales and marketing. The Company evaluates its sales pipeline, expense run rate and cash requirements regularly in order to anticipate what its future capital requirements will be, and adjust spending accordingly. As stated in Strategy and Outlook and disclosed in Q3 2009, while the Company feels that current working capital plus anticipated cash flow from new revenue opportunities would be sufficient to fund current operations and short-term future objectives, this could be impacted by changes in demand for Oncore™ and delays in signing of new customer contracts, which would have a negative impact on our ability to fund long-term objectives. The Company has increasingly encountered a barrier to closing the sales cycle – due to ongoing negative cash flow, customers are very sensitive to the long-term viability of the Company. This sensitivity has impacted the Company's ability to execute on new license revenue. Oncore™ is a business critical application for many of our customers, and while our sales efforts have been largely successful through the opportunity and demonstration phase of the sales cycle, the securing of customer contracts has proven difficult.

Decision Dynamics Technology Ltd.

Management Discussion and Analysis

Management believes that the sale of the Company to Coreworx will address customer concerns regarding the weak capitalization of the Company, and will see an improvement in its ability to advance and close customer sale opportunities. *The foregoing section is forward-looking by nature. It is qualified in its entirety by the Forward Looking Statements or Information disclaimer at the beginning of this Management Discussion and Analysis. It is further qualified by the Operating Risks section at the end of this Management Discussion and Analysis.*

Share Capital

As at April 16, 2010 Decision Dynamics had 60,079,643 shares outstanding with a book value of \$27,126,077; 3,007,249 share options to purchase common shares outstanding, 1,265,000 warrants to purchase common shares and 1,611,742 deferred share units outstanding. Following is a summary of the exercise prices for the options and warrants:

On November 23, 2009, the Company's board of directors approved the Company making a Shares for Service application to the TSX Venture Exchange Inc. ("TSXV"), whereby all employees of the Company, excluding officers and directors, would receive shares for their service. Subsequent to December 31, 2009, the Company received approval from the TSXV approval for the proposed shares for service allocation, which would include the issuance of 973,133 shares, over a period of three years. Upon approval from the TSXV, the first tranche of 331,044 shares for services were issued at a deemed market price of \$0.06 (the market price of the Company's shares on November 23, 2009). The remaining 662,089 under the shares for service proposal were scheduled to vest over the next two years, with 331,044 to be issued in Q4 2010 and the remaining 331,045 to be issued in Q4 2011, at the deemed market price on those future dates.

Also on November 23, 2009, the Company's board of directors approved the cancellation of 1,332,833 stock options outstanding for all employees included in the Shares for Service proposal. In connection with the foregoing, the Company also received board approval to amend the option agreements of certain officers of the Company whom are not participating in the shares for service proposal. The effect of this amendment was to increase the exercise price on 325,000 stock options under agreement with these officers, from \$0.04 to \$0.10. In relation to these two transactions, a recovery of approximately \$5K was recorded to stock based compensation expense in Q4 2009.

Normal Course Issuer Bid

The Company commenced a Normal Course Issuer Bid, effective for one year, on December 15, 2008. Under this bid, the Company may purchase for cancellation up to 3,020,623 or 5% of its common shares outstanding as at December 15, 2008. Monthly purchases are limited to 1,204,249 or 2% of the common shares outstanding as at December 15, 2008. As of the expiry of the Normal Course Issuer Bid on December 14, 2009, the Company had purchased and cancelled 1,207,000 or 40% of the shares available under the terms of the bid.

New Accounting Policies

Convergence with International Financial Reporting Standards ("IFRS")

In February 2008, the Accounting Standards Board ("AcSB") confirmed that all Canadian publicly accountable enterprises will be required to adopt IFRS for interim and annual reporting purposes for fiscal years beginning on or after January 1, 2011.

The Finance group is acting as the project team for the Company's conversion to IFRS. Regular reporting will be provided by the project team to executive management and the Audit Committee of the Board of Directors.

The transition to IFRS will consist of three phases: initial assessment, design and implementation. However, due to the sale to Coreworx, further work involved with these phases was postponed late in 2009, pending the completion of the sale transaction. As of the end of the reporting period, the status of the IFRS transition project was as follows:

The Company has commenced with the initial assessment and design phases of its IFRS transition project. These phases include detailed assessments to identify key areas of difference between current Canadian GAAP and IFRS and a preliminary review of the accounting system and the data gathering process. The Corporation has started the

Decision Dynamics Technology Ltd.

Management Discussion and Analysis

process of evaluating accounting policy choices and identifying the options under IFRS 1, First Time Adoption of International Financial Reporting Standards, while quantifying the adjustment to the opening deficit. At this time, the impact on the Corporation's financial position and results of operations is not reasonably determinable or estimable for the IFRS conversion. The Company will continue to monitor any changes to IFRS, assess the impact of adopting IFRS, and will update its Management Discussion and Analysis disclosures quarterly to report on the progress of its IFRS implementation.

Business Combinations

In January 2009, the CICA issued Handbook Section 1582 - "Business Combinations" which will replace Handbook Section 1581 - "Business Combinations". Section 1582 requires that most identifiable assets, liabilities, non-controlling interests and goodwill acquired in a business combination will be recorded at fair value. Obligations for contingent considerations and contingencies will also be recorded at fair value at the acquisition date. The standard also requires acquisition-related costs to be expensed as incurred and provides guidance on the accounting for restructuring costs. This new standard substantially harmonizes Canadian GAAP with IFRS. This section is applied prospectively to business combinations for which the acquisition date is on or at the beginning of the first annual reporting period beginning on or after January 1, 2011, however, earlier application is permitted. The Company is currently assessing the impact of this new standard.

Consolidated Financial Statements

In January 2009, the CICA issued Handbook Sections 1601 - "Consolidated Financial Statements" and 1602 - "Non-controlling Interests" which will replace Handbook Section 1600 - "Consolidated Financial Statements". Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. These new standards substantially harmonize Canadian GAAP with IFRS. These sections are to be implemented concurrently with Section 1582. The Company is currently assessing the impact of this new standard.

Operating Risks

This section is forward-looking by nature. It is qualified in its entirety by the Forward Looking Statements or Information disclaimer at the beginning of this Management's Discussion and Analysis.

The sale of software and services is subject to business risks that may adversely affect the Company's operations. As discussed in the Forward Looking Statements and Information section, these risks could include risks related to revenue expectations, operating results, impact of current economic conditions on our customers, product development, and employee retention. Management evaluates and monitors these risks on an ongoing basis, and takes steps to minimize these risks. However, it is not possible to completely mitigate these risks, as many of these risks are beyond our control.

1. Revenue Expectations

During the first quarter of the year, the Company made significant investments in developing a first-class sales and marketing organization. As well, the Company adopted an industry proven sales methodology, which has been implemented throughout the organization. These investments began to pay off for the Company after the first quarter of the year, with the close of two significant license sales with current customers in Q2 2009, and license sales to new customers in Q3 and Q4 2009. The Company is encouraged by the results seen in 2009, however, we are still in the process of developing a consistent, successful sales approach, and there is no guarantee that this will result in increased sales of Oncore™. In addition, if we are unable to continue to build upon existing customer demand, generate new customer interest in Oncore™ and resolve customer concern regarding the long-term viability of the Company, revenues may not be at the level estimated by Management. Predicting the timing of sales remains challenging, as the Company has not had enough new license sales experience with which to estimate the sales cycle required to close a sale. Delays in closing sales could cause decreases in our revenues and results. The Company's customer base is still extremely small, with 90% of year-to-date revenue coming from six customers. The loss of any one of these customers could have a significant impact on revenue.

Decision Dynamics Technology Ltd.

Management Discussion and Analysis

The Company has taken steps to mitigate the risk of decreased sales and customer concentration. An experienced sales team is in place that has focused on identification of prospect opportunities that fit our customer profile, and present a need that the Oncore™ product can fulfill. In addition, the Company adopted CCS, which it believes will enable the sales organization to accelerate customer opportunities into closed sales. This sales methodology is well supported by Management. These initiatives continue to yield positive results – the Company closed two license sales to existing customers in the second quarter, and another license sale was signed early in the third quarter. We have made more new sales contacts in a variety of industries and markets, both in Canada and the United States, and generated more sales leads in 2009 than has been experienced before. Targeted sales campaigns continue to provide the sales organization with identified leads and opportunities that will provide the Company with the most potential to convert from lead to closed sale. The Company website has been redesigned to assist the sales process by providing a more sales centric and customer solutions focused introduction to the Company. A customer event was held in December 2009, to introduce new customers to our product offering and to update existing customers on new features in our product development and roadmap, and another event was held in April 2010.

The combination of an experienced sales team, use of the CCS sales methodology and the marketing initiatives have resulted in a broader exposure of the Company to new customers and target markets. Metrics that evidence the various stages of the CCS process have been developed, and are constantly evaluated, in order to better understand the length and effort involved in the cycle, and where there are improvements to be made. We have also successfully deployed the Enterprise license model that more closely aligns efficient and cost-effective customer use of Oncore™ with our revenue expectations. Finally, we have put into place initiatives to work closely with our existing customer base to secure customer commitment, retention and satisfaction.

Finally, as stated in previous sections, management believes that the sale of the Company to Coreworx in early Q2 2010 will provide the Company with the financial position to address our customers' concerns regarding the long-term viability of the Company. Management expects that addressing this issue with our customers will now assist our sales team to capitalize on the investments that have been made, and will result in the execution of new license revenue contracts.

2. Current Economy

The Company results could differ significantly as current market conditions may adversely impact our customers.

The Company has found that the level of interest from potential new customers in a cost control solution has remained constant. With the softened economy, these customers are increasingly focused on cost control and productivity improvement solutions. The Company's sales models provide our customers with the opportunity to manage and control their project costs in the most cost-effective, efficient manner for them. The decision to buy or not, from these customers' perspective, is motivated more by our product and value offered, than by economic factors.

However, the Company believes that the current economic conditions may impact our customers' abilities to proceed with projects. Although the Company has executed four license contracts, to both current and new customers and we continue to see interest from new industries and markets, we intend to maintain a cautious outlook on our own revenue expectations. The Company expects use of the CCS process to improve the Company's ability to determine the risk that the Company may bear in customers not pursuing intended projects or license purchases, as well as improve the Company's ability to proactively manage our revenue expectations and manage our own expenses to those expectations.

3. Product Development and Protection of Intellectual Property

Our customers have changing demands, and are expecting frequent and relevant product enhancements. If we are not able to respond quickly and effectively, we run the risk of Oncore™ becoming obsolete and losing market credibility. There can be no assurance that others will not independently develop products similar to Oncore™, or that the Company's means of protecting its proprietary rights will be adequate. The Company relies on confidentiality procedures and contractual provisions to protect our proprietary rights. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy and may succeed in copying aspects of Oncore™ or to obtain and use information that the Company regards as proprietary.

Decision Dynamics Technology Ltd.

Management Discussion and Analysis

This could result in customer loss and impact our ability to convert customer opportunities into revenue, and to maintain our existing customer relationships.

Management has launched a product development plan that will take the Oncore™ technology as it currently is, to a product that incorporates next generation tools and features that our customers have identified as being essential for their ongoing satisfaction and commitment to the product. In June 2009, the Company released Oncore™ 5.8. This release included features and enhancements that customers had been requesting, such as Real-Time Reporting and was met with favorable reaction from our installed customer base. As part of the product development plan, in Q3 2009 the Company made resource investments into its Product Management department, to work with our customers and our development team in identifying future functionality and features. Early in Q4 2009, the Company embarked on a number of new development initiatives including “at a glance project visibility and forecasting,” Oncore™ Mobile (an easy to use handheld version of Oncore™ that minimizes the need for field data entry), and a rapid configuration and maintenance utility designed to be a competitive game changer in terms of the time required to deploy Oncore™ and maintain the project information entered into Oncore™.

The Company is currently planning the release of Oncore™ 5.10, which it anticipates will include new features such as Budget and Forecasting; Real Time Queries, a New User Assistance System, and ongoing performance improvements. These initiatives all demonstrate the commitment that the Company has made to its existing and new customers to provide an innovative, progressive product offering. The Company does not sell or transfer title to Oncore™ to our customers. Under our Licensing Schedule and Software Related Services Agreement, Oncore™ may be used by the customer for internal purposes only. The

Company believes that the legal specifications in our agreements provide minimal protection of our intellectual property. The pursuit of claims that our proprietary rights have been infringed could be costly and time-consuming to the Company, resulting in an adverse effect upon the Company's business. Instead, our best protection in protecting our proprietary rights is ongoing product development and enhancement to advance the technical capability of our product, as well as a demonstrated commitment to customer satisfaction and building of strong customer relationships.

4. Dependence on Key Employees

The Company's success will depend, to a very significant extent, on the performance and continued services of key employees, the loss of any of whom could have a material adverse effect upon the Company. The Company believes that its future success will also depend in large part upon its ability to attract and retain highly skilled technical and sales personnel. Competition for such personnel is intense, and the Company has experienced difficulties in recruiting qualified personnel and may continue to experience such difficulties in the future. There can be no assurance that the Company will be successful in attracting and retaining the personnel it requires to continue to maintain and expand its business.

The Company believes that management of this risk requires a proactive approach. In order to attract highly skilled personnel, the Company works primarily with external recruiters that specialize in sales and technology, to identify top caliber candidates. The Company understands the intense competition that it faces in attracting these candidates, and offers a competitive compensation arrangement. Employee compensation and benefits are reviewed regularly by Management to ensure that the Company continues to offer a competitive compensation arrangement. The Company has implemented a Performance Management program to allow managers and employees to identify and capitalize on strengths and provide opportunities for employee growth. Management will continue to work closely with its employees to demonstrate its commitment to providing an interesting, challenging and supportive work environment.