



DECISION DYNAMICS
TECHNOLOGY

2009

Interim Consolidated Financial Statements
For the Three and Nine Months Ended March 31, 2009 and 2008



Decision Dynamics Technology Ltd.
Report for the three month periods ended March 31, 2009 and 2008

MANAGEMENT'S REPORT

The accompanying unaudited interim consolidated financial statements of Decision Dynamics Technology Ltd. ("DDyTech Ltd." or the "Company") for the three month period ended March 31, 2009 have been prepared by management and approved by the Board of Directors of the Company. These statements have not been reviewed by the Company's external auditors.

May 13, 2009

"signed" R.J. (Justin) Zinke

R.J. (Justin) Zinke
Chief Executive Officer
Calgary, Alberta

"signed" Kimberley Tremblay

Kimberley Tremblay
Chief Financial Officer
Calgary, Alberta

Decision Dynamics Technology Ltd.

Unaudited Consolidated Balance Sheets

	As at March 31, 2009	As at December 31, 2008
ASSETS		
Current		
Cash and cash equivalents	\$3,111,312	\$3,815,016
Accounts receivable	529,382	496,679
Prepaid expenses	95,045	147,728
Assets of discontinued operations (note 3)	269,317	435,786
	<hr/>	<hr/>
	4,005,056	4,895,209
Property and equipment	475,998	495,568
	<hr/>	<hr/>
	\$4,481,054	\$5,390,777
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	\$473,477	\$694,859
Deferred revenue	437,095	136,575
	<hr/>	<hr/>
	910,572	831,434
Shareholders' equity		
Capital stock (note 4)	27,575,860	27,606,710
Warrants (note 4)	349,638	349,638
Contributed surplus (note 4)	2,474,916	2,471,987
Deficit	(26,829,932)	(25,868,992)
	<hr/>	<hr/>
	3,570,482	4,559,343
	<hr/>	<hr/>
	\$4,481,054	\$5,390,777

Approved on behalf of the board

"signed" William Dimma
William Dimma, Director

"signed" James Baillie
James Baillie, Director

See accompanying notes to the consolidated financial statements.

Decision Dynamics Technology Ltd.

Unaudited Consolidated Statements of Loss and Deficit

	Three Months Ending	
	March 31, 2009	March 31, 2008
Revenue	\$410,912	\$632,935
Cost of sales	(255,701)	(258,001)
	<hr/>	<hr/>
Gross profit	155,211	374,934
Expenses		
Research and development	287,239	226,354
Selling and marketing	303,618	211,624
General and administration	285,040	270,564
Restructuring (note 5)	148,273	9,795
Stock based compensation	56,043	63,943
	<hr/>	<hr/>
Loss before the undernoted	(925,002)	(407,346)
Amortization of property and equipment	46,389	17,862
Foreign exchange (gain) loss	(9,776)	19,428
Interest income	(5,682)	(2,925)
Interest expense	5,006	33,970
	<hr/>	<hr/>
Loss and comprehensive loss for the period, before discontinued operations	(960,939)	(475,681)
Results from discontinued operations (note 3)	-	(372,360)
Net loss after discontinued operations	(960,939)	(848,041)
Deficit, beginning of period	(25,868,993)	(26,123,371)
	<hr/>	<hr/>
Deficit, end of period	(26,829,932)	(26,971,412)
	<hr/>	<hr/>
Basic and diluted loss per share	(\$0.02)	(\$0.01)

See accompanying notes to the consolidated financial statements.

Decision Dynamics Technology Ltd.

Unaudited Consolidated Statements of Cash Flows

	Three Months Ending	
	March 31 2009	March 31 2008
Cash provided by (used in):		
Operations		
Cash received from customers	\$688,449	\$1,058,607
Cash paid to suppliers and employees	(1,501,685)	(955,696)
Interest received	5,682	2,925
Interest paid	(5,006)	(11,343)
	<u>(812,560)</u>	<u>94,493</u>
Discontinued operation	166,469	45,283
Investing activity		
Purchase of equipment	(26,819)	(4,418)
Financing activities		
Repayment of long-term debt	-	(51,363)
Repurchase of shares	(30,850)	-
	<u>(30,850)</u>	<u>(51,363)</u>
Changes in foreign currency	<u>56</u>	<u>(3,746)</u>
Increase (decrease) in cash and cash equivalents	(703,704)	80,249
Cash and equivalents, beginning of period	<u>3,815,016</u>	<u>1,106,618</u>
Cash and equivalents, end of period	<u>\$3,111,312</u>	<u>\$1,186,867</u>

See accompanying notes to the consolidated financial statements

Decision Dynamics Technology Ltd.

Notes to Unaudited Consolidated Financial Statements

Three month periods ended March 31, 2009 and 2008

1. Basis of presentation

The unaudited consolidated interim financial statements of Decision Dynamics Technology Ltd. (the "Company") have been prepared by management in accordance with Canadian generally accepted accounting principles and include the accounts of the Company and its wholly-owned subsidiaries. All intercompany balances and transactions have been eliminated. The unaudited consolidated interim financial statements do not include all of the disclosures normally provided in annual financial statements and accordingly they should be read in conjunction with the audited consolidated financial statements, including the notes thereto, as at and for the year ended December 31, 2008.

The unaudited consolidated interim financial statements follow the same significant accounting policies and methods of application as the most recent audited financial statements of the Company as at and for the year ended December 31, 2008.

2. Future operations

These financial statements have been prepared on a going concern basis, which assumes the realization of assets and liquidation of liabilities and commitments in the normal course of business. Recurring losses since inception have resulted in an accumulated deficit of \$27 million. The Company ended the first quarter of the year with a cash position of \$3.1 million. As of May 13, 2009, the cash position was \$3.0 million. Management believes that the current cash position, in addition to the cash flow expected to be generated from operations, will be sufficient to allow the Company to execute on its strategic objectives.

These financial statements do not give effect to any adjustment should the Company be unable to continue as a going concern and therefore be required to realize its assets and discharge its liabilities in other than the normal course of business and at amounts differing significantly from those reflected in the financial statements.

3. Discontinued operations

In the third quarter of 2008, the Company completed the sale of the Wellcore product line to P2 Canada Energy Inc. The results of the discontinued operation for the first quarter of 2008 were as follows:

	Three Months Ending March 31, 2008
Revenue	\$ 984,855
Cost of Sales	<u>(315,793)</u>
Gross Profit	669,062
Expenses	
Research and development	253,895
Selling and marketing	245,320
General and administration	274,306
Restructuring	86,252
Stock based compensation	20,636
Amortization of property and equipment	23,061
Amortization of intangible assets	125,121
Foreign exchange gain	(33,812)
Interest income	(4,781)
Interest expense	<u>51,424</u>
	1,041,422
Loss from discontinued operations	<u>\$ (372,360)</u>

Decision Dynamics Technology Ltd.

Notes to Unaudited Consolidated Financial Statements

Three month periods ended March 31, 2009 and 2008

The Company currently has a \$435,786 receivable with P2 Canada Energy Inc, related to the sale of the Wellcore product line. This will be paid out to the Company over the course of 2009, subject to certain conditions, and is recorded at fair value. During the first quarter, the Company received \$166,469 of this receivable.

4. Share capital

(a) Common shares

Authorized:

Unlimited number of voting common shares

Issued and outstanding common shares:

	Number	Amount
Balance, December 31, 2008	60,212,466	\$ 27,606,710
Purchased for cancellation		(30,850)
Balance, March 31, 2009	60,212,466	\$ 27,575,860

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. As of March 31, 2009, the Company has purchased 795,000 or 26% of the shares available under the terms of the normal course issuer bid. A further 411,000 shares were purchased in April 2009 for a total of 1,206,000 or 40% of the shares available under the terms of the normal course issuer bid. For the period ending May 13, 2009, the average stock price that stock has been purchased at was \$0.039. These shares have been cancelled as of May 13, 2009.

(b) Stock based compensation

(i) Stock Option Plan

	Number
Balance, December 31, 2008	6,064,492
Expired	(36,415)
Forfeited	(85,001)
Balance, March 31, 2009	5,943,076

Option Exercise Price	Options Granted
\$0.04	1,450,000
\$0.16	3,630,195
\$0.205 - \$0.31	270,000
\$0.50 - \$0.745	592,881
	<u>5,943,076</u>

During the three month period ended March 31, 2009 \$3,137 (2008 - \$84,564) in compensation costs were recorded in the statement of operations and deficit for the options granted to employees, officers and directors. No stock option grants were issued during the first quarter of 2008.

(ii) Share Accumulation Plan

A total of 1,200,000 shares have been allocated for issuance from treasury pursuant to the Share Accumulation Plan ("SAP") for directors. During the quarter, 140,625 shares were allocated to directors. As at March 31, 2009, a total of 1,774,395 shares have been allocated to directors. The Company will ask shareholders at the Annual General and Special Meeting to approve a resolution to increase the number of shares allocated to the plan to 2,200,000. Due to an increasing share price during the first quarter, the fair market value of the total obligation to directors has increased by \$41,656. Total compensation for the SAP for the first quarter of 2009, including cash compensation expense is \$52,906 (2008 - \$20,621 decrease in compensation).

Decision Dynamics Technology Ltd.

Notes to Unaudited Consolidated Financial Statements

Three month periods ended March 31, 2009 and 2008

Due to a declining share price in 2008, the calculation of shares to be allocated to the SAP had resulted in a much higher amount of shares being allocated to the SAP than was expected when the plan was developed. 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. 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. For the quarter ended March 31, 2009, the quarterly volume weighted average price was less than \$.04, and the allocation of shares into the SAP was then calculated using a share price of \$.04.

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 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.

(c) Warrants

At March 31, 2009, there remain 1,265,000 warrants outstanding with an exercise price of \$0.276. These warrants expire in January 2011.

(d) Contributed surplus

	Amount
Balance, December 31, 2008	\$ 2,471,987
Employee and director stock options	9,757
Forfeited	(6,828)
Balance, March 31, 2009	\$ 2,474,916

(e) Per share amounts

The weighted average number of common shares outstanding for the three month period ending March 31, 2009 was 60,212,466 (2008 – 60,212,466). The exercise of options would not have had a dilutive effect for the three month period ending March 31, 2009 and 2008.

5. Restructuring

A significant part of the Company's ongoing cost management is a restructuring of the personnel. For the first quarter of the year, the Company recorded \$148,273 of expenses related to severance packages for staff involved in restructuring, as compared to less than \$10,000 for the first quarter of 2008.

6. Segmented information

The Company's operating activities are related to Oncore™ software licensing and services in the geographic segments of Canada and the United States of America

	Mar. 31, 2009	Mar. 31, 2008
Canada	\$ 294,818	\$ 540,047
United States	116,094	92,888
Total	\$ 410,912	\$ 632,935

7. Economic dependence

The Company received revenue from six customers for the three months ended March 31, 2009 and 2008 amounting to \$365,559 (2008 - \$525,481) representing over 89% (2008 - 83%) of revenue.

8. Comparative figures

Certain comparative figures have been reclassified to conform with the current period's presentation.