

**MATERIAL CHANGE REPORT  
UNDER SECTION 75(2)  
SECURITIES ACT (ONTARIO)**

1. **Reporting Issuer**

Centrinity Inc.  
100 Allstate Parkway  
Markham, Ontario  
L3R 6H3

2. **Date of Material Change**

November 9, 2000

3. **Publication of Material Change**

A Press Release was issued on November 9, 2000.

4. **Summary of Material Change**

Centrinity Inc. ("Centrinity") announced its financial results for the three-month and twelve-month periods ended September 30, 2000.

5. **Full Description of Material Change**

Centrinity, which develops and markets leading unified communications and collaborative groupware technologies, announced its financial results for the three-month and twelve-month periods ended September 30, 2000. All figures are in Canadian dollars unless otherwise stated.

Revenue for the three-month period ended September 30, 2000 was \$4.2 million, an increase of 147 per cent over \$1.7 million for the same period last year. Revenue for the period was primarily attributable to groupware licensing and maintenance fees, as the company did not formally launch its Unified Communications product until late in the quarter.

Sales and marketing expenses for the fourth quarter increased to \$5.0 million from \$1.2 million for the same quarter last year. A significant portion of the increase was the result of sales and marketing related to the company's ramp up and launch of its Unified Communications product offering.

Research and development expenses for the quarter increased to \$880,000 compared to \$640,000 for the same quarter of fiscal 1999. Almost all of the increase is attributable to development of the company's Unified Communications solution.

General and administrative expenses for the period increased to \$2.4 million from \$940,000 for the same period last year as the company continued to build the infrastructure to support its current and expected growth.

Net loss for the fourth quarter was \$6.6 million, or \$0.31 per share, compared to a net loss of \$2.8 million, or \$0.19 per share, for the fourth quarter last year. Loss before the amortization of goodwill and other intangibles for the fourth quarter was \$4.4 million, or \$0.21 per share, versus \$1.3 million, or \$0.09 per share, for the fourth quarter last year.

Revenue for the twelve-month period ended September 30, 2000 was \$12.9 million compared to \$2.9 million for the same period last year. Fiscal 1999 financial results do not include the contribution of SoftArc Inc., which was acquired in June of 1999. On a pro forma basis, revenue for the period increased by 63 per cent from \$7.9 million.

Gross margin was stable year over year at approximately 95 per cent.

Sales and marketing expenses for the twelve-month period increased to \$12.2 million from \$3.0 million for the same period last year. The increase was the result of an intensified sales and marketing effort related to the company's Unified Communications strategy.

Research and development expenses for the fiscal year increased to \$3.1 million from \$1.2 million.

General and administrative expenses for the year increased to \$6.6 million from \$1.6 million.

Net loss for the twelve-month period was \$17.4 million, or \$0.96 per share, compared to a net loss of \$4.8 million, or \$0.42 per share (\$9.1 million or \$0.62 per share on a pro forma basis), for fiscal 1999. Loss before the amortization of goodwill and other intangibles for the twelve-month period was \$10.5 million, or \$0.57 per share, versus \$3.3 million, or \$0.29 per share (\$3.8 million or \$0.26 per share on a pro forma basis), for the fourth quarter last year.

Cash and cash equivalents at September 30, 2000 were approximately \$48.2 million compared to \$3.4 million at September 30, 1999. Working capital at the end of the year was \$47.6 million compared to \$2.9 million at the end of last year.

#### Fourth Quarter Highlights

- > Centrinity formally launched its true, feature rich Unified Communications solution.
- > Centrinity launched the hosted version of its Unified Communications solution, a rapid deployment strategy designed to accelerate adoption in the service provider market
- > Centrinity appointed former Wall Street investment banker, Richard A. LePage, as Chief Financial Officer to spearhead the company's financing efforts in the U.S. capital markets.
- > Centrinity appointed respected U.S.-based investment manager, Albert Lin, to its board of directors.
- > Centrinity successfully completed a US\$20 million private placement with a select group of U.S. high tech institutional investors.

#### Highlights Subsequent to Quarter End

- > Centrinity negotiated a multi-year licensing and maintenance agreement with Sprint Canada Inc. Sprint Canada plans to launch Unified Communications services to its customers early in 2001.
- > Centrinity negotiated a license and maintenance agreement with GoAmerica, Inc., North America's largest wireless Internet service provider. GoAmerica plans to launch Unified Communications to its customers early in 2001.
- > Centrinity appointed channel sales veteran Barry Morrison as executive vice president, worldwide channels and business development to lead the company's global channel strategy. Prior to joining Centrinity, Mr. Morrison was executive vice president, enterprise solutions at GE Capital IT Solutions. Mr. Morrison will be responsible for leveraging existing and new partnerships to ensure maximum adoption of Centrinity's Unified Communications solution.

#### About Centrinity Inc.

Serving over 6 million users in more than 8,000 organizations in 55 countries, Centrinity is a high growth software company with technological leadership in the burgeoning global market for unified communications solutions and related network-based collaboration tools. Since the launch of Centrinity's Unified Communications solution in September, the company has signed up its first two "carrier class" service providers, Sprint Canada and GoAmerica. Centrinity is listed under the symbol "CTI" on The Toronto Stock Exchange. Website: [www.centrinity.com](http://www.centrinity.com).

6. **Reliance on Section 75(3) of the Act**

Not Applicable.

7. **Omitted Information**

Not Applicable.

8. **Senior Officers**

For further information, please contact:

Richard LePage, Executive Vice-President and Chief Financial Officer,  
Centrinity Inc. at 1-888-808-0388.

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

Dated at Toronto, Ontario, this 10th day of November, 2000.

**CENTRINITY INC.**

By: "Richard LePage"  
**Richard LePage**  
**Executive Vice-President and**  
**Chief Financial Officer**