



Press release
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Year-End-Report Aspiro AB, 1 January – 31 December 1999

The year in brief

- As expected, net sales during the financial year amounted to SEK 7,540 thousand (SEK 292 thousand).
- The net loss for the year was, as expected, SEK –25,459 thousand (SEK – 4,844 thousand).
- Earnings per share (excluding outstanding options) were SEK – 4.81 (SEK –1.08). The average number of shares during the year, adjusted for bonus issues and splits, was 5,291,667 (4,500,000). With the dilution effect of issued warrants taken into account, earnings per share were SEK – 4.55 (SEK –1.06).
- Investment in tangible fixed assets during the year amounted to SEK 85 thousand (SEK 96 thousand).
- The board of directors shall recommend to the annual general meeting that no dividend be distributed for the financial year.
- As part of Aspiro's stated growth strategy, Midab was acquired with possession to take effect on 1 January 2000, and a letter of intent was signed for the acquisition of Telesta.
- Aspiro established the company in four new cities during the year. In addition to existing offices in Malmö and Karlskrona, the company opened offices in Oslo and Stockholm. Through the acquisition of Telesta, Aspiro is also represented in Boston and Hong Kong.
- Aspiro delivered a platform for SMS services to Europolitan in January and, in November, signed an alliance agreement on the development and sales of WAP services.
- The world's first stock transaction using a mobile WAP application was carried out in March using Aspiro's application "Aspiro Wireless Trader".
- Aspiro signed alliance agreements during the year with Ericsson Mobile Communications, Telenor Mobil, Hewlett Packard and Frontec.
- "Aspiro Fleet Manager", a mobile transport control system, was launched in September.
- Two new share issues were carried out during the year to finance Aspiro's current international venture. A share issue of SEK 15 million before issue expenses was carried out in May and an issue of SEK 100 million before issue expenses was carried out in October.
- Unlisted trading of Aspiro's stock began in November.
- Aspiro delivered a service package in December to Europolitan and its WAP portal "Hantera".

For further information, please contact:

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About Aspiro

Aspiro develops wireless applications and services, using WAP, SMS, GPRS and other innovative technologies. Aspiro offers operators, content providers and mobile organizations a wide range of solutions, from pre-packaged WAP services to strategy consulting involving value-added services.

Founded in 1998 Aspiro is today one of the world's leading developers of mobile applications and services. The company has over 100 employees and offices located in Sweden, Norway, USA and Hong Kong. A subsidiary, Aspiro International, has been established in Luxembourg to lead the company's international expansion throughout the world. Aspiro's business concept, organization and operations are based on many years of experience gained in the wireless telecommunications and IT industries.

More information about Aspiro can be found on www.aspiro.com



YEAR-END REPORT

Aspiro AB (publ), 1 January – 31 December 1999

Aspiro AB has in a very short time acquired a leading position in the rapidly growing industry of wireless communications, information and trade between mobile terminals and the Internet. Two of the technologies with which Aspiro works are WAP and SMS. Ultimately, the business is about providing people and companies with opportunities to do business and keep themselves informed, anytime and anywhere. Through a combination of technical competence, speed and focus on user benefit, Aspiro has successfully connected with a number of important customers and alliance partners during the year. Aspiro acts internationally and sells systems and applications to operators, content providers and companies with mobile organisations. The end users are private individuals as well as companies and organisations that need to trade and communicate beyond the physical walls of the home or the office.

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- Aspiro established the company in four new cities during the year. In addition to existing offices in Malmö and Karlskrona, the company opened offices in Oslo and Stockholm. Through the acquisition of Telesta, Aspiro is also represented in Boston and Hong Kong.
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Market

The new market for wireless communication, information and trade between mobile terminals and the Internet is expected to continue to accelerate during the next few years in Sweden and internationally. Aspiro has a key role in the chain of vendors necessary for the end user to exploit the new opportunities. The most important players are:

- Content providers, e.g., news agencies, travel agencies and banks.
- Vendors of services and applications that make wireless communications and operations possible, e.g., Aspiro.
- Companies that provide portals for wireless services, such as telecom companies like Europolitan and Telenor Mobil, as well as traditional portals like Yahoo.com and MSN.com.
- Operators that provide access to mobile networks and the Internet.
- End users of wireless services, e.g., private individuals and companies with mobile personnel.

Operations

Aspiro operates within three business units:

- Wireless Portal Solutions

Comprises development and sales of wireless portal solutions that contain interfaces for integration, applications and information from different content providers. The business unit accounted for 63 percent of net sales for the year.

- Wireless Corporate Applications

Development and sales of services and applications customised for companies with mobile organisations. One of the services is Aspiro Fleet Manager, developed for the haulage industry. Aspiro Fleet Manager gives drivers new opportunities to communicate with dispatchers via a WAP telephone. Four haulage companies tested Aspiro Fleet Manager during the year and their assessments were very positive. The business unit has this far not generated any revenue.

- International SMS Network

Sales of access and traffic in an SMS network that makes it possible for content providers to reach out with services and information to mobile users with various operators in different countries. Aspiro has signed agreements with several mobile telecom operators. The business unit provided 37 percent of net sales for the year.

Acquisitions

In order to develop and grow in a market populated with global players, Aspiro has entered a phase of acquisition of companies possessing cutting-edge competence within relevant fields.

A letter of intent was signed in December for the acquisition of Telesta, a company with 18 employees engaged in development of mobile services, including those focused on mobile text-based services for people with hearing and speech impairments.

Midab, with three employees, was acquired with possession to take effect in January 2000, aimed at strengthening Aspiro's competence within advanced systems development for the telecom industry.

Since the acquisitions were carried out with possession effective in January 2000, the consolidated accounts include only the parent company Aspiro AB and the subsidiary Wherever Finans AB.

Alliance agreements

The company entered into several interesting alliances during the year. In April, Aspiro began a strategic alliance with Ericsson Mobile Communications regarding development and operation of an SMS network that connects Ericsson's Chatboard site with international GSM operators.

Aspiro drafted an alliance agreement in June with Telenor Mobil in Norway. The agreement applies to development of WAP-based mobile services.

An alliance agreement with Hewlett Packard on the development of mobile services connected to the Internet was signed in September.

The company entered into an alliance with Frontec in November for joint development and sales of mobile IT services.

Aspiro delivered a platform for SMS services to Europolitan in January. Co-operation between the two companies was intensified during the year and an alliance agreement was signed in November on the development and sales of WAP services. Among else, the services make it possible for companies to transmit information directly between Europolitan's GSM network and various WAP applications. Aspiro delivered a service package to Europolitan and its WAP portal "Hantera" in December.

Management changes

The board of directors appointed Jörgen Adolfsson as the new chief executive officer of the company in November. Jörgen Adolfsson is one of the founders of Aspiro and succeeds Christer Månsson, who remains with the company as vice president and head of mergers & acquisitions and strategic alliances.

Human resources

Aspiro is a knowledge company, and as such, the competence of its employees is a critical success factor. The number of employees rose during the year by 53 to a total of 62 at year-end. The majority of the employees came to Aspiro from companies within the mobile telecom industry such as Nokia, Ericsson, Telenor Mobil, Europolitan, Kinnevik/Millicom Group and Netcom. Eighty-five percent of Aspiro's employees are college-educated.

Outlook for 2000

Aspiro is expected to undergo powerful growth during 2000 through acquisitions, new recruiting and increased internationalisation. This is expected to cause a significant increase in revenue compared with 1999. However, the forecast is a larger deficit than in 1999 due to major investments in market development, investments in product development and other costs brought by rapid expansion during the build-up period.

Planned market listing

Aspiro is planning to list the company's stock on the O List of the OM Stockholm Stock Exchange during the current year.

Significant events after the end of the period

- A directed new issue of 33,855 shares was carried out on 10 January to finance the acquisition of Midab.

- Aspiro established a wholly owned subsidiary, Aspiro International, in Luxembourg. The new company's role will be to drive the continued international expansion. Key markets for the short term are England, Germany, the U.S., Italy and Southeast Asia.
- Aspiro and InfoCreator signed a letter of intent for the acquisition of InfoCreator, which develops tools for content providers.
- Aspiro and Advox entered into an agreement on the acquisition of Advox, which has nine employees and manufactures products for the mobile telecom and IT market.
- The acquisition of Telesta was finalised on 19 January through a directed new issue of 176,130 shares. In conjunction with the acquisition, Aspiro has committed to carrying out a shareholder contribution to cover the deficit of SEK 4,752,182 in Telesta's shareholders' equity.

Annual report and annual general meeting

The annual report for 1999 shall be made available to the public on 14 April at Aspiro's headquarters in Malmö. The annual report will be mailed to Aspiro's shareholders on approximately 17 April. The annual general meeting will be held on 8 May.

Scheduled reports during 2000

Interim report, Jan-Mar	19 May 2000
Interim report, Jan-June	23 August 2000
Interim report, Jan-Sept	15 November 2000

Consolidated Income Statement (in brief)

SEK	1/1 – 31/12 1999	29/6 – 31/12 1998
Revenues		
Net sales	7 539 719	97 251
Other operating revenues	0	195 000
Operating expenses		
Merchandise	- 599 160	0
Other external expenses	-16 336 724	- 3 047 485
Personnel expenses	- 16 335 898	- 2 083 428
Depreciation on fixed assets	- 39 423	- 9 657*
Other operating expenses	- 795	0
Operating loss	-25 772 281	- 4 848 319
Financial revenues	338 598	9 913
Financial expenses	- 25 143	- 5 174
Loss after financial items	-25 458 826	- 4 843 580
Tax	0	0
Net loss for the period	- 25 458 826	- 4 843 580

**Depreciation on fixed assets has been adjusted by 9 622 compared to the annual report of 1998 due to changes in principles of depreciation. The decrease in expenses has in total been accounted to shareholders' equity.*

Consolidated Balance Sheet (in brief)

SEK	31/12 1999	31/12 1998
ASSETS		
Fixed assets		
Tangible fixed assets	132 004	86 736
Financial fixed assets	381 269	0
Current assets		
Short term investments and receivables	8 737 453	644 171
Cash and cash equivalents	81 606 710	957 088
TOTAL ASSETS	90 857 436	1 687 995
SHAREHOLDERS' EQUITY AND LIABILITIES		
Shareholders' equity		
Shareholders' equity	81 602 974	206 420
Provisions	0	0
Long-term liabilities	0	0
Current liabilities		
Current liabilities	9 254 462	1 481 575
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	90 857 436	1 687 995

Consolidated Cash-flow Statement (in brief)

SEK	1/1 – 31/12 1999	29/6 – 31/12 1998
Cash flow from operating activities		
Cash flow from operating activities before change in net working capital	- 25 419 403	- 4 833 923
Change in net working capital	679 605	837 404
<i>Net cash from operating activities</i>	<i>- 24 739 798</i>	<i>- 3 996 519</i>
Cash flow from investing activities		
Investments in tangible fixed assets	- 84 691	- 96 393
Increase in financial assets	- 1 381 269	0
<i>Net cash used in investing activities</i>	<i>- 1 465 960</i>	<i>- 96 393</i>
Cash flow from financing activities		
Formation of group	0	50 000
Share issue	106 855 380	0

Shareholders' contribution	0	5 000 000
<i>Net cash from financing activities</i>	<i>106 855 380</i>	<i>5 050 000</i>
Net increase in cash and cash equivalents	80 649 622	957 088
Cash and cash equivalents at the beginning of period	957 088	0
Cash and cash equivalents at end of period	81 606 710	957 088

This report has been reviewed in outline by the company's auditor.

For further information, please contact Jörgen Adolfsson, CEO Aspiro, phone: +46 709 91 80 03

Malmö in February 2000
Aspiro AB (publ)

The board of directors

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