



ANNUAL REPORT 98-99

LEADERS IN
CELLULAR
POSITIONING
SERVICES

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Forward-looking statements in this Annual Report are made pursuant to the safe harbor provisions of the Private Securities Litigation Act of 1995. Actual results may differ materially from those projected in any forward-looking statement. Readers are cautioned that such forward-looking statements involve risk and uncertainties which may cause actual results to differ from those described.

CELLPOINT – A COMPANY OVERVIEW

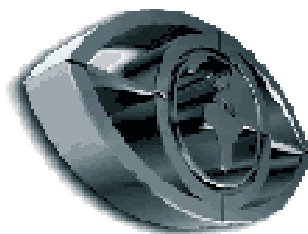
TECHNOR INTERNATIONAL INC.

changed its name to CellPoint Inc. on October 4, 1999. CellPoint is the only telecommunications company in the world today offering commercially proven digital cellular positioning systems. The CellPoint System has already been in commercial use for the past three years and requires no expensive overlays or modifications to the cellular networks. The technology and applications provide GSM operators with competitive advantages in offering unique value-added mobile location services.

Global System for Mobile Communications (GSM) accounts for 67 percent of the world's digital cellular market and serves more than 200 million customers worldwide. GSM customer growth is running at twice the industry's predicted level and confirms GSM as the world's leading communication standard.

CellPoint has unique, proven products, a top quality management team, and an aggressive marketing strategy that is actively being implemented worldwide.

In 1999, CellPoint announced several key contracts leading to the start of revenues for the company coming from the sale of its technology and application services. Also, during the first nine months of 1999, CellPoint's stock price more than tripled and reached an all-time high.



FACTS ABOUT CELLPOINT INC.

- During the fiscal year, Technor International was traded on the NASD OTC Bulletin Board under the symbol TNOR. On October 4 1999, the Company changed its name to CellPoint Inc., trading under the symbol CLPT.
- CellPoint has filed Form 10SB with the U.S. Securities and Exchange Commission and expects to be listed on the Nasdaq during the fall of 1999.
- CellPoint's first-to-market technology provides operators with competitive advantages and a flexible architecture for virtually unlimited value-added services.
- CellPoint's technology presents a significant cost and timing advantage over other systems or those still in development stages.
- CellPoint Systems AB in Sweden is a wholly-owned subsidiary of CellPoint Inc. Formed in January 1998, it is the operating arm of CellPoint Inc. and markets the CellPoint technology worldwide.
- CellPoint Systems S.A. (Pty) Ltd. in South Africa is a wholly-owned subsidiary of CellPoint Inc. Acquired in February 1999 and renamed from Wasp International in May, it is CellPoint's research and development center for the core technology platform.

THE YEAR IN BRIEF



APRIL—An agreement with Tele2 in Sweden to implement CellPoint's GSM positioning technology for commercial and consumer applications. Tele2 is the Swedish subsidiary of the international telecommunications company, NetCom AB, a leading telecommunications company in Scandinavia. NetCom provides telecommunications, Internet and data communication services through its Tele2 subsidiaries in Sweden, Denmark and Norway.

MAY—An agreement with Matrix Vehicle Tracking of South Africa to expand its vehicle position-location technology services beyond South Africa. Matrix has established a better than 90% recovery rate on stolen vehicles in the last three years, saving consumers and businesses millions of dollars. Having successfully used the CellPoint System for three years, Matrix is the industry flagship commercial success model for GSM positioning with over 20,000 installations.

MAY—The acquisition of Wasp International effective February 1999 including the world class development team. At the same time, acquisition of the full intellectual property rights to the technology. The transactions were finalized in May subsequent to CellPoint's extensive technical and commercial verification since early 1998.

MAY—CellPoint Systems S.A. (Pty) Ltd. is the new name of the South African company and houses the system development team and tools.

JUNE—The appointment of Hadar Cars as President of CellPoint Systems. Mr. Cars was formerly an executive with Ericsson where he was responsible for international sales and marketing of UMTS, or 3rd generation cellular systems. UMTS (Universal Mobile Telecommunications System) will be the base for the true "Wireless Internet", delivering wideband multimedia-capable mobile services across all mobile digital standards.

EVENTS SUBSEQUENT TO JUNE 30, 1999

JULY—Letters of Intent were signed with Madison Securities, Inc. of Chicago, Illinois for bridge financing of \$2,000,000 and a subsequent private placement of up to \$8,000,000. These funds will enable CellPoint to grow rapidly and expand its staff and resources to meet its goals and the worldwide demand for its technology and services.

AUGUST—The agreement with France Telecom Mobiles (FTM) to begin commercial testing of the CellPoint technology as the final stage before making it available to FTM's customers. FTM is a division of France Telecom, one of the world's largest telecommunications companies, with operations in over 50 countries, and 24.6 billion Euros in 1998 revenues. France Telecom provides businesses and consumers with a full range of innovative services, including data, wireless, Internet and cable TV as well as local, long-distance and international telephony.

SEPTEMBER—The filing of Form 10 SB and amendments which will allow CellPoint's listing on the Nasdaq exchange. The upgraded listing will open opportunities for greater coverage by brokers and participation by institutional investors.

SEPTEMBER—The establishment of a Wireless Application Protocol (WAP) Innovation and Development Center in Sweden to build Wireless Internet applications to complement CellPoint's positioning technology.

OCTOBER—Technor International, Inc. changed its name to CellPoint Inc., trading under the symbol CLPT.

CELLPOINT'S MISSION



VISION

To become the partner of choice
for GSM Positioning Services

by

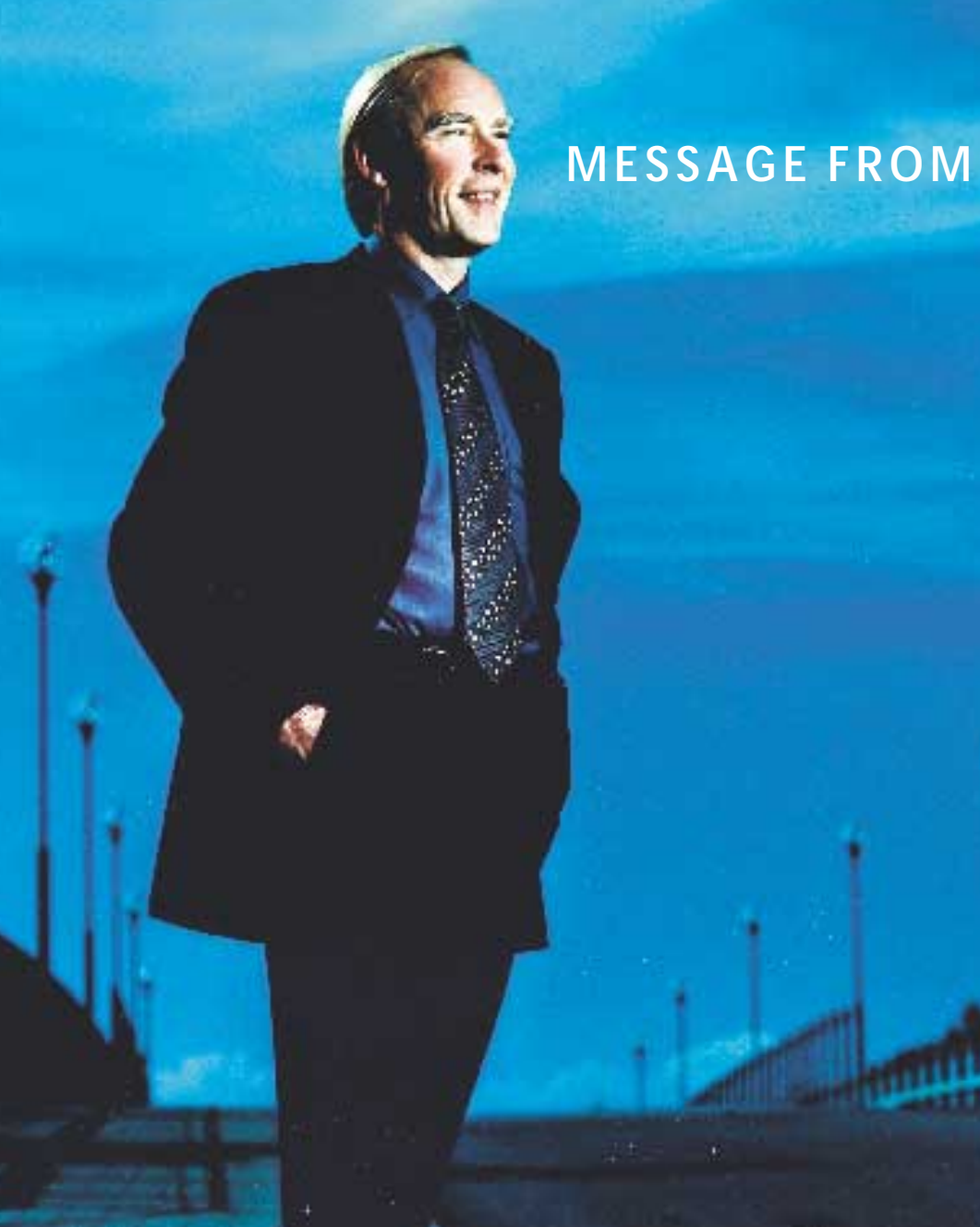
providing leading Positioning
Applications to GSM operators,
ready to implement,
launch and bill

and

building a leading market and
technology position in co-
operation with partners,
incorporating coming standards

thus

providing maximum return to
CellPoint's shareholders.



MESSAGE FROM THE CHAIRMAN

DEAR FELLOW STOCKHOLDER,

I have always marveled at intrepid adventurers who would risk everything to climb Mount Everest or K2, win a marathon or cross an uncharted continent. I would marvel at their tenacity and their clear will to succeed or be first, but a part of me was always fascinated in why they would undertake such a venture. As I look at how far we have come and when I consider what lies ahead, I think I now know in some small way the "why".

The past two years have been dedicated to building our team; testing and fine-tuning our technology; learning everything we could about the areas we were about to enter, especially its demands and potential hazards; charting the best possible path, the one most likely to lead to success; and finally setting out on the journey. Those who joined us early have participated in our early success, both through stock-price appreciation and growing worldwide excitement. Those who are joining us now know that we are still at the early stages of our journey and the greatest success lies ahead.

OUR TEAM

One thing absolutely confirmed by my years of business experience is that the most important factor in success is people – their talent and integrity, their ability to work cohesively as a team. The team at CellPoint is extraordinary...beyond compare. Everyone, regardless of his or her role, his or her title, has enthusiastically joined in from the very first day to make our venture successful.

In recent months, we have added

"We are in the forefront of a mobile telecom industry changing from a traditional voice-based business to one focused on applications."

Peter Henricsson, Chairman of CellPoint Inc.

further talent to our management team with several industry leading executives.

Hadar Cars formerly was Senior Business Manager with Ericsson where he worked with large Asian, Latin American and European clients in the fast-growing cellular industry. Most recently, he worked with third generation cellular systems that are the basis for the true "Wireless Internet" that will be rolled out at the beginning of the next millennium. When Hadar joined us, he said he was particularly attracted by CellPoint's industry-leading positioning technology and its potential, stating he wanted to have a leading role in bringing this technology into widespread use worldwide. As President of CellPoint Systems, he immediately embraced our vision of what we can and will become. He also brought a level of knowledge and inter-

national experience that has helped us move CellPoint closer to our goal of being dominant in the provision of positioning technology and applications in the telecommunications world.

TOP MANAGEMENT

Hadar also recruited another top Ericsson manager, Johan Falk, to develop and head up the value-added services area of CellPoint. While at Ericsson, Johan was the Manager of Business Development and Innovation for Value-Added Services, establishing their Pre-paid and Wireless Application Protocol (WAP) Programs. With the strong future of WAP applications, Johan's reputation, knowledge and experience in this field will be enormously valuable for CellPoint as we move forward.

Together, Hadar and Johan have

recruited more senior staff and infused CellPoint with even more enthusiasm and optimism for the future of our company and its technology. We've always committed to remaining ahead of the technology curve; Hadar and Johan help ensure that we'll remain ahead well into the next century, and have continued to aggressively add talent in our technology and marketing departments.

We have also brought our South African team on-line by completing our acquisition ahead of schedule, combining our technical staffs to maximum advantage, and tightly focusing their R&D activities while creating an environment for blue-sky planning and development of exciting new technology applications in the future.

We also established closer ties with ►

GSM SERVICE IS AVAILABLE IN 133 COUNTRIES

Albania Algeria American Samoa Andorra Armenia Australia Austria Azerbaijan Bahrain Bangladesh Belarus Belgium Bosnia Herzegovina Botswana Brunei Darussalam Bulgaria Burkina Faso Cambodia Canada Cape Verde Chile China Congo Côte d'Ivoire Croatia Cyprus Czech Republic Denmark Egypt Estonia Ethiopia Faroe Islands Fiji Finland France French Polynesia French West Indies Gabon Georgia Germany Ghana Gibraltar Greece Greenland Guernsey Guinea Hong Kong Hungary Iceland India Indonesia Iran Ireland Isle of Man Israel Italy Jersey Jordan Kazakhstan Kenya Kuwait Kyrgyz Republic Lao Latvia Lebanon Lesotho Liberia Libya Lithuania Luxembourg Macau Macedonia Madagascar Malawi Malaysia Malta Mauritius Moldova Monaco Mongolia Morocco Mozambique Namibia Nepal Netherlands New Caledonia New Zealand Nigeria Norway Oman Pakistan Palestinian Authority Papua New Guinea Paraguay Philippines Poland Portugal Qatar Reunion (La) Romania Russia Rwanda Saudi Arabia Senegal Seychelles Singapore Slovak Republic Slovenia South Africa Spain Sri Lanka Sudan Swaziland Sweden Switzerland Syria Taiwan Tanzania Thailand Togo Tunisia Turkey U.S.A. Uganda Ukraine United Arab Emirates United Kingdom Uzbekistan Venezuela Vietnam Yugoslavia Zambia Zimbabwe



A map showing a position can be accessed through a normal Internet connection.

Matrix, which supplies one of our industry-leading applications, vehicle location and tracking. While previously limited to distribution only in its native South Africa, Matrix's alliance with CellPoint opens an international market for what we consider the most effective vehicle theft-recovery and fleet-management service organization in the world today.

OUR TECHNOLOGY

Before we started Technor International, we knew that to be successful, we needed the best, most-advanced technology, one that was available today but also one that would adapt to future advances, always staying a few steps ahead of the market. We found that technology in the CellPoint System. Working with the CellPoint engineers in Sweden and South Africa, we fine-tuned a product that already had commercial applications and installations, that could support many other commercial applications, that relied on the most widely installed

digital transmission network, GSM, and that beat all emerging competitors hands-down on price because it did not require costly modifications to the networks themselves. The collaboration was so strong that we acquired and merged the South African company into CellPoint, further strengthening our technology and marketing position.

In our Technology brief, we present the technology and the modules for its application: the tiny SIM card in handheld digital cellular phones; the GT-1 "box" that is so small that it can be unobtrusively installed in vehicles and all types of equipment for tracking and/or remote operation; and the GT-3 "box" that adds GPS satellite capabilities to our GSM solution. These three relatively simple modules have virtually unlimited applications and, perhaps most impressive, these applications can be controlled via the Internet from remote locations thousands of miles from the installation...or right next door.

DOMINANT IN THE WORLD

GSM – Global System for Mobile Communications – is the world's leading Communication Standard, accounting for 67 percent of the global digital cellular market. This percentage is increasing rapidly and it is clear that GSM and its extensions will remain the dominant digital cellular technology.

Currently, there are more than 200 million users of GSM phones worldwide, with estimates that GSM will exceed one billion users by 2005.

CONTINUED LEADERSHIP

In the next twelve months, we will be introducing some exciting new products based on applications of the CellPoint technology. We'll be doing this ourselves and with partners already established in their fields, so the potential is impressive.

The demand for our applications, particularly vehicle tracking and personal location (Where are my kids? Where are my friends? How do I get to the airport from here?), is already enormous and growing exponentially.

It is easy to be dispassionate when citing market statistics and calculating future potential, especially when dealing with users in the tens or hundreds of millions, and billions of dollars in market potential. But I always keep in mind that while our market is huge, it is actually one person at a time. The truth is clear when you think of helping just one person, one employee, one company. To know that our technology can save lives, help victims of crime and improve quality of life – those are key motivators to deploy it quickly to give everyone access now.

OUR PATH TO SUCCESS

CellPoint has built the foundation for success by establishing a strong management team of exceptional talent and shared vision; acquiring, testing and commercially proving the technology; and reinforcing a world class R&D team. We have focused on building strong references to facilitate easy duplication of the success model. We identified potential strategic partners and formed alliances in marketing, application development and other collaborative initiatives; and established a strong brand name and identity for the CellPoint System. All of this was part of a comprehensive strategic business plan with clear goals and implementation milestones.

Throughout 1999, we have focused on building strong customer relationships and delivering top quality service, making it possible for our partners and operators to offer new applications to differentiate themselves from competitors and earn significant new revenues. We will secure additional high-level strategic alliances in 2000 to further expand our international deployments.

WORLDWIDE DEPLOYMENT

The contracts we have already signed and those yet to come will lead to a significant revenue stream beginning in 2000. These contracts ensure long-term earnings, not just quick one-time infusions of revenues. Our directors and shareholders agree that this is a sound strategy for the continued success of our Company. I think our stock price is starting to reflect this confidence as well.

TECHNOR BECOMES CELLPOINT

With the progress of Technor and CellPoint to date, we decided to consolidate with just one name: CellPoint. This allows us to continue building the brand identity of CellPoint which has become well known in the GSM world. We also believe that the name "CellPoint" more clearly defines our mission and products.

This change will soon be complemented by another one: our move to the Nasdaq exchange. The Nasdaq listing exposes us to a much larger community of brokers and investors and also opens our availability to institutional investors and mutual funds. We think this bodes well for our stockholders.

THE FUTURE

We have seen and will continue to see the widespread global take-up of wireless telecommunications (300 million users) and the Internet (200 million users). The next step is to combine these to the Wireless Internet. With the increased bandwidth coming on stream such as packet data standards in the second half of 2000 with GPRS and later with UMTS, this will be a reality.

At CellPoint, we see ourselves as a non-voice mobile telecommunications company. We are in the forefront of a mobile telecom industry changing from a traditional voice-based business to one focused on applications. This is where the market has to go – margins and growth from plain voice services are dropping and revenues will have to be created from new applications that add value to the end-user.

In closing, it is exciting to be so well positioned at this stage of our journey. We are first in the market and have a proven, commercially viable and innovative technology. We have a top-flight management team and an employee force that is exceptional in the telecommunications field. And we have an impressive community of owners – our stockholders – who have exhibited loyalty and confidence throughout our formative process. Now the journey really begins. Sales and revenues are already under way and expected to grow at a fast pace. The market is wide open and our applications and Internet capabilities open untold opportunities for new and exciting services.

We founded Technor and will run CellPoint with the same philosophy that has brought us to this point — focus on people: the people who are our customers, the people who are our employees, the people who manage our company, the people who are our stockholders.

With this as our primary focus, and with products and applications as strong as they are, we are confident that the future will bring continued success and prosperity to the people joining us on this journey.

Peter Henricsson
Chairman

CELLPOINT SYSTEMS

AT CELLPOINT, we see ourselves as a "non-voice" mobile telecommunications company. As margins and growth from voice services are dropping, competition is increasing. New sources of revenue for cellular operators will have to be created through new applications that add real value in commercial and consumer use. The mobile industry is therefore shifting focus from traditional voice services – the present and future lie in focusing on applications for the industry.

Cost-efficient GSM, Internet and positioning technologies will revolutionize the way people manage and track resources and assets and get information relevant to time and space.

CUSTOMERS AND PARTNERS

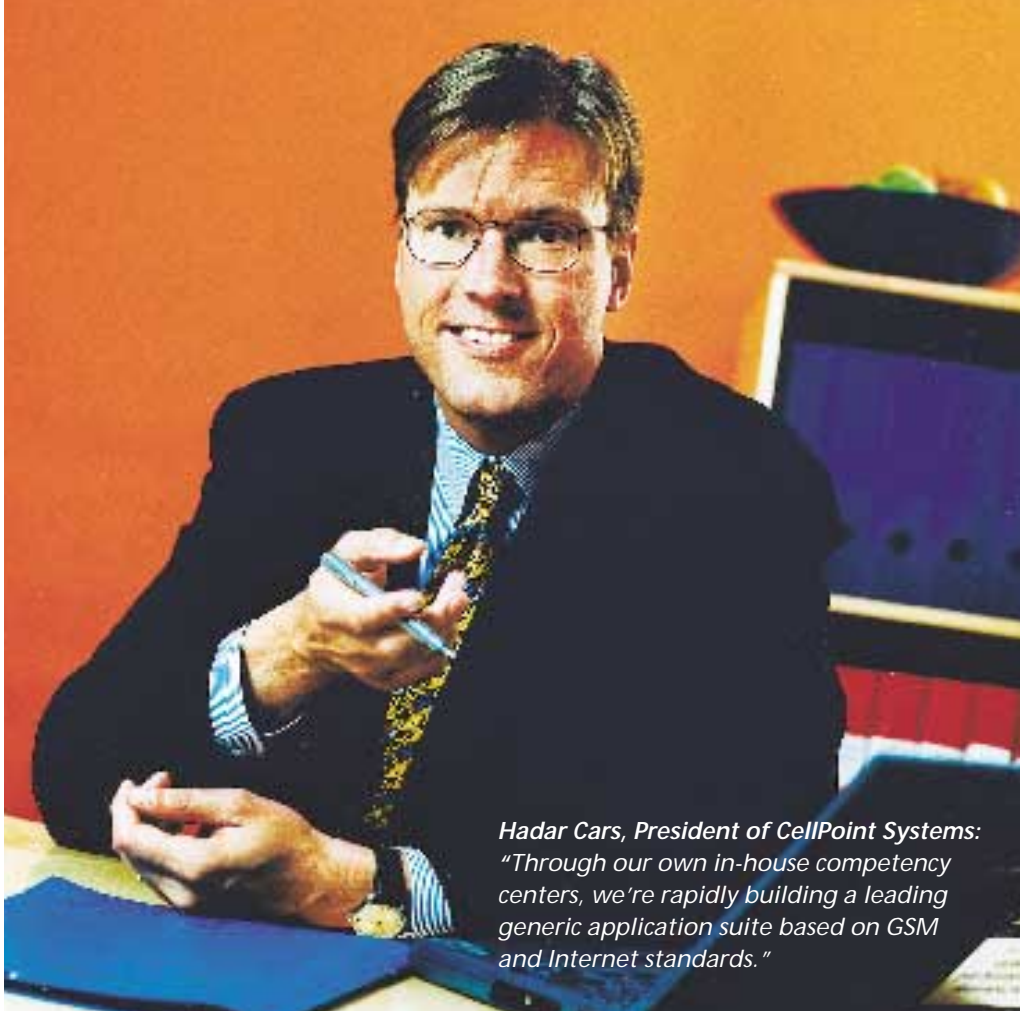
CellPoint's customers are GSM operators around the world. CellPoint is working closely with GSM operators and developing further value-added services targeted to their subscribers.

Pre-paid, wireless data, location services and dispatching services will have a strong impact on GSM operators. As voice becomes more of a commodity with downward price pressure, operators will need even higher differentiation to reduce customer churn and create new revenue streams.

COLLABORATION

An important foundation for CellPoint's continued growth is the cooperation and collaboration with partners such as GSM operators, software companies, business system integrators, service providers, cellular hardware manufacturers and content providers.

The merging of Internet, media and wireless technology will open up markets



*Hadar Cars, President of CellPoint Systems:
"Through our own in-house competency centers, we're rapidly building a leading generic application suite based on GSM and Internet standards."*

for completely new players, partnerships, business models and value chains.

STRATEGY AND GOALS

Moving into 2000, we will continue installing CellPoint positioning platforms, building strong customer relationships and delivering top quality service from which operators can earn significant new revenues. We envision a strong customer base and worldwide references covering a potential subscriber base growing beyond 200 million users. We believe in leadership through innovation and economies of scale, and will secure strong strategic alliances for maximum leverage and technology deployment.

Through our own in-house competency centers, we're rapidly building a leading generic application suite based on GSM and Internet standards. Combining WAP, SIM and positioning technologies, we're building cutting edge applications that run with standard GSM phones.

Since our primary business model is based on partnerships with the GSM operators where CellPoint acts as the complete service enabler, we are also strengthening our operations organization in order to be able to manage the global operation and maintenance of our systems. This enables our customers, the GSM operators, to focus on their strengths in marketing and sales to end-users.

CellPoint has built the foundation for success by developing a comprehensive business plan with clear goals and implementation milestones. Our management team has exceptional talent and shared vision. Roadmaps are well defined for our technology platform, products and applications with solid processes for delivery, implementation and operations. Our Quality Program is the major foundation for our business expansion and competitiveness.

"The concept of adding 'time and space' to Internet services adds exponential value."

WIRELESS INTERNET AND WAP

We have seen the widespread take up of wireless telecommunications globally with 300 million users. The Internet has over 200 million users and both are experiencing explosive growth. The next step is to combine these to the Wireless Internet as the Internet goes mobile. This will be a reality with the increased bandwidth coming on stream such as packet data standards with the commercial start of GPRS in the second half of 2000 and later with UMTS.

Mobile telephone users will have very different expectations and requirements from the Internet than those of PC users. Users will demand wireless interactive access to any information, entertainment or communication service anywhere, anytime. By 2003, as much as 50% of the Internet access will likely come from wireless devices.

WAP, or Wireless Application Protocol, is a world standard for the Wireless Internet. This will eventually affect all players both within and outside of the telecommunications industry. Wireless operators will gain access to lucrative Internet markets, land-line operators can complement their Internet/Intranet access with wireless access, but most notably, a whole new world will open for content providers: Internet Service Providers, Internet portals, financial services, product providers and all others who already are or will be involved in the Internet.

The concept of adding "time and space" to Internet service adds exponential value. This means that users can get relevant information when

they need it, where they need it.

Most observers expect an almost overwhelming demand by consumers and businesses alike as the vast range of dynamic Internet services, applications and content becomes mobile. The key to the success of the Wireless Internet lies in its applications, and one of the key advantages of the Wireless Internet is the ability to provide on-demand location-based services such as:

- Local information for restaurants, hotels, service stations, airports, etc.
- On-screen maps to the closest police station, hospital, mechanic, etc.
- Advertisement to customers in the local area
- Emergency roadside assistance
- Time and location sensitive offerings
- Buddy Lists

Positioning services will thus become a key component in the Wireless Internet environment and it is CellPoint's strategy to leverage its technology and current leadership in positioning systems and location-based applications to become a leading company in this new field.

WAP INNOVATION AND DEVELOPMENT CENTER

WAP will provide access to unlimited applications on the Internet, such as banking, information content, unified messaging, etc. through an easy to use interface.

CellPoint's WAP Innovation and Development Center will focus on WAP applications built on the CellPoint positioning technology. This department is developing leading-edge GSM positioning applications based on open standards such as SIM Toolkit,

WAP and GPRS. The key is to combine positioning with WAP and SIM technologies in order to achieve truly user friendly and valuable services, such as location-based information, emergency services, advertising and Internet Messaging.

CellPoint's strength is that its solutions are available now. The Company is building further leading-edge applications that will incorporate new standards and technologies as they become available.



***Bengt Nordström**, President of GSM data specialist company Northstream AB and **Lynn Duplessis**, Corporate Vice President, CellPoint Inc. Both are CellPoint board members. Northstream believes that operator revenues from data will exceed those from voice in five years. Nordström and his company are acting as strategic advisors to CellPoint.*



MARKET OVERVIEW

THERE ARE MORE than 200 million users of Global System for Mobile Communications (GSM) phones in the world as of September 1999, and estimates are that there will be more than one billion digital cellular users by the year 2005. GSM is installed in more than 133 countries, accounting for nearly 70% of the world's digital cellular market. Digital cellular service continues growing worldwide, having surpassed the analog subscriber base in 1997 and gaining market share ever since. GSM is the fastest growing sector of digital phone system technology, accounting for more than half of all handset sales. Now that GSM has become a global standard, subscribers have the additional advantage of international roaming. GSM is expected to continue its rapid growth and market dominance.

WORLDWIDE STANDARD

CellPoint Inc. is marketing its CellPoint System throughout the world focusing first on Europe (where there are more than 100 million GSM subscribers) and the Asia-Pacific. In both of these regions, GSM represents the overwhelming majority of users and GSM growth far outstrips its nearest competitor. CellPoint is also expanding operations into North America where GSM use is rapidly catching up to other systems through phenomenal growth. GSM coverage now reaches 250 million people in North America in 3,500 cities – covering more than 60% of the Canadian population and nearly 75% of the United States' population. The North American market has major potential as mobile phone penetration is still relatively low at 25%. It is expect-

DIGITAL CELLULAR STANDARDS (JUNE 1999)

	SUBSCRIBERS	MONTHLY GROWTH
GSM	183,300,000	+7,600,000
TDMA	24,300,000	+1,400,000
CDMA	31,500,000	+1,500,000

Source: Ericsson.

"Location-based services present a significant growth market for GSM operators."

ed to grow in the same way as other industrialized countries with GSM/PCS generating the majority of subscriber growth. According to international consulting firm The Strategis Group, in the first six months of 1999 there were 1.2 million GSM customers added in North America – the equivalent of five new customers per minute.

MARKET PERSPECTIVE

CellPoint's targeted customers are GSM operators around the world. In a business characterized by fierce competition, operators must offer new services, both to increase revenues and to differentiate themselves from their competitors, both today and in the future.

Location-based services present a significant growth market for GSM operators. Operators that adapt to the new services before their competitors have the potential to dominate their market.

In the United States in 1996, the Federal Communications Commission (FCC) ruled that starting in October 2001, all cellular telephone carriers must be able to provide location information on all 911 calls. In September 1999, the FCC revised its rules to allow handset-based methods of providing location information for 911 calls – the CellPoint technology is handset-based.

While government regulation has

fueled a network-based technology race in the United States, CellPoint believes the commercial sector will lead the consumer sector and expects companies to adopt handset-based location services quickly because of the valuable effect on their business.



MARKET POTENTIAL

Key elements fueling growth in demand for location-based services are the new Wireless Internet portals. Here, the Internet multiplication factor drives massive numbers. Positioning capability is key for the wireless portals because the mobility factor with wireless access drives location-based requirements.

Enhanced wireless services will drive the future success of cellular operators, reports The Strategis Group in a September 1999 study. Revenues from location-based wireless consumer services alone are projected to rise more than 100-fold, from less than \$30 million this year to \$3.9 billion by 2004. Strategis expects six enhanced services to make the greatest impact on cellular operators:

- Pre-paid service
- Data, wireless e-mail and information services
- Enhanced roaming
- Calling party pays (USA)
- Wireless location-based services
- Dispatch

Network operators also are actively searching for new types of products and services to leverage their investment in the network. Mobile location services can fulfill this role because they provide a means of differentiation, a way to build customer loyalty and satisfaction, and a new revenue stream in an increasingly competitive market.

The CellPoint System offers competitive advantages, a unique combination of ready-made applications today and a flexible platform for the future for countless value-added services.

YEAR 2005	EUROPE	NORTH AMERICA
Potential Subscribers for Mobile Location Services	188,000,000	149,000,000
Private Vehicles	8,000,000	3,000,000
Commercial Fleet Vehicles	1,900,000	3,800,000

Source: Ovum, from the 1998 Report on Mobile Location Services.

CELLPOINT – STRENGTHS AND ADVANTAGES

KEY STRENGTHS

CellPoint is capitalizing on its key strengths to exceed customer expectations and meet or exceed sales and implementation goals by enabling the technology with cellular operators through direct marketing and strategic channels.

These key strengths include:

- **Core Competencies** in three distinct technology areas: positioning technology for cellular devices using the standard SIM Toolkit, Internet applications using the Internet for worldwide access to positioning information, and WAP competency and vision through CellPoint's WAP Innovation Center.
- **Proven Technology** that has been implemented commercially and proven to be robust, reliable and flexible over three years of commercial operation.
- **Ease of Installation** via a packaged solution that allows streamlined installation, high volume implementation, and immediate, complete geographic coverage.
- **Customer-Driven** development allowing the operator to choose from a variety of applications all using the same platform, and to expand existing or add new applications at any time.
- **Management Strength and Experience** with shared vision from foundation through to implementation of strategic plans.
- **Market-Driven Application Development** to ensure that current and future needs in both commercial and consumer markets are anticipated and met.
- **Open System** architecture that is easily used by CellPoint's strategic partners in collaborative efforts to deliver new services.
- **Personalized Network Offering** creating differentiation opportunities for operators seeking to establish market share and rise above the competition.
- **Time-to-Market** – commercially ready technology and growing generic application suite based on GSM and Internet Standards.

The CellPoint System is accessed through a user-friendly, Windows-based interface and uses the Internet for worldwide access to positioning information.




COMPETITIVE ADVANTAGES

The CellPoint System can position standard handheld phones or other devices equipped with a GSM module. GSM modules are getting smaller and cheaper and will soon be integrated in cars, computers, stereos, PDA's and other everyday equipment. Competitive advantages of the CellPoint System, services and applications include proven technology, service differentiation, low cost and immediate availability.

The CellPoint System supports:

- Mobile phones manufactured by most vendors.
- GSM networks worldwide, regardless of infrastructure provider.
- GSM standards, therefore does not require any modification or add-on to the network.
- Full and immediate geographic coverage in an operator's entire network.
- Advanced application services, available now, delivered over the Internet.

The CellPoint System offers a very cost-effective and fast way for the operators to implement value-added location services. These factors present a strong competitive position for the CellPoint technology and a very solid marketing platform.

An aerial photograph of a dense urban skyline, likely New York City, showing numerous skyscrapers. A heat map overlay is visible on one of the buildings in the lower right quadrant, with colors ranging from blue (cooler) to red (warmer).

GPS has practical limitations indoors and in "urban canyons."

WHAT ABOUT GPS?

GPS – Global Positioning System – uses satellites and requires direct line of sight to at least three satellites in order to determine a position. Cellular positioning technology works indoors without any line of sight requirements and thus has inherent advantages. This means GSM positioning works in city centers/urban canyons, inside buildings, and in the pocket, purse, briefcase, car, etc. – places where GPS-enabled phones are restricted.

In the future, some cellular phones will be equipped with a GPS module. While GPS is very good technology for outdoor use or in wide-open areas, it has practical limitations in everyday use. CellPoint's GSM technology will be a major complement to any GPS-enabled handset, offering full coverage for positioning services at all times. If a GPS-enabled phone is out of cellular network range though, it would not have the ability to communicate its position, something typically handled through the cellular network.

CellPoint sees a significant technology opportunity in completing handset-based GPS offerings. A CellPoint/GPS solution relieves the network operators from implementing costly network-based positioning technologies while still servicing the needs of the mass market. With the GT-3 terminal, CellPoint has unique experience already in commercial installations with GPS as a complement to GSM positioning. All of CellPoint's positioning applications are designed to use positioning data whether sourced via GPS or GSM, whether derived from the handset/terminal or from the network.

In early October 1999, US Congress passed a Transportation Department spending bill that eliminates all funding for a new high-precision satellite signal for use by civilian users of the Global Positioning System. The bill's impact on up-take of GPS modules in cellular phones remains to be seen.

APPLICATIONS

"Small and mid-sized transport companies have less than 1% penetration of AVL services today."

THE CELLPOINT SYSTEM has broad consumer and commercial use. Because it was developed on an Open System Interconnect model, it is extremely modular and flexible, allowing rapid development and deployment of a wide range of applications. The open platform allows operators and partners to market and develop new services wanted by their customers. Likewise, CellPoint is developing additional service applications built on its positioning technology.

Ready-made applications allow the operator to earn revenues quickly and are the key to fast acceptance of the technology. CellPoint has developed

Internet applications providing for global access to positioning information. The user-friendly web applications include a map server and several layers of security, and are provided over the Internet or an Intranet.

Additional applications are under development in-house and with strategic partners. Applications can be operated by CellPoint or they can be licensed to an operator or third party that delivers the services. These applications can even be licensed to a company operating positioning services based on alternative or complementary technologies such as GPS.

THE FIRST "KILLER APP"

Through its partnership with Matrix, CellPoint is uniquely equipped to deliver what some call the "killer application" of position-location services: automatic vehicle location (AVL). AVL allows commercial fleet operators to monitor and communicate with their vehicles, to locate and recover stolen vehicles, and to prevent accidents by identifying vehicles where the driver may be having a problem maintaining proper control. This is no longer a niche-luxury product, but an essential tool for business fleets of all types. Growth in AVL will be driven by the commercial market where it can solve problems that are



LBC TUREBERG serves as a coordinating headquarters for independent truckers. Some 35 companies and more than 70 trucks are associated with LBC Tureberg, situated just outside Stockholm. As many as 1,500 assignments are distributed every day to truck drivers by four transport coordinators, which puts high demands on the transport coordinators to ensure maximum efficiency.

OPTIMIZING RESOURCE MANAGEMENT WITH POSITIONING

"A VERY USEFUL SYSTEM"

LBC Tureberg has tested the Resource Management Service based on the CellPoint System in their local transports. Many of these consist of air cargo transported to and from the airport for customers such as export companies and air cargo forwarding agents. "The Resource Management Service is easy to use and enables the coordinators to plan and distribute the assignments in a very efficient way," says Michael Gahnström at LBC Tureberg.

EFFICIENT PLANNING

"Having a continuous update on the position of the cellular phone carried by each driver lets us know the position of every truck in the fleet simply and easily," says Gahnström. "We can

plan assignments for quicker deliveries and pick-ups, increasing the service to the customers."

ECONOMIC ADVANTAGES

For LBC Tureberg, the Resource Management Service based on the CellPoint System is an attractive alternative to GPS-based positioning systems, particularly because it is much less expensive. "As many of our assignments are carried out in and around central Stockholm, we need a solution that works perfectly in urban areas," says Gahnström. "The Resource Management Service from CellPoint does just that. We can always have the right truck at the right place, at the right time – saving time as well as money and increasing service levels."

common to all companies with a large mobile workforce. The Strategis Group estimates that the number of vehicles with AVL will grow from just under 500,000 in 1998 to approximately 3.4 million by 2003. Small and mid-sized transport companies have less than 1% penetration of AVL services today.

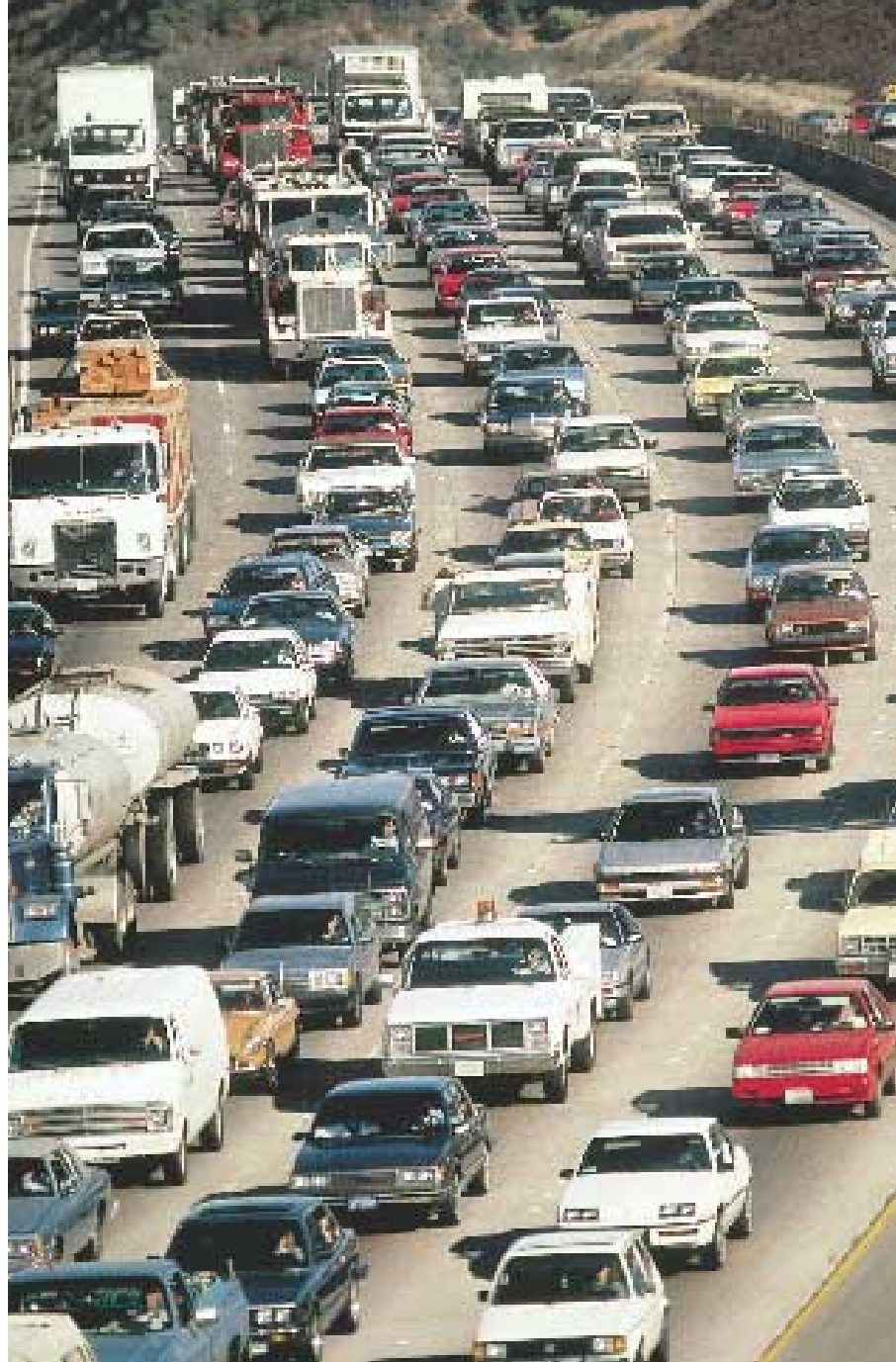
Cellular operators are very well positioned to become instrumental in the AVL market because of excellent geographic coverage, roaming and the relative low-cost of wireless technologies.

COMMERCIAL APPLICATIONS

RESOURCE AND FLEET MANAGEMENT

Service organizations and transport companies can be more efficient and save money by better routing their personnel, cars and trucks. This in turn provides these companies with a competitive advantage and allows for better customer service. A dispatcher always knows where the company's resources are and can establish two-way communications at all times. For example, if a customer needs special service, the dispatcher knows who is closest to the customer's location and can re-route specific vehicles to accommodate customer requests.

The CellPoint GSM-based solution works inside garages and buildings, providing significant advantages over satellite-based GPS systems which require direct line-of-sight to satellites to operate. The CellPoint System is modular, scalable and Internet-based so it is flexible, expandable and easy to use.



TELEMATICS

Management believes that CellPoint further provides the best opportunity for horizontal expansion of machine-to-machine GSM communication. Long after handheld markets are saturated, the CellPoint System can provide the end-to-end solution of connecting machine terminal devices to machine-based management infrastructure that does not need to shut down from time to time as humans do. Of key importance is that machines can be programmed to operate when network load is low, thus optimizing utilization of infrastructure.

The CellPoint System excels in telematics – two-way communications between remote equipment and a control center. It uses the GSM network to transmit very short messages to monitor or operate equipment. Access for the end-user is via the Internet, data connection or phone.

Potential uses of telematics applications are virtually limitless and include remote equipment control of vending machines, photocopy machines, refrigeration units, alarms and locks.

APPLICATIONS

CONSUMER APPLICATIONS

PERSONAL SAFETY AND EMERGENCY ASSISTANCE

When a person is injured or otherwise incapacitated, he or she may be unable to call for help. In situations like these, it is important to be able to determine where that person is so emergency personnel can respond. Before the development of CellPoint's GSM-based position-location technology, it was impractical to carry special equipment that would provide this emergency

service. With the widespread use of cellular phones, however, and with the incorporation of CellPoint's technology, this critical application is within the reach of most consumers.

In an emergency situation, the user presses predefined buttons (typically 911 or 112) on the mobile phone. The phone sets up a voice call but can also send positioning information to an emergency center via the CellPoint System. The position is shown on a digital map and officials at the center receive specific predetermined information about the caller, such as medical infor-



mation regarding blood type, contact persons or relatives, or even information about hazardous cargo, etc. With this information at hand, the emergency center operator can dispatch the proper assistance without delay.



CANON is a world-leading manufacturer of products for, among many other things, document management. The Canon Center in Stockholm has tested CellPoint's Resource Management Service for their field service personnel.

COST-EFFECTIVE SOLUTION

"With the Resource Management Service we can easily get information on where field service personnel are at any time," says Anders Lagergren, Service Manager at Canon in Stockholm.

LOCAL KNOWLEDGE AT REMOTE CALL-CENTERS

"The service from CellPoint is also more cost-effective than a GPS-based system." The service operations at Canon are managed from a command center that distributes assignments to the service personnel.

"With our focus on customer service, we certainly did not want to focus on shortening the time our representatives actually spend in direct contact with our customers," says Lagergren. "But we do want to shorten the time between customers, and that's where this solution comes in."

"When a customer reports a malfunction, the Resource Management Service can - in combination with our other systems - give us the necessary information to inform the customer when the technician will arrive," says Lagergren. "This also ensures we send the right technician at the right time,

improving our efficiency while providing even better service to our customers."

CENTRALIZED CALL CENTER

With 30 locations throughout Sweden and some 200 technicians performing over 1000 assignments a day, Canon is considering creating one centralized call center and using the Resource Management Service from CellPoint.

"Today, the personnel in the command centers need to know their service areas very well in order to be able to distribute the assignments efficiently," says Lagergren. "With the Resource Management Service from CellPoint, however, the call center personnel can distribute assignments more efficiently even if they are located in another part of the country and not familiar with the area concerned."



USING GSM POSITIONING TO COMBAT CRIME

MATRIX VEHICLE TRACKING fights vehicle theft and hijacking using the CellPoint System for positioning and recovery of stolen vehicles. During its first three years of operation, the company has established a better than 90% recovery rate, saving South African consumers and businesses millions of dollars.

QUICK RECOVERY

If a vehicle is stolen, the customer calls Matrix's 24-hour Control Center on a toll-free hotline. "The GSM technology makes the recovery incredibly simple," says Stefan Joss, CEO of Matrix. "Via the GSM network, we immediately communicate with the stolen vehicle's hidden cellular recovery device and establish the vehicle's position. Having recorded the most important facts, the Control Center dispatches the recovery team by land or air."

"Our recovery vehicles - among

them four helicopters - are in a state of instant readiness and our experienced rescue teams are ready to act anywhere in the country. To be in this business, you have to be very serious about using the very best tools and technology when the unfortunate happens. On average, we can position and track down a vehicle in 40 minutes. So far, more than 1,700 vehicles have been recovered by our personnel."

TRACKING AND FLEET MANAGEMENT

Today, Matrix is using CellPoint's System for more than 20,000 vehicles.

"The CellPoint technology platform makes it possible to provide highly reliable and affordable solutions to businesses and consumers alike," says Stefan Joss. "Our initial core business was vehicle tracking and recovery, but fleet control and management is

becoming an increasingly important part of our business. With the CellPoint technology we can assist our clients in tracking their long-distance drivers' routes and the state of their vehicles, including speed, route and status, as well as alerting people if any problem would occur en route."

OVERWHELMING RESPONSE

Matrix recently received its second consecutive Golden Arrow award from the South African Magazine *Professional Management Review* and was named as the "best technology solution provider for tracking, location, theft recovery, management and fleet control" in the business.

"Vehicle tracking and fleet management has definitely changed from being a grudge expense to being perceived as a value-added service," says Stefan Joss.

ADDING VALUE TO OPERATORS AND END-USERS

TELE2MOBIL is the first GSM cellular operator in the world offering its clients a positioning service through ordinary cellular phones.

The "Tele2Mobil Position" service is based on the Resource Management Service from CellPoint – the first commercially available, GSM-based positioning service.

ADDING VALUE

Initially, "Tele2Mobil Position" will be available for companies and organizations.

"The service will, for example, make fleet control and management possible for road carrier firms," says Robert Hultman, Public Relations Manager at Tele2. "The service will be very helpful to com-

panies and organizations with any kind of fieldworkers, such as service technicians or home-help service personnel."

In Sweden, as in other parts of the world, cellular operators are experiencing stiffening competition, putting pressure on prices and margins.

"Tele2Mobil Position provides true value to ourselves as well as the end-users," says Hultman. "We are the first Swedish company to introduce positioning services, which is in accordance with our strategy. We were also the first company to offer GSM-based telephony and cash cards for mobile phones. The introduction of Tele2Mobil Position further emphasizes our role as a supplier of cutting edge technology."

CUTTING EDGE TECHNOLOGY AT LOW COST

The CellPoint technology makes it possible for Tele2 to offer the positioning service using their existing infrastructure. All mobile phones equipped with a standard SIM Toolkit can be used.

"By not having to make any major investments, we can offer this service at a low cost," says Hultman. "Not only do we want to provide top notch cellular services – equally important is to offer these at attractive prices."

ALREADY AVAILABLE

A crucial factor for Tele2 was that the CellPoint System has been in commercial operation for three years and is thoroughly tested.



BEVAKNINGSTJÄNST, Sweden's third largest authorized security company with about 400 employees, has implemented and tested the Resource Management Service, which is based on the CellPoint System.

POSITIVE TEST RESULTS

"We have tested the Resource Management Service primarily from a security point of view and immediately saw advantages with it," says Jörgen Bartosz, Manager of the Emergency Ser-

"We have seen that the system works smoothly and is very stable," says Hultman. "The implementation was also easy and fast – probably because the system has already been field proven for several years."

THE CELLPOINT SYSTEM IS THE FIRST
COMMERCIALY AVAILABLE DIGITAL CELLULAR
PHONE POSITIONING SYSTEM IN THE WORLD.

IT IS BEING LAUNCHED BY TELE2
UNDER THE BRAND NAME
TELE2MOBIL POSITION.



INCREASED SECURITY ON THE NIGHT WATCH

vice Center at Bevakningstjänst. "We have 35 cars on patrol every night. A system built into the cars, such as the GPS positioning system, lets us know the position of the car - but not the whereabouts of the security guards. With the Resource Management Service, we can follow the movements of the guards, even when they are indoors, in a very simple and comprehensive manner, getting the location of each guard every two minutes."

APPRECIATED BY PERSONNEL

The security aspect of the Resource Management Service is also very much appreciated by the personnel. With the service, they know that they can be easily tracked down and found in case of an emergency.

"Previously, we only got informa-

tion about which customer the guard was currently visiting, and since the customer's premises can be very large, locating the guard could take quite some time," Bartosz says. "With the Resource Management Service we can immediately track our personnel, which also makes them feel much more secure - particularly as they work alone in most cases."

BETTER RESOURCE MANAGEMENT, FASTER RESPONSE TIMES

Apart from the security aspect, Bevakningstjänst also sees another distinct advantage with the service – better resource management. When an alarm goes off at a customer's premises, Bevakningstjänst will send the car closest to that customer.

"With the Resource Management Service we can immediately pinpoint the car closest to the alarm and consequently can respond faster in answer to emergency calls and alarms," says Bartosz.

IMPROVED ROUTE PLANNING

The history log in the Resource Management Service also enables the management to better plan the districts for each guard.

"Through the log files we can see if the different routes overlap each other at certain points," says Bartosz. "From that, we can make decisions to change the routes in order to use time and personnel resources more efficiently."

THE TECHNOLOGY

THE CELLPOINT SYSTEM uses the existing GSM networks for positioning and uses multiple methods for positioning including information from the network and the terminal to determine positions.

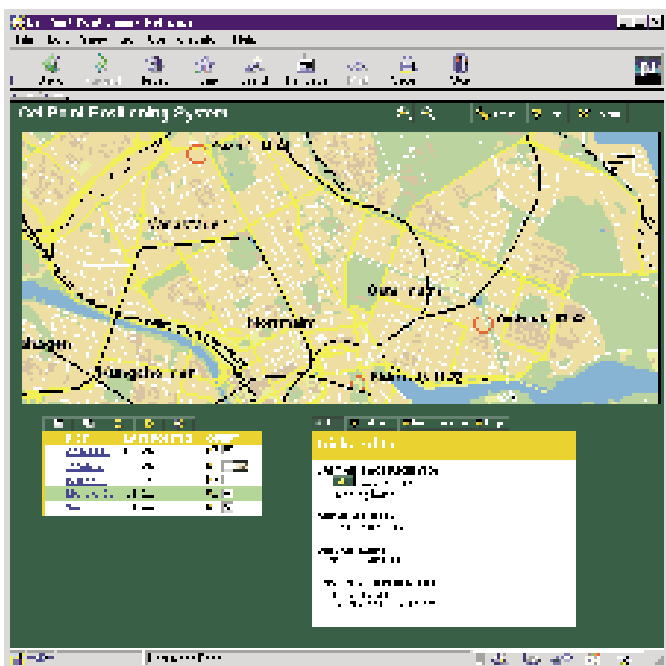
Originally developed to determine the position of stolen or hijacked vehicles equipped with a specially designed GSM terminal, the CellPoint System now also uses a standard GSM phone equipped with a standard Subscriber Identity Module (SIM) Card supporting SIM Toolkit. The SIM Toolkit is a standard for communication between the cellular phone and the network. The CellPoint System does not require any modification of the GSM networks and works with any GSM network regardless of what telecom manufacturer or mix of manufacturers provide the infrastructure.

The System uses Short Message Service (SMS) for communicating mes-

sages for positioning and telematics. Distribution of information to the client is facilitated via several communication channels such as the Internet, direct or dial-up connections or GSM.

CellPoint's technology uses both cellular telephones and specially designed, compact GSM terminal units, the GT-1 and GT-3, which can easily be hidden in a vehicle, boat, container or elsewhere. The GT terminals communicate over the GSM network, which makes it possible to locate a vehicle or asset in seconds. The position of the telephone, vehicle or asset is displayed graphically on a computerized map.

Since the System uses the existing GSM networks, cellular telephones, vehicles and other assets can be located even if they are inside buildings, containers, in urban canyons or in other enclosed areas – places where there is normally GSM coverage but not necessarily GPS satellite coverage.



Graphical client interface delivered over the Internet.

Positions for one or multiple users can be viewed simultaneously.

Privacy
Whenever privacy is desired, the cellular phone user can disable the positioning feature yet still use the phone.

The CellPoint System utilizes:

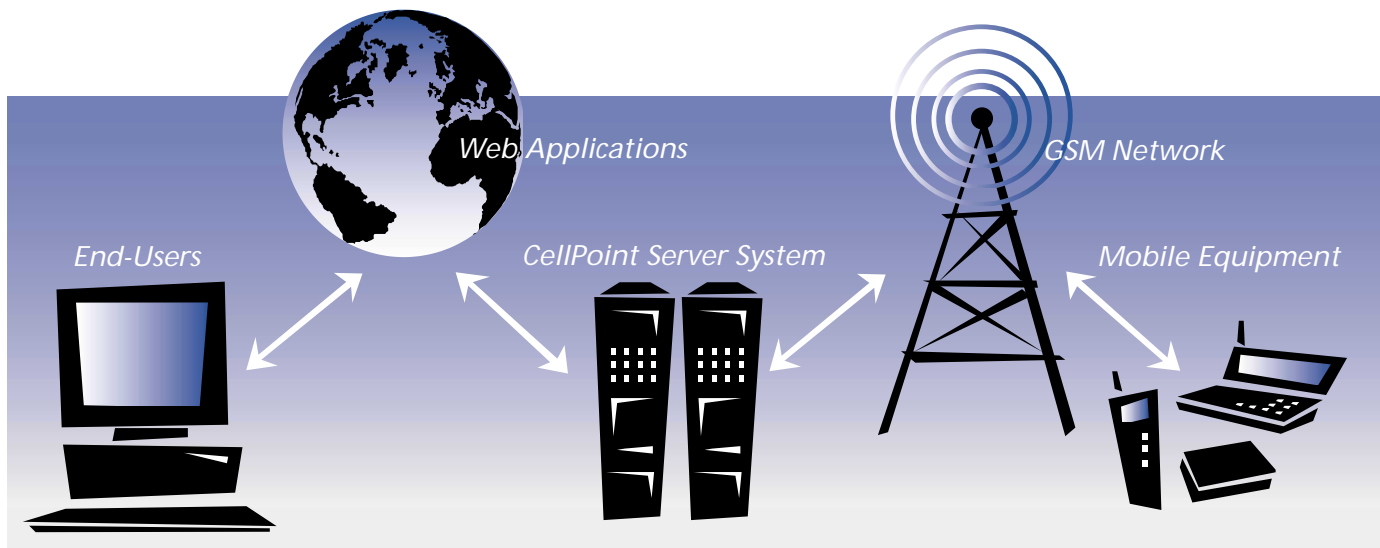
- A standard GSM cellular network
- A proprietary server system interacting with the GSM operator's network
- A GSM cellular phone, a CellPoint GT-1 or GT-3 GSM terminal unit, or other dedicated terminals for positioning
- Client Software – delivered over the Internet or Intranet/LAN
- The Internet

THE SERVER SYSTEM

The server consists of a number of computers that manage the traffic between the GSM network and the client software. It is designed to handle large quantities of SMS messages required for complex applications. The System manages the communication processes, including routing of messages, calculation of positions, database management and bi-directional message confirmation. Remote billing features are also integrated.

CLIENT SOFTWARE

Client software is developed for the customer's needs and can be tailored to match specific applications. Normally this software provides a graphical interface to display positions or to control the terminal's functions. Client software can be modified for single or multiple user environments over the Internet, or an Intranet for a full control center with multiple workstations. Connection to the CellPoint Server can be established through the Internet, direct line connection or via GSM.



The CellPoint System is based entirely on GSM standards

MOBILE TERMINALS

The Cellular Phone. The CellPoint System, used in combination with the Subscriber Identity Module (SIM) Toolkit standard for communication between the cellular phone and the SIM card, positions standard GSM phones.

The GT-1 Terminal. This microprocessor-controlled terminal contains a GSM unit and has a number of inputs and outputs to interact with user-defined requirements. The integrated antenna allows the terminal to function even when the unit is completely hidden. It consists of a GSM transmitter and receiver, a computer circuit board and a battery. The battery provides back-up if the regular power source is disconnected. The GT-1 can also be connected to many data input-output devices, which can facilitate remote monitoring, configuration and remote operation of connected features (telematics).

The GT-3 Terminal. This is a more advanced and comprehensive terminal supporting the full range of GT-1 services plus GPS positioning, and caters to extensive fleet management and logistic services.

INFORMATION FLOW

The CellPoint System offers a simple, efficient solution for effective GSM positioning and telematics. Interaction with the System can be initiated either through the client software or the GSM phone/terminal. Pre-determined time intervals or event-driven settings activate the terminal response.

1. **The client** sends a request to the CellPoint Server for positioning information or activation of a telematics function.
2. **The server** packages the request into an SMS message for delivery to the terminal.
3. **The terminal** receives the message, processes the request and initiates the required action. Receipt of the message is confirmed to the client.
4. **The terminal** packages the information as an SMS message and delivers it to the CellPoint Server where the position is calculated and forwarded to the appropriate client.

5. **The client-user interface** will present the information as required. Positions are shown on a graphical map, and any accompanying terminal status information as requested is displayed. The CellPoint Server also provides for message storage if the client is temporarily off-line.

FUTURE PROOFING

Evaluating and keeping abreast of new developments in the GSM and communication field is critical to the future success of CellPoint. The CellPoint technology and systems are already positioned for the future.

The CellPoint System platform and applications have a strong roadmap and will incorporate future positioning standards when available, without modification to the applications. Further, SMS and GPRS will be supported for application messaging. Both SIM technology and WAP will be used to interact with the mobile terminal and the SIM card.

The CellPoint technology and applications thus have a long life ahead with GSM, GPRS and UMTS.

MANAGEMENT'S DISCUSSION AND ANALYSIS

BUSINESS

CellPoint Inc., formerly known as Tech-nor International, Inc., is the parent company of CellPoint Systems AB of Sweden and CellPoint Systems S.A. (Pty) Ltd. of South Africa. CellPoint Inc. ("CellPoint" or the "Company") promotes, markets, offers, sells, supports, assigns and distributes digital cellular, or GSM (Global System for Mobile Communications) technologies for positioning and telematics. Effective February 28 1999, the Company acquired technology and intellectual property rights from Novel Electronic Systems & Technologies for GSM positioning technology originally developed in South Africa. The Company owns the technology, and has the right to use it worldwide, with the exception of sub-Saharan Africa. The Company's technology is marketed to carriers of cellular services under the name "The CellPoint System".

PLAN OF OPERATION

The Company's business strategy is to enable GSM positioning services in target markets around the world. Enabling the technology begins with installing the CellPoint System with a GSM Network Operator. Revenues can be through participation in new revenue streams created as a result of the new services that the network operator can offer, or through the sale of a tiered license to use the technology or applications (based on number of customers and/or transaction rates). The technology supports GSM telephones as well as purpose-designed terminals for in-vehicle use.

EMPLOYEES

Since late June 1999, the Company has aggressively hired experienced industry

professionals in sales, marketing and technical departments and now has 34 employees plus 5 part time employees. The Company intends to hire 20 - 25 additional people in sales, marketing and technical departments in the next 12 months. This additional staff will be placed in Europe, Asia, the United States and South Africa. The continued hiring is to accommodate the worldwide demand for commercially deployable cellular positioning technology and applications. None of the Company's employees are represented by a labor union. The Company considers its relations with its employees to be very good.

RESEARCH AND DEVELOPMENT

The Company has established a WAP Innovation Center in Stockholm, Sweden. WAP, or Wireless Application Protocol, is the foundation for the Wireless Internet. CellPoint's WAP Innovation and Development Center will focus on WAP and SIM applications built on the CellPoint positioning technology. This department intends to develop leading-edge GSM positioning applications based on open standards such as SIM Toolkit, WAP and GPRS. The Company also maintains a research and development center in South Africa that is staffed by the original developers of the core technology. CellPoint South Africa focuses on the CellPoint System platform, architecture, specifications and core positioning technology.

LIQUIDITY AND CAPITAL RESOURCES

On July 27 1999, the Company signed two letters of intent with Madison Securities, Inc. of Chicago, Illinois for the raising of additional capital through a bridge financing of \$2,000,000 and a pri-

vate placement of up to \$8,000,000 of equity. On August 31, 1999, the bridge financing of \$2,000,000 of 12% promissory notes was completed, where the Company issued an aggregate of 180,000 common stock purchase warrants; 100,000 of which have an exercise price of \$7.49 per share and 80,000 of which have an exercise price of \$8.04 per share. The current cash reserves are believed to be sufficient to cover the Company's current operating costs into the second calendar quarter of 2000.

It is anticipated that the private placement of equity will be completed before the end of calendar 1999, and the proceeds will be used to refinance the bridge notes and are expected to allow the Company to continue to hire qualified personnel, grow rapidly, expand internationally and sustain operations for the Company for at least 18 months.

YEAR 2000

The Company has undertaken a Y2K project to address the Company's readiness and exposure to Year 2000 issues. It has assessed its exposure to Year 2000 issues in terms of its products, internally-used operating systems, software, other technology, and third party vendors and suppliers. While the Company believes that it has substantially identified and resolved all potential Year 2000 problems with any of the products that it develops and markets, it is not possible to determine with complete certainty that all Year 2000 problems affecting the Company's products have been identified or corrected because these products interact with other third party vendor systems not under the Company's control.

REPORT OF INDEPENDENT ACCOUNTANTS

TO THE BOARD OF DIRECTORS AND STOCKHOLDERS TECHNOR INTERNATIONAL INC.

We have audited the accompanying consolidated balance sheets of Technor International Inc. and subsidiaries (a development stage company) (the "Company") as of June 30, 1999 and 1998 and the related consolidated statements of operations, stockholders' equity and cash flows for the years ended June 30, 1999 and 1998 and for the period from February 28, 1997 (inception) through June 30, 1999. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted

auditing standards. Those standards require that we plan and perform our audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Technor International Inc. and subsidiaries as of June 30, 1999 and 1998, and the results of their operations and their cash flows for the years ended June 30, 1999 and 1998 and for the period from February 28, 1997 (inception) through June 30,

1999 in conformity with U.S. generally accepted accounting principles.

The accompanying consolidated financial statements have been prepared assuming that the Company will continue as a going concern. As more fully discussed in Note 2 to the consolidated financial statements, the Company is a development stage company with no revenues and has sustained losses from operations since inception. These factors raise substantial doubt about the ability of the Company to continue as a going concern. Management's plans in regard to these matters are also described in Note 2. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

BDO International AB

BDO International AB
Sollentuna, Sweden
September 9, 1999



CONSOLIDATED BALANCE SHEETS

(AMOUNTS IN USD), (A DEVELOPMENT STAGE COMPANY).

	June 30, 1999	June 30, 1998
ASSETS		
Current:		
Cash and cash equivalents	\$ 180,073	\$ 764,603
Stock subscriptions receivable	–	2,346,667
Option for shares in Wasp	–	4,050,000
Prepaid expenses	19,597	40,653
Other receivables	20,533	70,814
Other assets	15,990	–
Total current assets	236,193	7,272,737
Long-term assets:		
Investment in affiliates	500,000	4,250,000
Purchased technology, net of amortization of \$483,336	9,666,664	–
Matrix franchising concept, net of amortization of \$111,112	888,888	–
Employment contracts, net of amortization of \$68,333	354,657	–
Furniture and equipment, net of depreciation of \$46,142 and \$6,860, respectively	110,140	110,092
Total long-term assets	11,520,349	4,360,092
TOTAL ASSETS	\$ 11,756,542	\$ 11,632,829
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accrued expenses and other current liabilities	\$ 210,732	\$ 270,901
Accounts payable	39,518	247,040
Deferred revenue	58,690	–
Due to shareholders	150,000	250,000
Due to affiliate	123,799	–
Advances from employee	–	151,554
Other current liabilities	12,901	–
Total current liabilities	595,640	919,495
Stockholders' equity:		
Preferred shares (\$0.001 par value; 3,000,000 shares authorized, no shares issued)	–	–
Common shares (\$0.001 par value; 22,000,000 shares authorized, 4,715,000 shares issued and 1,950,000 shares to be issued as of June 30, 1998 and 7,440,000 shares issued and 750,000 shares to be issued as of June 30, 1999)	8,190	6,665
Shares subscribed (\$0.001 par value; 775,000 common shares)	–	775
Additional paid-in capital	14,961,373	11,662,123
Cumulative translation adjustment	(2,318)	363
Deficit accumulated	(3,806,343)	(836,592)
	11,160,902	10,833,334
Less: Subscriptions receivable (30,000 shares)	–	(120,000)
Total stockholders' equity	11,160,902	10,713,334
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 11,756,542	\$ 11,632,829

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS

(AMOUNTS IN USD), (A DEVELOPMENT STAGE COMPANY).

	Year ended June 30,		Period from February 28, 1997 (Inception) through June 30, 1999
	1999	1998	
Revenue	\$	\$	\$
Cost of goods sold	–	–	–
Gross profit	–	–	–
Selling, general and administrative expenses	(1,637,240)	(513,652)	(2,165,682)
Professional fees	(534,176)	(315,431)	(859,136)
Depreciation and amortization	(702,063)	(6,725)	(708,788)
Operating loss	(2,873,479)	(835,808)	(3,733,606)
Financial items, net	(96,272)	23,237	(72,737)
Net loss before taxes	(2,969,751)	(812,571)	(3,806,343)
Income taxes	–	–	–
NET LOSS	\$ (2,969,751)	\$ (812,571)	\$ (3,806,343)
Basic and diluted loss per share	\$ (0.36)	\$ (0.18)	

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(AMOUNTS IN USD), (A DEVELOPMENT STAGE COMPANY).

	Common shares issued		Common shares to be issued		Additional paid-in capital	Deficit accumulated during the development stage	Subscriptions receivable	Accumulated other comprehensive income (loss)	Total
	Number of shares	Amount	Number of shares	Amount					
Balance, February 28, 1997 (Inception)	-	\$ -	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Comprehensive income (loss):									
Net loss	-	-	-	-	-	(24,021)	-	-	(24,021)
Other comprehensive income (loss):									
Currency translation	-	-	-	-	-	-	-	-	-
Comprehensive loss for fiscal year									(24,021)
April 1997-share subscription at par value	-	-	3,500,000	3,500	-	-	-	-	3,500
June 1997-share subscription at \$0.20 per share, net of offering costs	-	-	500,000	500	98,262	-	-	-	98,762
Balance, June 30, 1997	-	-	4,000,000	4,000	98,262	(24,021)	-	-	78,241
September 1997-shares issued	4,000,000	4,000	(4,000,000)	(4,000)	-	-	-	-	-
Comprehensive income (loss):									
Net loss	-	-	-	-	-	(812,571)	-	-	(812,571)
Other comprehensive income (loss):									
Currency translation	-	-	-	-	-	-	-	363	363
Comprehensive loss for fiscal year									(812,208)
January 1998-share subscription at \$1.25 per share, net of offering costs	715,000	715	-	-	855,535	-	-	-	856,250
May 1998-shares in connection with Wasp transaction	-	-	1,950,000	1,950	7,798,050	-	-	-	7,800,000
June 1998-share subscription at \$4.00 per share, net of offering costs	-	-	775,000	775	2,910,276	-	-	-	2,911,051
Subscriptions receivable not yet paid	-	-	-	-	-	-	(120,000)	-	(120,000)
Balance, June 30, 1998	4,715,000	4,715	2,725,000	2,725	11,662,123	(836,592)	(120,000)	363	10,713,334
1998-shares issued	2,725,000	2,725	(2,725,000)	(2,725)	-	-	-	-	-
Comprehensive income (loss):									
Net loss	-	-	-	-	-	(2,969,751)	-	-	(2,969,751)
Other comprehensive income (loss):									
Currency translation	-	-	-	-	-	-	-	(2,681)	(2,681)
Comprehensive loss for fiscal year									(2,972,432)
Subscriptions paid	-	-	-	-	-	-	120,000	-	120,000
Shares issued in connection with purchased technology	-	-	500,000	500	2,299,500	-	-	-	2,300,000
Shares issued in connection with marketing agreement	-	-	250,000	250	999,750	-	-	-	1,000,000
Balance, June 30, 1999	7,440,000	\$7,440	750,000	\$750	\$14,961,373	\$(3,806,343)	\$ -	\$(2,318)	\$11,160,902

The accompanying notes are an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOW

(AMOUNTS IN USD), (A DEVELOPMENT STAGE COMPANY).

	Year ended June 30,		Period from February 28, 1997 (Inception) through June 30, 1999
	1999	1998	
Cash flows from operating activities:			
Net loss	\$ (2,969,751)	\$ (812,571)	\$ (3,806,343)
Depreciation and amortization	702,063	6,725	708,788
Adjustments to reconcile net loss to net cash used in operating activities:			
Other assets	(15,990)	–	(15,990)
(Increase) decrease in prepaid expenses	21,056	(29,077)	(19,597)
(Increase) decrease in short term receivables	50,281	(70,814)	(20,533)
Increase in accrued expenses and other current liabilities	11,425	270,901	282,326
Increase (decrease) in accounts payable	(207,522)	247,040	39,515
Increase (decrease) in advance from employee	(151,554)	97,695	–
Increase in due to affiliate	123,799	–	123,799
Net cash used in operating activities	(2,436,193)	(290,101)	(2,708,035)
Cash flows from investing activities:			
Purchase of technology	–	–	(50,000)
Purchase of shares in subsidiary and affiliate	(500,000)	(250,000)	(950,000)
Purchase of fixed assets	(12,320)	(99,993)	(139,323)
Net cash used in investing activities	(512,320)	(349,993)	(1,139,323)
Cash flows from financing activities:			
Advances (payments) of stockholders' loans	(100,000)	–	150,000
Net proceeds from issuance of shares	2,466,667	1,300,634	3,879,753
Net cash provided by financing activities	2,366,667	1,300,634	4,029,753
Effect of changes in exchange rates on cash	(2,684)	363	(2,321)
Net increase in cash and cash equivalents	(584,530)	660,903	180,074
Cash and cash equivalents, beginning of period	764,603	103,700	–
Cash and cash equivalents, end of period	\$ 180,073	\$ 764,603	\$ 180,074

The accompanying notes are an integral part of the consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(AMOUNTS IN USD), (A DEVELOPMENT STAGE COMPANY).

1. BUSINESS

Technor International Inc., a development stage company ("Technor" or the "Company"), was incorporated in the state of Nevada on February 28, 1997. Technor has purchased a GSM (Global System for mobile communications) positioning system technology (the "Technology") from Novel Electronics Systems & Technologies which can be used for a variety of positioning and telematics applications including positioning standard mobile phones for resource management, information, safety and security, locating vehicles, management of security and alarm systems, surveillance of rented objects as well as for remote control of industrial equipment.

Technor is marketing and further developing the positioning and telematics applications of the CellPoint System. The CellPoint System consists of three main parts: the mobile phone or terminal, the positioning server and the positioning programs. The GSM network facilitates the communication between the mobile phone or terminal and the CellPoint server system. The positioning server system enables the use of the Internet or fixed lines as information carriers.

On January 16, 1998 Technor formed a wholly-owned subsidiary in Sweden, CellPoint Systems AB ("CellPoint"). CellPoint is Technor's commercial arm focusing primarily on, but not limited to, Europe.

Effective February 28, 1999, Technor acquired 100% of Wasp International (Pty) Ltd., a South African company ("Wasp") (see Note 3).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying consolidated financial statements include the financial statements of Technor and all its subsidiaries and have been prepared in accordance with U.S. generally accepted accounting principles and are presented in U.S. dollars. All material inter-company transactions and balances have been eliminated.

Development Stage Activities

The Company has not earned revenues from its activities through June 30, 1999. As such, the Company is still in a development stage and falls under the provisions of Statement of Financial Accounting Standards ("SFAS") No. 7, "Accounting and Reporting by Development Stage Enterprises."

Going Concern and Management's Plans

The Company has a limited operating history with no revenues. Through June 30, 1999, the Company has accumulated a deficit of \$3,806,343. Management's efforts have focused on securing the Technology, developing the CellPoint System and acquiring staff and facilities for operations. As such, the Company is subject to all the risks and uncertainties associated with a new business. Management believes they have a commercially feasible product and expects that the first significant orders for its product will commence late in calendar year 1999 and that the Company will have a positive cash flow during the second half of fiscal 2000. The success of the Company's future operations is, however, dependent upon the Company's ability to successfully market the product and to meet additional capital requirements. If no revenues or further financing is received, management believes that the existing capital is sufficient for approximately 9-12 months after June 30, 1999.

These factors, among others, raise substantial doubt about the Company's ability to continue as a going concern. The financial statements do not include any adjustments to reflect the possible future effect on recoverability and classification of assets or the classification of liabilities that might result from the outcome of this uncertainty.

Investment In Affiliate

The investment in an affiliate is recorded at the lower of cost or net realizable value, as no significant influence is exercised over the financial and operating decisions of that affiliate.

Foreign Currency Translation

Assets and liabilities of foreign units are translated at balance sheet date rates to USD. Income statements are translated at the average exchange rate for the period. Translation differences that arise are recorded directly as a component of stockholders' equity.

Receivables and liabilities denominated in foreign currencies are translated at balance sheet date rates. Unrealized exchange gains and losses on translation are reported in the income statement.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid investments with original maturities of three months or less. The majority of the Company's cash and cash equivalents reside with high quality Swedish financial institutions. Therefore, the cash balances are not insured by the U.S. Federal Deposit Insurance Corporation. The Company has not experienced any losses in such accounts.

Furniture and Equipment

Furniture and equipment are recorded at acquisition cost less accumulated depreciation. Depreciation is calculated using a straight-line method over the estimated useful lives of the related assets. Computer equipment is depreciated over 3 years and other equipment over 5 years. Furniture and equipment acquired during the year are depreciated from the date the assets are put to service. Expenditures for normal maintenance and repairs are charged to income. Significant improvements are capitalized.

Amortization

Intangible assets are amortized on a straight-line basis over their estimated lives, as follows: purchased technology seven years, the marketing agreement, the term of the agreement, which is three years, and employment contracts, the length of the employment contracts, which is two years.

Deferred Revenue

Deferred revenue represents pre-billing of contract fees pertaining to future periods.

Impairment Of Long-Lived Assets

The Company periodically evaluates potential impairment of long-lived assets based upon cash flows. A loss relating to an impairment of assets occurs when the aggregate of the estimated undiscounted future cash inflows to be generated by the Company's assets groups (including any salvage values) are less than the related assets' carrying value. Impairment is measured based on the difference between the higher of the fair value of the assets or present value of the discounted expected future cash flows and the assets' carrying value. No impairment was recorded in 1999, 1998 or through inception.

Income Taxes

The Company utilizes the asset and liability method to account for income taxes whereby deferred tax assets and liabilities are recognized to reflect the future tax consequences attributable to temporary differences between the financial reporting basis of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to be recovered and settled. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period in which the change is enacted.

Earnings Per Share

The Company calculated its earnings per share pursuant to SFAS No. 128, "Earnings per Share", which requires the presentation of both basic and fully diluted earnings per share (EPS). Assumed exercise of options has not been included in the calculation of diluted EPS since the effect would be anti-dilutive. Accordingly, basic and diluted net loss per share do not differ for any period presented. EPS is computed based on the loss to common stockholders and the weighted average number of shares outstanding. The weighted average number of shares outstanding were 7,440,000 and 4,460,417 as of June 30, 1999 and 1998, respectively.

Use Of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of expenses during the reporting periods. Actual results could differ from those estimates.

Effect Of Recent Accounting Pronouncements

SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities", establishes accounting and reporting requirements for derivative instruments. The Company has not in the past nor does it anticipate that it will engage in transactions involving derivative instruments, and therefore does not expect this pronouncement to have any effect on the financial statements.

Statement of Position 98-1, "Accounting for the Costs of Computer Software Developed or Obtained for Internal Use", requires an entity to expense all software development costs incurred in the preliminary project stage, training costs and data conversion costs for fiscal years beginning after December 15, 1998. The Company believes that adoption of this statement will not have a material effect on the Company's financial statements.

Statement of Position 98-5, "Accounting for Start-up Costs", requires an entity to expense all start-up related costs as incurred for the fiscal years beginning after December 15, 1998. The Company believes that adoption of this statement will not have a material effect on the Company's financial statements.

3. TRANSACTIONS WITH NOVEL ELECTRONIC SYSTEMS & TECHNOLOGIES, WASP INTERNATIONAL (PTY) LTD., MATRIX VEHICLE TRACKING (PTY) LTD. AND WASP SA (PTY) LTD.

On May 26, 1998, the Company entered into a license agreement with Wasp for Wasp's positioning system technology and a two step option to purchase 100% of the shares in Wasp in exchange for a combination of shares of the Company and cash.

On June 20, 1998, the Company exercised the first option and purchased 25 % of the shares of Wasp.

The total transaction amounted to a share transfer of 1,950,000 shares of Technor's stock valued at \$4.00 per share and \$ 500,000 in cash.

The original agreements were amended and restated effective February 28, 1999 as follows:

Technor acquired:

- 100 % of Wasp International (Pty) Ltd., including the development team (18 persons currently employed in Wasp).
- Intellectual Property Rights (IPR) and total ownership of the technology for use throughout the world, except Africa, south of the Sahara, which had previously been acquired from the owners of the technology by Novel Electronic Systems & Technologies.
- 10% of the common stock of Wasp SA (Pty) Ltd. ("Wasp SA") - Wasp SA is the company with the current operations in South Africa and Intellectual Property Rights (IPR) for Africa, south of the Sahara.

The total consideration in the above transactions was as follows:

- 2,450,000 shares in Technor at the current market price of \$4 per share which amounted to \$9,800,000 plus a \$50,000 cash payment to Novel Electronic Systems & Technologies for the Intellectual Property Rights. (Of the above shares, 1,950,000 shares had been issued under the previous agreements before the amendment).

NOTES

- \$950,000 to the stockholders of Wasp International (Pty) Ltd. (subsequently renamed CellPoint Systems SA (Pty) Ltd.) comprising \$450,000 for the acquisition of Wasp International (Pty) Ltd., and \$500,000 for the 10% interest in Wasp SA (of the above amount, \$500,000 had already been paid under the previous agreements before the amendment).

Under the revised agreements, Technor could possibly be required to issue up to an additional 75,000 shares and pay a maximum of \$750,000 at the end of 1999 if certain stock price targets are not met. The cost of shares which could potentially be issued has been recorded at market value at the time of the agreement of \$4.00 per share with a corresponding credit to additional paid-in capital. The potential additional payment of up to \$750,000 has not been recorded.

In connection with the acquisitions, the Company also concluded an agreement with Matrix Vehicle Tracking (Pty) Ltd. ("Matrix"), the company that has commercialized the technology in South Africa. Matrix received 250,000 shares in Technor, with a market value of \$4.00 per share (the current market price), for services Matrix performed in the acquisition of the technology and the development team and its transfer of know-how and procedures of vehicle tracking. Matrix will also continue to provide its services to Technor for the next three years under the current agreement.

In connection with the acquisition of Wasp SA International (Pty) Ltd., the excess purchase price over the book value of assets acquired amounted to \$422,990 which was allocated to employment contracts.

This intangible asset will be amortized over the term of the agreements, which is two years. The purchased technology will be amortized over its estimated useful life of seven years and the Matrix service agreement will be amortized over three years, the term of the agreement.

4. INCOME TAXES

	Year ended June 30,	
	1999	1998
Current tax expense:	\$ -	\$ -
Federal	-	-
State	-	-
Foreign	-	-
Deferred tax expense:		
Federal	-	-
State	-	-
Foreign	-	-
Total tax provision	\$ -	\$ -

Technor International Inc. did not have taxable income for the period from February 28, 1997 (Inception) through June 30, 1999 and therefore does not have any current income tax expense.

Technor's wholly-owned subsidiaries, CellPoint and Wasp, had net operating losses for the year ended June 30, 1999 and were not subject to tax in Sweden and South Africa, respectively.

The significant components of the Company's deferred income tax assets are as follows:

June 30,	1999	1998
Deferred income tax assets and (liabilities):		
Net operating losses	\$1,294,000	\$284,000
Unrealized currency gain	(7,700)	(7,400)
Total deferred income tax asset	1,286,300	276,600
Valuation allowance	(1,286,300)	(276,600)
Net deferred income tax asset	\$ -	\$ -

The Swedish net operating losses amounted to approximately U.S. \$2,100,000 at June 30, 1999. These net operating losses do not expire.

Reconciliation of the effective tax rate to the U.S. statutory rate is as follows:

June 30,	1999	1998
Tax expense at U.S. statutory rate	(34.0)%	(34.0)%
Meals and entertainment	0.5	0.4
Change in Federal valuation allowance	33.5	33.6
Effective income tax rate	-%	-%

5. FURNITURE AND EQUIPMENT

Furniture and equipment at June 30, 1999 and 1998 consisted of the following:

June 30,	1999	1998
Furniture and equipment	\$156,282	\$116,952
Less: accumulated depreciation	(46,142)	(6,860)
	\$110,140	\$110,092

6. ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

June 30,	1999	1998
Professional fees	\$76,636	\$113,455
Offering costs	-	51,596
Accrued vacation	112,541	16,409
Payroll taxes and Social Security costs	18,580	18,714
Other	2,975	70,727
	\$210,732	\$270,901

7. ADVANCES FROM EMPLOYEES

Two principal stockholders, also employees of the Company, lent the Company \$150,000 in June 1999. There are no stated repayment terms though interest of 5% will be charged on the outstanding balance of this loan.

8. FINANCIAL ITEMS, NET

June 30,	1999	1998
Interest income	\$ 33,895	\$ 2,708
Unrealized		
exchange gains	(22,755)	21,766
Realized		
exchange losses	(107,412)	(1,237)
Total	\$ (96,272)	\$ 23,237

9. STOCK INCENTIVE PLAN

In 1998, the Company adopted a Stock Incentive Plan ("the Stock Incentive Plan") for its employees, officers and directors (whether or not employees). The Stock Incentive Plan provides for the grant of non-qualified stock options. The Stock Incentive Plan also provides that for each option

granted under the Stock Incentive Plan, the exercise price shall not be less than 100% of the fair market value of the common share on the date before the option is granted. The Stock Incentive Plan provides that options granted vest in one, two or three installments: the first being six to twelve months, the second being one year to two years, and the third being eighteen months to twenty-eight months after the anniversary of the date of grant, and expire no later than 10 years subsequent to the grant date.

The number of shares authorized for grants under the Share Option Plan is 1,000,000 and the number of options granted at June 30, 1999 was 840,000. As of June 30, 1999, no options had been exercised.

The following table summarizes information about stock options outstanding at June 30, 1999:

Options outstanding			Options exercisable		
Range of exercise prices	Outstanding as of June 30, 1999	Weighted average remaining contractual years	Weighted average exercise prices	Exercisable as of June 30, 1999	Weighted average exercise prices
\$1.00	125,000	8.5	\$1.00	100,000	\$1.00
\$2.50-\$2.75	350,000	8.8	2.70	225,000	2.75
\$3.00-\$3.88	185,000	9.8	3.40	8,500	3.25
\$4.00-\$4.63	180,000	9.5	4.29	-	-
	840,000			333,500	

Information concerning the Stock Incentive Plan is summarized as follows:

	Option shares	Option price per share	Weighted average price per share
Outstanding at June 30, 1997	-	\$ -	\$ -
Granted	405,000	1.00-2.75	2.21
Exercised	-	-	-
Cancelled/expired	-	-	-
Outstanding at June 30, 1998	405,000	1.00-2.75	2.21
Granted	435,000	2.50-4.63	3.63
Exercised	-	-	-
Cancelled/expired	-	-	-
Outstanding at June 30, 1999	840,000	\$1.00-4.63	\$2.94

The Company accounts for stock options granted to employees under the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees" ("APB 25"), as permitted by SFAS No. 123 ("SFAS 123"), "Accounting for Stock-Based Compensation." APB 25 provides for compensation cost to be recognized over the vesting period of the options based on the difference, if any, between the fair market value of the Company's stock and the option price on the grant date. SFAS No. 123 requires the Company to provide pro forma disclosures of net income and earnings per share as if the optional fair value method had been applied to determine compensation costs for the Company's stock option plans. The Company has used the Black-Scholes option-pricing model to estimate the fair value of each stock option issued in 1999 and 1998. The following weighted average assumptions were used in 1999 and 1998, respectively: a risk-free interest rate of 4.97% and 4.94%; an expected option life of 3 years for both years; expected volatility of 65% and 65%; and no dividends paid.

Year ended June 30,	1999	1998
Net loss		
As reported	\$(2,961,751)	\$(812,571)
Pro forma	(3,592,651)	(941,955)
Earnings per share		
As reported	(0.36)	(0.18)
Pro forma	(0.50)	(0.21)

NOTES

10. COMMITMENTS AND CONTINGENCIES

A significant portion of the Company's business is conducted in currencies other than the U.S. dollar (the currency in which its financial statements are stated), primarily the Swedish Krona. The Company incurs a significant portion of its expenses in Swedish Krona and South African Rand, including all of its product development expenses and a substantial portion of its general and administrative expenses. As a result, the value of the Swedish Krona and South African Rand relative to the other currencies in which the Company generates revenues, particularly the U.S. dollar, could adversely affect operating results. The Company does not currently undertake hedging transactions to cover its currency exposure.

The Company rents an office under an operating lease agreement, on a month to month basis. Rental expense amounted to \$13,590 and \$32,420 for 1997 and 1998, respectively. On July 1, 1999 the Company signed a lease for nine months with future minimum rental payments of \$35,714.

The Company is obligated under various employment agreements with certain officers, which provide for base annual compensation aggregating \$378,959. All agreements are for two years with two expiring May 31, 2001 and two expiring July 31, 2001.

11. SUBSEQUENT EVENTS

During August 1999, the Company closed on a \$2 million bridge financing. The Company sold 20 units, each unit consisting of a one year \$100,000 promissory note that bears interest at 12% per annum and a warrant to purchase 4,000 shares of the Company's common stock at a price equal to the ten day average closing bid price prior to closing. The placement agent receives commissions of 5% of the total financing and warrants to purchase shares of the Company's common stock of 5,000 warrants per unit. Principal and interest is payable upon the earlier of one year or the date on which the Company has received funds in the minimum amount of \$3 million in a subsequent equity private placement.

Further to the bridge financing, a Letter of Intent is also in place for a subsequent private placement of up to \$8,000,000 to be completed by the end of 1999.

Two principal shareholders, also employees of the Company, lent the Company \$150,000 in July 1999. There are no stated repayment terms. Interest of 5% will be charged on the outstanding balance of this loan.

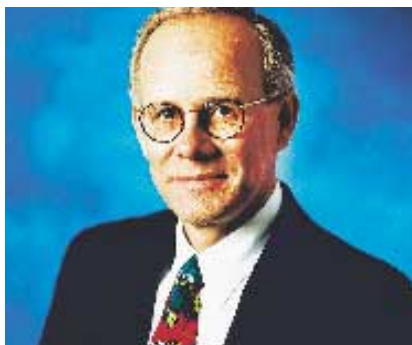
CELLPOINT INC.



Peter Henricsson, 47
President and CEO



Lynn Duplessis, 39
Corporate Vice President



Björn Waltré, 53
Chief Financial Officer

CELLPOINT SYSTEMS



Hadar Cars, 35
President



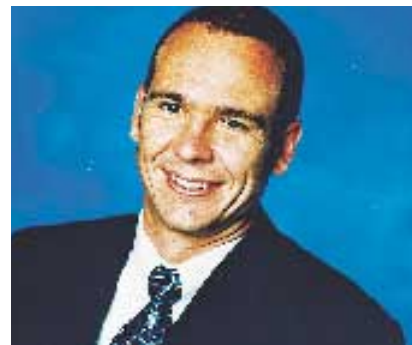
Mikael Todini, 41
Director of Operations



Per Bergqvist, 34
Director of WAP Innovation and
Development Center



Johan Falk, 35
Vice President of Business Development



Albert van Urk, 32
Vice President of Technology



Cyrille Mazzella, 37
Director of Marketing and Sales

BOARD OF DIRECTORS – CELLPOINT INC.



Lynn Duplessis, 39, has been Corporate Vice President, Treasurer and Secretary of the Company since its formation. She is a director of CellPoint Systems AB and CellPoint Systems S.A. (Pty) Ltd. She has 18 years of experience in the technology industry. With IBM Canada for 12 years, she held a variety of positions in sales, marketing and management. (1)



Peter Henricsson, 47, has been Chairman and Chief Executive Officer of the Company since its formation. He is Chairman of CellPoint Systems AB and a director of CellPoint Systems S.A. (Pty) Ltd. He has over 20 years of international experience in executive management, marketing, venture capital, consulting and financing with both multinational corporations and emerging companies. (2)



Mats Jonnerhag, 45, is the majority owner of Börsinsikt AB which he founded in 1982. He has more than 20 years of experience with the Swedish stock market. Börsinsikt publishes a weekly stock market newsletter and has a respected research department. Mr. Jonnerhag has been a director since December 1998 and is the Swedish stockholders' representative. (2) (3)



Bengt Nordström, 42, is founder and President of Northstream AB, a wireless data consulting company. He is a director of Smart-Tone Telecommunications Ltd., a GSM operator in Hong Kong. Mr. Nordström is on the Executive Committee of the world's GSM MoU Association. He was previously with Comviq GSM AB from 1989 – 1993 and Ericsson Telecom AB from 1983-1989. He has been a director since September 1998.



Guy Redford, 45, has been a director of the Company since June 1998. He is a director of CellPoint Systems AB and CellPoint Systems S.A. (Pty) Ltd. He was co-founder, director and Managing Director of Wasp International (Pty) Ltd. of South Africa from 1993 to 1999. He was the President of CellPoint Systems from January through June 1999.



Albert van Urk, 32, is the Vice President of Technology of CellPoint Systems. He is a director of CellPoint Systems AB, CellPoint Systems S.A. (Pty) Ltd. and Wasp SA (Pty) Ltd. He was co-founder and the Director of Research and Development of Wasp International from 1993 – 1999. He has been a director since January 1999.



Kjell Wallman, 66, was a partner with Mannheimer Swartling Advokatbyrå (Law Firm) from 1990 until his retirement in 1999. He was also a partner with Carl Swartling Advokatbyrå from 1974-1990, and a partner with Wetter & Swartling Advokatbyrå from 1968-1974. He became a director of CellPoint in January 1999. (2) (3)

- (1) Member of Quality Committee
- (2) Member of Compensation Committee
- (3) Member of Audit Committee



INVESTOR INFORMATION

Transfer Agent and Registrar

U.S. Stock Transfer Corporation
1745 Gardena Avenue, Suite 200
Glendale, CA 91204-2991, USA
Tel: 818-502-1404
Fax: 818-502-0674
www.usstock.com

Changes in stockholder address data should be processed via addchange@usstock.com or sent to U.S. Stock Transfer at the above street address.

Investor Relations

Tel: +46 (0)8 5947 4900
Fax: +46 (0)8 35 87 90
info@cellpt.com

Stock Information

The Company's stock is traded on the NASD under the symbol CLPT. Management expects CellPoint to be listed on the Nasdaq in the fall of 1999. The trading symbol will be CLPT. As of October 4 1999, there are 8,265,000 shares of the Company's stock outstanding. Any increase in this number will be reported via news release. The Company's web site contains all news releases issued by CellPoint Inc., formerly known as Technor International Inc., since inception.

Auditors

BDO International AB
S-191 62 Sollentuna, Sweden.

SEC Filings

The Company's SEC filings, including the annual Form 10-K filing, can be viewed over the Internet at www.edgar.com or www.freedgar.com

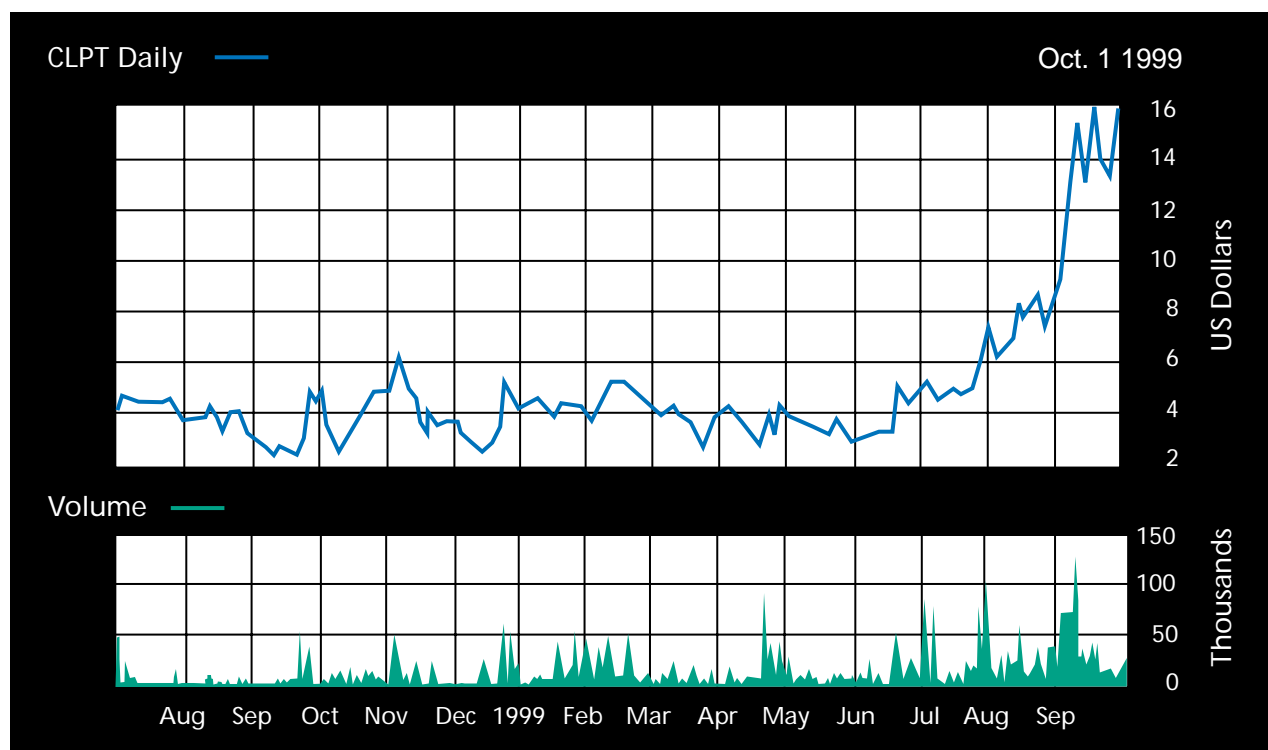
Website

The Company's web site is at www.cellpt.com

Annual Meeting

The annual stockholder's meeting will be held November 30 at 3:00 PM at the Star Hotel, Aniara-platsen 8, Sollentuna, Sweden.

CELLPOINT INC. - CLPT



GLOSSARY OF TERMS

AVL – Automatic Vehicle Location.

CARRIER – A cellular operator.

CDMA – Code Division Multiple Access – a digital cellular technology.

CONTROL CENTER – Central facility for monitoring remote assets, resources or vehicles.

COVERAGE – The area in which a cellular operator provides commercial grade service.

FCC – Federal Communications Commission, the U.S. government agency responsible for regulating telecommunications in the United States.

GPRS – General Packet Radio Service, will enable users to send and receive data at speeds up to 115 kbit/s.

GPS – Global Positioning System that uses satellites to calculate positions on or near the earth.

GSM – Global System for Mobile Communications, the world's leading cellular system with over 200 million subscribers.

GT-1 – CellPoint GSM terminal for in-vehicle installation supporting positioning, telematics and theft/recovery.

GT-3 – CellPoint GSM terminal with additional features to the GT-1 including optional GPS chip for satellite positioning.

IP – Internet Protocol - is used for transmission of information primarily between computers and the Internet.

NASD OTC BULLETIN BOARD – The National Association of Securities Dealers Over the Counter Bulletin Board.

NASDAQ – American stock exchange located in New York where many technology stocks are listed.

OPERATOR – A cellular license owner and operator of a cellular network.

PCS – Personal Communications Service, the terminology used in the United States for GSM digital cellular.

ROAMING – Subscribers can use their mobile phone abroad if their home network operator has a roaming agreement with a network operator in another country.

SIM – Subscriber Identity Module. The current generation of SIM cards provide the user with access to a vast range of new card-enabled (as opposed to network-enabled) applications. Also referred to as the "brain" of the cellular phone.

SIM TOOLKIT – Subscriber Identity Module Application Toolkit. The SIM Toolkit extends the role of the SIM card, making it a key interface between the mobile terminal and the network.

SMART CARD – The current generation of SIM cards containing integrated silicon chips which extend the intelligence and capability of the SIM Card.

SMART PHONE – GSM phones with enhanced display capabilities and new functionality such as built-in software linked to specific services and applications.

SMS – Short Message Service – allows the transmission of messages (up to 160 alphanumeric characters) to be sent to or from a GSM device.

SUBSCRIBER – A cellular phone user.

TDMA – Time Division Multiple Access, a digital cellular technology.

TELEMATICS – The integrated application of wireless telecommunications and computer sciences used for remote control and the collection and dissemination of data.

UMTS – Universal Mobile Telecommunications System, the third generation mobile standards that will build on the success of GSM and on the GSM operator's existing investment in infrastructure.

WAP – Wireless Application Protocol – a technology designed to provide users of mobile terminals with rapid and efficient access to the Internet.

WAP FORUM – An industry association that has developed a world standard for wireless information and telephony services on digital mobile phones.

3G – Third Generation cellular mobile standards with a goal to enable networks that offer true global roaming. 3G will operate in the 2GHz band and will deliver advanced, multimedia-type communications.

*Production: CellPoint Inc., Kind & Partners AB
Artwork: Kerstin Trollin Photos: Hans-Erik Nygren,
Anders Ekholm/Tio Foto, Great Shots,
Steven Hunt/Image Bank
Printed by Grafiska Gruppen, Stockholm*



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