



**PRESS RELEASE**

**August 25, 2000**

**PRESS RELEASE REGARDING YEAR-END REPORT  
JULY 1, 1999 - JUNE 30, 2000 AB NOVESTRA (PUBL.)**

The Novestra Group's result after tax for the fiscal year 1999/2000 amounted to 90,825 KSEK (2,567) corresponding to 5.0 SEK per share (0.2). The result has been affected by a non-recurring cost of 5 MSEK in connection with the listing on the OM Stockholm Exchange O List.

The value of Novestra's portfolio has had a positive development over the period as a whole, as well as during Novestra's fourth quarter. The aggregate value of the portfolio companies, based on last transaction in accordance with the rules stipulated by the EVCA, amounted to 564 MSEK. Net asset value as per June 30, 2000, based on the same valuation, amounted to 888 MSEK (84) corresponding to a value of 38.2 SEK per share (6.2).

The positive development has continued after the end of the fiscal year with a substantial increase in the value of the portfolio companies in accordance with the above-mentioned EVCA rules.

The Group's cash and cash equivalents, including interest bearing investments, amounted to 341,942 KSEK (640).

For more detailed information reference is made to the attached year-end report.

For further information, please contact Thomas Åkerman, President, or Theodor Dalenson, chairman, tel +46 8 545 01 750.

**Novestra is one of the leading venture capital investment firms in the Nordic countries, primarily with a focus on companies providing enabling services to the network economy. Novestra's portfolio of companies includes B2 Bredband AB, Continuum Group Ltd, Fanglobe Inc, IQITY Systems Inc, Mobilestop.com Inc, Netsurvey Bolinder AB, PowerNet AB and Qbranch AB. Novestra's shares are listed on the O list of the OM Stockholm Exchange.**



## **FOR IMMEDIATE RELEASE**

### **YEAR-END REPORT JULY 1, 1999 - JUNE 30, 2000 for AB Novestra (publ.), company reg. No. 556539-7709**

#### **Result and Financial Position - the Group**

Novestra reports a profit for the fiscal year of 90,825 KSEK (2,567 for the fiscal year 98/99). The result includes profits from sales of securities totalling 103,391 KSEK (6,280) and from other operations 8,610 KSEK (1,126).

Profit per share, prior to full conversion of outstanding options, amounted to 5.0 SEK (0.2).

Book value on financial assets amounted to 543,418 KSEK (58,448) of which interest bearing investments constituted 199,999 (0).

Shareholders' equity, prior to full conversion of outstanding options, amounted to 664,447 KSEK (51,117) which corresponds to a value of 28.6 SEK per share (3.8).

Net asset value, prior to full conversion of outstanding options, amounted to 887,751 KSEK (84,321) which corresponds to a value of 38.2 SEK per share (6.2).

Solidity was 88.9 % (82.1).

The Group's cash and cash equivalents, including interest bearing investments shown under financial assets, amounted to 341,942 KSEK (640).

Investments during the year amounted to 566,568 KSEK of which the greater part, 565,529 KSEK (53,304), consisted of investments in fixed financial assets. Investments in intangible fixed assets and tangible fixed assets amounted to 302 KSEK (1,216) and 737 KSEK (-) respectively.

The total number of shareholders as per June 30, 2000 was approx. 3,300 (1,290 as per December 31, 1999).

#### **Significant events during the year**

During the year, Novestra has made several new investments in portfolio companies, in total 365,530 KSEK (53,304), such as Qbranch AB and Dallas Sthlm AB, which are profitable companies. Novestra has also made investments in Continuum Group Ltd, Recollections Inc., Fanglobe Inc., Mobilestop Inc., Netsurvey AB and PowerNet AB and participated in a new share issue for the shareholders in B2 Bredband AB.

Disposals have been made for in total 183,949 KSEK (22,163).

Furthermore, Novestra concluded a directed new share issue adding 476 MSEK to the company after issuing costs. The issue was primarily subscribed for by international institutions. Alfred Berg Fondkommission AB acted as the company's advisor in this transaction.

As from June 21, 2000, AB Novestra is listed on the O-list of the OM Stockholm Exchange. The cost for the listing has affected the profit by approx. 5 MSEK.

In May, AB Novestra received notice from the Office of the Council for Advance Tax Rulings, granting Novestra investment company tax status for the 1999/2000 fiscal year.

Furthermore, in May, Nils Bengtsson was recruited as CFO and Executive Vice President and Thomas Åkerman was recruited as the new President as from August 2000. Peter Ekelund and Göran Strandberg joined Novestra as Executive Directors during the spring.

#### **Significant developments after the end of the financial year**

In July, Delphi Finansanalys AB acquired Novestra's 55% holding in NetCap AB *in lieu* of shares in Delphi corresponding to 10% of the share capital. Furthermore, Novestra acquired 15% of NetCap AB from a previous owner. Novestra has invested in a to Novestra directed new issue in Comintell Holding AB corresponding to 12% of the capital for 2.5 MSEK, with an option to acquire an additional 12% during the fall on the same conditions. Novestra's investment in Run Media Inc., has been revoked due to the fact that conditions which the investment decision was based upon were changed. This has no effect on Novestra's result. Novestra's holding in E-Trade was written down to the market value as per June 30, 2000. Novestra's agreement with Peter Ekelund regarding payment for Novestra shares by shares in B2 Bredband AB, has been renegotiated and Peter Ekelund now subscribes for 440,000 new shares in AB Novestra at a price of 280 SEK per share. Payment can be made in cash or by payment in shares in B2 Bredband AB valued at the market price at the time of issue. The issue takes place between October 1, 2001 and March 31, 2002. The agreement is conditional on that the transaction and the issue is approved by a general shareholders' meeting in Novestra.

A Letter of Intent with B2 Bredband AB has been signed by Novestra with the aim to further strengthen the collaboration and to accelerate the development of broadband and corresponding services in Sweden and Europe. Initially, the collaboration will focus on finding projects and companies which engage in new services in relation to wireless and fixed broadband.

#### **Future Developments**

For various reasons Novestra's third financial year has been the company's most interesting and eventful up till now. Having spent the first two years with relatively limited means building up a portfolio and working with the individual companies, in the past year Novestra has had an opportunity to inject into the company the additional management and capital resources required for the next phase in its development.

Looking back on the past financial year, it is clear that Novestra was right in its assessment of the market. The new tougher market situation within the IT sector has only to a limited extent affected Novestra's portfolio companies. In many of the portfolio companies, Novestra has seen a very positive development of the business and several have succeeded in increasing both turnover and profit by between 50 and 100 per cent over the first six months of the year. At present, only two of the companies in Novestra's portfolio have an immediate need for capital.

The value of Novestra's portfolio, based on the last transaction in accordance with the rules stipulated by the EVCA, has developed positively even after the end of the fiscal year, and Novestra has high hopes that its investments within the broadband sector – B2 Bredband, Continuum and PowerNet – will contribute to the positive development over the coming twelve months.

In the short term, the new market situation has resulted in more limited exit opportunities and this is likely to remain the case for some time to come; it has also resulted in that valuations of the type of investment in which Novestra is interested have become more advantageous. This has already created some interesting investment opportunities and Novestra is convinced that this development will continue and will create a favourable environment for the company, which enjoys a good liquidity situation.

Novestra's investment focus will continue to lie within the area that is defined as enabling services and technologies within the network economy. It is not unlikely that Novestra will also attempt to develop separate business areas that invest in broadband services and broadband technology for both fixed and mobile broadband applications.

Novestra will continue to work to find the right investments and to make the right analyses without being distracted by the fact that the market is tending to put a premium on trends and buzz words.

#### **Parent company**

The Parent company reported a profit after tax amounting to 86,709 KSEK (1,861).

Investments during the year amounted to 567.821 KSEK of which the greater part, 567,139 KSEK (54,904), consisted of investments in fixed financial assets. Investments in tangible fixed assets amounted to 682 KSEK (-).

#### **Dividend**

The Board and the President propose that no dividend is declared for the fiscal year 1999/2000.

#### **Other information**

The Annual Report, inclusive of associated companies reported according to the equity method, will be available at the office of AB Novestra, Norrlandsgatan 16, Stockholm, Sweden as from September 21, 2000.

The General shareholders' meeting will be held in Stockholm, Sweden on October 5, 2000.

The interim report for the period July – September 2000 will be published on October 31, 2000. The interim report for the period July – December 2000 will be published on January 31, 2001.

The number of outstanding shares as per June 30, 2000 is 23,240,980. Profit per share has been calculated on the basis of an average number of 17,997,535 shares. The number of outstanding shares as per June 30, 1999 was 13,590,975. There are two series of debenture loans with detachable warrants issued. The first series comprises a total of 150,000 warrants with a right to subscribe for an equal number of shares and with two different strike periods (75,000 warrants expire on September 30, 2000 and 75,000 warrants expire on September 30, 2001) at a strike price of 10 SEK per share. The other series comprises a total of 2,500,000 warrants with a right to subscribe for an equal number of shares at a strike price of 90 SEK per share and the strike period expires on June 30, 2001. Upon conversion these options would increase the share capital by SEK 2,650,000 and the share premium reserve would increase by SEK 223,850,000. The dilution effect on the share capital and votes is estimated to be approximately 10.2 per cent.

When calculating the net asset value, shares and holdings in unlisted companies have been valued in accordance with the rules stipulated by the EVCA. Listed companies have been valued based on the market value as per June 30, 2000.

This report has not been subject to any audit by the company's auditors.

#### **Stockholm in August 2000**

Theodor Dalenson/Thomas Åkerman  
**Chairman/President**

For further information, please contact Thomas Åkerman, President, or Theodor Dalenson, chairman, tel +46 8 545 01 750.

NOVESTRA holdings per June 30, 2000

	Ownership before conversion, %	Number of shares	Share of portfolio %	Book value (KSEK)
<b>Strategic holdings</b>				
B2 Bredband AB	5.3	3 778 007	10.4	56 614
Continuum Group Ltd	12.3	10 000 000	16.8	91 545
Dallas Sthlm AB	40.0	1 000 000	1.0	5 647
Fanglobe Inc.	14.5	2 910 480	3.8	20 487
Iquity Systems Inc.	5.4	1 221 876	3.4	18 505
Mobilestop.com Inc.	3.9	250 000	0.6	3 005
Netsurvey AB	30.0	5 250 000	3.1	16 740
PowerNet AB	40.0	666 000	1.0	5 175
Qbranch AB	15.0	1 500 000	4.8	26 344
Recollections Inc.	13.4	22 419	3.2	17 412
<b>Total</b>			<b>48.1</b>	<b>261 474</b>
<b>Other holdings</b>				
Boxman.com plc	1.7	853 533	2.5	13 718
DCM AB	5.7	320 800	2.5	13 506
E*Trade Group Inc.	0.0	98 672	2.7	14 462
Jupiter Communications Inc	0.5	81 630	0.8	4 381
Klick Data AB	7.1	145 000	0.5	2 779
Skandia Mäklarna Holding AB	27.0	59 400	0.9	4 750
Evestra Intressenter AB	0.0	1	0.0	10
Run Media Inc.	12.0	284 333	2.8	15 098
Interest bearing fund	-	-	36.8	199 999
Other holdings	-	-	2.4	13 241
<b>Total</b>			<b>51,9</b>	<b>281 944</b>
<b>Totalt financial fixed assets</b>			<b>100,0</b>	<b>543 418</b>
<b>Stock securities and cash</b>				<b>189 938</b>

**CONSOLIDATED INCOME STATEMENTS, KSEK**  
(Purchase method)

	<b>1999 07 01</b> <b><u>2000 06 30</u></b>	<b>1998 07 01</b> <b><u>1999 06 30</u></b>
Capital gains, investment activity	103,391	6,280
Income from other operations	56,647	4,700
Cost of goods sold, other operations	- 48,037	- 3,574
<b>Gross Profit</b>	<b>112,001</b>	<b>7,406</b>
Administrative expenses	- 23,521	- 3,025
Other operating income	<u>      -</u>	<u>   180</u>
<b>Operating income</b>	<b>88,480</b>	<b>4,561</b>
<b>RESULT FROM FINANCIAL INVESTMENTS</b>		
Interest and similar income	3,540	15
Interest expense and similar charges	- 366	- 306
<b>Income after financial items</b>	<b>91,654</b>	<b>4,270</b>
Income taxes	- 1,789	-1,703
Minority interests	<u>   960</u>	<u>      -</u>
<b>Net Income for the year</b>	<b>90,825</b>	<b>2,567</b>

**CONSOLIDATED BALANCE SHEETS, KSEK**

	<b><u>2000 06 30</u></b>	<b><u>1999 06 30</u></b>
<b>ASSETS</b>		
<u>Fixed assets:</u>		
Intangible fixed assets		
Capitalised development expenditures	1,290	1,216
Goodwill	<u>1,679</u>	<u>      -</u>
	2,969	1,216
Tangible fixed assets:		
Equipment	731	17
Financial fixed assets:		
Shares and participations	<u>543,418</u>	<u>58,448</u>
<b>Total fixed assets</b>	<b>547,118</b>	<b>59,681</b>
<u>Current assets:</u>		
Inventories:		
Stock securities	47,995	667
Current receivables:		
Other receivables	9,724	594
Prepaid expenses and accrued income	<u>   724</u>	<u>   691</u>
	10,448	1,285
Cash and bank	<u>141,943</u>	<u>   640</u>
<b>Total current assets</b>	<b>200,386</b>	<b>2,592</b>
<b>TOTAL ASSETS</b>	<b>747,504</b>	<b>62,273</b>

**CONSOLIDATED BALANCE SHEETS, KSEK (cont.)**  
(Purchase method)

**2000 06 30**

**1999 06 30**

**SHAREHOLDERS' EQUITY AND LIABILITIES**

Shareholders' Equity

Restricted equity:

Share capital	23,241	5,792
Share issue not yet registered	-	460
Restricted reserves	<u>548,915</u>	<u>41,973</u>
	572,156	48,225

Non-restricted equity:

Unrestricted reserves	1,466	325
Net income for the year	<u>90,825</u>	<u>2,567</u>
	92,291	2,892
<b>Total shareholders' equity</b>	<b>664,447</b>	<b>51,117</b>

Minority interests	1,155	-
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Provisions

Provisions for deferred income taxes	2,318	1,925
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Long-term liabilities

Bank overdraft facility	-	5,308
Other liabilities	<u>700</u>	<u>-</u>
	700	5,308

Current liabilities

Accounts payable	4,718	249
Income tax liability	1,292	2,154
Other liabilities	60,174	1,007
Accrued expense and deferred income	<u>12,700</u>	<u>513</u>
	78,884	3,923

<b>Total liabilities</b>	<b>79,584</b>	<b>9,231</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>747,504</b>	<b>62,273</b>

**CONSOLIDATED CASH FLOW STATEMENTS, KSEK**

**1999 07 01**  
**2000 06 30**

**1998 07 01**  
**1999 06 30**

Cash flow from operations	-48,768	2,663
Cash flow from investing activities	-327,127	-30,597
Cash flow from financial activities	517,198	22,708
<b>Total cash flow</b>	<b>141,303</b>	<b>- 5,226</b>
Cash and bank at the beginning of year	<u>640</u>	<u>5,866</u>
Cash and bank at the end of year	141,943	640

INCOME STATEMENTS, PARENT COMPANY, KSEK	1999 07 01 <u>2000 06 30</u>	1998 07 01 <u>1999 06 30</u>
<b>INVESTMENT ACTIVITY</b>		
Capital gains, investment activity	103,391	6,280
Income from other operations	1,825	-
<b>Gross Profit</b>	<b>105,216</b>	<b>6,280</b>
Administrative expenses	- 20,307	- 3,024
Other operating income	<u>-</u>	<u>180</u>
<b>Operating Income</b>	<b>84,909</b>	<b>3,436</b>
<b>RESULT FROM FINANCIAL INVESTMENTS</b>		
Result from participation in group companies	- 1,300	-
Interest and similar income	3,458	13
Interest expense and similar charges	<u>- 223</u>	<u>- 299</u>
<b>Income after financial items</b>	<b>86,844</b>	<b>3,150</b>
<b>APPROPRIATIONS AND TAX</b>		
Appropriations	-135	137
Income taxes	<u>-</u>	<u>- 1,426</u>
<b>Net Income for the year</b>	<b>86,709</b>	<b>1,861</b>
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BALANCE SHEETS PARENT COMPANY, KSEK	<u>2000 06 30</u>	<u>1999 06 30</u>
<b>ASSETS</b>		
<u>Fixed assets:</u>		
Tangible fixed assets:		
Equipment	637	17
Financial fixed assets:		
Investment in group companies	2,010	1,800
Stocks and participations	<u>543,418</u>	<u>58,448</u>
	545,428	60,248
<b>Total fixed assets</b>	<b>546,065</b>	<b>60,265</b>
<u>Current assets:</u>		
Current receivables:		
Receivables from group companies	46,563	-
Other receivables	9,379	481
Prepaid expenses and accrued income	<u>467</u>	<u>691</u>
	56,409	1,172
Cash and bank	<u>134,412</u>	<u>3</u>
<b>Total current assets</b>	<b>190,821</b>	<b>1,175</b>
<b>TOTAL ASSETS</b>	<b>736,886</b>	<b>61,440</b>



BALANCE SHEETS PARENT COMPANY, KSEK (cont.)	<u>2000 06 30</u>	<u>1999 06 30</u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<u>Equity</u>		
Restricted equity:		
Share capital	23,241	5,792
Share issue not yet registered	-	460
Share premium reserve	<u>546,180</u>	<u>40,664</u>
	569,421	46,916
Non-restricted equity:		
Retained earnings	2,230	369
Net income for the year	<u>86,709</u>	<u>1,861</u>
	88,939	2,230
<b>Total Shareholders' Equity</b>	<b>658,360</b>	<b>49,146</b>
<u>Provisions</u>		
Provisions for deferred taxes	<b>1,426</b>	<b>1,426</b>
Untaxed reserves	<b>135</b>	-
<u>Long-term liabilities</u>		
Bank overdraft facilities	-	5,308
<u>Current liabilities</u>		
Accounts payable	4,504	53
Liabilities to group companies	-	4,061
Income tax liability	-	155
Other liabilities	60,067	892
Accrued expenses and deferred income	<u>12,394</u>	<u>399</u>
	76,965	5,560
<b>Total liabilities</b>	<b>76,965</b>	<b>10,868</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>736,886</b>	<b>61,440</b>

CASH FLOW STATEMENTS PARENT COMPANY, KSEK	<u>1999 07 01</u> <u>2000 06 30</u>	<u>1998 07 01</u> <u>1999 06 30</u>
Cash flow from operations	-54,364	2,609
Cash flow from investing activities	-328,425	-30,981
Cash flow from financial activities	517,198	22,708
<b>Total cash flow</b>	<b>134,409</b>	<b>- 5,664</b>
Cash and bank at the beginning of year	<u>3</u>	<u>5,667</u>
Cash and bank at the end of year	<b>134,412</b>	<b>3</b>