

# **LEDSTIERNAN AB**

## **Press release October 4, 2001**

Ledstiernan is holding a Capital Market Day at the Grand Hotel Saltsjöbaden today. The following information will be presented during the event.

### **Financial situation**

In its half-yearly accounts as at June 30, 2001, Ledstiernan had cash balances of MSEK 323 and no debt. Following the investments made during the third quarter, Ledstiernan's cash balances now amount to MSEK 265. It is estimated that closing liquid funds as at December 30, 2001, after expected follow-up investments in portfolio companies and administrative expenses, will amount to some MSEK 225. To put these liquid funds in perspective it may be observed that they will be sufficient to see the company through until the end of 2003, including further investments in portfolio companies, two or three new investments, day-to-day operating costs, and exclusive of income generated by exits.

### **Strategy**

- Ledstiernan is adapting its business into line with economic conditions and the prevailing market climate:
  - Concentration on existing portfolio companies
  - Steady reduction in operating costs
  - Highly selective approach to new investments
- This strategy may be altered if clear signs on the market improve the chances of start-up companies quickly moving into profitability or generating capital growth.

### **Organisation**

Ledstiernan has put in place an organisation that brings together the high level of competence needed to run a professional venture capital business. The personnel possess broad qualifications and experience from the telecom industry, corporate finance, entrepreneurship, and general business management. Ledstiernan's founders, its Founding Partners, will continue to be active in their various positions, mainly as members of the boards of Ledstiernan AB and its portfolio companies. Ledstiernan's investment committee remains unchanged; chaired by Johan Wachtmeister, Ledstiernan's President, its members, with effect from the third quarter, are the company's investment managers.

Ledstiernan's operating costs consist primarily of personnel costs, rent, and direct costs associated with the investment business. These costs have increased in relation to the same

period last year, and amounted to MSEK 25 during the first half of the year. However, operating costs will fall to a markedly lower level, and will eventually reach an annual rate of under MSEK 30. This means that some of Ledstiernan's employees will be leaving the company during the autumn. The office in London will be closed and measures to establish strong relationships with international second stage investors will in future be handled from Stockholm, in some cases jointly with Jan Carlzon, who lives in London.

### **Ledstiernan and IBM enter into technical alliance**

IBM and Ledstiernan have signed a Technical Alliance Agreement whereby IBM will become a preferred solution provider for Ledstiernan's portfolio companies.

The alliance will give Ledstiernan's portfolio companies access to IBM's technology and experience in the development and implementation of advanced mobile solutions. They will be offered exposure to IBM's customers and gain access to IBM's global contact network and marketing channels.

Pursuant to this agreement, several of Ledstiernan's portfolio companies have already entered into arrangements with IBM. A case in point is Ambio, for which IBM and its partners, including AU-system, are developing the Focuz system, which is Ambio's mobile solution for property companies.

### **Ledstiernan's portfolio companies**

Several important issues made to outside investors

#### **1. ipUnplugged raises MSEK 68 (see also separate release of October 3, 2001)**

Ledstiernan's portfolio company, ipUnplugged, whose network products integrate mobile networks such as WLAN and GPRS, is raising MSEK 68 via an issue of convertible loan stock. Ledstiernan is participating in this issue, together with the Swedish Industrial Development Fund, and Mobile Internet Capital, a Japanese company numbering Japan's NTT DoCoMo among its shareholders. After full conversion of this loan, Ledstiernan's interest in ipUnplugged will rise from 42.0 per cent to 49.8 per cent.

#### **Ekonomi24 receives capital injection of MSEK 9.3 (see also separate release of October 2, 2001)**

Ledstiernan is making a follow-up investment of MSEK 2.4 in Ekonomi24, an online business journal concentrating on the latest stock market and company news. This will marginally increase Ledstiernan's interest from 23.5 per cent to 24.6 per cent. The main shareholders, NextGear Invest Ltd and Purpose AB, are together investing MSEK 5.6 in the issue, which will raise their combined interest in Ekonomi24 to 44 per cent.

## **The Phone Pages raises MSEK10.8 from Siemens (see also separate release of September 26, 2001)**

Siemens Mobile Acceleration GmbH (smac), Germany, has invested an initial MSEK 10.8 in shares corresponding to 10.7 per cent of the capital of The Phone Pages of Sweden AB. In this connection, smac will take action to enable Siemens to exploit its global position in the mobile telecom industry to market and sell the company's products and services. This includes implementing The Phone Pages' technology in Siemens' mobile telephones, a process that has already started. The goal is to have prototypes ready for evaluation within two or three months and to have terminals commercially available within a year.

The Phone Pages of Sweden AB was set up in January 2000. The company has developed an innovative technology for wireless Internet that is now being offered to telecom operators, terminal manufacturers, and directory enquiries companies. A phone page is a homepage for the mobile telephone that is stored on the Internet and automatically displayed in connection with certain events on the telephone, such as incoming calls, engaged, and ending of calls. The company has applied for more than 500 patents in the USA and Europe, and already has a portfolio of paying customers.

## **2 Skandia takes stake in Mint**

Mint AB has agreed with Skandia Investment AB on the injection of additional capital of MSEK 20, of which MSEK 10 will be invested in stock at a price valuing Mint at MSEK 100, while MSEK 10 will take the form of a convertible loan. This means that Mint has secured financing to cover its operations for another year, at least, and that it has attracted further shareholders in addition to the founders, Ledstiernan and Icelandic Software Fund. Ledstiernan's equity holding corresponds to 39 per cent after the issue, and to some 35 per cent after full conversion.

Mint has developed and commercialised a technology that turns the mobile telephone into a wallet. This service can be used by account-holding partners, such as banks, telecom operators and retail chains, by applying an ASP solution. Mint has contracted with Cekab for that company to offer mobile payments via existing card terminals with effect from the first quarter of 2002. During the autumn, Mint will launch a facility for paying parking charges and making person-to-person payments via the mobile phone.

The following are brief comments on developments on the market for other portfolio companies

## **3 Voice Provider contracts new customers**

Voice Provider is Sweden's leading supplier of voice-control applications. Recently, the company has signed contracts with several new customers including NordNet, Expression and Aftonbladet.

#### **4 CCNox in profit**

CCNox is a leading consulting company in the IT-security segment. After only one year in business the company is displaying the ability to generate stable profits. The company's most important customers include SE-Banken, Svenska Spel and Systembolaget.

#### **5 InComit**

InComit develops, markets and sells products that simplify and reduce the cost of developing new telecom services. InComit's product, known as ***I-Sea***, is an application server that offers service developers flexible access to information and intelligence via fixed and mobile telecom networks. ***I-Sluice***, which is InComit's gateway product, enables network owner to manage this access in a controlled and secure manner. The company has recently begun a number of important customer-financed pilot projects for Telia and a global American telecom operator, as well as other companies.

#### **6 RoamInfo launches new product for cheaper mobile Internet**

Together with operators in 10 or so European countries, RoamInfo is launching a unique access gateway for mobile Internet, known as Roam Connect. The product provides low-cost access to mobile Internet and thus addresses one of the main obstacles to greater usage of mobile internet. In the first phase, these services are obtainable via Helabop (Telia) and Zed for Business (Sonera).

To begin with, RoamConnect will be available in Europe, as a result of supply agreements reached with leading telecom operators such as New Orange Group, BT, Telia and Bouygues Telecom. Global coverage will be provided in a later phase.

Apart from RoamConnect, RoamInfo provides up-to-date general and individualised travel information through Travel Assistance. Roam Info is engaged in pilot projects financed by SAS and Ericsson Radio and other companies.

#### **1 North Node AB and ABB in alliance in broadband services (see separate release of October 3 2001)**

ABB and North Node AB have entered into an alliance on the market for properties and homes with Internet connections. The object of the agreement is for ABB to market and sell North Node's products and services as part of its range of cost-effective IP-based property services. The services are mainly intended for property owners who are connected to city networks based on ABB's Living MAN™ system. The alliance will in effect integrate North Node's products and property services, known as brightHome™, with ABB's LivingMAN™ software platform. LivingMAN™ enables an open traffic for various suppliers of broadband services within city networks.

North Node markets brightHome™, a complete system for homes and property with broadband that can be used for supplying energy, security and other home-care services.

brightHome™ enables more cost-effective use of electricity, water and heating, as well as making homes safer and permitting more cost-efficient property management.

The strategic alliance between ABB and North Node will enable property owners, companies and private individuals to use the infrastructure provided by open city networks.

North Node's customers include ÖrebroBostäder and Karlstad Bostäder (municipal housing companies) and Platzer (construction company) via Front Yard.

## **7      Ambio**

Ambio AB offers a facility for efficient and quality assured property management using Focuz, a data processing system that links together all necessary property information for presentation via Internet, mobile telephone, PCA or other types of wireless communication.

Customers include Norrporten and BodenBo, as well as the National Fortification Administration, for whom Focuz will initially be used in Stockholm, Solna and Sundbyberg to manage buildings such as K1 (cavalry headquarters), the Karlberg Palace, and various military storage buildings.

## **8      TicketAnywhere**

TicketAnywhere has developed and now provides the market-leading platform for distribution and control of mobile securities. This enables customers in a variety of sectors to offer cost-effective and customer-friendly means of improving the efficiency of their ticketing and coupon management systems.

Customers includes Sandrews, which will initially use TicketAnywhere at all its cinemas in Stockholm, the Öresund Toll Bridge between Denmark and Sweden, and the Sollentuna Trade Fair.

## **9      Repeat IT**

Repeat IT has developed a system of products for fixed wireless broadband, known as Wilma III. The system consists of a user terminal, an intelligent base station and control systems.

The products have recently been completed and tested by means of a pilot project on Ljusterö, an island just outside Stockholm. As a result of these tests, an order has been

received from Norrtälje Energi. Repeat IT has agreements with Philips Communication and others for marketing its products to municipalities and county councils in Sweden.

## 10 MGON

MGON has developed a network for online computer gamers. MGON offers specific game sites, for games such as Sims and Quake, combined with facilities for chatting and editorial material on games. MGON had some 2,000,000 unique visits in September, which represents growth of some 100 per cent during the past six months.

MGON will be particularly interesting to various types of service provider that need to be able to deliver interesting content to their subscribers. MGON is also a valuable partner for companies in the games industry, thanks to its unique access to millions of gamers around the world.

At the beginning of November, MGON will launch *eSports*, a unique concept that will enable gamers to compete against each other. *eSports* – electronic sports – is an automated transaction system that collects and presents results and statistics from locally based competition arenas on the Internet. The *eSports* concept will enable MGON, together with local ISPs/Portals, to create national areas where gamers can compete in championships, win attractive prizes, honour and glory! This will markedly extend MGON's ability to generate revenue.

An exclusive contract with Telia International Carrier gives MGON a unique position on the Internet to attract gamers. This alliance makes it possible to offer gamers high-quality connectivity to games servers for many different kinds of competition.

For further information please contact

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Ledstiernan AB is building Europe's leading seed and venture capital company with a focus on mobile telecommunication. [www.ledstiernan.se](http://www.ledstiernan.se)