

**Aspiro AB (publ)**  
**Interim report January-September 2001**

- Net sales amounted to SEK 36.2 m (SEK 7.6 m).
- The result after financial items amounted to SEK -132.5 m (SEK -145.9 m). The result has been affected by a one-off write-down of SEK 16.4 m (SEK 0 m) and restructuring costs of SEK 22.8 m (SEK 19.3 m).
- The company's liquid funds amounted to SEK 47.3 m (SEK 213.5 m) at the end of the period.
- During the period, Aspiro signed 69 (9) new sales agreements with customers in Europe and the USA, including 27 during the third quarter period. After the end of the period, Aspiro has signed a further six agreements.
- Aspiro's portfolio of services contained 178 (23) different products and concepts at the end of the period.
- During the third quarter Aspiro implemented a series of measures aimed at securing annual cost savings of SEK 50-60 m. The company's business activities have also been reorganized to bring them in line with Aspiro's goal of becoming one of Europe's leading software developers for mobile services.
- Negotiations are in progress with other parties regarding a merger aimed at achieving a consolidation in the sector.

## Net sales and result

Group net sales for the nine-month period amounted to SEK 36,2 m (SEK 7.6 m). Third-quarter net sales amounted to SEK 11.0 m (SEK 3.3 m). Of the period's total net sales, 41 percent was attributable to sales in Sweden, 55 percent in Europe, and 4 percent in the rest of the world. Net sales for 2000 as a whole amounted to SEK 15.2 m.

The result after net financial items amounted to SEK -132.5 m (SEK -145.9 m). The period's result has been affected by a one-off write-down of goodwill totaling SEK 16.4 m (SEK 0 m) and restructuring costs of SEK 22.8 m (SEK 19.3 m). The operational result improved by approximately SEK 30 m. The third-quarter result after net financial items amounted to SEK -48.0 m (SEK -63.2 m), including restructuring costs of SEK 25.7 m (SEK 19.3 m). The difference in restructuring costs between the nine-month period and the third quarter is attributable to the first quarter's dissolution of SEK 2.9 m in previous provisions.

Earnings per share for the nine-month period amounted to SEK -2.09 (SEK -2.57). Third-quarter earnings per share amounted to SEK -0.74 (SEK -1.11). Outstanding option rights have no dilutive effect.

## Parent Company

The Parent Company's net sales over the nine-month period amounted to SEK 31.9 m (SEK 2.7 m). The result after financial items amounted to SEK -127.7 m (SEK -118.3 m). The result was affected by one-off write-downs of participations in subsidiary companies amounting to SEK 15.9 m (SEK 9.1 m) and restructuring costs of SEK 10.4 m (SEK 14.8 m).

## Investments

The Group's total investments during the period amounted to SEK 9.5 m (SEK 107.8 m, of which SEK 90.9 was goodwill), including investments in tangible assets of SEK 5.6 m (SEK 13.9 m). Of total investments, SEK 4.6 m (SEK 11.5 m) was attributable to finance leasing agreements.

## Liquidity

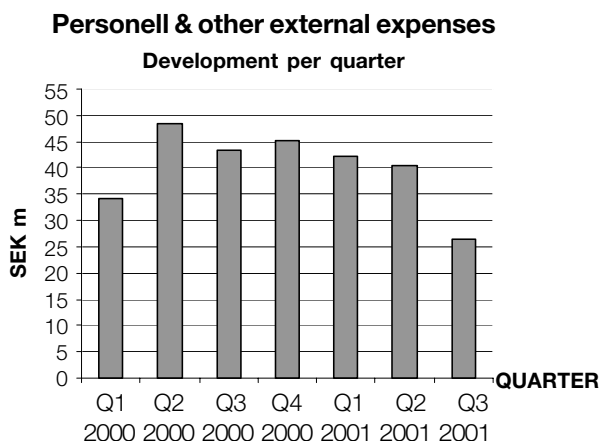
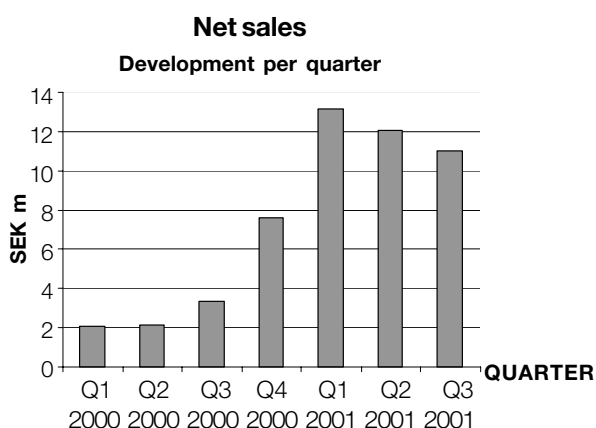
Liquid assets at the end of the period amounted to SEK 47.3 m (SEK 213.5 m).

## Aspiro's stock

Aspiro's stock was listed on the O-list of the Stockholm Exchange on June 6, 2001. The number of outstanding shares at the end of the period amounted to 50,023,843. If all outstanding option rights are exercised to subscribe for shares, the number of additional shares will amount to 3,447,734, which would create a total of 53,471,577 shares and potential shares. The lowest redemption price for outstanding options is SEK 1.80.

## New focus and restructuring of business activities

Aspiro's goal is to become one of Europe's leading software developers and providers in the mobile services sector. To achieve this business activities have been focused and organized into five business areas, each



responsible for its own sales, development, deliveries and result. Research and development has mainly been concentrated in the business area Technology/Platform. The company's business activities are now centered in Malmö and Stockholm. Aspiro's personnel have been reduced from 125 to 67 employees as a result of the cost-savings program implemented during the third quarter.

## The market

Usage of advanced mobile services has not grown at the pace originally expected by the market and telecom industries. Mobile operators are currently taking a longer time before making their final purchasing decisions.

### *Consumer services for mobile operators and other customer groups*

The current trend indicates an increase in the usage of SMS-based services.

Aspiro today offers SMS applications both for operators and branding campaigns as well as applications adapted for improving customer relations. Media and advertising agencies have been quick to express interest in the latter. Aspiro offers 82 different SMS-based services. The most popular of these are Ring Tones and Pick-Up Lines.

Aspiro's services function seamlessly with GPRS technology. This means Aspiro can retain its position as a provider of online services to mobile phone users who upgrade from GSM to GPRS terminals and that the company can supply such services to operators as and when they begin launching their GPRS networks.

The trend among operators of using an increasingly smaller number of suppliers favors Aspiro whose strategy is to sell its products through large global telecom companies. Aspiro strengthens its position among larger operators by selling products via global collaboration partners such as Ericsson and Nokia.

### *SMS traffic*

Aspiro broadened its customer base for SMS traffic in the third quarter. In addition to Internet portals, which have represented the company's main customer group, Aspiro sells SMS traffic to other types of companies such as Internet Service Providers (ISPs) and media and advertising agencies.

### *Mobile services for companies*

Aspiro offers two systems to companies with staff

working in the field. Aspiro has noted a growing interest for these products in the third quarter.

### *Platform and technology*

Aspiro's platform has aroused interest, particularly among operators and infrastructure providers. During the summer and fall, Aspiro has received inquiries that are expected to result in sales.

## Sales

Aspiro has signed 69 sales agreements during 2001. Of this total, 27 were signed in the third quarter. The majority of Aspiro's sales agreements are based on revenue sharing.

- SMS traffic dominated Aspiro's sales during the first nine months of the year. Aspiro processed 66 million SMS messages in the period. Aspiro signed 48 new agreements in Europe involving SMS traffic during the year's nine-month period, including 23 in the third quarter.

- Among Aspiro's extensive range of consumer services, SMS-based services have been the most popular.

- Aspiro has sold corporate services to six companies during the year's first nine months. These have been installed or are in the process of being installed at all six companies. Aspiro has signed retailer agreements in Norway and Spain. Negotiations are in progress with other retailers.

- Aspiro has agreements with several mobile operators including Europolitan Vodafone, Microcell i5, Proximus Vodafone and Telia Danmark. During the third quarter, Aspiro has also delivered services to Telecom Italia (TIM), Meteor in Eire and Voicestream in the USA.

- Aspiro has a distribution agreement with Ericsson wherein Ericsson markets and sells Aspiro's services. Several of Aspiro's applications have been integrated into Ericsson's WISE™ and are currently marketed by Ericsson.

## Personnel and organization

The cost saving program Aspiro implemented in the third quarter resulted in 58 staff leaving the company. The company has also begun leasing out surplus office space and substantially cutting back administration. Aspiro currently employs 67 staff.

Aspiro today comprises five business areas. These are:

- *Community Services* - SMS traffic to portals and companies
- *Consumer Services* - Aspiro's 178 applications for mobile operators
- *Corporate Services* - Fleet Management system for companies
- *Mobile TextPhone* - Aspiro's product for the deaf, hearing- and speech-impaired
- *Technology* - Aspiro's technical platform

The average number of employees during the period was 132 (124).

### Future prospects

Usage of SMS messaging continued to rise during the first nine months of this year. The number of SMS messages sent in the world from mobile phones and computers is expected to exceed 200 billion in 2001 (forecast: GSM World Association) compared to some 100 billion in 2000. This underlines and strengthens Aspiro's opportunities to increase both its sales of SMS traffic and SMS-related services.

Many European mobile operators have put their GPRS networks into operation and now require mobile Internet services in order to increase network data traffic. Aspiro's product portfolio offers an opportunity to launch customer-tailored services quickly through collaboration partners such as Ericsson and Nokia.

Mobile operators' platforms for mobile Internet are becoming increasingly important as the demand for new SMS, WAP and GPRS services begins to rise.

Negotiations are in progress with other parties regarding a merger aimed at achieving a consolidation in the sector.

Total proceeds from sales for 2001 as a whole are calculated to amount to a little under SEK 50 m. This is a downward adjustment of SEK 10 m from previously announced forecast.

### Events after the end of the period

After the end of the period ending November 12 signed a further six new sales agreements.

On October 1, all business activities in Aspiro Advox AB were transferred to Azenna AB (transfer of assets and liabilities).

### Brief financial summary

	Q3 2001	Q2 2001	Q1 2001	Q4 2000	Q3 2000	Q2 2000	Q1 2000	2000
Net sales (SEK m)	11.0	12.1	13.1	7.6	3.3	2.1	2.1	15.2
Profit/loss after financial items (SEK m)	-48.0	-52.7	-31.8	-44.6	-63.2	-48.7	-34.1	-190.6
Return on stockholders' equity	neg.	neg.	neg.	neg.	neg.	neg.	neg.	neg.
Solidity (%)	74	82	85	84	85	74	83	84
Earnings per share (SEK)	-0.74	-0.89	-0.46	-0.60	-1.11	-0.89	-0.57	-3.15
Average no. of shares outstanding (000s)	50 024	50 024	50 024	48 911	40 739	38 873	38 681	41 801
Average no. of shares outstanding and potential shares (000s)	53 472	53 472	53 472	52 666	44 321	42 456	42 141	45 396

## Income statement - Group

SEK thousand	Jan-Sept 2001	Jan-Sept 2000	July-Sept 2001	July-Sept 2000	Full year 2000
<b>Operating revenues</b>					
Net sales	36,204	7,565	11,016	3,342	15,188
Other operating income	526	311	289	254	537
<b>Operating expenses</b>					
Services and goods for resale	-14,109	-2,346	-4,013	-1,764	-7,570
Other external expenses	-43,382	-59,231	-10,246	-18,828	-78,297
Personnel costs	-65,481	-66,818	-16,102	-24,526	-92,814
Depreciation of tangible assets	-5,603	-2,951	-2,003	-1,259	-4,501
Depreciation and write-down of intangible assets	-20,562	-4,346	-1,256	-1,468	-5,847
Restructuring costs	-22,806	-19,298	-25,682	-19,298	-20,664
Other operating expenses	-1,019	-188	-519	-93	-260
<b>Operating profit/loss</b>	<b>-136,232</b>	<b>-147,302</b>	<b>-48,516</b>	<b>-63,640</b>	<b>-194,228</b>
Interest and other financial income	4,408	2,950	760	1,732	5,445
Interest expenses	-698	-1,595	-264	-1,268	-1,796
<b>Profit/loss after financial items</b>	<b>-132,522</b>	<b>-145,947</b>	<b>-48,020</b>	<b>-63,176</b>	<b>-190,579</b>
Tax	-14	-1	-2	-	108
Deferred tax	27,900	44,000	11,000	18,000	59,000
<b>Net profit/loss for the period</b>	<b>-104,636</b>	<b>-101,948</b>	<b>-37,022</b>	<b>-45,176</b>	<b>-131,471</b>
Earnings per share (SEK)	-2.09	-2.57	-0.74	-1.11	-3.15

## Balance sheet - Group

SEK thousand	30/9 2001	30/9 2000	31/12 2000
<b>ASSETS</b>			
Intangible assets			
Goodwill	64,466	85,882	85,028
<i>Total intangible assets</i>	<i>64,466</i>	<i>85,882</i>	<i>85,028</i>
Tangible fixed assets			
Equipment	16,228	17,144	17,190
<i>Total tangible fixed assets</i>	<i>16,228</i>	<i>17,144</i>	<i>17,190</i>
Financial fixed assets			
Other shares	11,040	3,040	7,040
Deferred tax, income taxes recoverable	96,900	54,000	69,000
Other long-term receivables	175	794	733
<i>Total financial fixed assets</i>	<i>108,115</i>	<i>57,834</i>	<i>76,773</i>
<b>Total fixed assets</b>	<b>188,809</b>	<b>160,860</b>	<b>178,991</b>
Current receivables	21,202	10,436	17,775
Current investments	30,769	170,000	143,301
Cash and bank balances	16,538	43,512	15,715
<b>Total current assets</b>	<b>68,509</b>	<b>223,948</b>	<b>176,791</b>
<b>Total assets</b>	<b>257,318</b>	<b>384,808</b>	<b>355,782</b>
<b>STOCKHOLDERS' EQUITY AND LIABILITIES</b>			
Stockholders' equity			
Restricted equity	246,984	421,296	420,836
Non-restricted reserves	49,106	8,927	8,726
Profit/loss for the period	-104,636	-101,948	-131,471
<b>Total stockholders' equity</b>	<b>191,454</b>	<b>328,275</b>	<b>298,091</b>
Provisions	27,806	18,527	10,738
Long-term liabilities	6,311	8,671	7,984
Short-term liabilities	31,747	29,335	38,969
<b>Total provisions and liabilities</b>	<b>65,864</b>	<b>56,533</b>	<b>57,691</b>
<b>Total stockholders' equity and liabilities</b>	<b>257,318</b>	<b>384,808</b>	<b>355,782</b>

## Cash flow analysis - Group

SEK thousand

	Jan-Sept 2001	Jan-Sept 2000	Full year 2000
<b>Operating activities</b>			
Profit/loss for the period	-104,636	-101,948	-131,471
Adjustments for items not included in the cash flow analysis	10,850	-20,906	-41,847
<i>Cash flow from operating activities before changes in working capital</i>	<i>-93,786</i>	<i>-122,854</i>	<i>-173,318</i>
Cash flow from changes in working capital	-11,626	11,190	13,335
<b>Cash flow from operating activities</b>	<b>-105,412</b>	<b>-111,664</b>	<b>-159,983</b>
<b>Investment activities</b>			
Acquisition of subsidiaries	-	-4,220	-4,220
Acquisition of tangible fixed assets	-963	-2,362	-3,085
Sales of tangible fixed assets	110	-	16
Change in financial fixed assets	-3,442	-3,453	-7,392
<b>Cash flow from investment activities</b>	<b>-4,295</b>	<b>-10,035</b>	<b>-14,681</b>
<b>Financing activities</b>			
New share issues/sale of options	143	260,501	259,285
Translation difference	-2,145	-1,221	-1,535
Reduction in financial liabilities	-	-5,676	-5,676
<b>Cash flow from financing activities</b>	<b>-2,002</b>	<b>253,604</b>	<b>252,074</b>
<b>Change in cash position</b>	<b>-111,709</b>	<b>131,905</b>	<b>77,410</b>

## Quarterly results

SEK thousand

	Q3 2001	Q2 2001	Q1 2001	Q4 2000	Q3 2000	Q2 2000	Q1 2000
<b>Operating revenues</b>							
Net sales	11,016	12,040	13,148	7,623	3,342	2,158	2,065
Other operating income	289	116	121	225	254	57	-
<b>Operating expenses</b>							
Services and goods for resale	-4,013	-4,999	-5,097	-5,224	-1,764	-554	-28
Other external expenses	-10,246	-17,000	-16,136	-19,066	-18,828	-23,208	-17,195
Personell costs	-16,102	-23,356	-26,023	-25,996	-24,526	-25,302	-16,990
Depreciations and write-downs:							
Tangible assets	-2,003	-1,880	-1,720	-1,549	-1,259	-1,019	-673
Intangible assets	-1,256	-17,829	-1,477	-1,501	-1,468	-1,469	-1,409
Restructuring costs	-25,682	-	2,876	-1,366	-19,298	-	-
Other operating expenses	-519	-214	-286	-72	-93	-85	-10
<b>Operating profit/loss</b>	<b>-48,516</b>	<b>-53,122</b>	<b>-34,594</b>	<b>-46,926</b>	<b>-63,640</b>	<b>-49,422</b>	<b>-34,240</b>
Interest and other financial income	760	644	3,004	2,495	1,732	890	328
Interest expenses	-264	-209	-225	-201	-1,268	-162	-165
<b>Profit/loss after financial items</b>	<b>-48,020</b>	<b>-52,687</b>	<b>-31,815</b>	<b>-44,632</b>	<b>-63,176</b>	<b>-48,694</b>	<b>-34,077</b>
Tax	-2	-	-12	109	-	-	-1
Deferred tax	11,000	8,000	8,900	15,000	18,000	14,000	12,000
<b>Net profit/loss for the period</b>	<b>-37,022</b>	<b>-44,687</b>	<b>-22,927</b>	<b>-29,523</b>	<b>-45,176</b>	<b>-34,694</b>	<b>-22,078</b>

## Changes in stockholders' equity

SEK thousand

	Share capital		Restricted reserves		Non-restricted reserves		Profit/loss for the period		Total	
	2001	2000	2001	2000	2001	2000	2001	2000	2001	2000
Beginning of period in accordance with balance sheet	1,001	750	419,835	111,155	-1,274	-4,843	-190,471	-25,459	229,091	81,603
Changed accounting principles					10,000	28	59,000	10,121	69,000	10,149
Adjusted amount at beginning of period	1,001	750	419,835	111,155	8,726	-4,815	-131,471	-15,338	298,091	91,752
Transfer from previous period's result			-173,995	-30,302	42,524	14,964	131,471	15,338	0	0
New share issues		228		337,904						338,132
Stock options			143	1,561					143	1,561
Translation difference for the period					-2,144	-1,222			-2,144	-1,222
Profit/loss for the period							-104,636	-101,948	-104,636	-101,948
Amount at end of period	1,001	978	245,983	420,318	49,106	8,927	-104,636	-101,948	191,454	328,275

### Comments to the accounts

This interim report has been prepared based on the Swedish Financial Accounting Standards Council's recommendation RR 20 regarding interim reports. The interim report has been prepared applying the same accounting principles and method of calculation as the annual report for 2000 with the exception of the application of the Swedish Financial Accounting Standards Council's recommendation RR 9 regarding income tax. Since RR 9 was only first applied to the interim report January-March 2001, all comparative figures have been adjusted. When accounting for deferred tax attributable to losses carried forward, a calculation has been made based on an estimate at each respective date of the accumulated tax deficit at a tax rate of 28%.

During the first quarter of 2001, a dissolution of SEK 2.9 m set aside as a provision for restructuring costs was recorded. At the time of the restructuring program in the fall of 2000, the consolidated result was negatively affected by costs for unused premises with long-term rental contracts. During the first quarter of 2001, these rental contracts were renegotiated; certain premises rented out to third parties; and other contracts transferred to third parties with the result that a dissolution of provisions for restructuring costs was made.

The second quarter was affected by a write-down in Group goodwill of SEK 16.4 m, which was attributable to the acquisition of Advox AB in 2000. The recorded value has been assessed against projected cash flows for the products that motivated the acquisition. The uncertainty of these cash flows means that goodwill has been written down to zero. The write-down of Group goodwill related to Advox AB resulted in a write-down of SEK 15.2 m in participations.

The third quarter result has been affected by costs relating to the Group's restructuring program implemented this fall. Of the SEK 25.7 m accounted for as restructuring costs during the third quarter, SEK 13.5 m applies to personnel costs and SEK 12.2 m other external expenses.

Earning per share have, in accordance with the Swedish Financial Accounting Standards Council's recommendation RR 18, been calculated as the result after tax in relation to the average number of outstanding shares. Outstanding option rights do not at present lead to any degree of share dilution as the discounted redemption price is higher than the shares' actual value.

### Auditor's comments

I have reviewed this interim report on behalf of Aspiro AB (publ) and in doing so followed the recommendation issued by the Swedish Institute of Authorized Public Accountants (FAR). A review is considerably more limited in scope compared to an audit. I have found nothing to indicate that this interim report contravenes the laws of the Annual Accounts Act.

Ingvar Ganestam  
Authorized public accountant, Ernst & Young

### Report schedule

Year-end report 2001	February 5, 2002
Interim report January-March 2002	April 25, 2002
Annual report	April 2002
Annual general meeting 2002	4 p.m. April 25, 2002

Malmö November 13, 2001

Lena Wittbjör  
CEO  
Aspiro AB (publ)  
Corporate identity number: 556519-9998

Aspiro offers mobile teleoperators, portals, companies and organizations a wide range of attractive services designed to meet the individual's need for information, entertainment and communication via mobile media. The company's vision is to create the leading global department store for mobile services.

Founded in 1998, Aspiro is today an important player in the global market for mobile services. The company currently employs 67 persons. Aspiro's business concept, organization and operations are based on many years of experience gained in the mobile telecommunications and IT sectors.

**For further information about Aspiro, please contact:**

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To begin immediately receiving news and press releases from Aspiro, simply register yourself as an e-mail subscriber on the company's website at [www.aspiro.com](http://www.aspiro.com) under the heading "news".

The CEO's regular letter to stockholders can be ordered by contacting [investor-relations@aspiro.com](mailto:investor-relations@aspiro.com).

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