

## Nine-month report, January-September 2000

- **Revenue increased 75%, to SEK 78.9 million (45.1).**
- **Expansion of distribution channels continued.**
- **Operating loss totaled SEK -6.8 million (-37.2).**
- **Divestment of some of the Mobilsys AB stake generated a SEK 29.2 million gain for the Group.**

### Operations

MultiQ broadened its European distribution channels during the period. In addition to the domestic market, the Company entered into new collaboration agreements in Germany, Finland, Denmark, the Netherlands and Luxembourg. A number of other agreements are still being negotiated. These developments considerably improve the marketability of MultiQ's product offering. Revenue for the first nine months increased to SEK 78.9 million (45.1), to which the acquisition of Tandberg Display contributed SEK 31.0 million.

Greater revenue, a more rational cost structure, and the divestment of Mobilsys AB stock all helped bring down the loss to SEK -6.8 million (-37.2). Restructuring costs of approximately SEK 5 million were charged to earnings in the third quarter.

MultiQ's ability to satisfy the needs of demanding customers - while offering flexible, customized solutions - represents an increasingly decisive competitive advantage. So far this year, the Company has provided special solutions for some 20 customers, including the National Corporation of Swedish Pharmacies, Mercedes Benz, Audi Holland, Porsche, SITA/SAS and the Swedish State Railways (Entertrainment project).

Such projects will be increasingly important in MultiQ's future. The Company's leading-edge know-how and close collaboration with demanding customers provide excellent business opportunities, while the pursuit of new product concepts continues unabated.

MultiQ leads in segments with stringent requirements for ergonomic and customized solutions.

The Company received several follow-up orders from Germany in the second quarter of 2000. Although Mercedes Benz is MultiQ's single largest customer, talks with a number of large groups in continental Europe should yield results later this year.

### Market trends

The market for flat monitors is expected to expand rapidly in the next few years. Flat monitors accounted for only 5% of all western European monitor sales last year. Product prices and the limited availability of panels have inhibited market growth so far. A major increase in production capacity will help ensure greater availability and eventually lower prices.

The market for thin clients is also expected to grow rapidly. MultiQ's collaboration with NCD puts it in a strong position in this segment.

### Mobilsys AB

In the past year, MultiQ's R&D efforts have generated a number of product and service platforms in the area of mobile Internet. These platforms are now being further developed by MultiQ's new Mobilsys AB subsidiary. The expertise and experience that MultiQ has amassed will provide the foundation for Mobilsys AB's new products and services for the next generation of mobile technology.

Based on the new GPRS and UMTS standards, the subsidiary has put together a unique concept for the mobile access of the future. The concept permits a user to be continuously connected to the Internet/Intranet without the limitations imposed by the small display on a mobile telephone or by the transmission capacity of a laptop. Furthermore, the concept allows a mobile operator to broaden its range of products and services, thereby making for more efficient utilization of mobile networks.

In August, MultiQ reduced its stake in Mobilsys AB from 71% to 47%, generating a capital gain of SEK 33.3 million for the parent company MultiQ International AB. The SEK 29.2 million gain for the Group was reported entirely in the consolidated balance sheet as an item affecting comparability. The purchasers were the 6th AP fund, IT-Provider Millennium Fond, and Nomura International plc, all of which were previous shareholders.

Since MultiQ's stake in Mobilsys AB is less than 50%, Mobilsys AB is no longer classified as a subsidiary in the Mobile Internet business area, but rather as an associated company. As a result, Mobilsys AB is not fully included in consolidated accounts as was the case earlier. Instead, the value of the 47% stake is reported as a fixed asset (participations in associated companies) in the consolidated balance sheet. The value of the participation changes

according to Mobilsys AB's operating profit/loss. The value of MultiQ's participation in Mobilsys AB was SEK 7.0 billion at September 30, 2000.

### **Financial position**

Group cash and cash equivalents increased during the period by SEK 7.6 million, to SEK 15.0 million. The equity ratio was 74% (67). All product development is expensed on a continuing basis. The Company invested a total of SEK 1.4 million (1.1) in fixed assets during the period.

### **Listing**

The MultiQ share has been quoted on the O list of the Stockholm Stock Exchange since December 7, 1999.

### **Upcoming financial information from MultiQ**

Announcement of earnings for fiscal 1999

6 februari 2001

The Company's auditors have reviewed these preliminary accounts.

Please direct all questions concerning this report to:

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For the most up-to-date information on the Company, see: [www.multiq.se](http://www.multiq.se)

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