

## Preliminary accounts for fiscal 2000

- ***Sales increased to SEK 121 million (88).***
- ***Earnings totaled SEK -22 million (-48).***
- ***MultiQ repositioned itself to focus on public settings and customized solutions.***
- ***Expansion of distribution channels in line with the repositioning continued in Europe.***
- ***Less cost-intensive operations and a stronger position in the market provide a solid foundation for 2001.***

### Operations

MultiQ has long held a very strong position in the Swedish and Norwegian markets, which are comparatively small. Under 2000, the Company began to establish distribution channels in the rest of Europe. In addition to its domestic market, MultiQ 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 improved the marketability of MultiQ's product offering and resulted in a series of orders that had still not been delivered at year-end. The Company also started to operate in Great Britain, Italy, Switzerland and Austria, focusing on the biggest prospective customers in its market segment. These efforts will bear fruit in 2001.

MultiQ's initial orders from SAS (Scandinavian Airlines) and SITA (Société Internationale de Télécommunications Aéronautiques) paved the way for deliveries to airports around the world. The Company and a number of long-term customers engaged during the year in major projects such as Entertrainment (with the Swedish State Railways) and EssNet. The latter assignment led to an initial order for the delivery of 5,000 monitors in 2001 and an additional potential of 10,000 annually.

MultiQ shifted its focus in 2000 to a couple of segments in which it is extremely strong. The reorientation generated costs for phasing out unprofitable operations, selling off obsolete inventories and terminating less lucrative contracts. Combined with the appreciation of the dollar, those costs meant poorer margins in Q4. MultiQ's streamlining efforts considerably reduced its operating risk and enhanced its prospects for better margins in 2001.

Revenue for the year increased to SEK 121 million (88), to which the acquisition of Tandberg Display contributed SEK 49 million.

Greater revenue, a more manageable cost structure, and the divestment of Mobilsys AB stock all helped bring down the loss to SEK -21.8 million (-47.6). Excluding the divestment and items affecting comparability, the loss was SEK -41.7 million. Restructuring costs of approximately SEK 10 million associated with the streamlining of operations toward a focus on public settings were charged to earnings during the year.

This kind of project will be increasingly important to 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.

### New developments

MultiQ launched special monitors for SITA/SAS, as well as various checkout counter solutions with or without touch screens, in the fall of 2000.

The Company developed two new series of products during the year, both of which will be launched in the spring and summer of 2001. The monitors, which will supplement MultiQ's assortment for Point of Sales and public settings, incorporated the views and wishes of the leading systems partners in the market.

Meanwhile, the Company designed special solutions for the settings of a number of its customers and expects the orders to arrive in the spring.

### Market trends

The market for flat monitors is in a stage of rapid growth. Flat monitors accounted for only 5% of all western European monitor sales in 1999. Product prices and the limited availability of panels have inhibited market growth so far. A major increase in production capacity is now helping to ensure greater availability and lower prices. As a result, the market is opening up to totally new applications and groups of customers.

### Mobilsys AB

MultiQ started Mobilsys AB, an outgrowth of its development division, in 2000. Mobilsys' development operations are proceeding as planned. The company is independently financed and has its own cash flow.

MultiQ reduced its stake in Mobilsys AB to 47% through two separate divestments. The SEK 29.2 million gain for the group was reported entirely in the consolidated income statement as an item affecting comparability.

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 (participation 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 5.0 million at December 31, 2000.

## **Outlook for 2001**

Given the response to MultiQ's efforts in new and existing markets, the expanding marketplace, new orders, and a considerably improved cost structure, MultiQ anticipates substantial growth and better profitability in 2001 and the years to come.

## **Financial Position**

Group cash and cash equivalents increased during the year by SEK 10.0 million, to SEK 17.4 million. The equity ratio was 59.8% (36.8). All product development is expensed on a continuing basis. The Company invested a total of SEK 1.3 million (1.4) in fixed assets during the year. The procurement of tools for the manufacturing process entailed a cost of SEK 0 million (2.5). The Board of Directors will propose to the annual general meeting that no dividend be distributed.

## **Parent Company**

The parent company, which did not report any sales during the year, showed an operating loss of SEK -6.2 million (-1.6). The profit after financial items was SEK 23.2 million (-1.3). The parent company invested SEK 0 million (0) in fixed assets. Cash and cash equivalents at December 31, 2000 totaled SEK 3.4 million.

Jonathan Nilsson has been chosen as CEO of MultiQ International. He has served as acting CEO since May 3, 2000.

## **Listing**

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

## **Financial Information from MultiQ**

Report for Q1 2001	April 26
Annual general meeting	May 31
Report for Q2 2001	August 9
Report for Q3 2000	October 25
Preliminary accounts	February 7

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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