

FINAL ACCOUNTS STATEMENT 2002

- Invoicing for fourth quarter amounted to SEK 46.8 million (44.9 million)
- Pre-tax profit/loss for the quarter amounted to SEK -3.9 million (-4.0 Million)
- Total years sales increased by 5% to SEK 132.7 million (126.4 million)
- Pre-tax profit/loss for whole year amounted to SEK -15.8 million (-41.2 million)
- Rationalisation programme completed, reducing cost volume by c. SEK 9 million per year
- Structural costs and writing down of stock charged to whole year profit/loss at SEK 4.3 million
- The Groups liquid funds and unused credits amounted at year-end to SEK 14.6 million

Fourth quarter 2002

The fourth quarter has been dominated by deliveries to Statoil and IKEA. Deliveries to Hennes & Mauritz, via their system partner Fujitsu Invia have also been initiated. Outside the Nordic Region important orders have been gained and pilot deliveries have taken place to, e.g. Fords car dealership organisation in Germany, the Austrian Post Office and Air Berlin. In England cooperation with Vodaphone has been started and deliveries have also been made to WH Smith, P&O Ferries and Waitrose, one of Englands major supermarket chains, among others. In Holland further deliveries have been made to, and orders received from, Pearl (leading optician chain in Holland) and the Dutch Police.

During the quarter the last part of a comprehensive rationalisation and cost-reducing programme has been carried out. All parts of the Group have been analysed. As a result the Groups cost volume is estimated to be reduced by c. SEK 9 million a year. The rationalisation measures have been primarily implemented in respect of administration as well as projects that are not expected to generate profits in the foreseeable future.

During the fourth quarter the profit/loss has had to bear structural costs and writing down of stocks amounting to SEK 2.2 million. The writing down of costs is primarily ascribable to a sharply falling US dollar. In total the whole year profit/loss has been subjected to SEK 4.3 million in structural costs and writing down of stocks.

Total year 2002

The business

During the year the focus has been directed at a continuation of the restructuring of the company that was initiated during 2001. This has involved moving away from working with normal sales channels in the form of distributors and retailers as one of many hardware suppliers, to becoming a dominant player within the customer-adapted flat screens niche at a European level.

This restructuring has now been completed. It has taken place in two stages of which the first consisted of producing products that lend themselves to customer adaptation. This has been carried out by means of MultiQs unique modular system that permits considerable flexibility in the way the product looks, its shape, colour and fitting alternative.

The second and, at least as important, stage was to change the sales process. In the current situation MultiQ primarily cultivates the end-customer directly. This is in order to understand the customers specific requirements as well as to be able to profit from what are usually MultiQs unique solutions. As part of this process a large proportion of the sales force has been replaced and this now consists of senior project salesmen in all the markets.

One negative result of this process has, not surprisingly, been an immediate fall in turnover. However, this is counterbalanced by the gradual improvement in margins that has come about during the year, with the exception of a very large delivery during the 3rd and 4th quarters when the prices were depressed.

The year 2002 has been one of adjustment, but MultiQs commercial successes in the form of deliveries to Volvo, Ikea, ICA, Apoteksbolaget, Statoil, SAS, Lufthansa, Vodaphone, Virgin etc., reflect the strength of the companys concept and way of cultivating the markets. MultiQ expects continued and increased deliveries to be made to all of these customers during 2003. It is similarly expected that the pilot orders that were supplied during 2002 will lead to volume orders during 2003.

Taken as a whole MultiQ is well equipped for the future. The companys cost volume is suited to the present level of activity, our business model works well and a number of major projects are expected to generate satisfactory volume and growth during 2003.

Sales development

Market development

The market for flat screens continues to grow sharply. We are in the middle of a technology change where the old CRT screens are being replaced by flat screens. This development has reached different stages in different parts of the world. In Sweden flat screens constitute a c. 41% share while, in the rest of Europe, the share is 36% of the total screen market. This development has been made possible by falling manufacturing costs regarding the picture element.

MultiQ has also noted increased interest from the market for screens with various types of touch functions, i.e. screens where the user points directly at the screen and controls a computer or application via the screen. These solutions are used, for example, in information booths, car salesrooms and other public areas.

Against the background of the market development, together with increased interest in customer-adapted flat screens, an advantageous market situation during 2003 is expected to arise within MultiQs niche.

Product development

Apart from normal product care the development work has been primarily customer controlled. A number of pilot studies have been conducted that we anticipate will lead to volume orders during 2003. A further development of MultiQs point-of-sale (POS) modular system has taken place and all the screen models may now be offered with flexible fitting arrangements and customer-adapted solutions.

An important part of what MultiQ is able to offer our customers is that we can jointly develop different types of solutions and adaptations. This represents a major competitive advantage in respect of other players in the market.

The Groups profit/loss

MultiQs operating profit/loss for the fourth quarter amounted to SEK -3.5 million (-3.7 million) and the profit/loss after financial items to SEK -3.9 million (-4.0 million). The operating profit/loss has borne the writing down of stocks by SEK 1.7 million and structural costs of SEK 0.5 million.

The operating profit/loss for the whole year amounted to SEK -16.0 million (-26.2 million cleansed of comparison-distorting items and the profit/loss from holdings in partnerships). The profit/loss after financial items amounted to SEK -15.8 million (-26.2 million cleansed of comparison-distorting items and the profit/loss from holdings in partnerships). The operating profit/loss has borne writing down of stocks at SEK 2.1 million and structural costs of SEK 2.2 million.

Financial position

The Groups liquid funds and unused credits amounted to SEK 14.6 million in total. The Groups liquid funds amounted to SEK 5.7 million (21.7 million). Solvency amounted to 37.9 % (42.5 %). Investments in fixed assets during the period totalled SEK 0.5 million (1.5 million).

The parent company

The parent companys operating profit/loss amounted to SEK -4.1 million (-3.3 million). The profit/loss after financial items amounted to SEK -8.9 million (-20.5 million). Investments in fixed assets in the parent company totalled SEK 0 million (0 million). Liquid funds as at 31 December 2002 amounted to SEK 0.1 million.

Accounting principles

The final accounts statement has been drawn up in accordance with the Annual Report and Statement of Accounts Act and the Accountancy Councils recommendations. The same accounting principles and methods of calculation have been employed in the final accounts statement as in the latest annual accounts.

An application of the Accountancy Councils recommendation RR:9 affords the company the opportunity of accounting a deferred tax claim that ascribes to the deficit deduction of SEK 136 million. This tax claim has not been included in these present final accounts, either.

Stock exchange quotation

The MultiQ share has been quoted on the Stockholm Stock Exchanges O-list since 7 December 1999.

General meeting of shareholders

The ordinary general meeting of shareholders will be held on 4 June at 14.00 hrs at Hotel Jägersro, Jägersrovägen 160 in Malmö. The board will propose, prior to the general meeting, that no dividend be issued.

Future report publication dates

Report 1st quarter 6 May 2003

General meeting of shareholders 4 June 2003

Report 2nd quarter 31 July 2003

Report 3rd quarter 30 October 2003

Final accounts statement 3 February 2004

The annual report and statement of accounts will be available from MultiQ by no later than 5 May and will be sent out to those shareholders who request it. The annual report and statement of accounts will also be available on MultiQs homepage: www.multiq.se.

This report is based upon final accounts audited by the companys auditors.

[The report in .pdf !](#)

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