



## **FOR IMMEDIATE RELEASE**

### **INTERIM REPORT JULY 1 – SEPTEMBER 30, 2000 for AB Novestra (publ), company reg. No. 556539-7709**

#### **Result and Financial Position, KSEK (unless otherwise indicated)**

Purchase method .

#### **The Group**

Novestra reports a result for the three first months ending September 30, 2000 of -17,189 (16,979) of which -15,315 (17,820) relates to the result from sales of securities and 1,953 (331) relates to other operations. The result has mainly been affected by the complete write-down of the book value of Novestra's holding in Boxman.com plc, 20,637. This book value was generated as a result of the acquisition of Boxman AB by iMVS.com plc in 1999. Novestra's total capital investment in Boxman.com plc is, however, limited to 13,910.

The result per share, prior to full conversion of outstanding options, amounted to SEK -0.74 (1.24).

Book value on financial assets amounted to 616,192 (56,901) of which interest-bearing investments constituted 199,999 (0).

Shareholders' equity, prior to full conversion of outstanding options, amounted to 648,769 (75,302) which corresponds to a value of SEK 27.7 per share (4.9).

Net asset value, prior to full conversion of outstanding options, amounted to 1,118,762 (108,524), which corresponds to a value of SEK 47.8 per share (7.1). <sup>1</sup>

The Group's cash and cash equivalents, including interest-bearing investments shown under financial assets, amounted to 266,401 (21,986) which corresponds to a value of SEK 11.4 per share (1.4). Solidity was 91.4% (91.9%).

Investments during the period amounted to 127,014 (7,150) of which the greater part, 126,404 (7,150), consisted of investments in fixed financial assets. Investments in tangible fixed assets amounted to 610 (-).

The total number of shareholders as of September 30, 2000 was approx. 4,000 (approx.. 3,500 as of June 30, 2000).

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<sup>1</sup> When calculating the net asset value, shares and holdings in unlisted companies have been valued based on the latest transaction, where appropriate, in accordance with the guidelines stipulated by the European Venture Capital Association (EVCA). The companies that have been valued according to latest transaction are B2 Bredband AB, DCM AB, Fanglobe Inc. and Netsurvey AB. Listed holdings have been valued based on the market value as of September 30, 2000. The asset value calculated as above as of September 30, 2000, including market value of interest-bearing fund, exceeds book value by 469,993. The corresponding value as of June 30, 2000 was 223,303 (225,362 using the equity method). The change is mainly due to a transaction in B2 Bredband AB in August.

**Significant events during the period**

Novestra has invested a total of 9,078 in three new companies: Comintell Holding AB, Delphi Finansanalyt AB and X2 Media Group AB. Novestra also subscribed for its share of a convertible loan issued by B2 Bredband AB in August 2000 which represents the major part of the total investments of 80,748 which was made in portfolio companies during the period.

Novestra's holding in Jupiter Communications Inc. was divested against payment in shares in Jupiter Media Metrix Inc. as a result of Media Metrix Inc.'s purchase of Jupiter Communications Inc. in September 2000. The transaction resulted in an initial book profit of 16,647. A write-down has been made as a result of a subsequent decrease in Jupiter Media Metrix's market value and the net positive effect for Novestra of the transaction as of September 30, 2000 has been reduced to 4,619.

Novestra's holding in Boxman.com plc with a book value of MSEK 20.6 was written down to zero following the company's application for voluntary liquidation.

**Significant events after the end of the period**

As a result of the negative market conditions, B2 Bredband AB decided to postpone its planned IPO in October.

Novestra has made an additional investment in PowerNet of MSEK 5, by the utilisation of an option.

As of October 1, 2000, Novestra has reorganised Evestra as a separate company, primarily providing consultancy services for projects and companies within the broadband sector. Evestra will also have the task to identify investment opportunities for Novestra. Novestra initially owns 19.8 per cent of the new company with an option to increase its holding to 33 per cent. The remaining part is held by the Evestra management whose employment has been transferred to the new company.

**Future development**

There has been a generally positive development in Novestra's portfolio companies over the period. This development has, however, been overshadowed by the highly negative sentiment towards technology companies in the market and the general re-evaluation of this sector. This process of re-evaluation has also affected some of our portfolio companies as well as Novestra. While this is unfortunate, it is also part of any correction in the market where investors make their judgements on the prospects of entire sectors rather than on individual companies. The last twelve months have offered venture capital investors extreme changes in the market where the sentiment has changed from unlimited potential to no potential.

Novestra's current portfolio of 20 holdings has been successively built up over a period of three and a half years. In this process, Novestra's strategy has been to balance the holdings in the portfolio as regards Novestra's exposure to further capital requirements and to maintain a conservative level of liquidity. Out of our major strategic holdings, only B2 Bredband AB has significant negative cash flow. B2 Bredband AB is backed by several strong major shareholders (Investor, NTL, Carlyle Group and Intel). Most holdings, such as Comintell Holding AB, Netsurvey AB and PowerNet AB, have only limited capital requirements. Several companies, such as DCM AB and Qbranch AB, are cash positive and are generating profits. Iquity Systems Inc. is the only company which needs additional major funding within the near future.

Despite current market conditions and sentiment, we believe that there is a significant potential in our balanced portfolio which, together with our solid capital base, makes Novestra able to withstand market turmoils such as the one that we are currently experiencing.

In the current market situation, Novestra will continue to focus on maintaining a high liquidity level and to develop our existing portfolio. In parallel, the market situation will generate interesting investment opportunities at valuations that are viable long-term.

**Other information**

The interim report for the period July – December 2000 will be published on January 31, 2001.

The number of outstanding shares as of September 30, 2000 amounted to 23,390,980 (15,390,975). Profit per share has been calculated on the basis of an average number of 23,283,371 (13,669,236) shares.

This report has not been subject to any audit by the company's auditors.

**Stockholm in October 2000**

Thomas Åkerman  
**President**

For further information, please contact Mr Thomas Åkerman, President, phone No.  
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## HOLDINGS AS OF SEPTEMBER 30, 2000

### STRATEGIC HOLDINGS

	<i>Sector</i>	<i>Book value, MSEK</i>	<i>Ownership, % before dilution</i>
B2 Bredband AB <sup>1)</sup>	Broadband infrastructure	102.3	4.9
Comintell Holding AB	Knowledge management	5.4	24.0
Continuum Group Ltd	Investment company	91.5	11.9
Dallas sthlm DDG AB	Design/brand	5.6	40.0
DCM AB	Digital media	13.5	5.7
Fanglobe Inc.	Music/video	20.5	14.5
Iquity Systems Inc. <sup>2)</sup>	Systems software	24.8	5.4
Mobilestop Inc.	E-commerce solutions	7.9	6.2
Netsurvey AB	Market survey services	16.7	30.0
PowerNet AB	Wireless infrastructure	5.2	40.0
Qbranch AB	System management	26.3	15.0
Recollections Inc.	Digital printing services	17.4	13.4
X2 Media Group AB	Media services	1.8	24.0
<b>Total</b>		<b>338.9</b>	

### OTHER HOLDINGS

Listed companies	14.6
Unlisted companies	9.5
<b>Total</b>	<b>24.1</b>

*Total investments in portfolio companies, including convertibles, 363.0 MSEK*

<sup>1)</sup> Including convertible of 45.6 MSEK

<sup>2)</sup> Including convertible of 6.3 MSEK

**CONSOLIDATED INCOME STATEMENTS, KSEK**  
(Purchase method)

	<b>July 1, 2000</b> <b><u>Sept 30, 2000</u></b>	<b>July 1, 1999</b> <b><u>Sept 30, 1999</u></b>
Capital gains, investment activity	- 15,315	17,820
Income from other operations	5,767	776
Cost of goods sold, other operations	- <u>3,814</u>	- <u>445</u>
<b>Gross Profit</b>	<b>- 13,362</b>	<b>18,151</b>
Administrative expenses	- 4,806	- 1,106
<b>Operating income</b>	<b>- 18,168</b>	<b>17,045</b>
<b>RESULT FROM FINANCIAL INVESTMENTS</b>		
Interest and similar income	982	35
Interest expense and similar charges	- <u>3</u>	- <u>101</u>
<b>Income after financial items</b>	<b>- 17,189</b>	<b>16,979</b>
Income taxes	-	-
<b>Income for the period</b>	<b>- 17,189</b>	<b>16,979</b>

**CONSOLIDATED BALANCE SHEETS, KSEK**  
(Purchase method)

	<b><u>Sept 30, 2000</u></b>	<b><u>Sept 30, 1999</u></b>
<b>ASSETS</b>		
<u>Fixed assets:</u>		
Intangible fixed assets		
Capitalised development costs	-	1,216
Tangible fixed assets:		
Equipment	1,176	16
Financial fixed assets:		
Investments in associated companies	39,590	12,593
Shares and participations	<u>576,602</u>	<u>44,308</u>
	616,192	56,901
<b>Total fixed assets</b>	<b>617,368</b>	<b>58,133</b>
<u>Current assets:</u>		
Inventories:		
Stock securities	12,910	837
Current receivables:		
Other receivables	11,105	178
Prepaid expenses		
and accrued income	<u>1,641</u>	<u>788</u>
	12,746	966
Cash and bank	66,402	21,986
<b>Total current assets</b>	<b>92,058</b>	<b>23,789</b>
<b>TOTAL ASSETS</b>	<b>709,426</b>	<b>81,922</b>

**CONSOLIDATED BALANCE SHEETS, KSEK (cont.)**  
(Purchase method)

**Sept 30, 2000**

**Sept 30, 1999**

**SHAREHOLDERS' EQUITY AND LIABILITIES**

Shareholders' Equity

Restricted equity:

Share capital	23,391	6,252
Share issue not yet registered	-	828
Restricted reserves	<u>557,192</u>	<u>48,345</u>
	580,583	55,425

Unrestricted equity:

Unrestricted reserves	85,375	2,898
Income for the period	- <u>17,189</u>	<u>16,979</u>
	68,186	19,877

<b>Total shareholders' equity</b>	<b>648,769</b>	<b>75,302</b>
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Provisions

Provisions for deferred income taxes	2,312	1,925
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Current liabilities

Accounts payable	1,157	119
Income tax liability	1,224	2,153
Other liabilities	44,486	2,354
Accrued expense and deferred income	<u>11,478</u>	<u>69</u>
	58,345	4,695

<b>Total liabilities</b>	<b>58,345</b>	<b>4,695</b>
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<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>709,426</b>	<b>81,922</b>
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**CONSOLIDATED FUNDS STATEMENTS, KSEK**

**July 1, 2000**  
**Sept 30, 2000**

**July 1, 1999**  
**Sept 30, 1999**

Funds provided from operations	- 17,553	87
Funds from investing activities	- 59,488	19,367
Funds from financial activities	1,500	1,892
Total cash flow	- 75,541	21,346
Cash and bank at the beginning of period	<u>141,943</u>	<u>640</u>
Cash and bank at the end of period	66,402	21,986

INCOME STATEMENTS, PARENT COMPANY, KSEK	July 1, 2000 <u>Sept 30, 2000</u>	July 1, 1999 <u>Sept 30, 1999</u>
<b>INVESTMENT ACTIVITY</b>		
Capital gains, investment activity	- 15,315	17,820
<b>Gross Profit</b>	- 15,315	17,820
Administrative expenses	- 5,194	- 1,095
<b>Operating Income</b>	- 20,509	16,725
<b>RESULT FROM FINANCIAL INVESTMENTS</b>		
Interest and similar income	896	35
Interest expense and similar charges	- <u>3</u>	- <u>101</u>
<b>Income after financial items</b>	- 19,616	16,659
Income taxes	-	-
<b>Income for the period</b>	- 19,616	16,659
<b>BALANCE SHEETS PARENT COMPANY, KSEK</b>	<u>Sept 30, 2000</u>	<u>Sept 30, 1999</u>
<b>ASSETS</b>		
<u>Fixed assets:</u>		
Tangible fixed assets:		
Equipment	1,176	16
Financial fixed assets:		
Investment in group companies	100	1,700
Investment in associated companies	39,590	12,593
Stocks and participations	<u>569,258</u>	<u>44,308</u>
	608,948	58,601
<b>Total fixed assets</b>	610,124	58,617
<u>Current assets:</u>		
Current receivables:		
Receivables from group companies	14,950	-
Other receivables	10,536	100
Prepaid expenses and accrued income	<u>1,545</u>	<u>788</u>
	27,031	888
Cash and bank	61,771	20,835
<b>Total current assets</b>	88,802	21,723
<b>TOTAL ASSETS</b>	698,926	80,340

BALANCE SHEETS PARENT COMPANY, KSEK (cont.)	<u>Sept 30, 2000</u>	<u>Sept 30, 1999</u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>		
<u>Equity</u>		
Restricted equity:		
Share capital	23,391	6,252
Share issue not yet registered	-	828
Share premium reserve	<u>547,530</u>	<u>47,036</u>
	570,921	54,116
Unrestricted equity:		
Retained earnings	2,230	369
Income previous year	86,709	1,861
Income for the period	<u>- 19,616</u>	<u>16,659</u>
	69,323	18,889
<b>Total Shareholders' Equity</b>	<b>640,244</b>	<b>73,005</b>
<u>Provisions</u>		
Provisions for deferred taxes	1,426	1,426
Untaxed reserves	135	-
<u>Current liabilities</u>		
Accounts payable	1,157	108
Liabilities to group companies	-	3,417
Income tax liability	-	155
Other liabilities	44,486	2,174
Accrued expenses and deferred income	<u>11,478</u>	<u>55</u>
	57,121	5,909
<b>Total liabilities</b>	<b>57,121</b>	<b>5,909</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>698,926</b>	<b>80,340</b>

FUNDS STATEMENTS, PARENT COMPANY, KSEK	<u>July 1, 2000</u> <u>Sept 30, 2000</u>	<u>July 1, 1999</u> <u>Sept 30, 1999</u>
Funds provided from operations	- 25,145	- 527
Funds from investing activities	- 48,996	19,467
Funds from financial activities	1,500	1,892
<b>Total cash flow</b>	<b>- 72,641</b>	<b>20,832</b>
Cash and bank at the beginning of period	<u>134,412</u>	<u>3</u>
Cash and bank at the end of period	61,771	20,835