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Frontec's Annual General Meeting

In his presentation of the company's operations and the annual report, the President raised the issue of BlueLabs' and Viewlocity's listings. With regard to BlueLabs, the process is under way, with the goal of a listing on the OM Stockholm Exchange during the first half of 2001. The listing of Viewlocity is dependent on the registration process with the U.S. Securities and Exchange Commission (SEC), which was initiated in August, and conditions in the U.S. financial market.

The Annual General Meeting decided:

- To authorize the Board of Directors, on one or more occasions prior to the next Annual General Meeting, to decide on the new issue of a total of 2,500,000 Class B shares. The purpose of the authorization is to facilitate company acquisitions. The issue would presumably be implemented under market conditions generally applicable to similar types of issues. The dilution effect if fully subscribed and fully exercised corresponds to 8% of the share capital and 5% of the votes.
- To approve the transfer of the operations of the subsidiaries Frontec Maintenance Systems AB, FMS Norge AS, Frontec Danmark AS, Idhammar Internationell AB, Frontec BeneLux B.V, Frontec UK Ltd, MC16 Ltd, Frontec Deutschland GmbH and Frontec Belgium S.A. The transfers would be implemented either directly through the transfer of the shares in the companies by Frontec AB and/or indirectly in such a way that the subsidiaries in question transfer their respective operations to companies owned by their managements and any external investors, with Frontec AB as a minority shareholder. The transfers will be effected at a price that corresponds to the market value established through an independent appraisal.
- To approve the issuance of a promissory note with a nominal value of SEK 1,000 and not more than 800,000 detachable warrants. The promissory note will carry no interest and fall due for payment on demand, though not later than December 31, 2000. The issue price will be SEK 1,000. Each warrant will carry the right to subscribe for one (1) Class B share in the company during the period January 2, 2003 through November 30, 2003. The subscription price will amount to not less than 150 percent of the average price of the company's share during the ten trading days from December 4, 2000 to December 15, 2000. If fully subscribed and fully exercised, the company's share capital can increase by a total of not more than SEK 1,000,000.

This warrant program is designed for specific Group employees according to an established employee development program. Similar programs have been implemented in previous years. The program is among those for Frontec Group employees and is con-

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sidered beneficial to the Group's long-term development. The dilution effect if fully subscribed and fully exercised corresponds to 3% of the share capital and 1.5% of the votes.

- To permit BlueLabs AB (publ) to raise a subordinated loan with a nominal value of not more than SEK 144,000 through the issuance of promissory notes tied to not more than 1,440,000 warrants to subscribe for new shares in the company. The number of

warrants was determined with the assumption that the proposed 100:1 split will be approved by the Annual General Meeting of BlueLabs AB.

If fully subscribed and fully exercised, BlueLabs AB's share capital can increase by a total of not more than SEK 140,000.

The promissory notes with a nominal value of SEK 100 each and 1,000 detachable warrants to subscribe for 1,000 new shares will be issued at a price corresponding to the nominal value of the promissory notes plus SEK 100 and will be based on the value of the warrants calculated according to the so-called Black & Scholes model. The promissory notes will carry an annual interest rate of 3% and will fall due for payment on June 30, 2001.

Subscriptions for shares through the exercise of the warrants, where one (1) warrant gives the right to subscribe for one (1) share, may take place during the period January 2, 2003 through November 30, 2003. The subscription price for new shares will correspond to not less than 150 percent of the share's market value. The market value of the share and warrants will be determined by independent parties not later than one week before the date of BlueLabs AB's Annual General Meeting.

The dilution effect if the warrants are fully exercised corresponds to 5% of Frontec AB's ownership interest.

New members of the Board of Directors

The Annual General Meeting reelected the following members of the Board of Directors: Ann Nilsson, Olof Englund and Bengt Wallentin. The new Board members elected by the Meeting were: Göran Carstedt, Dr. Econ., formerly of Volvo and IKEA; Dag Sehlin, former Vice President of Sweden Post and OM Gruppen, now Chairman of Proact and a member of the boards of D. Carnegie, IFS, Mogul and Jiway Broker Services; and Ulf J. Johansson, Chairman of Europolitan, KTH and Zodiac Venture Capital AB and a member of the boards of Novo Nordisk A/S Trimble Ltd and Trio AB. Per Tjernberg, President of Frontec AB, was also elected to the Board.

The A-shareholders announced that they had personally issued call options to the outside directors.

At the Board meeting following the election, Ulf J. Johansson was elected Chairman.

Lastly, the Annual General Meeting decided that no dividend will be paid for the fiscal year.

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