

FOR IMMEDIATE PUBLICATION

INTERIM REPORT JULY 1, 1999 - MARCH 31, 2000 for AB Novestra (company reg. No. 556539-7709)

Result and Financial Position - the Group

Novestra reports a profit for the nine months ending March 31, 2000 of 105,685 KSEK (2,567 for the fiscal year 98/99). The result includes *inter alia* profits from sales of securities totalling 109,863 KSEK (6,280) and from other operations 5,161 KSEK (1,126).

Profit per share, prior to full conversion of outstanding options, amounts to 32.5 SEK (1.0).

Profit per share, after full conversion of outstanding options, amounts to 28.0 SEK (0.9).

Book value on financial assets amounts to 422,256 KSEK (58,448) of which interest-bearing investments constitute 200,000 (0).

Equity, prior to full conversion of outstanding options, amounts to 679,308 KSEK (51,117) which corresponds to a value of 146 SEK per share (19).

Equity, after full conversion of outstanding options, amounts to 905,808 KSEK (58,317) which corresponds to a value of 175 SEK per share (19).

Solidity was 96.9 % (82.1).

The Group's cash and cash equivalents, including interest-bearing investments shown under financial assets, amounts to 463,629 (640).

The total number of shareholders as per March 31, 2000 was approx. 2,500 (1,290 as per December 31, 1999).

Comparative figures from previous years are unavailable due to a change in periodicity. For this reason, comparative figures from June 30, 1999 are used.

Tax costs for AB Novestra for the period July 1, 1999 – March 31, 2000 totalling 385 KSEK, is calculated in accordance with the rules and regulations in the Swedish Taxation Regulation (2§ 10 mom. SIL [investment companies]). AB Novestra has applied for an advance ruling concerning investment company taxation status.

Significant events during the period

During the period, Novestra has made several new investments in companies such as DCM Holding AB, Qbranch AB and Dallas Sthlm AB, which are all profitable companies. Novestra has also made an investment in Recollections, Inc. and participated in a new share issue for the shareholders in B2 Bredbandsbolaget AB. Furthermore, Novestra concluded a directed new share issue adding 500 MSEK to the company prior to issuing costs. The issue was primarily subscribed for by international institutions. Alfred Berg Fondkommission AB acted as the company's advisor in this transaction.

During the period, Mr. Peter Ekelund has joined Novestra's Executive Management. In view of his extended engagement, Mr. Ekelund and Novestra have signed a letter of intent giving Mr. Ekelund the possibility further on, subject to certain conditions, to extend his ownership in Novestra, partly through an issue in kind, where he transfers part of his holdings in B2 Bredbandsbolaget.

As a step towards securing Novestra's long-term business strategy, the company has founded a subsidiary, AB Evestra, which will focus on resource and capital investments in start-up projects.

Significant developments after the end of the period

After the end of the period, Novestra has subscribed for shares in, and entered into a strategic cooperation with, Continuum Group Ltd. - a European investment company. A cooperation has also been entered into with Run Media, Inc., New York - a consulting firm within the area of business development. Moreover, Novestra has exercised an option to subscribe for new shares in Netsurvey AB. In connection with the reconstruction of NetTime AB, Novestra has sold its entire holding therein. The sale does not affect Novestra's result. On April 26, 2000, Novestra decided not to conclude the planned acquisition of TIME Vision BV.

Future Developments

Since its founding in 1997, Novestra has had a positive development of its results and this development has continued during the first nine months of the current fiscal year. It is important to note that the company's results, as well as the holdings in its portfolio at the end of the period, derive from capitalisation during 1997 and 1998 of approx. 55 MSEK. Over the past six-month period, Novestra has been restrictive as regards investments in companies where, in Novestra's judgement, the risk has been too high. The risk profile in most of the portfolio companies is currently deemed relatively low.

Novestra believes that the changes in the market situation on the global stock markets will reduce the supply of venture capital and that Novestra, with its relatively large liquidity, will be given the opportunity to make several interesting transactions in the upcoming year. We can conclude that today Novestra has passed a difficult phase in the building up of the company and we have created favourable conditions for the company's continued operations.

Other information

The number of outstanding shares as per March 31, 2000 is 4,648,196. Profit per share has been calculated on the basis of an average number of 3,252,486 shares. The number of outstanding shares as per June 30, 1999 was 2,718,195. There are two series of debenture loans with detachable warrants issued. The first series comprises a total of 30,000 warrants with a right to subscribe for an equal number of shares and with two different strike periods (15,000 warrants expire September 30, 2000 and 15,000 warrants expire September 30, 2001) at a strike price of 50 SEK per share. The other series comprises a total of 500,000 warrants with a right to subscribe for an equal number of shares at a strike price of 450 SEK per share and the strike period expires June 30, 2001.

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

Stockholm in May 2000

Theodor Dalenson
CEO

Novestra's portfolio
as per March 31, 2000.

Listed holdings

Share	Number of shares held	Average acquisition cost per share (SEK)
E*Trade Group, Inc.	118,750	25.54
Jupiter Communications, Inc.	81,630	37.41
Tele 1 Europe Holding AB	3,500	161.27

Unlisted holdings

Company	Number of shares held	Total number of shares	Novestra's share of total ⁶⁾
B2 Bredbandsbolaget AB ¹⁾	5,078,007	71,624,954	7.09%
Boxman.com plc	853,533	50,891,462	1.68%
Börstipset Svenska AB	150	1,000	15.00%
Dallas Sthlm AB	666	1,666	39.98%
DCM Holding AB	64,160	1,129,892	5.68%
Recollections, Inc. ²⁾	22,419	224,190	10.00%
Fanglobe AB	195,375	1,880,490	10.39%
Iquity Systems, Inc.	1,221,876	22,604,388	5.41%
Klick Data AB	145,000	2,040,000	7.11%
Mobilestop.com, Inc ³⁾	250,000	6,350,000	3.94%
Netsurvey AB ⁴⁾	34,600	141,000	24.54%
NetTime AB	311,111	1,388,888	22.40%
PowerNet AB ⁵⁾	666	1,666	39.98%
Qbranch AB	1,500	10,000	15.00%
Skandiamäklarna AB	59,400	219,810	27.02%

1) Novestra has issued call options totalling 1,300,000 shares

2) Warrants to purchase an additional 250 shares

3) Warrants to purchase an additional 300,000 shares

4) Warrants to purchase an additional 11,000 shares

5) Warrants to purchase an additional 833 shares

6) Prior to dilution

Other holdings

Alfred Berg Penningmarknadsfond	202,726 participation rights
Convertible Loan Boxman.com plc	285,714 shares

CONSOLIDATED INCOME STATEMENTS, KSEK

(Purchase method)

	<u>1999 07 01</u> <u>2000 03 31</u>	<u>1998 07 01</u> <u>1999 06 30</u>
Capital gains, investment activity	109,863	6,280
Income from other operations	14,067	4,700
Cost of goods sold, other operations	- <u>8,906</u>	- <u>3,574</u>
Gross Profit	115,024	7,406
Administrative expenses	- 9,424	- 3,025
Other operating income	<u>308</u>	<u>180</u>
Operating income	105,908	4,561
RESULT FROM FINANCIAL INVESTMENTS		
Interest and similar income	1,260	15
Interest expense and similar charges	- <u>284</u>	- <u>306</u>
Income after financial items	106,884	4,270
Income taxes	- 1,838	-1,703
Minority interests	<u>639</u>	—
Net Income for the period	105,685	2,567

CONSOLIDATED BALANCE SHEETS, KSEK**ASSETS**Fixed assets:

Intangible fixed assets		
Capitalised development expenditures	1,289	1,216
Goodwill	<u>1,777</u>	<u>—</u>
	3,066	1,216
Tangible fixed assets:		
Equipment	131	17
Financial fixed assets:		
Shares and participations	<u>422,256</u>	<u>58,448</u>
Total fixed assets	425,453	59,681

Current assets:

Inventories:		
Stock securities	7,863	667
Current receivables:		
Other receivables	4,171	594
Prepaid expenses and accrued income	<u>320</u>	<u>691</u>
	4,491	1,285
Cash and bank	<u>263,042</u>	<u>640</u>
Total current assets	275,396	2,592
TOTAL ASSETS	700,849	62,273

CONSOLIDATED BALANCE SHEETS, KSEK (cont.)	<u>2000 03 31</u>	<u>1999 06 30</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		
<u>Shareholders' Equity</u>		
Restricted equity:		
Share capital	10,691	5,792
Share issue not yet registered	-	460
Restricted reserves	<u>560,519</u>	<u>41,973</u>
	571,210	48,225
Non-restricted equity:		
Unrestricted reserves	2,413	325
Net income for the period	<u>105,685</u>	<u>2,567</u>
	108,098	2,892
Total shareholders' equity	679,308	51,117
Minority interests	1,476	-
<u>Provisions</u>		
Provisions for deferred income taxes	1,927	1,925
<u>Long-term liabilities</u>		
Bank overdraft facility	5,308	
Other liabilities	<u>700</u>	-
	700	5,308
<u>Current liabilities</u>		
Accounts payable	477	249
Income tax liability	1,794	2,154
Other liabilities	10,843	1,007
Accrued expense and deferred income	<u>4,324</u>	<u>513</u>
	17,438	3,923
Total liabilities	18,138	9,231
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	700,849	62,273

CONSOLIDATED CASH FLOW STATEMENTS, KSEK	1999 07 01	1998 07 01
	<u>2000 03 31</u>	<u>1999 06 30</u>
Cash flow from operations	48,481	3,850
Cash flow from investing activities	-303,277	-33,543
Cash flow from financial activities	517,198	24,467
Total cash flow	262,402	- 5,226
Cash and bank at the beginning of period	<u>640</u>	<u>5,866</u>
Cash and bank at the end of period	263,042	640

INCOME STATEMENTS, PARENT COMPANY, KSEK	1999 07 01 <u>2000 03 31</u>	1998 07 01 <u>1999 06 30</u>
INVESTMENT ACTIVITY		
Capital gains	109,863	6,280
Gross Profit from investment activities	109,863	6,280
Administrative expenses	- 7,208	- 3,024
Other operating income	<u> -</u>	<u> 180</u>
Operating Income	102,655	3,436
RESULT FROM FINANCIAL INVESTMENTS		
Result from participation in group companies	- 1,300	-
Interest and similar income	1,212	13
Interest expense and similar charges	- <u> 155</u>	- <u> 299</u>
Income after financial items	102,412	3,150
APPROPRIATIONS AND TAX		
Appropriations	-	137
Income taxes	- <u> 385</u>	- <u>1,426</u>
Net Income for the period	102,027	1,861
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BALANCE SHEETS PARENT COMPANY, KSEK	<u>2000 03 31</u>	<u>1999 06 30</u>
ASSETS		
<u>Fixed assets:</u>		
<u>Tangible fixed assets:</u>		
Equipment	44	17
<u>Financial fixed assets:</u>		
Investment in group companies	2,010	1,800
Stocks and participations	<u>422,256</u>	<u>58,448</u>
	424,266	60,248
Total fixed assets	424,310	60,265
<u>Current assets:</u>		
<u>Current receivables:</u>		
Receivables from group companies	1,391	-
Other receivables	4,065	481
Prepaid expenses and accrued income	<u> 115</u>	<u> 691</u>
	5,571	1,172
Cash and bank	<u>260,719</u>	<u> 3</u>
Total current assets	266,290	1,175
TOTAL ASSETS	690,600	61,440

BALANCE SHEETS PARENT COMPANY, KSEK (cont.)	<u>2000 03 31</u>	<u>1999 06 30</u>
SHAREHOLDERS' EQUITY AND LIABILITIES		
<u>Equity</u>		
Restricted equity:		
Share capital	10,691	5,792
Share issue not yet registered	-	460
Share premium reserve	<u>558,731</u>	<u>40,664</u>
	569,422	46,916
Non-restricted equity:		
Retained earnings	2,230	369
Net income for the period	<u>102,027</u>	<u>1,861</u>
	104,257	2,230
Total Shareholders' Equity	673,679	49,146
<u>Provisions</u>		
Provisions for deferred taxes	1,426	1,426
<u>Long-term liabilities</u>		
Bank overdraft facilities	-	5,308
<u>Current liabilities</u>		
Accounts payable	171	53
Liabilities to group companies	-	4,061
Income tax liability	385	155
Other liabilities	10,775	892
Accrued expenses and		
Deferred income	<u>4,164</u>	<u>399</u>
	15,495	5,560
Total liabilities	15,495	10,868
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	690,600	61,440

CASH FLOW STATEMENTS PARENT COMPANY, KSEK	1999 07 01	1998 07 01
	<u>2000 03 31</u>	<u>1999 06 30</u>
Cash flow from operations	48,194	3,796
Cash flow from investing activities	-304,676	-33,927
Cash flow from financial activities	517,198	24,467
Total cash flow	260,716	- 5,664
Cash and bank at the beginning of period	<u>3</u>	<u>5,667</u>
Cash and bank at the end of period	260,719	3