

**INTERIM REPORT NO. 5 FOR THE FINANCIAL YEAR 2001/2002  
REFERRING TO THE PERIOD JULY 1, 2001 – SEPTEMBER 30, 2002**

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- Shareholders' equity as of September 30, 2002 amounted to MSEK 240.5 (426.5) corresponding to SEK 10.3 (18.2) per share. The result for the current fifteen-month period amounted to MSEK -203.8. During the period, the result and shareholders' equity have been debited by non-realised write-downs totalling MSEK 114.0 corresponding to SEK 4.9 per share. Solidity amounted to 96.1% (95.3).
  - Cash and cash equivalents, including investments made within liquidity management, increased during the quarter to MSEK 77.4 corresponding to SEK 3.3 per share. This does not include non-realised surplus values.
  - During 2002, the development in earnings in most portfolio companies has been positive. For several portfolio companies, the increase in sales has been substantial and both myPublisher and Explorica have developed better than expected in the current market situation.
  - The majority of the strategic portfolio companies show positive cash flows or are fully financed with present business plans. These companies have all the requirements enabling them to emerge strengthened from the current recession.
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**N.B.** Comparative figures concerning the corresponding report period of the previous year are not provided, since, due to the prolonged financial year, this interim report covers fifteen months.

*All amounts are given in SEK thousands, unless otherwise indicated*

#### **SIGNIFICANT EVENTS DURING THE PERIOD**

As previously communicated, Novestra has decided to dispose of or wind up its holdings that are no longer considered as strategic. In connection herewith, holdings such as Skandia Mäklarna, Mulfilet, Target and Comintell have been disposed of and 34 Networks is under voluntary liquidation. Novestra has also reduced its holding in Dallas to 7%. Furthermore, Novestra has exercised its option to divest 9.8 basis points in Strax. The Board of Directors has decided to write down the value of the shares in Continuum by MSEK 11.5 to MSEK 61.4, in Strax by MSEK 11.9 to MSEK 3.0 and the shares in DCM by MSEK 10.0 to MSEK 3.5.

During the period, B2 Bredband concluded a rights issue raising SEK 2.4 billion. Novestra's portfolio company Continuum participated in the issue and, at present, has an ownership stake of approx. 11% of B2 Bredband's preferred shares with an anti-dilution clause. Due to the major revaluation of businesses in the telecom sector, the Board of Directors has decided to totally write down Novestra's direct ownership in B2 Bredband (MSEK 54.1), as these shares are without anti-dilution clause.

During the period, Novestra has invested in total MSEK 94.9 in portfolio companies of which MSEK 12.6 in a new portfolio company, Explorica, and additional investments in existing portfolio companies totalling MSEK 74.8, including MSEK 19.8 in myPublisher, MSEK 27.5 in Qbranch and MSEK 6.1 in Netsurvey.

In May 2002, Novestra's Board of Directors signed a new management agreement valid from July 1, 2002. The agreement implied that Novestra were to pay a fee, with a deduction made for Novestra's administration costs, of 2.5% of the Group's total assets. The agreement has ceased as of September 30, 2002, since both parties agree that it is no longer to Novestra's benefit. No remuneration has been paid during this period.

On June 1, 2002, Nils Bengtsson was appointed Managing Director. Nils Bengtsson has been employed at Novestra since May 2000.

## **FUTURE DEVELOPMENTS**

After the measures taken, Novestra's portfolio primarily consists of companies in the post-venture phase. Cash/cash equivalents and the strategic holdings together constitute 98% of book values.

With the present business focus, Novestra will have no further capital need during the next few years. New investments will primarily be evaluated and realised through existing companies, however, in a few cases, investments in new portfolio companies will be made in businesses in the post-venture phase.

The majority of Novestra's portfolio companies show significant sales and positive cash flows, or are fully financed, and, thereby, have good grounds for continued existence enabling them to await a more positive market situation. This has been considered a major strength in the assessment of the book value of each portfolio company.

The Board continuously assesses the book values of the portfolio companies and makes necessary adjustments in conjunction with each interim report. However, the turbulence in the financial markets makes it difficult to make a valuation of Novestra's holdings, all of which are unlisted. Even though the portfolio companies have developed well in general businesswise, further future write-downs cannot be ruled out.

## **RESULT AND FINANCIAL POSITION JULY 1, 2001 – SEPTEMBER 30, 2002**

### ***The Group***

Novestra reports a result, according to the equity method, of -203,787. The result includes gross profit from investment activities amounting to -177,851, of which -47,211 is the result from shares and participations, -114,034 pertains to write-downs, and -16,606 is share of earnings of associated companies. The result also includes gross profit from other operations totalling -8,280. The Group's cash and cash equivalents amounted to 77,438 (130,726). The administrative costs includes one-time charges of 2,675.

### ***Parent company***

The net result in the parent company amounted to -192,992. The result includes gross profit from investment activities amounting to -169,726, administrative expenses -21,456 and net financial items -1,810. Total assets as of September 30, 2002 amounted to 282,814 (481,248), of which shareholders' equity was 273,016 (461,189) corresponding to a solidity ratio of 96.5% (95.8). Cash and cash equivalents amounted to 77,172 (130,424).

### ***Investments***

During the period, investments in tangible fixed assets amounted to 86 and investments in financial fixed assets amounted to 139,815.

### ***Liquidity management***

As of September 30, 2002, the Group's cash amounted to MSEK 32.4 and, together with various investments (accounted for as financial fixed assets) with an availability of between three days and three months, cash and cash equivalents amounted to MSEK 77.4. This does not include non-realised surplus values.

## **ACCOUNTING PRINCIPLES**

This interim report has been prepared in accordance with Sweden's Annual Accounts Act and the recommendations of the Swedish Financial Accounting Standards Council. There has been no change to the accounting and valuation principles used in the last annual report. As of July 1, 2001, Novestra applies the new recommendations from the Swedish Financial Accounting Standards Council which came into force on January 1, 2001. These new recommendations have not had any impact on the Group's or Parent's company accounts.

## OTHER INFORMATION

*Financial calendar:*

Year-end report, including interim report No. 6, (July 1, 2001 – December 31, 2002) February 4, 2003

The company's financial year will henceforth cover the period from January 1 to December 31 and, as a consequence, the current financial year will cover the period July 1, 2001 – December 31, 2002 (i.e. 18 months). Comparative figures concerning the corresponding report period of the previous year are not provided, since, due to the prolonged financial year, this interim report covers fifteen months.

***This interim report has not been subject to any audit by the company's auditor.***

Stockholm October 24, 2002.

**Nils Bengtsson**

Managing Director

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**Company information:**

Corporate identity number: 556539-7709

Registered Office: Stockholm, Sweden

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## NOVESTRA'S HOLDINGS AS OF SEPTEMBER 30, 2002, MSEK

*Strategic holdings* consist of companies in which Novestra is actively involved, such as board representation and active participation in the company's operations, and/or where Novestra's holding is typically larger or where a substantial investment has been made. *Other investments* in portfolio companies consist of holdings in companies where Novestra is not actively involved in the company's operations.

### PORTFOLIO COMPANIES

COMPANY	Bal. b/f				CHANGE IN SHARE OF EQUITY <sup>1</sup>	BOOK VALUE bal. c/f <sup>2</sup>	OWNER- SHIP, % <sup>3</sup>
	July 1, 2001	INVESTED	DIVESTED	WRITEDOWNS			
<b>Strategic holdings</b>							
B2 BREDBAND AB	51.1	3.0	-	-54.1	-	-	2.0
CONTINUUM GROUP LTD	72.9	-	-	-11.5	-	61.4	11.9
DALLAS STHLM DDG AB	4.4	-	-	-0.8	-0.5	3.1	40.0
DCM AB	13.5	-	-	-10.0	-	3.5	5.7
EXPLORICA, INC.	-	12.6	-	-	-	12.6	13.6
MYPUBLISHER, INC.	17.4	19.8	-	-	-	37.2	19.5
NETSURVEY BOLINDER AB	6.0	6.1	-	-	-5.5	6.6	45.3
QBRANCH AB	26.3	27.5	-	-	-16.4	37.4	25.0
STRAX HOLDINGS, INC.	14.9	10.2	-10.2	-11.9	-	3.0	9.5
<b>Total strategic holdings</b>	<b>206.5</b>	<b>79.2</b>	<b>-10.2</b>	<b>-88.3</b>	<b>-22.4</b>	<b>164.8</b>	
<b>Other investments in portfolio comp.</b>	<b>72.7</b>	<b>15.7</b>	<b>-60.7</b>	<b>-25.7</b>	<b>-</b>	<b>2.0</b>	
<b>TOTAL PORTFOLIO COMPANIES</b>	<b>279.2</b>	<b>94.9</b>	<b>-70.9</b>	<b>-114.0</b>	<b>-22.4</b>	<b>166.8</b>	
<b>Other investments</b>	<b>16.3</b>	<b>45.0</b>	<b>-16.3</b>	<b>-</b>	<b>-</b>	<b>45.0</b>	
<b>TOTAL INVESTMENTS</b>	<b>295.5</b>	<b>139.9</b>	<b>-87.2</b>	<b>-114.0</b>	<b>-22.4</b>	<b>211.8</b>	

- 1 Associated companies: The total difference between shares of equity, applying the equity method, (47,067) and the share of associated companies equity (11,709) amounts to 35,358 at the end of the period.
- 2 Book value in the Group, according to the equity method, as of September 30, 2002.
- 3 Before dilution and exercise of options etc.

## AB NOVESTRA – THE GROUP

	2001/2002 (15 months) July 1 – Sep 30	2002 (3 months) July 1 – Sep 30	2001 (3 months) July 1 – Sep 30	2000/2001 (12 months) July 1 – June 30
<b>INCOME STATEMENTS, SEK THOUSANDS</b>				
<b>Investment activity</b>				
RESULT FROM SHARES AND PARTICIPATIONS	-47,211	-1,116	-2,261	-9,785
WRITE-DOWNS	-114,034	-76,002	-	-152,915
SHARE OF EARNINGS OF ASSOCIATED COMPANIES	-16,606	-2,515	-7,685	-18,644
<b>GROSS PROFIT INVESTMENT ACTIVITY</b>	<b>-177,851</b>	<b>-79,633</b>	<b>-9,946</b>	<b>-181,344</b>
<b>Other operations</b>				
INCOME FROM OTHER OPERATIONS	4,663	243	3,735	18,493
COST OF GOODS SOLD, OTHER OPERATIONS	-12,943	-306	-8,600	-35,339
<b>Gross profit other operations</b>	<b>-8,280</b>	<b>-63</b>	<b>-4,865</b>	<b>-16,846</b>
<b>Gross profit</b>	<b>-186,131</b>	<b>-79,696</b>	<b>-14,811</b>	<b>-198,190</b>
ADMINISTRATIVE EXPENSES <sup>1</sup>	-21,457	-2,974	-3,776	-21,876
<b>Operating income</b>	<b>-207,588</b>	<b>-82,670</b>	<b>-18,587</b>	<b>-220,066</b>
<b>Result from financial investments</b>				
NET FINANCIAL INCOME/EXPENSE	3,801	541	1,224	3,028
<b>Result after financial items</b>	<b>-203,787</b>	<b>-82,129</b>	<b>-17,363</b>	<b>-217,038</b>
CURRENT TAXES	-	-	-	2,265
<b>RESULT FOR THE PERIOD</b>	<b>-203,787</b>	<b>-82,129</b>	<b>-17,363</b>	<b>-214,773</b>
<i>Result per share</i>	-8.7	-3.5	-0.7	-9.2
<i>Average number of shares during the period</i>	23,390,980	23,390,980	23,390,980	23,363,857
<b>KEY RATIOS</b>				
<b>Financial key ratios</b>				
SHAREHOLDERS' EQUITY, MSEK	240.5	240.5	426.5	448.5
SOLIDITY, %	96.1	96.1	95.3	97.7
CASH FLOW AFTER INVESTMENTS, MSEK	-108.1	14.3	-9.8	-2.9
<b>Data per share, SEK</b>				
SHAREHOLDERS' EQUITY	10.3	10.3	18.2	19.2
RESULT	-8.7	-3.5	-0.7	-9.2
<b>Number of shares etc.</b>				
NUMBER OF SHARES AT THE END OF THE PERIOD	23,390,980	23,390,980	23,390,980	23,390,980
AVERAGE NUMBER OF SHARES DURING THE PERIOD	23,390,980	23,390,980	23,390,980	23,363,857

There are no outstanding options or other financial instruments which could result in a dilution of the shareholders' equity or can result in an increase in the number of total outstanding shares.

<sup>1</sup> Depreciation for the period amounts to -530. The total depreciation relates to tangible fixed assets pertaining to administration.

## AB NOVESTRA – THE GROUP

<b>BALANCE SHEETS, SEK THOUSANDS</b>	<b>September 30, 2002</b>	<b>September 30, 2001</b>	<b>June 30, 2001</b>
<b>ASSETS</b>			
<b>Fixed assets</b>			
<i>Tangible fixed assets:</i>			
EQUIPMENT	643	1,019	1,095
<i>Financial fixed assets:</i>			
INVESTMENTS IN ASSOCIATED COMPANIES	47,067	88,478	43,994
SHARES AND PARTICIPATIONS	164,749	208,945	251,653
OTHER LONG-TERM RECEIVABLES	1,500	2,560	2,560
	213,316	299,983	298,207
<b>Total fixed assets</b>	<b>213,959</b>	301,002	299,302
<b>Current assets</b>			
<i>Inventories.:</i>			
STOCK SECURITIES	1,188	4,638	11,038
<i>Current receivables:</i>			
OTHER RECEIVABLES	1,365	9,007	7,518
PREPAID EXPENSES AND ACCRUED INCOME	1,324	2,101	880
	2,689	11,108	8,398
CASH AND BANK	<sup>1</sup> 32,438	130,726	140,523
<b>Total current assets</b>	<b>36,315</b>	146,472	159,959
<b>TOTAL ASSETS</b>	<b>250,274</b>	447,474	459,261
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders' equity</b>			
<i>Restricted equity:</i>			
SHARE CAPITAL	23,391	23,391	23,391
RESTRICTED RESERVES	442,777	547,940	547,940
	466,168	571,331	571,331
<i>Unrestricted equity:</i>			
UNRESTRICTED RESERVES	-21,870	-127,480	91,967
RESULT FOR THE PERIOD	-203,787	-17,363	-214,773
	-225,657	-144,843	-122,806
<b>Total shareholders' equity</b>	<b>240,511</b>	426,488	448,525
<i>Provisions:</i>			
PROVISIONS FOR DEFERRED INCOME TAXES	47	47	47
<i>Current liabilities:</i>			
ACCOUNTS PAYABLE	2,843	4,689	4,870
INCOME TAX LIABILITY	-	962	1,029
OTHER LIABILITIES	3,394	12,699	2,322
ACCRUED EXPENSES AND DEFERRED INCOME	3,479	2,589	2,468
	9,716	20,939	10,689
<b>Total liabilities</b>	<b>9,716</b>	20,939	10,689
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>250,274</b>	447,474	459,261
<b>CHANGE IN SHAREHOLDERS' EQUITY DURING THE PERIOD, SEK THOUSANDS</b>			
	<b>2001/2002</b>	<b>2001</b>	<b>2000/2001</b>
	(15 months)	(3 months)	(12 months)
	July 1 – Sep 30	July 1 – Sep 31	July 1 – June 30
<b>Restricted equity</b>			
AT THE BEGINNING OF THE PERIOD	571,331	571,331	572,614
PROVIDED THROUGH NEW ISSUE	-	-	1,500
TRANSFERRED FROM/TO UNRESTRICTED EQUITY	-105,163	-	-2,783
<b>At the end of the period</b>	<b>466,168</b>	571,331	571,331
<b>Unrestricted equity</b>			
AT THE BEGINNING OF THE PERIOD	-122,806	-122,806	89,184
RESULT FOR THE PERIOD	-203,787	-17,363	-214,773
QBRANCH BECOMES ASSOCIATED COMPANY	-4,227	<sup>2</sup> -4,674	-
TRANSFERRED TO/FROM RESTRICTED EQUITY	105,163	-	2,783
<b>At the end of the period</b>	<b>-225,657</b>	-144,843	-122,806
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>240,511</b>	426,488	448,525

1 Excluding 45,000 within in the liquidity management accounted for as financial fixed assets.

2 The acquisition analysis of Qbranch has been corrected in connection with interim report No. 2 2001/2002.

**AB NOVESTRA – THE GROUP**

	<b>2001/2002</b> (15 months) July 1 – Sep 30	<b>2000/2001</b> (12 months) July 1 – June 30
<b>FUNDS STATEMENTS, SEK THOUSANDS</b>		
<b>Funds provided</b>		
RESULT AFTER FINANCIAL ITEMS	-203,787	-217,038
ADJUSTMENTS FOR TRANSACTIONS NOT INCLUDED IN CASH FLOW ETC.	180,139	182,603
	-23,648	-34,435
TAXES PAID	-2,318	-263
<b>Funds provided from operations before changes in working capital</b>	<b>-25,966</b>	<b>-34,698</b>
<i>Details of changes in working capital:</i>		
INCREASE (-)/DECREASE (+) IN INVENTORIES	9,850	-6,043
INCREASE (-)/DECREASE (+) IN CURRENT RECEIVABLES	6,132	-1,718
INCREASE (+)/DECREASE (-) IN CURRENT LIABILITIES	1,027	-32,083
<b>Funds provided from operations</b>	<b>-8,957</b>	<b>-74,542</b>
<b>Investment activities</b>		
PROCEEDS FROM SALE OF SUBSIDIARIES	-	-503
INVESTMENT IN TANGIBLE FIXED ASSETS	-86	-805
INVESTMENTS IN FINANCIAL FIXED ASSETS	-133,485	-692,031
PROCEEDS FROM SALE OF FINANCIAL FIXED ASSETS	34,443	764,961
<b>Funds provided from investment activities</b>	<b>-99,128</b>	<b>71,622</b>
<b>Financing activities</b>		
NEW SHARE ISSUE	-	1,500
<b>Funds from financing activities</b>	<b>-</b>	<b>1,500</b>
<b>Total cash flow</b>	<b>-108,085</b>	<b>-1,420</b>
<b>Cash and bank at the beginning of the period</b>	<b>140,523</b>	<b>141,943</b>
<b>Cash and bank at the end of the period</b>	<b>32,438</b>	<b>140,523</b>

**THIS INTERIM REPORT HAS BEEN PREPARED IN SWEDISH AND TRANSLATED INTO ENGLISH. IN THE EVENT OF ANY DISCREPANCIES BETWEEN THE SWEDISH AND THE TRANSLATION, THE FORMER SHALL HAVE PRECEDENCE.**