



 **NOVESTRA**

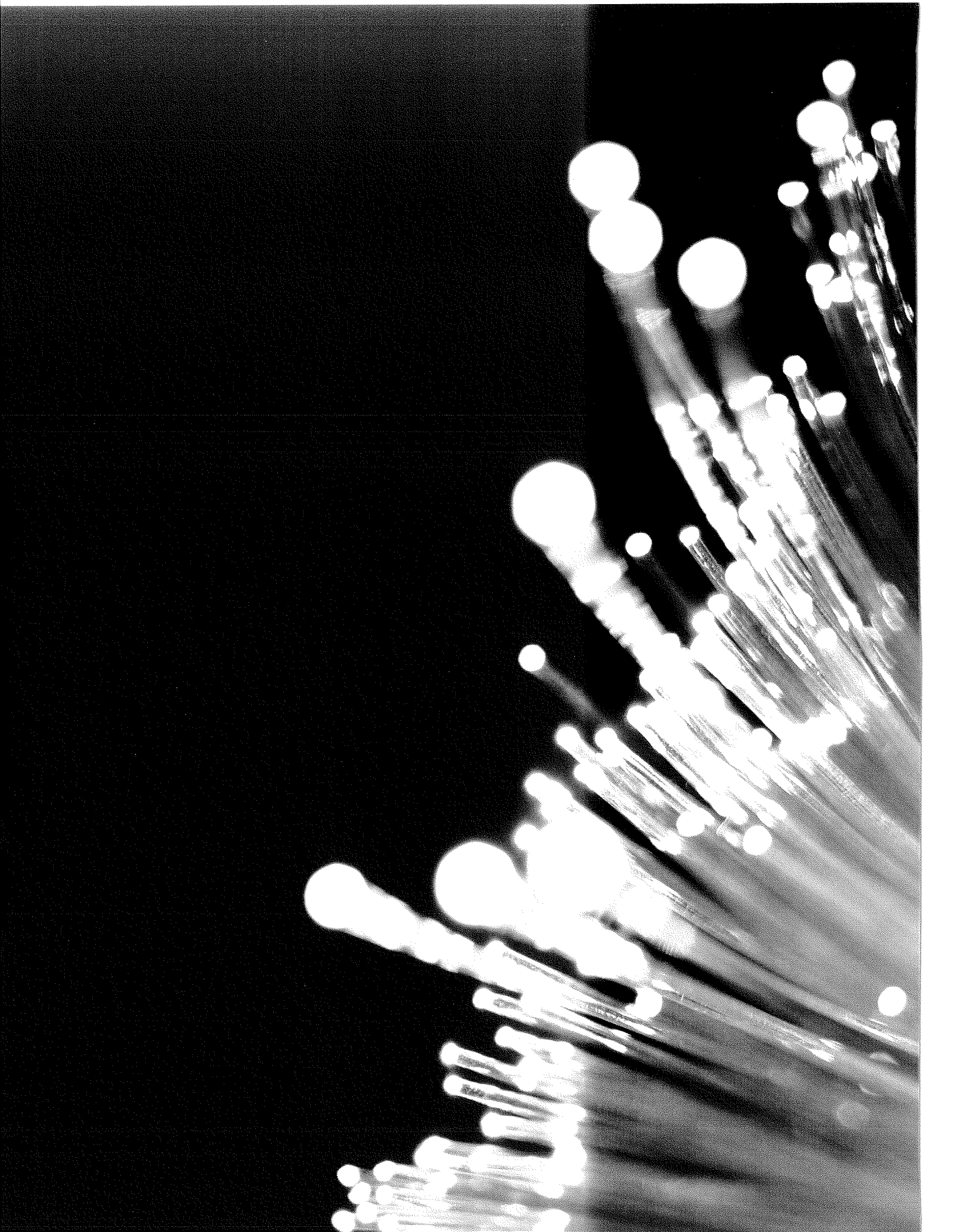
ANNUAL REPORT
1999|2000



THE NETWORK ECONOMY WILL LEAD TO A DEVELOPMENT WHERE
INDIVIDUALS AND COMPANIES WILL BE ABLE TO PARTICIPATE IN
THE **GLOBAL ECONOMY** TO AN EXTENT NEVER BEFORE
EXPERIENCED. THE NETWORK ECONOMY WILL IMPROVE **CONDITIONS** FOR
COMMERCE AND **EDUCATION** AS WELL AS CONTRIBUTE TO AN INCREASED
PRODUCTIVITY IN ALL INDUSTRY SECTORS. IN TURN, THE MAJORITY OF THE
WORLD'S POPULATION CAN BENEFIT FROM
THE **ADVANCEMENT** OF SOCIAL AND ECONOMIC OPPORTUNITY
GENERATED BY SUCH CHANGE.

THE **DEVELOPMENT** TOWARDS A GLOBAL NETWORK ECONOMY IS GOING TO REQUIRE SIGNIFICANT **INVESTMENTS** FROM INDIVIDUALS, COMPANIES AND INSTITUTIONS IN AREAS SUCH AS BROADBAND TECHNOLOGY, **NETWORK** SERVICES AND SOFTWARE APPLICATIONS.





NOVESTRA INVESTS IN COMPANIES **DEVELOPING**
THE PRODUCTS AND **SERVICES** THAT ARE NECESSARY TO
ENABLE INDIVIDUALS, COMPANIES AND PUBLIC INSTITUTIONS ALIKE,
TO PARTICIPATE IN THE ECONOMIC PHASE THAT WE REFER
TO AS **THE NETWORK ECONOMY.**

Annual General Meeting

The Annual General Meeting will be held at 6.00 p.m. on Thursday, October 5, 2000 at Kungliga Ingenjörsvetenskapsakademien (IVA), Wallenbergsalen, Grev Turegatan 16, Stockholm, Sweden.

Participation

To be entitled to participate in the Annual General Meeting, shareholders must - be recorded in the register of the shareholders maintained by VPC AB on Monday, September 25, 2000, and notify the Company of their intention to attend, either in writing to AB Novestra, Norrlandsgatan 16, 111 43 Stockholm or by phoning +46 8 545 017 50, or by faxing +46 8 545 017 60 or by e-mail ing (info@novestra.com) no later than 4.00 p.m. on Monday October 2, 2000. In order to exercise their right to vote at the Annual General Meeting, shareholders whose shares are registered in the name of a nominee, through the trust of a bank or a private stockholder must temporarily re-register their shares in their own name with VPC AB. Such registration must be done by VPC AB by Monday September 25, 2000 at the latest which means that the shareholder must notify their nominees well in advance of September 25, 2000.

Dividend

The Board proposes that no dividend is declared for the financial year 1999/2000.

FINANCIAL CALENDAR

| | |
|--|------------------|
| Annual General Meeting | October 5, 2000 |
| Interim report July 1 - September 30, 2000 | October 31, 2000 |
| Interim report July 1 - December 31, 2000 | January 31, 2001 |
| Interim report July 1, 2000 - March 31, 2001 | May 9, 2001 |

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|---------|--|
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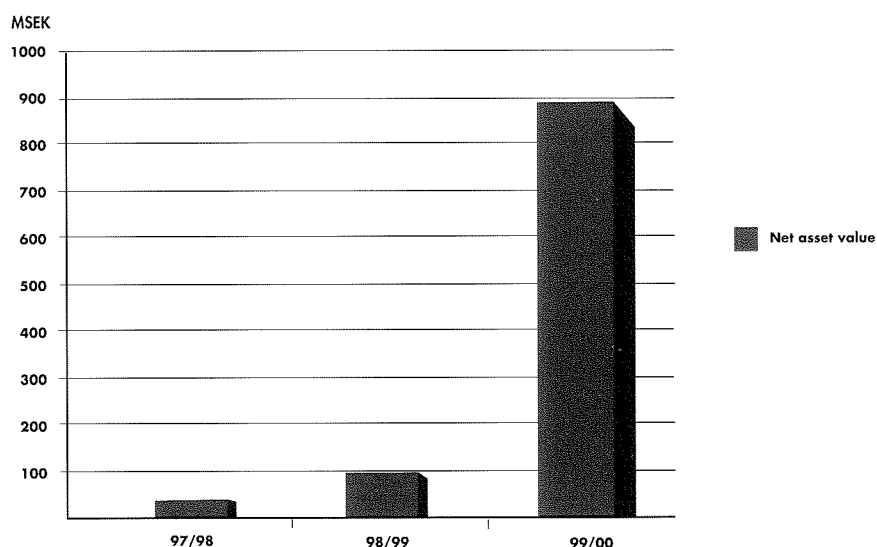
This Annual Report has been prepared in Swedish and translated into English. In the event of any discrepancies between the Swedish and the translation, the former shall have precedence.

- Novestra's net asset value as of June 30, 2000 was 887.2 (84.3) MSEK
- The Group's net result for the financial year 1999/2000 amounted to 88.2 (2.6) MSEK
- The Group's cash and cash equivalents, including interest-bearing investments, amounted to 341.9 (0.6) MSEK
- A new share issue in February 2000 added 476 MSEK to the company
- Novestra has been granted investment company tax status for the 1999/2000 fiscal year
- As of June 21, 2000 Novestra is listed on the O-list of the OM Stockholm Exchange

| | 1999/2000 | 1998/1999 | 1997/1998 |
|--|-----------|-----------|-----------|
| FINANCIAL KEY RATIOS ^{1,2} | | | |
| Return on shareholders' equity, % | 24.7 | 6.4 | 8.5 |
| Equity/assets ratio, % | 88.8 | 82.1 | 91.5 |
| Net financial liabilities, MSEK | 141.9 | 4.7 | -5.8 |
| Cash flow after investments, MSEK | -375.9 | -27.9 | -16.3 |
| Net asset value, MSEK | 887.2 | 84.3 | 33.9 |
| Growth in net asset value, % | 952.1 | 148.4 | n/a |
| Market capitalisation of listed portfolio companies, MSEK | 31.0 | 21.1 | 8.4 |
| Value of unlisted portfolio companies after latest transaction in accordance with the rules stipulated by the EVCA, MSEK | 533.1 | 70.6 | 17.2 |

DATA PER SHARE

| | | | |
|--|-------------------|------------|------------|
| Shareholders' equity per share, SEK | 28.5 | 3.8 | 2.6 |
| Shareholders' equity per share after full dilution, SEK | 34.3 | 3.8 | 2.8 |
| Net asset value per share, SEK | 38.2 | 6.2 | 3.0 |
| Net asset value per share after full dilution, SEK | 43.0 | 5.9 | 3.1 |
| Earnings per share, SEK | 4.9 | 0.2 | 0.2 |
| Earnings per share after full dilution, SEK | 4.3 | 0.2 | 0.2 |
| Number of shares at the end of the period | 23,240,980 | 13,590,975 | 11,381,500 |
| Number of shares at the end of the period after full dilution | 25,890,980 | 15,390,975 | 13,181,500 |



¹ In accordance with the equity method

² Definitions, please see page 53

*An eventful
year preparing
for the future*

Novestra's third financial year was, for many reasons, the most interesting and eventful year so far. We invested in 8 new portfolio companies, including Fanglobe, Qbranch and Netsurvey, and made follow-up investments in several of the portfolio companies already in our portfolio at the beginning of the financial year, including Bredbandsbolaget, up to a total value of 366 MSEK. Divestments totalled 184 MSEK and included the sale of holdings in Framfab and ConNova, and the completion of the transaction in which Intelligence was sold to Jupiter Communications.

During our first two years, 1997 – 1999, we have with fairly limited resources built up a portfolio and worked with the individual companies. This year's profit of 88 MSEK and the major part of the shareholdings in our portfolio stem from the initial capitalisation of 47 MSEK. Over the past year, Novestra was able to add the additional management and capital resources that are needed for the next development phase.

Novestra was listed on the O-list of the OM Stockholm Exchange on June 21, 2000. Since the listing, we have gained some 900 new shareholders to reach the current total of approx. 3,600.

*Positive income
development in
the portfolio
companies*

Looking back at the past financial year, it is clear that the company was correct in anticipating a downturn in the market development. However, the new, tougher market conditions in the IT sector have only had a limited effect on Novestra's portfolio companies. Many of the portfolio companies have had a positive development and several have succeeded in increasing both their turnover and their net income by between 50 and 100 per cent during the first six months of the year. At present, only two of Novestra's strategic portfolio companies have immediate capital requirements.

*Positive contribution
expected from our
investments in i.a. the
broadband sector*

The portfolio's increase in value based on the latest transaction according to EVCA's guidelines has been favourable even after the end of the financial year, and we are hoping that inter alia our investments in the broadband sector, i.e. Bredbandsbolaget, Continuum and PowerNet, will contribute to a positive development for the company over the next twelve months.

*New market
conditions create
investment
opportunities
for Novestra*

As a result of the new market conditions, exit opportunities have become more restricted and, even though we believe that interesting firms will be welcomed by the market, we expect the generally more cautious attitude towards IPOs to prevail for some time to come. This, however, also means that the valuations of investments in many sectors have become more favourable. At the same time, there is stiff competition for projects within certain areas of the venture capital market where investors tend to focus on the same types of sectors simultaneously.

Our investment focus in the immediate future will lie within the next generation of communication technologies and services. This development is linked to the growth of broadband and other forms of high speed data transfer.

We expect that the tougher market conditions will prevail and that this will create excellent opportunities for Novestra. With our current investment focus and our strong liquidity base, which is the result of our view of the market and consequently our limited investments after the new share issue in February, we are well positioned to benefit from the current market conditions.

Considerable resources are being allocated to the development of our holdings in the broadband sector

Our ambition is to be the most attractive partner for companies that are active in our focus areas. This is achieved by using our management and network to assist companies in their business development and internationalisation, by assisting in identifying and implementing mergers and acquisitions and in the raising of capital for our portfolio companies through the various stages up to exit. Considerable resources are currently being allocated to the development of our holdings in the broadband sector, all of which have substantial value potential.

Continuum, Bredbandsbolaget's partner in Benelux

Our ambitions vis-à-vis our shareholders are, among other things, to offer access to the exclusive dealflow generated by Novestra's network and exposure to investment opportunities primarily in the Nordic region focusing on enabling communications services and technologies, including broadband services and broadband technology for fixed and wireless Internet. Our largest investment as of June 30, 2000 in terms of the amount invested was in Continuum where Novestra is the only Nordic investor and where we participated as founding investor. Continuum is Bredbandsbolaget's partner in Benelux holding 33% of the joint company.

Intention to conclude several divestments

Our intention is to conclude further divestments/IPOs during the coming financial year, and we believe it is likely that most of these will take place during the first half of 2001.

Novestra has managed to achieve high returns on the smaller investments that we made with our limited capital resources during the first two years of operation. During the third year, Novestra has made a number of larger investments and, if these investments in for example Bredbandsbolaget Continuum and Qbranch prove successful, we have created a strong base for a continued appreciation in Novestra's value.

STOCKHOLM IN SEPTEMBER 2000



Thomas Åkerman
President and COO



HISTORICAL BACKGROUND

Novestra was founded in April 1997 by the current principal owners, Lennart Tengroth and Theodor Dalenson. Based on the founders' experience and networks, the intention was to establish a venture capital company investing in businesses with strong growth potential.

Novestra was established with limited capital resources which has been positive for the company's investment culture. The total capitalisation during Novestra's first two years in business amounted to some 47 MSEK which was invested by the founders and a number of institutions and private individuals in the network. Most of the original investors who participated in the initial capitalisation are still shareholders and, in several cases, directly or indirectly active in the company.

Novestra had a considerable network already from the beginning which could become directly or indirectly involved in the portfolio companies and bring about value growth by supplying strategic skills and business expertise.

Several of the twelve investments which Novestra carried out during its first two years in business generated good returns. The positive return generated from the initial investments is to a significant degree due to the active involvement of Novestra and its network. The following companies and transactions are among the ones worth mentioning:

ConNova Group AB. Through board members Theodor Dalenson and Lennart Tengroth, Novestra secured the initial financing which enabled the company to buy out Philips B.V.'s participating interest in the company. Novestra initiated and participated in the preparations for the listing of ConNova Group AB on the OM Stockholm Exchange's O-list in December 1997 and led the work of securing credits which enabled a private placement of 109 MSEK in December 1999.

E*TRADE Nordic AB. Novestra participated in the initial capitalisation of E*TRADE Nordic AB, and Theodor Dalenson was active as a board member. Novestra participated in another round of capitalisation in E*TRADE Nordic AB and was also involved, to a limited extent, in the negotiations which led to its acquisition by E*TRADE Group Inc. in the autumn of 1999.

Framtidsfabriken AB. Through Peter Ekelund's involvement as Chairman of the Board in the company from 1997 to 1999, Novestra was able to invest early in the company. Until the company was listed in June 1999, Peter Ekelund was responsible for strategy issues within Framfab and continued to play an important role in the company's development after the listing.

Intelligence AB. Novestra co-founded the company in July 1998. Novestra had sole responsibility for the company's capitalisation and managed its strategic development. As a member of the board, Theodor Dalenson was instrumental in initiating and leading the negotiations which resulted in the sale of Intelligence to **Jupiter Communications Inc.** in August 1999.

Bredbandsbolaget AB. Novestra participated in the initial capitalisation of the company, and Peter Ekelund is since the outset responsible for Bredbandsbolaget's business strategy and development. Novestra participated in all share issues up to September 2000.

In addition to the above-mentioned investments and exits, Novestra has invested in and acquired considerable participating interests in PowerNet, Netsurvey, Fanglobe, Qbranch, Mobilestop, Comintell and DCM. Novestra has also made smaller investments in inter alia Boxman and Klick Data.

Through its involvement in the boards of the various portfolio companies, Novestra has been able to influence the companies' strategic focus and utilisation of resources. This work was at times extensive and was, in most cases, appreciated by the entrepreneurs and management, even if the conditions and demands placed on the companies' management were often considerable.

THE MARKET

The interest in private equity investments has increased sharply over the past few years. When Novestra was founded three years ago, venture capital attracted very limited interest. Over the past two years, however, this sector has entered the limelight and the number of players has multiplied.

There is currently a better supply of capital than for a long time and today many investors want part of their exposure to be in private equity companies. In addition, there is growing interest among foreign investors in investments in Sweden and the rest of the Nordic region.

According to the Swedish business magazine, *Veckans Affärer*, Swedish investors alone manage some SEK 170 billion. There is also a large number of corporate and foreign funds investing in Nordic growth companies. Despite the more adverse market situation, the Swedish venture capital market has increased by SEK 20 billion in additional funding this year alone.

Development has been fuelled by a number of success stories in which incredible stock market values have been created when investors have made spectacular profits in short periods of time. This has also attracted other investors and created a broad general interest.

Exit opportunities for investors through IPO's have, over an 18-month period until April 2000, been extremely good. This has resulted in a greater interest in investing in small companies that, in many cases, can only be described as projects. The market has to a great extent been driven by trends and buzz-words, which has resulted in a situation where companies without any reasonable chance of succeeding have been able to secure considerable financing at high valuations.

After a correction in the market last spring, the situation changed considerably. Price levels of unlisted companies in general have also fallen, although, in Novestra's opinion, not to the same extent as the general decline in the stock markets. The fact that the value of investment projects in their early stages has not fallen more can probably be attributed to the considerable flow of capital which has been injected into the venture capital market. In Novestra's opinion, this has resulted in an imbalance in the relationship between risk and reward in these kinds of investments.

Last year's general trend towards investments in various e-commerce companies and other B2C concepts has now been replaced in the Nordic venture capital market by, among other things, the wireless Internet, and this is now the main focus of many players. Even if the wireless Internet is on the brink of an explosive development, investments in this area are as risky as other IT-related investments. The fact that the valuation of these companies is often high already in the project stage further increases the risk and will probably result in many disappointments among investors.

In order to give investors a good return on investments in this market, Novestra has continued to focus on investments that the company believes have a particularly favourable relationship between risk and potential yield.

Under current market conditions, it is of increasing importance for both Novestra as well as other investors to provide value to portfolio companies in other forms than capital. This dimension is of crucial importance in securing investment opportunities in attractive companies at reasonable valuations, as well as to the ability to contribute to a positive development for the portfolio companies and to create and implement exit opportunities and IPOs.

Despite the increasing competition for interesting investments, there will still be good opportunities in the upcoming years. This is mainly due to the sweeping changes and the growth that is created through the network economy. The new attitude towards private enterprise in Sweden has resulted in more and more young people attempting to implement their business ideas, and having the opportunity to do so. There is ample reason to be optimistic about the changes and the opportunities that the network economy brings about.

STRATEGIC FOCUS

Novestra's main focus has been to identify companies with an optimal relationship between risk and value potential. Most of Novestra's investments have been within the sector called "enabling services." The reason for this is that Novestra believes that this is the first sector to benefit from the positive effects of the network economy. It involves more efficient ways of sending, receiving, storing and processing information, as well as various services and technical solutions that make it possible for established businesses to increase their productivity. Furthermore, the introduction of broadband will, over the next five to ten years, have a major impact on the structure and design of different communication and content services. Broadband technology will also bring about radical changes in the distribution structure now in place for data and telecommunications. This is one of the areas in which Novestra anticipates great opportunities.

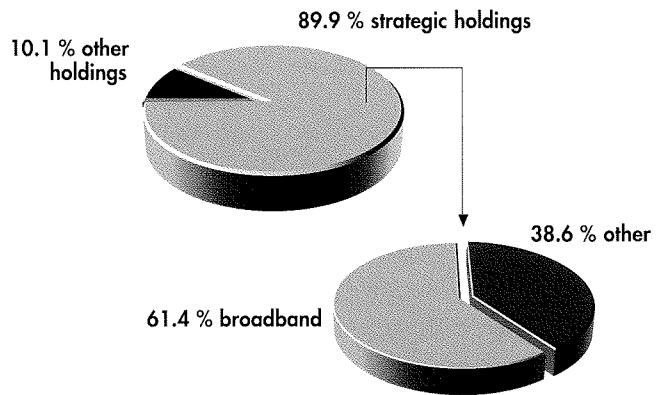
The transition to the network economy has generated and will continue to generate numerous new firms who will take advantage of the new opportunities to expose, sell and charge for products and services. These companies need a number of products and services to establish and run their business. The network economy also means that established businesses within almost all sectors need to adapt their business structures and business models to cope with the new threats and opportunities that this development creates in order to remain competitive. Even established companies are in need of these products and services in order to carry out the adaptation process. In many cases, these changes mean that businesses choose to use an external supplier for crucial services, applications and systems as the complexity and demand for 100 per cent access and security increases.

It is against this background that Novestra will focus primarily on the sector defined as "enabling communication and technology services". Novestra invests mainly in Nordic companies, but the company also intends to evaluate international investments together with foreign partners.

According to Enskilda Securities, IT investments by Swedish companies are estimated at EUR 10.3 billion for the year 2000. IT investments are expected to increase further over the next few years and it is likely that software and other communication services will grow faster than other segments such as, for example, hardware.

Novestra hopes that its focus on investment in companies that supply communication services and that enable other players to adapt more easily to and benefit from opportunities in the network economy, will lead to good returns in the years to come.

NOVESTRA'S PORTFOLIO HOLDINGS
AS OF SEPTEMBER 11, 2000



THE FUTURE

After a successful start-up phase, Novestra is now facing new challenges. Some of these challenges are related to the altered market conditions within the venture capital market; others to the Novestra's organisation and high profitability targets for its operations.

As higher and higher values are being realised and becoming available for new investment, Novestra has adapted its organisation and injected the additional resources into the company that are needed in order to successfully invest and manage a larger capital base. After recent recruitments, Novestra has added considerable business skills and strategic expertise: Thomas Åkerman, Nils Bengtsson, Mats Berglund, Göran Strandberg, Marcus Söderblom and Cecilia Janson, and in the separate Evestra business segment, Joakim Kempff, Fredrik Fagerberg and Pratik Vithlani. In addition there are a number of individuals within the company and its network who have an excellent understanding of the next generation of communication technology. This expertise, along with the knowledge and skills in the individual portfolio companies and in Novestra's international network, will be one of the most significant factors in Novestra's success.

Having access to an organisation and a management team that has the experience and level of competence present in Novestra is a prerequisite for success. As Novestra has the opportunity to capitalise on investments in some of the more successful companies in the portfolio, the capital base is growing, and it will be increasingly difficult to achieve the high returns that the company has been able to report so far.

Over a period of time, Novestra has worked to further define its future investment focus and to develop a strategy for how the company can identify companies and invest larger amounts without increasing the risks in the portfolio. Most of the work of establishing the strategic focus and investment philosophy is now completed. Novestra has every reason to believe that the balanced investment philosophy it has chosen will enable the company to continue to identify and invest in growth companies within the network economy.

The fact that Novestra has succeeded in establishing itself on the venture capital market as one of the few players that is not attempting to profit from short-term market trends, should constitute a valuable asset in the consolidation phase that the relatively new venture capital sector in Sweden will most probably go through.

Novestra's goal is to bring considerable added value to its portfolio companies – not merely through capital but also through the experience and expertise which Novestra can offer its portfolio companies.

In order to provide better support for the portfolio companies, Novestra has initiated a number of informal partnerships with international players with specific expertise within Novestra's field. Novestra believes that these business relationships will develop further and lead to additional international partnerships in the future.

In summary, Novestra trusts that the company's shareholders will continue to benefit from the positive development of the company generated by a competent management, a disciplined investment philosophy, and a solid capital base.

Board of Directors¹

Working Board members ("Executive Directors")



THEODOR DALENSON (BORN 1959)

Chairman of the Board as of August 2000. Board member since 1997. Theodor Dalenson founded Novestra in April 1997 with Lennart Tengroth. Between 1984 and 1990 Mr. Dalenson worked in the field of business and market development, both in Sweden and internationally. Other Board duties include E*TRADE, NetCap, Sector Management AB ("Sector Management") (Chairman), Fanglobe, Recollections, Dallas, PowerNet, Nordic Strategies AB ("Nordic Strategies") and ASF Inc.

Holding in Novestra: 1,989,980 shares, warrants corresponding to 520,000 shares. Mr Dalenson has granted call options corresponding to 230,000 shares.



LENNART TENGROTH (BORN 1949)

Board member since 1997. Lennart Tengroth founded Novestra with Theodor Dalenson in April 1997. Prior to this, Mr. Tengroth was a partner in the law firm Vinge KB, where he worked from 1978 to 1997. At Vinge, Mr Tengroth served as a Board member and as head of the IT and media division. Other Board duties include Skandia Mäklarna, PowerNet, Nordic Strategies (Chairman), NetCap and Sector Management.

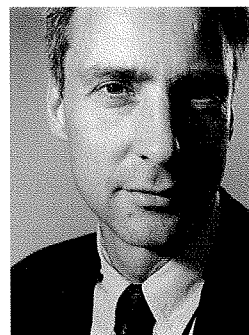
Holding in Novestra: 2,058,535 shares, warrants corresponding to 375,000 shares. Mr Tengroth has granted call options corresponding to 230,000 shares.



PETER EKELUND (BORN 1954)

Board member since 1999. Peter Ekelund was Project Manager for the development and launch of Absolut Vodka in the United States from 1977–1982. Mr Ekelund then served as Managing Director for a start-up company within the Tetra Pak Group between 1983 and 1988. From 1989, Mr. Ekelund served as Managing Director for Filmnet Benelux before becoming Group Director for strategy and business development in Filmnet's parent company, Nethold BV (which changed its name in 1997 to Canal Plus). Mr. Ekelund has also held the position as Chairman of the Board for Framfab AB and is one of the founders of Bredbandsbolaget. Other Board duties include Iquity Systems, Dallas and Nordic Strategies.

Holding in Novestra: 480,825 shares, warrants corresponding to 500,000 shares and call options corresponding to 100,000 shares.



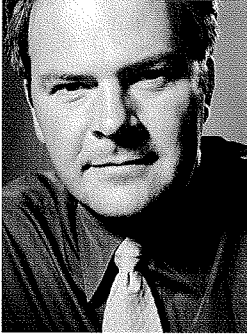
GÖRAN STRANDBERG (BORN 1959)

Board member since 2000. Göran Strandberg has worked for Cisco Systems Inc. ("Cisco") since 1992 and was responsible for setting up the company's Nordic operation. In 1997, Mr. Strandberg was appointed as a member Cisco's Executive Management in Europe responsible for the indirect sales operation in Europe, the Middle East and Africa. Other Board duties include Pipe Beach AB, PowerNet (Chairman) and AB Pallium.

Holding in Novestra: 110,000 shares, warrants corresponding to 200,000 shares and call options corresponding to 100,000 shares.

¹ Holding in Novestra includes shares held by family members

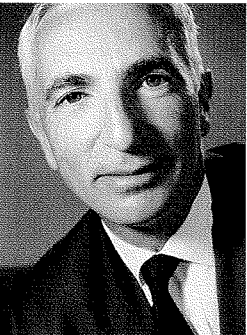
Other Board members



ANDERS LÖNNQVIST (BORN 1958)

Board member since 2000. Anders Lönnqvist has been active within a number of development and investment firms including Hevea AB, Schatullet AB and Investment AB Beijer. Mr. Lönnqvist is Chairman of the Board and also owner of Servisen Holding AB. Moreover, Mr Lönnqvist is Chairman of the Board for Iquity Systems and J. Lindeberg AB. Other Board duties include Envax Holding, Datscha.com, SSRS Holding, Autostrada Agents and Wip.

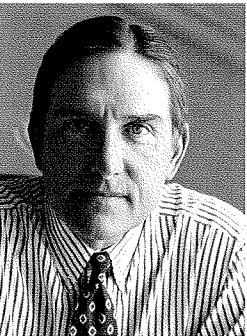
Holding in Novestra: 4,000 shares, warrants corresponding to 50,000 shares and call options corresponding to 125,000 shares.



JOHN WATTIN (BORN 1947)

Board member since 2000. John Wattin has worked within the IT industry for almost 30 years and has held positions in a number of well-known companies in Sweden such as Modulföretagen, Pronator, Scandiakonsult, Sapia and Astral. Mr. Wattin was also one of the founders of Enator and was actively involved in Indevo AB, Mandator AB and Sigma AB. Other Board duties include Net Entertainment AB, Establish AB, Proventus AB, Qbranch, Satsafe AB, Silentium AB and Cherry AB.

Holding in Novestra: 26,000 shares, warrants corresponding to 50,000 shares and call options corresponding to 50,000 shares.



W. THORPE MCKENZIE (BORN 1947)

Board member since 1999. W. Thorpe McKenzie began his career as a stockbroker in New York in 1971. After 10 years as a stockbroker with Kidder Peabody Co., Mr McKenzie founded the TIGER global hedge fund with Julian Robertson. Mr McKenzie resigned as a partner in TIGER in 1982 and has since managed his own investments and been actively involved in financial institutions. Novestra is currently his only external board duty with the exception of a number of charitable institutions.

Holding in Novestra: 1,065,000 shares, and call options corresponding to 100,000 shares.

Management¹



THOMAS ÅKERMAN (BORN 1955)

President, COO and Investment Manager as of August, 2000. From 1993 to 2000, Thomas Åkerman was Director in the Corporate Finance Division of Enskilda Securities where, among other things, he served as Project Manager for the merger between Pharmacia & Upjohn and Monsanto, the merger between Astra and Zeneca, as well as ABB's introduction of a single share class. Prior to this, Mr. Åkerman was involved in Enskilda Strategy M&A Consulting (as founder and partner) and was employed by Nordic Management AB.

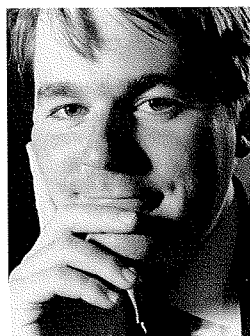
Holding in Novestra: 70,300 shares, warrants corresponding to 460,000 shares and call options corresponding to 100,000 shares.



NILS BENGTSOON (BORN 1951)

Executive Vice President, CFO and Investment Manager since 2000. For the last 15 years, Mr Bengtsson has held leading positions in companies such as Aros Securities AB, Aragon Securities and Scandinavian Airlines System AB. Nils Bengtsson is a member of the Board of Comintell.

Holding in Novestra: 20 000 shares, warrants corresponding to 150,000 shares and call options corresponding to 100,000 shares.

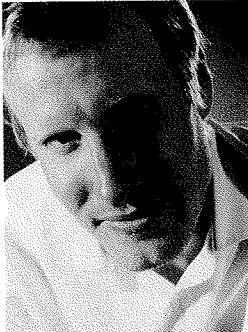


MARCUS SÖDERBLOM (BORN 1972)

Investment Manager since 2000. Marcus Söderblom has worked as project manager in the Corporate Finance Division of Hagströmer & Qviberg Fondkommission AB where he was Project Manager for, and active in, numerous capital procurements and other corporate transactions within the technology sector. Mr. Söderblom is a member of Netsurvey's Board of Directors.

Holding in Novestra: 25,175 shares, warrants corresponding to 100,000 shares and call options corresponding to 20,000 shares.

¹ Holding in Novestra includes shares held by family members



JOAKIM KEMPPF (BORN 1970)

Responsible for the Evestra business segment and Investment Manager since 2000. Joakim Kempff has ten years' experience from the advertising industry. Mr Kempff is the founder of Commando AB and previously worked as a consultant and acting Managing Director for Dallas.

Holding in Novestra: 1,750 shares.



MATS BERGLUND (BORN 1952)

IT Manager and Investment Manager since 2000. Mats Berglund also serves as Administration Manager at Sector Management. As Managing Director for IC Control AB and, formerly, advisor to St. Erik Investment, Mr. Berglund has accumulated over 20 years' experience in venture capital in the electronics, white goods and automobile industries. Mr Berglund is a member of the Boards of IC Control AB, Mercator International Group AB, PowerNet and Sector Management.

Holding in Novestra: 32,000 shares and call options corresponding to 45,000 shares.



CECILIA JANSON (BORN 1958)

Information Manager since 2000. Cecilia Janson previously worked for Svenska Handelsbanken. Ms Janson is also co-founder and former Managing Director of the design company von der Esch. Ms Janson was previously self-employed and worked as an interpreter and translator.

Holding in Novestra: 1,000 shares, warrants corresponding to 35,000 shares and call options corresponding to 20,000 shares.



JOHAN HEIJBEL (BORN 1975)

Finance and Accounting Manager since 1997. Johan Heijbel is employed at Ekonomikonsult Islinge KB and has been Finance and Accounting Manager on a consulting basis since 1997.

Holding in Novestra: 500 shares and warrants corresponding to 10,000 shares.

Advisory board¹

Novestra's Advisory Board was created to bring additional knowledge and expertise to the evaluation and decision-making process. The members in the Advisory Board do not, however, have any formal power or function. Members in the Advisory Board form an important link in Novestra's network and play a crucial role in generating business. They are also often involved in the evaluation process.

PÄR ARVIDSSON (BORN 1960)

Founder and partner of a Silicon Valley based incubator and seed investment company in co-operation with a leading venture capital firm. Pär Arvidsson previously worked for Strategic Decisions Group Inc. ("SDG") and McKinsey & Company.

HANS BRINDFORS (BORN 1947)

In 1978, Hans Brindfors and two partners founded the advertising agency, Brindfors Reklambyrå. Mr. Brindfors was actively involved through his company in developing brand names such as SAS, IKEA and Hennes & Mauritz. In 1996, Mr Brindfors founded Brindfors Design with Peter Györki which now is the leading design agency in Scandinavia.

MIKAEL EDHOLM (BORN 1956)

Mikael Edholm is currently Director of Corporate Business Development at L M Ericsson, based in Menlo Park, CA. Prior to this, Mr. Edholm held marketing and business development positions at Hewlett-Packard Co. in Cupertino, CA and Grenoble, France and at Allen-Bradley Co., based in Amsterdam, the Netherlands. Mr. Edholm has also worked for 3M Co. and ABB Electronics. In addition, Mr. Edholm currently serves on the Boards of Room33 AB, a consumer portal based in Stockholm, Sweden; Roaminfo AB, a travel industry vertical portal based in Gothenburg, Sweden and StartupStation, an early stage venture capital company based in London, UK.

CARL GUSTAF LANGENSKIÖLD (BORN 1956)

Technical entrepreneur and industrial designer. Over the past ten years, Carl Gustaf Langenskiöld has been involved in, and founder of, two very successful industrial companies linked to the IT sector: DCM and M2 Engineering AB.

PETER LUNDIN (BORN 1945)

Peter Lundin worked for some 20 years until the end of the 1980s in London and Los Angeles with project management in TV, events and theatrical production. Mr. Lundin has been responsible for a series of major events such as UN – 50 years, the Amnesty Gala, The Swedish Sports Awards and the 2000 Eurovision Song Contest. Since the end of the 1980s, Mr Lundin has completed a number of assignments for Sveriges Television and, during the 1990s, Mr Lundin also served as Managing Director for Kanon Television and Managing Director and the Chief Executive Officer for Strix Television.

¹ Holding in Novestra includes shares held by family members

ANDERS MILTON (BORN 1947)

Anders Milton is currently the Secretary General of the Swedish Medical Association and the Chairman of the World Medical Association which represents more than 8 million physicians in almost 80 countries. Mr Milton is also Chairman of the Swedish Confederation of Professional Associations (SACO). Mr. Milton is also active within Salus Ansvar AB where he served as Chairman of the Board from 1994–1998. He is also member of the Board of Första AP-fonden.

JÖRG MOHAUPT (BORN 1966)

Cofounder and Managing Director of Continnum Group Ltd, Mr Mohaupt was previously a consultant at Coopers & Lybrand in the Telecommunications Group and as a Business Development Manager at Cable & Wireless and KPN. Mr Mohaupt was Executive Director at the Telecom Group of Morgan Stanley Dean Witter in London responsible for covering emerging telecommunications carriers and ISPs in Europe. Prior to joining Morgan Stanley, Mr Mohaupt worked at Lehman Brothers in London and New York, where he was also primarily covering emerging telecommunications carriers.

MAGNUS NILSSON (BORN 1955)

Since January 2000, Magnus Nilsson has worked for Nordic Wireless Ventures AB, a venture capital firm that focuses on mobile Internet businesses. From 1997–1999, Mr. Nilsson served as a Board member and was involved in the operations of Novestra. For most of the period from 1983–1996, Mr Nilsson worked for the EF Education Group and served as Managing Director for EF Educational Tours, North America. Mr Nilsson later became the Executive Vice President for EF Education Group. His current Board duties include Academic Search International AB, Netsurvey, Switch Technologies AB, Nordic Wireless Ventures AB, Campuscareercenter.com Inc. and Globberoom Ltd.

MARCUS STORCH (BORN 1942)

Marcus Storch is a well-established name within Swedish industry. After working for AGA for thirty years, eighteen of them as CEO, Mr Storch is now actively involved as Chairman, Deputy Chairman and member of the Boards of a number of companies and organisations. These include Axel Johnson AB, Dagens Industri AB, ConNova AB, Axfood AB, NCC AB, the Nobel Foundation, Nordstjärnan AB, OM Stockholm Exchange AB and Skyways AB.

Other information

Auditor

Stefan Holmström (born 1949)
Authorised public accountant, KPMG.
Auditor for Novestra since 1999.

INVESTMENT FOCUS

- Investment stages; growth capital through the entire development process until exit
- Investment size; 10 – 100 MSEK
- Ownership 5 – 40 %
- Duration 3 – 5 years
- Number of portfolio companies 20 – 25

STRATEGIC HOLDINGS as of September 11, 2000

| Broadband | Sector | Book value, MSEK | Ownership before dilution, % | Representation in company ¹ | Comments on the respective strategic holding |
|------------------|--------------------|--------------------|------------------------------|--|--|
| Bredbandsbolaget | Infrastructure | 102.3 ² | 4.9 | Yes | Ready for strong expansion |
| Continuum | Investment company | 91.5 | 12.3 | Yes | Bredbandsbolaget's partner in Benelux |
| PowerNet | Infrastructure | 25.2 ³ | 60.0 ³ | Yes | New partners indicate significant potential |
| Total | | 219.0 | | | |

Other enabling communication technologies and services

| | | | | | |
|----------------|------------------------|-------------------|-------------------|-----|--|
| Comintell | Knowledge Mgmt | 5.0 ⁴ | 24.0 ⁴ | Yes | Leading within knowledge management |
| Dallas | Design/brand | 5.6 | 40.0 | Yes | Specialised in motion graphics |
| DCM | Service company | 13.5 | 5.7 | Yes | High growth and profitability |
| Fanglobe | Music/Video | 20.5 | 14.5 | Yes | Basis for expansion through strategic investor |
| Iquity Systems | Software | 24.8 ⁵ | 5.4 | Yes | High growth, considerable capital requirements |
| Mobilestop | E-commerce solutions | 7.9 | 6.2 | Yes | B2B services for operators and manufacturers |
| Netsurvey | Market survey services | 16.7 | 30.0 | Yes | Market leader in Sweden |
| Qbranch | IT consultant | 26.3 | 15.0 | Yes | High growth and profitability |
| Recollections | Service company | 17.4 | 13.4 | Yes | Products for the digital photo industry |
| Total | | 137.7 | | | |

OTHER HOLDINGS

| | |
|--------------------|-------------------|
| Listed companies | 10.0 |
| Unlisted companies | 30.1 ⁶ |
| Total | 40.1 |

Total investments in portfolio companies, including convertibles and options (22.5 MSEK) intended to be utilised, 396.8 MSEK

When calculating the net asset value, holdings in unlisted companies have been valued based on latest transaction according to the EVCA guidelines. The companies that have been valued according to latest transaction are Bredbandsbolaget, DCM, Fanglobe and Netsurvey. Listed holdings are valued based on market value as per September 11, 2000. The market value calculated as above as per September 11, 2000, including market value of interest-bearing fund, exceeds book value by 479,283. 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 Bredbandsbolaget at 107 SEK/share in August.

¹ Representation on Board, management or advisory board in the respective company

² Including convertible of 45.6 MSEK

³ Including option to acquire 20 % for 20 MSEK

⁴ Including option to acquire 12 % for 2.5 MSEK

⁵ Including convertible of 6.3 MSEK

⁶ Including convertible of 6.9 MSEK

Strategic Holdings

The purchase price method as of September 11, 2000



BREDBANDSBOLAGET

The business concept of Bredbandsbolaget is to provide households, property owners and smaller companies with access to fixed and mobile broadband connections for the transfer of data, voice and images within the same infrastructure and with a common customised interface. Bredbandsbolaget was formed in May 1999 and has established itself as one of Telia's main competitors in Sweden. The company is also established in Norway, Denmark and the Netherlands. Bredbandsbolaget's goals are:

a) to become Europe's leading company in developing broadband services and in stimulating the development towards the network society,

b) to offer the market's fastest and most affordable fixed Internet connection based on tested, two-way technology that will endure in the future.

Today, Bredbandsbolaget is established on the Scandinavian market and plans further international expansion, focusing initially on Europe. Bredbandsbolaget has signed agreements with a number of property owners and housing co-operatives. Framework agreements have been signed, for example, with HSB Sweden and UBL Norway. Bredbandsbolaget has signed strategic partnership agreements with Cisco, Intel, Ericsson and Akamai among others. Bredbandsbolaget is part of consortiums for UMTS licenses in Sweden and Norway together, i.a., with Orange France Telecom, Skanska and Schibsted. In March 2000, Bredbandsbolaget and NTL Inc. entered into an agreement that, among other things, made NTL Inc. the largest owner of Bredbandsbolaget (approx. 25%).

| | |
|---|------------------|
| Number of shares prior to conversion | 3 778 007 |
| Book value, including convertible (of 45.6 MSEK), MSEK | 102.3 |
| Average acquisition cost per share, SEK | 15.0 |
| Ownership prior to dilution and conversion, % | 4.9 |

Comintell

COMINTELL

Comintell is one of Europe's leading providers of solutions, services and software for knowledge management. Comintell works with its clients to customise standard applications and to help client companies to compile better and more efficient information as a basis for decision-making.

Among the various applications developed by Comintell are:

Comintell Terrain™ which assists companies in surveying the external business environment and to build up their own tools for the strategic decision process.

Comintell Focus™ is a service which defines and creates effective processes for gathering, classifying, filtering and storing information shared by knowledge workers within the private companies.

Comintell Community™ provides services needed for creating internal networks within the organisation.

Comintell Mentor™ is an outsourcing service in which Comintell takes over and runs the operations of the various services from its customers on a 24-hour basis.

Comintell clients include Ericsson, Birka Energi, Telia, Tetra Pak and IKEA.

| | |
|--|----------------------------|
| Number of shares | 316 000¹ |
| Book value, MSEK | 5.0¹ |
| Average acquisition cost per share, SEK | 15.8¹ |
| Ownership prior to dilution, % | 24.0¹ |

¹ Including an option which is intended to be utilised

Continuum group Ltd.

CONTINUUM

Continuum is a newly founded investment company, which focuses on Internet infrastructure and broadband services in Europe. Continuum invests in established companies and actively develops new businesses in these sectors. The company is based in London and was founded by two persons with experience from the telecom sector, Jean-François Astier, formerly with Lehman Brothers, and Jörg Mohaupt, formerly with Morgan Stanley Dean Witter. Continuum plans to leverage its network of contacts across Europe and to capitalise on the changes in the European Internet infrastructure and broadband services markets. Continuum intends to target emerging leaders in five areas within Internet infrastructure in Europe:

- broadband local access
- wireless data
- data and IP services
- Internet applications
- network technology.

Together with strategic partners, Continuum will initiate and invest in projects in which it will initially have a 10 to 50 per cent equity ownership. Continuum has invested and is a shareholder in, among others, interxion – which works with integrated data solutions and operates data centres in eight European countries; BaByXL – an independent DSL company; Operandi – a pan-European ASP company; and Bibit Billing Services B.V. – a Dutch supplier leading within Internet and mobile-based payment solutions. Continuum is also a European partner of Bredbandsbolaget and owns 33 per cent of Bredbandsbolaget Benelux.

| | |
|--|-------------------|
| Number of shares | 10 000 000 |
| Book value, MSEK | 91.5 |
| Average acquisition cost per share, SEK | 9.2 |
| Ownership prior to dilution, % | 12.3 |



DALLAS

Dallas' business concept is strong strategic design that can be integrated with any channel of communication, with a view to building a brand's identity and position in the market. Dallas' specialty is brands that exist in a dynamic world.

Dallas was founded in 1994 and is today best known for having created a number of brands within the medium of television, such as Expedition Robinson, Bolibompa, Så ska det låta and Sikta mot stjärnorna. Other clients that have been helped with positioning and building their brands are Media Spark (eTV), Speed Ventures, TV4, Kanal 5, SVT, Titan, Efti, Fondmarknaden.se, SBS (easy 105,5), Sony Music, Packplanet, PowerNet and Sandrew/Metronome. More and more brands are facing a changing media situation as technology develops towards broadband and the moving image accounts for a greater share of total media consumption. With its wide experience in TV graphics, Dallas is uniquely positioned in the market to remodel static brands and build up dynamic ones. Dallas intends to build an international network of companies focusing on communicative and strategic design solutions. Future clients will be companies that need to communicate with large target groups and that see dynamic design as a competitive advantage.

The company currently employs twelve people. The Dallas shares are not currently publicly traded. Other shareholders in Dallas, apart from Novestra, are Johan Gustafsson, Peter Granström and Johan Grafström.

| | |
|---|------------------|
| Number of shares | 1 000 000 |
| Book value, MSEK | 5.6 |
| Average acquisition value per share, SEK | 5.6 |
| Ownership prior to dilution, % | 40.0 |



DCM

DCM is one of the Nordic region's leading companies in the processing, testing, transferral and replication of digital information, particularly within physical media. DCM also produces matrixes for replicating (glass mastering). DCM currently offers eight digital formats for music (cd-da), data storage and interactive databases (cd-rom), film (dvd-video) and recordable media (cd-r). Apart from the physical offering, DCM also offers web-based products and services such as Personal CD™, as well as additional customised services such as the production of printed matter and packaging, packing, storage and distribution.

DCM has experienced a very good organic growth over the past five years and the company recently carried out a number of small acquisitions, which should lead to an improvement in the result over the next few years. DCM has been profitable for several years, and at present the company has no further capital requirements.

DCM is planning a listing on the OM Stockholm Exchange's O-list. The major shareholders in DCM, apart from Novestra, are Baltic Rim Fund Ltd., Carl Gustaf Langenskiöld and his family, Sjätte AP-fonden and TurnIT AB.

| | |
|---|----------------|
| Number of shares | 320 800 |
| Book value, MSEK | 13.5 |
| Average acquisition value per share, SEK | 42.1 |
| Ownership prior to dilution, % | 5.7 |



FANGLOBE

Fanglobe is a portal that helps artists in the music world to manage their relationships with their fans by offering exclusive management of the artists' official fan clubs, merchandising and cross promotion via www.fanglobe.com.

The portal enables visitors to do the following:

- be a member of fan clubs
- shop (e-commerce)
- listen to music online
- search for information about artists
- read the latest news and press clips about the various artists
- read artists' event calendars
- chat with their favourite artist or other young music enthusiasts
- look at pictures and films featuring their favourite artists

The portal also allows fans to purchase items designed by artists, to play games, and take part in competitions. For artists, fanglobe.com is a new and efficient communication channel for marketing. Through fanglobe.com artists get a professionally run fan club with a quality guarantee. Fanglobe has already signed long-term contracts with approx. 60 of the most popular artists in the Nordic countries and is in the last stages of negotiations with approx. 100 additional artists. Examples of artists that have signed up are Ace of Base, Aqua, Cardigans, A-teens, Jennifer Brown, Petter, Markoolio, E-type, Victoria Silvstedt, Rednex, Robyn and Dr. Alban.

Fanglobe was founded in the spring of 1999. During autumn 2000, Fanglobe will establish offices in London and New York. Fanglobe's shares are not currently publicly traded. Apart from Novestra and the founders Peter Carnello and Anders Hedqvist, Fanglobe's shareholders are TIME Vision B.V., Arctic Ventures I ehg and a strategic investor, one of the world's largest record companies, which participated in a directed share issue in June. Fanglobe has not yet published any financial accounts relating to its current business.

| | |
|---|------------------|
| Number of shares | 2 910 480 |
| Book value, MSEK | 20.5 |
| Average acquisition value per share, SEK | 7.0 |
| Ownership prior to dilution, % | 14.5 |



IQUITY SYSTEMS

Iquity Systems is a global, market-leading, software company that concentrates on developing and marketing End-to-End Content Management Systems for companies within the new integrated communications industry. The systems are complete solutions that enable companies to generate higher income and promote customer loyalty through individualised direct communication and interactivity between the companies and their customers. The system that Iquity Systems has developed, IQ Platform™, gives companies access to individually customised content, pricing in real time according to what the customer uses, m-commerce and content choices, individual price models, and handling of payment transactions. IQ Platform™ was developed for the mobile communications industry as well as for use in a broad infrastructure spectrum, including fixed telephony, Internet and broadband/cable. IQ Platform™ is a modularised software that consists of six different interacting modules:

- Content Logic
- Identification
- Rating
- Settlement
- Subscriber Management
- Service Management

Iquity Systems' products are sold on a licensing basis. Iquity Systems has entered into strategic collaborations with Cisco, NTT Communicationware and SEMA Group. Iquity Systems was founded in September 1995 and currently has some 100 employees. The company currently has some 1,200 shareholders. Iquity Systems' shares are not publicly traded. Iquity Systems' main shareholders, apart from Novestra, are Servisen Private Equity Fund Ltd., Ledstierman Partnergrupp AB and Fredrik Palmeus.

| | |
|--|------------------|
| Number of shares prior to conversion | 1 221 876 |
| Book value, including convertible (of 6.3 MSEK), MSEK | 24.8 |
| Average acquisition value per share, SEK | 15.1 |
| Ownership prior to dilution and conversion, % | 5.4 |



MOBILESTOP

Mobilestop's vision is that mobile services and products will be the catalyst for the new network-based economy. Mobilestop's mission is to become a global leader in the mobile e-commerce market. Mobilestop is a Vertical Enabler for e-commerce in the wireless communication industry.

Mobilestop's platform gives the company's customers a complete turnkey e-commerce solution with its own brand where Mobilestop operates a mission critical solution for handling e-commerce, IT systems, logistics, product sourcing and delivery to end customer. Mobilestop offers the product portfolio – **m-Power Suite™** – which enables Internet sales of mobile phones, accessories, service plans and prepaid cards and other smart mobile services. This is sold in the form of three products: m-Plus, m-Pro and m-Enterprise. Mobilestop offers its services as B2B2C and Channel Management (B2B). The target group is mobile phone operators (including service providers and virtual network operators), handset manufacturers, retailers, distributors and Internet-based players that have a suitable customer group for wireless communication products. In addition to these three core products, Mobilestop's portfolio also includes:

m-Smart – which constitutes a number of add-on services like ring tones, games, news feeds etc. that the end-user will benefit from.

m-Prepaid – a service package to sell pre-paid talk time through more efficient channels than today's physical distribution of scratch cards.

m-Retention – a module targeting operators to help them manage customer retention programs through an Internet channel.

Mobilestop was founded in August 1999 by Strax Holdings and Titan Holding. Mobilestop currently has offices in Miami, Seattle, Reykjavik, Luxembourg, Oslo, Stockholm, São Paulo and Buenos Aires. The company currently has some 60 employees. Mobilestop's shares are not currently publicly traded. The largest shareholders in Mobilestop, apart from Novestra, are the company's founders and TIME Vision B.V. Mobilestop has not yet published any financial accounts.

| | |
|--|----------------|
| Number of shares | 607 143 |
| Book value, MSEK | 7.9 |
| Average acquisition cost per share, SEK | 13.0 |
| Ownership prior to dilution, % | 6.2 |



NETSURVEY

Netsurvey is market leader in the online marketing research segment in the Nordic region. Up to date, Netsurvey has conducted more than 350 Internet-based surveys for more than 220 clients which enables industry comparisons. The company's technical platform is a powerful research system that aims to support all aspects of the research process. Netsurvey has successfully reduced the processing time by up to 90 per cent compared with the traditional methods. Netsurvey has also gained experience from multinational commissions, such as a global employee survey for the Volvo Corporation.

Netsurvey's Internet panels are growing both in size and in quality. For example, Netsurvey has established a global youth panel in 12 countries, highly suited to research services such as campaign measurements, brand name awareness and online focus groups.

Netsurvey was founded in the autumn of 1996 and it currently operates in Stockholm, Oslo, Helsinki and London. The company currently has some 50 employees. Netsurvey's customers include Volvo, Max Matthiessen, Alfa Laval, Telia Mobile, Ericsson Mobile, Handelsbanken, Dagens Nyheter, Spray, the Swedish National Tax Board and Scandic Hotels. Netsurvey intends over the next two years to establish a presence on several new markets. The first stage will involve expansion into Germany and the Netherlands.

The Netsurvey shares are not currently publicly traded. Netsurvey's main owners, apart from Novestra, are Peter Bolinder, the company's founder, Servisen Private Equity Fund Ltd and WOW Com Group.

| | |
|---|------------------|
| Number of shares | 5 250 000 |
| Book value, MSEK | 16.7 |
| Average acquisition value per share, SEK | 3.2 |
| Ownership prior to dilution, % | 30.0 |



POWERNET

PowerNet's business concept is to offer Internet services and broadband access using wireless infrastructure, as well as to supply products and services that increase the efficiency of companies. PowerNet was founded in 1998 by Rune Gunnarsson and Fredrik Graff. PowerNet offers wireless Internet access, wireless offices and property networks as well as surf zones, which are open sites that customers with a portable computer and a radio card can use to link up with their company or the Internet. The network, which covers central Stockholm, Solna, Sundbyberg, Bromma and Gothenburg, is continually being further developed and currently includes 40 or so corporate clients such as OkoBanken and Mediegruppen. At present, customers can choose Internet access at speeds of between 256 kbps and 4 Mbps. PowerNet's main supplier of radio equipment is Lucent. Other equipment for the network is supplied mainly by Cisco. PowerNet also cooperates with Bredbandsbolaget for the supply of radio links where no other infrastructure is available. PowerNet is now planning substantial expansion through offers to municipalities, rural districts and residential areas all over Sweden, with wireless technology allowing fast installations for Internet access and broadband services at low cost. The number of surf zones will be gradually expanded with the aim of enabling a person to connect his or her computer from most public areas in city centers, airports, railway stations and sports arenas. PowerNet aims to have signed agreements with some 150 new corporate customers and to have begun the development of networks in around a dozen large municipalities around Sweden by the end of 2000. The PowerNet shares are not currently publicly traded. At present, the company has ten employees. The main shareholders in PowerNet, apart from Novestra, are its founders.

| | |
|--|------------------------------|
| Number of shares | 1 499 000¹ |
| Book value, MSEK | 25.2¹ |
| Average acquisition cost per share, SEK | 16.8¹ |
| Ownership prior to dilution, % | 60.0¹ |

¹ Including an option which is intended to be utilised

QBRANCH SYSTEM MANAGEMENT

QBRANCH

Qbranch's business idea is to offer greater profitability through secure operations. Qbranch's vision is to be the leading system management company in Sweden and to be at the forefront of the commercial and technical development within supervision and control of network resources, computers and all applications that are used regardless of the operative system, network environment or geographic placing. The purpose of system management is to increase access in computer systems, i.e. to reduce the number of interruptions and possible standstill times, or to help completely eliminate stoppages in the case of certain business critical systems. With this increased accessibility, companies can sharpen their competitive edge and cut IT costs. Qbranch's services include Internet management, network management, desktop & server management, security management, groupware management, storage management, as well as providing a help desk/remote centre. Qbranch has developed a sophisticated system and concept (Qbranch 365/24) based on a combination of hosting services, offsite supervision and system support. Qbranch also provides consulting services to customers wishing to expand their network solutions. Qbranch was founded in 1993 and the current business focus was initiated at the end of 1997. Qbranch's current customers include Pharmacia, Posten, Spray, Telia, AstraZeneca, Ericsson, Bankgirocentralen, Handelsbanken, SEB, Skandia, TV3, Bredbandsbolaget and SPP. Qbranch works with numerous system suppliers such as Oracle Partner, Cisco Consultant Partner, Novell Business Partner, Microsoft Solution Provider, Sun Microsystems Sunskills, Lotus Advanced Consulting Partner, Computer Associates Partner and Network Associates.

Qbranch currently has 150 employees in Stockholm. Qbranch's shares are not currently publicly traded. Qbranch's main owners, apart from Novestra, are the company's founders, Rune Mossberg and Ulf Engerby, and IT Investment Ltd.

| | |
|---|------------------|
| Number of shares | 1 500 000 |
| Book value, MSEK | 26.3 |
| Average acquisition value per share, SEK | 17.6 |
| Ownership prior to dilution, % | 15.0 |



RECOLLECTIONS

Recollections, founded in 1994, is a B2B Internet imaging services supplier. The company has developed its own software which enables the efficient handling and layout of pages combining images and text. Recollections' mission is to become the leading manufacturer, color printer and fulfiller of custom photo and print merchandise for the online photo and file storage industries. The company will expand to be able to offer custom digital color printing services to any website on the Internet. The rapid evolution of digital photography currently taking place on the Internet presents a significant business opportunity for Recollections. Driven by hi-resolution scanning at leading brick and mortar photo finishers, plus dramatic growth in the sales and use of digital cameras and scanners, industry estimates call for the number of digital images delivered to the Internet to grow from today's approx. 90 million to 5.5 billion by the end of 2002. This would represent over 300 million different online photo albums delivered to the Internet in that year. At this time, there is no other printing services provider with the capability to offer multi-image, text-enhanced photo products like Recollections' Photo Books and Photo Calendars. Recollections currently has partnerships with the top five Internet photo sharing sites, Zing.com, Pix.com, Sony Image Station, PhotoPoint.com and Ememories.com and is currently in negotiations with all the other leaders in the online photo services space to implement a B2B partnership.

Currently, Recollections employs over 50 people. Recollections' shares are not subject to public trade. The largest shareholders in Recollections, apart from Novestra, are Carl Navarre (CEO), Pointer Management Company and Run Media Inc.

| | |
|---|---------------|
| Number of shares | 22 419 |
| Book value, MSEK | 17.4 |
| Average acquisition value per share, SEK | 776.7 |
| Ownership prior to dilution, % | 13.4 |

Other holdings

BOX MAN

| | |
|--|---------|
| Number of shares | 853 533 |
| Book value, including convertible (of 6.9 MSEK), MSEK | 20.6 |
| Average acquisition value per share, SEK | 16.1 |
| Ownership prior to dilution and conversion, % | 1.7 |

E→TRADE®

| | |
|--|--------|
| Number of shares | 38 464 |
| Book value, MSEK | 5.6 |
| Average acquisition value per share, SEK | 146.6 |
| Ownership prior to dilution, % | 0.0 |

⋮ Jupiter

| | |
|--|--------|
| Number of shares | 81 630 |
| Book value, MSEK | 4.4 |
| Average acquisition value per share, SEK | 53.7 |
| Ownership prior to dilution, % | 0.5 |

New holdings after June 30, 2000

DELPHI FINANSANALYS

| | |
|--|--------|
| Number of shares | 14 000 |
| Book value, MSEK | 1.8 |
| Average acquisition value per share, SEK | 128.6 |
| Ownership prior to dilution, % | 10.0 |



| | |
|--|---------|
| Number of shares | 145 000 |
| Book value, MSEK | 2.8 |
| Average acquisition value per share, SEK | 19.2 |
| Ownership prior to dilution, % | 7.1 |

SKANDIA MÄKLARNA

| | |
|--|--------|
| Number of shares | 59 400 |
| Book value, MSEK | 4.8 |
| Average acquisition value per share, SEK | 80.0 |
| Ownership prior to dilution, % | 27.0 |

NETCAP

| | |
|--|--------|
| Number of shares | 66 600 |
| Book value, MSEK | 0.1 |
| Average acquisition value per share, SEK | 2.0 |
| Ownership prior to dilution, % | 15.0 |

OWNERSHIP STRUCTURE

Novestra's main shareholders as of August 31, 2000

| Shareholders | Number of shares (including shares held by family members) | Proportion of votes and capital, % |
|----------------------------------|--|---|
| Lennart Tengroth | 2,058,535 | 8.9 |
| State Street Bank and Trust Co. | 2,004,400 | 8.6 |
| Theodor Dalenson | 1,989,980 | 8.6 |
| Magnus Nilsson | 1,309,750 | 5.6 |
| W.Thorpe McKenzie | 1,065,000 | 4.6 |
| Goldman Sachs International Ltd. | 587,125 | 2.5 |
| Globinvest Inc./Håkan Roos | 531,000 | 2.3 |
| Handelsbankens Reavinstfond | 500,000 | 2.2 |
| Peter Ekelund | 480,825 | 2.1 |
| Morgan Stanley Co. Inc. | 451,700 | 1.9 |
| Others | 12,262,665 | 52.7 |
| Total | 23,240,980 | 100.0 |

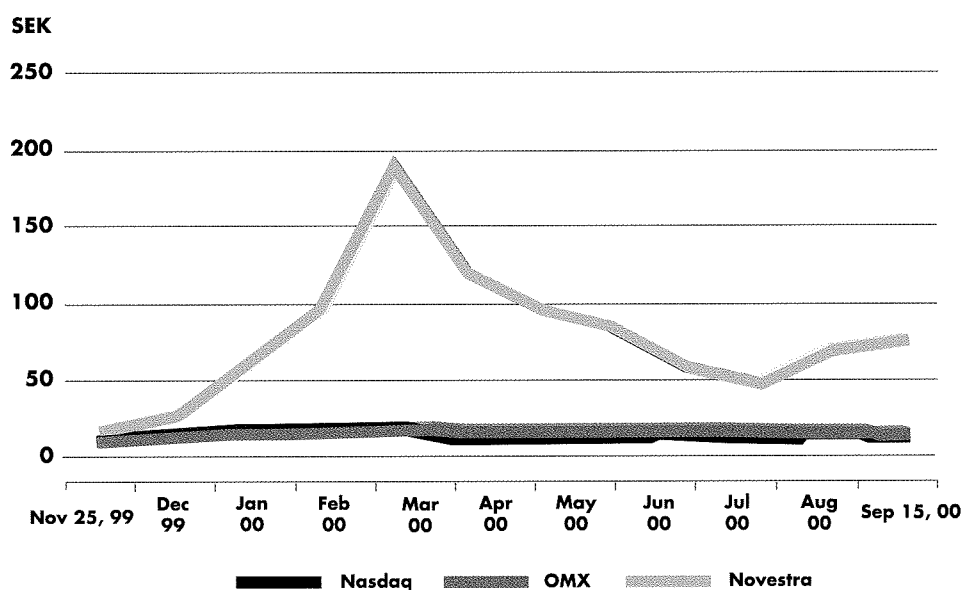
Source: VPC.

Ownership structure as of August 31, 2000

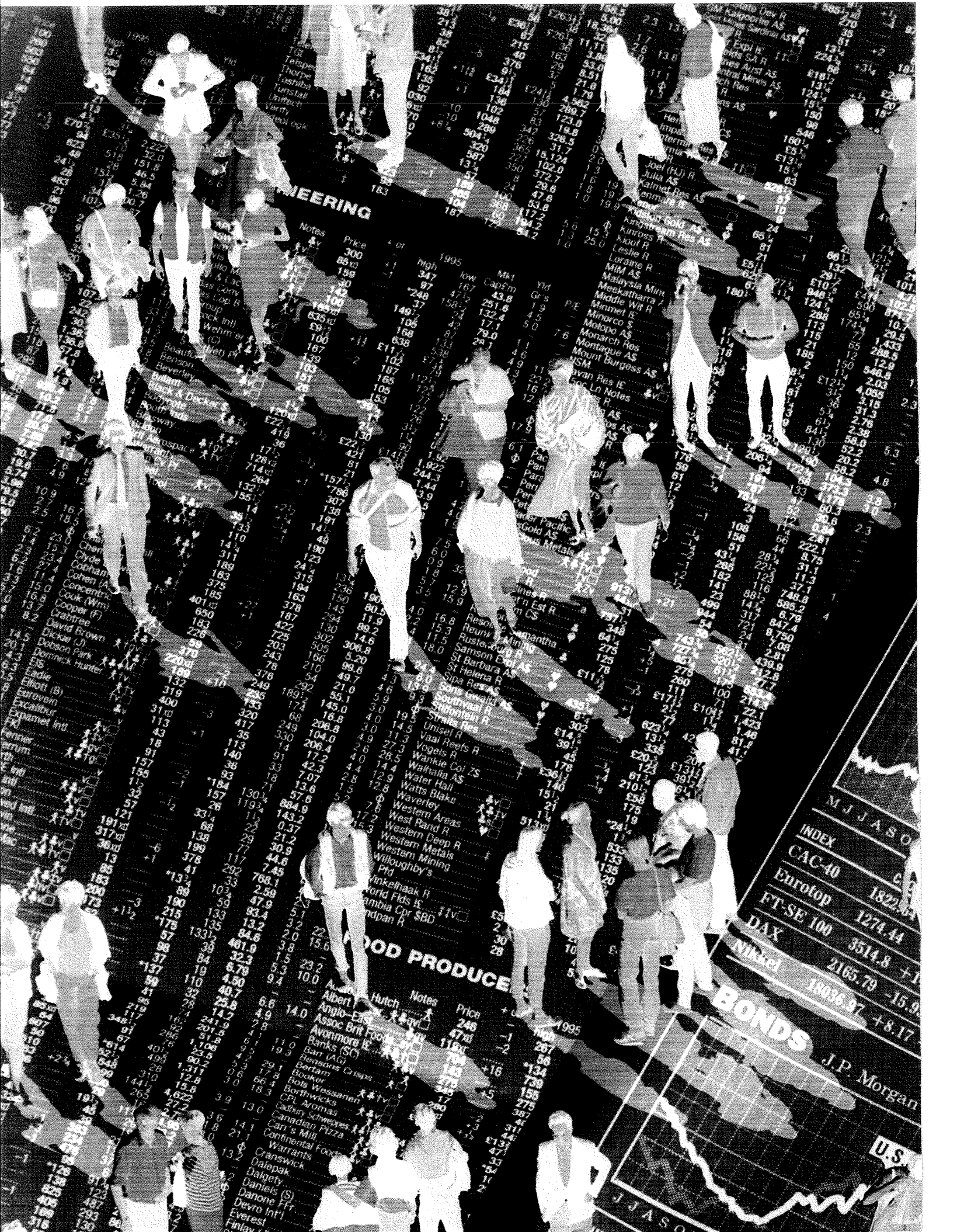
| Holding | Number of shares | % | Number of shareholders | % |
|----------------|-------------------------|--------------|-----------------------------------|--------------|
| 1-2,499 | 1,694,720 | 7.3 | 3,043 | 84.1 |
| 2,500-4,999 | 705,685 | 3.0 | 239 | 6.6 |
| 5,000-24,999 | 2,125,716 | 9.1 | 250 | 6.9 |
| 25,000-49,999 | 861,900 | 3.7 | 25 | 0.7 |
| 50,000-249,999 | 4,009,462 | 17.3 | 41 | 1.2 |
| 250,000 - | 13,843,497 | 59.6 | 19 | 0.5 |
| Total | 23,240,980 | 100.0 | 3,617 | 100.0 |

Source: VPC.

The Novestra share's average monthly development since trade started on November 25, 1999 compared to Nasdaq and OMX



The above graph shows the Novestra share's average monthly development, after split, from November 25, 1999 until August and a final price as of September 15, 2000. The Novestra share was unofficially traded at an initial price of approx. SEK 15 on November 25, 1999 through Hagströmer & Qviberg Fondkommission. As of April 25, 2000 the shares were traded on the OM Stockholm Exchange's Nya Marknaden. The Novestra share was listed on the O-list of the OM Stockholm Exchange on June 21, 2000 and in connection herewith a 5:1 split was also implemented. A total of 5,532,664 Novestra shares were traded on the OM Stockholm Exchange's O-list during the period from June 21 to September 15, 2000 at a total value of 331.8 MSEK corresponding to 23.8 per cent of the total number of shares. The average daily turnover of shares over the period amounted to 90,699.



ENGINEERING

| Notes | Price | Yield | High | Low |
|-------|-------|-------|------|-----|
| 300 | 300 | | 347 | 167 |
| 850 | 189 | | 97 | 47 |
| 30 | 142 | | 248 | 158 |
| 100 | 100 | | 37 | 24 |
| 635 | 149 | | 105 | 82 |
| 897 | 168 | | 168 | 47 |
| 100 | 838 | | 133 | 338 |
| 187 | 102 | | 102 | 122 |
| 139 | 187 | | 112 | 122 |
| 103 | 165 | | 105 | 153 |
| 151 | 105 | | 133 | 122 |
| 20 | 153 | | 122 | 122 |

| | | | | |
|----------------|------|-----|-----|-----|
| Black & Decker | 419 | 130 | 130 | 130 |
| Bentley | 1200 | 42 | 42 | 42 |
| Black & Decker | 419 | 130 | 130 | 130 |
| Bentley | 1200 | 42 | 42 | 42 |
| Black & Decker | 419 | 130 | 130 | 130 |
| Bentley | 1200 | 42 | 42 | 42 |

| | | | | |
|-----|-----|-----|-----|-----|
| 137 | 137 | 137 | 137 | 137 |
| 137 | 137 | 137 | 137 | 137 |
| 137 | 137 | 137 | 137 | 137 |
| 137 | 137 | 137 | 137 | 137 |
| 137 | 137 | 137 | 137 | 137 |

| Notes | Price | Yield | High | Low |
|-------|-------|-------|------|-----|
| 246 | 246 | | 246 | 246 |
| 47 | 47 | | 47 | 47 |
| 119 | 119 | | 119 | 119 |
| 70 | 70 | | 70 | 70 |
| 134 | 134 | | 134 | 134 |
| 739 | 739 | | 739 | 739 |
| 155 | 155 | | 155 | 155 |
| 275 | 275 | | 275 | 275 |
| 387 | 387 | | 387 | 387 |
| 473 | 473 | | 473 | 473 |
| 33 | 33 | | 33 | 33 |
| 54 | 54 | | 54 | 54 |
| 11 | 11 | | 11 | 11 |

| Notes | Price | Yield | High | Low |
|-------|-------|-------|------|-----|
| 246 | 246 | | 246 | 246 |
| 47 | 47 | | 47 | 47 |
| 119 | 119 | | 119 | 119 |
| 70 | 70 | | 70 | 70 |
| 134 | 134 | | 134 | 134 |
| 739 | 739 | | 739 | 739 |
| 155 | 155 | | 155 | 155 |
| 275 | 275 | | 275 | 275 |
| 387 | 387 | | 387 | 387 |
| 473 | 473 | | 473 | 473 |
| 33 | 33 | | 33 | 33 |
| 54 | 54 | | 54 | 54 |
| 11 | 11 | | 11 | 11 |

| Notes | Price | Yield | High | Low |
|-------|-------|-------|------|-----|
| 246 | 246 | | 246 | 246 |
| 47 | 47 | | 47 | 47 |
| 119 | 119 | | 119 | 119 |
| 70 | 70 | | 70 | 70 |
| 134 | 134 | | 134 | 134 |
| 739 | 739 | | 739 | 739 |
| 155 | 155 | | 155 | 155 |
| 275 | 275 | | 275 | 275 |
| 387 | 387 | | 387 | 387 |
| 473 | 473 | | 473 | 473 |
| 33 | 33 | | 33 | 33 |
| 54 | 54 | | 54 | 54 |
| 11 | 11 | | 11 | 11 |

| INDEX | Value | Change |
|-----------|----------|--------|
| INDEX | | |
| CAC-40 | 1822.54 | |
| Eurotop | 1274.44 | |
| FT-SE 100 | 3514.8 | +1 |
| DAX | 2165.79 | +1 |
| Nikkei | 18036.97 | +8.17 |

| BONDS | Value | Change |
|-------------|-------|--------|
| BONDS | | |
| J.P. Morgan | | |
| U.S. | | |

M J J A S O

J J A S O

J J A S O

BOARD OF DIRECTORS' REPORT AND FINANCIAL STATEMENTS

The Board of Directors and the President of AB Novestra (publ), company reg. No. 556539-7709, hereby present their report on the operations for the financial year July 1, 1999 - June 30, 2000.

Result and financial position, KSEK

THE GROUP

Novestra reports a profit, according to the equity method, for the fiscal year of 88,176 (2,567). The result includes profits from sales of securities totalling 103,391 (6,280) and from other operations 8,610 (1,126). The Group's cash and cash equivalents, including interest bearing investments shown under financial assets, amounted to 341,942 (640). Net asset value amounted to 887,161 (84,321) of which shareholders' equity amounted to 661,799 (51,117). Solidity was 88.8 % (82.1).

INVESTMENTS

Investments during the year amounted to 568,659 of which the greater part, 565,587 (53,304), consisted of investments in fixed financial assets. Investments in intangible fixed assets and tangible fixed assets amounted to 2,287 (1,216) and 785 (-) respectively.

SIGNIFICANT EVENTS DURING THE YEAR

During the year, Novestra made several new investments in portfolio companies, such as Qbranch and Dallas, which are profitable companies, totalling 365,587 (53,304). Novestra has also made investments in Continuum, Recollections, Fanglobe, Mobilestop, Netsurvey and PowerNet and participated in a new share issue in Bredbandsbolaget. Disposals totalling 184,008 (22,163) were made. Furthermore, Novestra concluded a directed new share issue adding 476 MSEK to the company after issuing costs. As of June 21, 2000, AB Novestra is listed on the O-list of the OM Stockholm Exchange. The cost for the listing has affected the profit by approx. 5 MSEK. In May, AB Novestra received notice from the Office of the Council for Advance Tax Rulings, granting Novestra investment company tax status for the 1999/2000 fiscal year. In May, Nils Bengtsson was recruited as CFO and Executive Vice President. Thomas Åkerman was recruited as the new President for the Company as of August 2000. Peter Ekelund and Göran Strandberg joined Novestra as Executive Directors during the spring.

SIGNIFICANT DEVELOPMENTS AFTER THE END OF THE FINANCIAL YEAR

In July, Delphi acquired Novestra's 55 per cent holding in NetCap *in lieu* of shares in Delphi corresponding to 10 per cent of the share capital. Furthermore, Novestra acquired 15 per cent of NetCap from a previous owner. Novestra acquired 12 per cent of Comintell through a new share issue directed at Novestra for 2.5 MSEK, with an option to acquire a further 12 per cent during the autumn on the same conditions. Novestra's investment in Run Media was revoked due to the fact that conditions upon which the investment decision was based were changed. This has not affected Novestra's result. Novestra's holding in E*TRADE was written down to the market value as of June 30, 2000. In September, Novestra increased its holding in Mobilestop to 6.2 per cent. Novestra's agreement with Peter Ekelund regarding payment for Novestra shares by shares in Bredbandsbolaget, has been renegotiated. Peter Ekelund now subscribes for 440,000 new shares in Novestra at a price of 280 SEK per share. Payment shall be made in cash or by shares in Bredbandsbolaget valued at the market price at the time of issue. The issue will take place between October 1, 2001 and March 31, 2002. The agreement is subject to the approval of both the transaction and the issue at a general meeting of Novestra's shareholders. Novestra has subscribed for its share (45,639) of a convertible loan issued by Bredbandsbolaget. The convertible loan gives Novestra the right to acquire shares of the company at a 30 per cent discount on the IPO price if the IPO takes place before December 31, 2000.

FUTURE DEVELOPMENTS

Novestra's investment focus will continue to lie within the area that is defined as enabling communications and technologies and services within the network economy. It is likely that Novestra will also attempt to develop separate business areas for investments in broadband services and broadband technology for both fixed and mobile broadband applications.

PARENT COMPANY

The Parent company reported a profit after tax amounting to 86,709 (1,861). Investments during the year amounted to 567,879 of which the greater part, 567,197 (54,904), consisted of investments in fixed financial assets. Investments in tangible fixed assets amounted to 682 (-).

THE BOARD AND ITS WORK

Novestra's Board of Directors consists of seven members, four of which are Executive Directors. Theodor Dalenson took over as Chairman following Lennart Tengroth when the new President and COO took up his duties in August of 2000. There have been 16 meetings where minutes have been taken and 9 per capsulam meetings during the financial year. The President has informed both the Chairman and the rest of the Board of the company's development on a continuous basis. The distribution of duties between the President and the Board is described in a separate job description for the President. Issues of greater importance that have been dealt with by the Board include: the appointment of a new President/COO and an Executive Vice President/CFO, investments/divestments in portfolio companies, and the decision to seek approval for a listing on the O-list of the OM Stockholm Exchange.

PROPOSED DISTRIBUTION OF EARNINGS (SEK)

The Group's unrestricted equity balance according to the consolidated balance sheet amounts to 89,184,744, none of which is required to be restricted.

The Board and the President propose that the unappropriated earnings be distributed as follows:

| | |
|---------------------|-------------------|
| Retained earnings | 2,229,727 |
| Income for the year | 86,708,943 |
| Total | 88,938,670 |

be allocated to:

| | |
|--------------------------|-------------------|
| Retained earnings | 88,938,670 |
|--------------------------|-------------------|

The following income statements, balance sheets, statements of funds, accounting principles and notes to the financial statements constitute an integral part of the Annual Report.

Stockholm September 15, 2000

Peter Ekelund

W Thorpe McKenzie

Anders Lönnqvist

Göran Strandberg

Lennart Tengroth

John Wattin

Theodor Dalenson
Chairman

Thomas Åkerman
President and COO

My Audit Report was submitted on September 15, 2000

Stefan Holmström
Authorised Public Accountant

The Group

| CONSOLIDATED INCOME STATEMENTS, KSEK | | Notes | 12 months ended June 30, 2000 | 12 months ended June 30, 1999 |
|---|--|-----------|----------------------------------|----------------------------------|
| Capital gains, investment activity | | 1 | 103,391 | 6,280 |
| Share of earnings of associated companies | | | - 2,379 | - |
| Income from other operations | | 2 | 56,647 | 4,700 |
| Cost of goods sold, other operations | | | - 48,037 | - 3,574 |
| Gross Profit | | | 109,622 | 7,406 |
| Administrative expenses | | 3,4,5,6,7 | - 23,521 | - 3,025 |
| Other operating income | | | - | 180 |
| Operating income | | | 86,101 | 4,561 |
| RESULT FROM FINANCIAL INVESTMENTS | | | | |
| Interest and similar income | | | 3,270 | 15 |
| Interest expense and similar charges | | | - 366 | - 306 |
| Income after financial items | | | 89,005 | 4,270 |
| Income taxes | | 8 | - 1,789 | - 1,703 |
| Minority interests | | | 960 | - |
| Income for the year | | | 88,176 | 2,567 |
| CONSOLIDATED BALANCE SHEETS, KSEK | | | | |
| | | | June 30, 2000 | June 30, 1999 |
| ASSETS | | | | |
| <i>Fixed assets:</i> | | | | |
| <i>Intangible fixed assets:</i> | | | | |
| Capitalised development costs | | 9 | 1,290 | 1,216 |
| Goodwill | | 10 | 1,679 | - |
| | | | 2,969 | 1,216 |
| <i>Tangible fixed assets:</i> | | | | |
| Equipment | | 11 | 731 | 17 |
| <i>Financial fixed assets:</i> | | | | |
| Investment in associated companies | | 13 | 29,664 | 12,593 |
| Shares and participations | | 14 | 511,106 | 45,855 |
| Total fixed assets | | | 544,470 | 59,681 |
| <i>Current assets:</i> | | | | |
| <i>Inventories:</i> | | | | |
| Stock securities | | | 47,995 | 667 |
| <i>Current receivables:</i> | | | | |
| Other receivables | | | 9,724 | 594 |
| Prepaid expenses and accrued income | | | 724 | 691 |
| | | | 10,448 | 1,285 |
| Cash and bank | | | 141,943 | 640 |
| Total current assets | | | 200,386 | 2,592 |
| TOTAL ASSETS | | | 744,856 | 62,273 |

The Group

| CONSOLIDATED BALANCE SHEETS, KSEK (cont.) | Notes | June 30, 2000 | June 30, 1999 |
|---|-------|----------------|---------------|
| SHAREHOLDERS' EQUITY AND LIABILITIES | | | |
| <i>Shareholders' Equity</i> | 17 | | |
| Restricted equity: | | | |
| Share capital | | 23,241 | 5,792 |
| Shares issued not yet registered | | - | 460 |
| Restricted reserves | | 549,373 | 41,973 |
| | | <u>572,614</u> | <u>48,225</u> |
| Unrestricted equity: | | | |
| Unrestricted reserves | | 1,009 | 325 |
| Income for the year | | 88,176 | 2,567 |
| | | <u>89,185</u> | <u>2,892</u> |
| Total shareholders' equity | | 661,799 | 51,117 |
| Minority interests | | 1,155 | - |
| <i>Provisions</i> | | | |
| Provisions for deferred income taxes | 18 | 2,318 | 1,925 |
| <i>Long-term liabilities</i> | | | |
| Bank overdraft facility | 19 | - | 5,308 |
| Other liabilities | | 700 | - |
| | | <u>700</u> | <u>5,308</u> |
| <i>Current liabilities</i> | | | |
| Accounts payable | | 4,718 | 249 |
| Income tax liability | | 1,292 | 2,154 |
| Other liabilities | | 60,174 | 1,007 |
| Accrued expense and deferred income | | 12,700 | 513 |
| | | <u>78,884</u> | <u>3,923</u> |
| Total liabilities | | 79,584 | 9,231 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 744,856 | 62,273 |
| Assets pledged: | | | |
| Shares and participation rights | 19 | None | 29,845 |
| Contingent liabilities | | None | None |

The Group

| CONSOLIDATED FUNDS STATEMENTS, KSEK | Notes | 12 months ended June 30, 2000 | 12 months ended June 30, 1999 |
|---|-------|----------------------------------|----------------------------------|
| <i>Funds provided</i> | | | |
| Income after financial items | | 89,005 | 4,270 |
| Adjustment for non-cash transactions | A | - 99,613 | - 6,273 |
| | | - 10,608 | - 2,003 |
| Taxes paid | | - 2,258 | - |
| Funds provided from operations before changes in working capital | | -12,866 | -2,003 |
| <i>Details of changes in working capital</i> | | | |
| Increase(+)/Decrease(-) in inventories | | - 47,328 | 2,633 |
| Increase(+)/Decrease(-) in current receivables | | - 4,894 | 618 |
| Increase(+)/Decrease(-) in current liabilities | B | 16,320 | 1,414 |
| Funds provided from operations | | - 48,768 | 2,663 |
| <i>Investment activities</i> | | | |
| Investment in subsidiaries | C | 45 | - |
| Proceeds from sale of subsidiaries | D | 100 | - |
| Investment in intangible fixed assets | | - 302 | - 1,216 |
| Investment in tangible fixed assets | | - 737 | - |
| Investments in financial fixed assets | | - 437,054 | - 35,859 |
| Proceeds from sale of financial fixed assets | | 110,821 | 6,477 |
| Funds from investment activities | | - 327,127 | - 30,597 |
| <i>Financing activities</i> | | | |
| New share issue | | 522,506 | 17,400 |
| Raised loans | | - | 5,308 |
| Amortizations | | - 5,308 | - |
| Funds from financing activities | | 517,198 | 22,708 |
| Total cash-flow | | 141,303 | 5,226 |
| Cash and bank at the beginning of year | | 640 | 5,866 |
| Cash and bank at the end of year | | 141,943 | 640 |

The Group

NOTES TO THE CONSOLIDATED FUNDS STATEMENTS, KSEK

| A) Adjustments for transactions not included in cash-flow etc. | 12 months ended June 30, 2000 | 12 months ended June 30, 1999 |
|---|----------------------------------|----------------------------------|
| Depreciation and write-downs charged to earnings | 7,420 | 7 |
| Gain on sale of fixed assets | - 110,191 | - 6,280 |
| Share of earnings of associated companies | 2,378 | - |
| Dividend from associated companies | 270 | - |
| Gain on sale of subsidiary | 510 | - |
| | <u>- 99,613</u> | <u>- 6,273</u> |
| B) Non-cash transactions | | |
| Acquisition of asset in exchange for promissory note | 59,349 | - |
| C) Investment in subsidiaries | | |
| Acquired receivables and liabilities: | | |
| Intangible fixed assets | 1,985 | - |
| Tangible fixed assets | 63 | - |
| Current receivables | 361 | - |
| Cash | 155 | - |
| Total receivables | <u>2,564</u> | <u>-</u> |
| Long-term liabilities | 700 | - |
| Short term liabilities | 154 | - |
| Total liabilities | <u>854</u> | <u>-</u> |
| Purchase sum | 1,710 | - |
| Issue in kind | - 1,600 | - |
| Cash in acquired subsidiary | - 155 | - |
| Influence on cash and bank | - 45 | - |
| D) Sale of subsidiary | | |
| Disposal of receivables and liabilities: | | |
| Current receivables | 95 | - |
| Total receivables | <u>95</u> | <u>-</u> |
| Purchase sum | 100 | - |
| Cash in disposed subsidiary | - | - |
| Influence on cash and bank | 100 | - |
| Interest paid and dividend received | | |
| Received dividend | 270 | - |
| Received interest | 3,078 | 12 |
| Interest paid | -305 | -301 |
| Cash | <u>141,943</u> | <u>640</u> |
| Cash and bank | 141,943 | 640 |
| Unutilised credit line | | |
| Bank overdraft facilities | - | 9,000 |
| Utilised credit line | - | - 5,308 |
| Unutilised credit line | - | <u>3,692</u> |

Parent Company

| INCOME STATEMENTS, PARENT COMPANY, KSEK | Notes | 12 months ended June 30, 2000 | 12 months ended June 30, 1999 |
|--|-----------|----------------------------------|----------------------------------|
| INVESTMENT ACTIVITY | | | |
| Capital gains, investment activity | 1 | 103,391 | 6,280 |
| Income from other operations | 2 | 1,825 | - |
| Gross Profit | | 105,216 | 6,280 |
| Administrative expenses | 3,4,5,6,7 | - 20,307 | - 3,024 |
| Other operating income | | - | 180 |
| Operating Income | | 84,909 | 3,436 |
| RESULT FROM FINANCIAL INVESTMENTS | | | |
| Result from participation in group companies | 15 | - 1,300 | - |
| Interest and similar income | | 3,458 | 13 |
| Interest expense and similar charges | | - 223 | - 299 |
| Income after financial items | | 86,844 | 3,150 |
| APPROPRIATIONS AND TAX | | | |
| Appropriations | 16 | -135 | 137 |
| Income taxes | 8 | - | - 1,426 |
| Income for the year | | 86,709 | 1,861 |
| BALANCE SHEETS PARENT COMPANY, KSEK | | | |
| | | June 30, 2000 | June 30, 1999 |
| ASSETS | | | |
| <i>Fixed assets:</i> | | | |
| <i>Tangible fixed assets:</i> | | | |
| Equipment | 11 | 637 | 17 |
| <i>Financial fixed assets:</i> | | | |
| Investment in group companies | 12 | 2,010 | 1,800 |
| Investment in associated companies | 13 | 32,312 | 12,593 |
| Stocks and participations | 14 | 511,106 | 45,855 |
| Total fixed assets | | 546,065 | 60,265 |
| <i>Current assets:</i> | | | |
| <i>Current receivables:</i> | | | |
| Receivables from group companies | | 46,563 | - |
| Other receivables | | 9,379 | 481 |
| Prepaid expenses and accrued income | | 467 | 691 |
| | | 56,409 | 1,172 |
| Cash and bank | | 134,412 | 3 |
| Total current assets | | 190,821 | 1,175 |
| TOTAL ASSETS | | 736,886 | 61,440 |

Parent Company

BALANCE SHEETS PARENT COMPANY, KSEK (cont.) Notes June 30, 2000 June 30, 1999

SHAREHOLDERS' EQUITY AND LIABILITIES

| | | | |
|---|----|----------------|---------------|
| <i>Equity</i> | 17 | | |
| Restricted equity: | | | |
| Share capital | | 23,241 | 5,792 |
| Shares issued not yet registered | | - | 460 |
| Share premium reserve | | 546,180 | 40,664 |
| | | 569,421 | 46,916 |
| Unrestricted equity: | | | |
| Retained earnings | | 2,230 | 369 |
| Income for the year | | 86,709 | 1,861 |
| | | 88,939 | 2,230 |
| Total Shareholders' Equity | | 658,360 | 49,146 |
| <i>Provisions</i> | | | |
| Provisions for deferred taxes | 18 | 1,426 | 1,426 |
| Untaxed reserves | 16 | 135 | - |
| <i>Long-term liabilities</i> | | | |
| Bank overdraft facilities | 19 | - | 5,308 |
| <i>Current liabilities</i> | | | |
| Accounts payable | | 4,504 | 53 |
| Liabilities to group companies | | - | 4,061 |
| Income tax liability | | - | 155 |
| Other liabilities | | 60,067 | 892 |
| Accrued expenses and deferred income | | 12,394 | 399 |
| | | 76,965 | 5,560 |
| Total liabilities | | 76,965 | 10,868 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | | 736,886 | 61,440 |
| Assets pledged: | | | |
| Shares and participation rights | 19 | None | 29,845 |
| Contingent liabilities | | None | None |

Parent Company

| FUNDS STATEMENTS, PARENT COMPANY, KSEK | 12 months ended Notes June 30, 2000 | 12 months ended June 30, 1999 |
|---|--|----------------------------------|
| Funds provided | | |
| Income after financial items | 86,844 | 3,150 |
| Adjustment for non-cash transactions | A - 102,029 | - 6,273 |
| | - 15,185 | - 3,123 |
| Taxes paid | - 155 | - |
| Funds provided from operations before changes in working capital | - 15,340 | - 3,123 |
| Details of changes in working capital | | |
| Increase(+)/Decrease(-) in current receivables | - 51,235 | 553 |
| Increase(+)/Decrease(-) in current liabilities | B 12,211 | 5,179 |
| Funds provided from operations | - 54,364 | 2,609 |
| Investment activities | | |
| Investment in subsidiaries | - 1,610 | - 1,600 |
| Proceeds from sale of subsidiaries | 100 | - |
| Investment in tangible fixed assets | - 682 | - |
| Investments in financial fixed assets | - 437,054 | - 35,858 |
| Proceeds from sale of financial fixed assets | 110,821 | 6,477 |
| Funds from investment activities | - 328,425 | - 30,981 |
| Financing activities | | |
| New share issue | 522,506 | 17,400 |
| Raised loans | 0 | 5,308 |
| Amortizations | - 5,308 | - |
| Funds from financing activities | 517,198 | 22,708 |
| Total cash-flow | 134,409 | - 5,664 |
| Cash and bank at the beginning of year | 3 | 5,667 |
| Cash and bank at the end of year | 134,412 | 3 |

NOTES TO FUNDS STATEMENTS, PARENT COMPANY, KSEK

A) Adjustments for transactions not included in cash-flow etc.

| | | |
|--|-----------|---------|
| Depreciation and write-downs charged to earnings | 8,162 | 7 |
| Gain on sale of fixed assets | - 110,191 | - 6,280 |
| | - 102,029 | - 6,273 |

B) Non-cash transactions

| | | |
|--|---------|-------|
| Acquisition of asset through promissory note | 59,349 | - |
| Interest paid and dividend received | | |
| Received dividend | 270 | - |
| Received interest | 3,025 | 10 |
| Interest paid | - 168 | - 299 |
| Cash | 134,412 | 3 |
| Cash and bank | 134,412 | 3 |

| | | |
|---------------------------|---|-------|
| Unutilised credit line | | |
| Bank overdraft facilities | - | 9,000 |
| Utilised credit line | - | 5,308 |
| Unutilised credit line | - | 3,692 |

Notes concerning accounting principles and comments to the financial statements

The accounting principles that have been applied are in accordance with the Swedish Annual Accounts Act and the recommendations and statements from the Swedish Accounting Board (BFN), the Swedish Financial Accounting Standards Council (RR), and the Swedish Institute of Authorised Public Accountants (FAR). All amounts are in SEK thousands unless otherwise stated.

ASSETS, PROVISIONS AND LIABILITIES

The company's assets and liabilities are recorded at acquisition cost and at face value respectively unless otherwise stated.

CAPITALISED DEVELOPMENT EXPENDITURES

Expenses for development work are capitalised according to recommendation R1 of the Swedish Accounting Board.

SHARES AND OTHER SECURITIES

Holdings of shares and other securities that are classified as fixed assets are reported at their acquisition cost. Write-downs are made for permanent impairment of value. Holdings of shares and other securities that are classified as current assets are reported as trading stock. Valuation is done according to the portfolio method at the lower of cost or market value, or the estimated market value for unlisted securities.

The guidelines from the European Private Equity and Venture Capital Association (EVCA) are applied when estimating the market value of unlisted securities.

RECEIVABLES

Receivables are recorded at the amounts which are expected to be received. Collectability is assessed on an individual basis.

RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCY

Receivables and liabilities in foreign currency are translated into Swedish kronor using year-end exchange rates in accordance with recommendation No. 8 of the RR.

DEPRECIATION PRINCIPLES FOR FIXED ASSETS

Depreciation according to plan is based on booked acquisition cost and estimated economic life. Write-downs are recorded in the event of permanent declines in value.

The following depreciation periods are used:

| | |
|-------------------------------|---------|
| Capitalised development costs | 5 years |
| Goodwill | 5 years |
| IT investments | 3 years |
| Other equipment | 5 years |

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements have been prepared in accordance with the purchase method of accounting. Untaxed reserves in the balance sheets and changes pertaining to them in the income statements have been eliminated in accordance with the recommendations of the Swedish Financial Accounting Standards Council which means that 28 per cent becomes deferred tax and 72 per cent affects the shareholders' equity for the Group. Subsidiaries are companies in which the Parent Company owns more than 50 per cent of the votes, or in which the Parent Company otherwise exercise a decisive influence according to ÅRL 1:4.

In addition to Novestra, the financial statements cover the following companies: Evestra AB (556587-2701), NetCap AB (556561-0127) including the subsidiary NetCap Tools AB (556520-2230), Novestra BK AB (556542-9270) including the subsidiary Öresund Strategies AB (556256-2545).

No related party transactions occurred between the companies in the Group during the year.

Shareholdings in associated companies in which the Group has at least 20 per cent and a maximum of 50 per cent of the votes or in another way has a significant influence over the operations and financial control, are accounted for in accordance with the equity method of accounting. This means that the book value of shares and participations in associated companies is reported in the balance sheet as the Group's share of the associated company's equity, plus any residual surplus or deficit value. In the consolidated income statement, Novestra's share in the net income of associated companies is reported as "Share of earnings in associated companies", adjusted for depreciation or reversal of acquired surplus or deficit values. Share of earnings accrued after acquisition of associated companies, but not yet received through dividends, is allocated to the equity reserve, which is part of consolidated restricted equity.

TAXES

The Group's total tax charge consists of paid tax and deferred tax. Deferred tax is based on untaxed reserves and tax which has arisen through share exchange, on which deferral has been applied for. For tax purposes, AB Novestra is regarded as an investment company for the fiscal year 1999/2000. As a result, gains from the sale of shares are tax exempt. However, as so-called standard income, the company must declare as taxable income 2 per cent of the market value of shares held on July 1st of each year. Dividend income is taxable, while dividends paid are deductible. Interest income is taxable, while management costs and interest expenses are deductible.

FUNDS STATEMENTS

The funds statements have been prepared using the indirect method.

NOTES, KSEK

| | 12 months ended June 30, 2000 | 12 months ended June 30, 1999 |
|--|----------------------------------|----------------------------------|
| 1. Capital gains, investment activities, the Group and Parent company | | |
| E*TRADE Nordic AB | 45,345 | - |
| ConNova Group AB | 26,418 | - |
| Framtidsfabriken AB | 26,360 | - |
| Boxman AB | 6,727 | - |
| Intelligence SE AB | 1,026 | - |
| E*TRADE | - 5,872 | - |
| Iquity Systems AB | 794 | - |
| Bredbandsbolaget | 2,000 | 320 |
| Tele 1 Europe | - 71 | - |
| Fanglobe AB | 664 | - |
| Infotel Nordiska AB | | 5,476 |
| Netcore BTA | | 753 |
| DCM International AB | | - 269 |
| Total | 103,391 | 6,280 |

The holdings in ConNova and Framtidsfabriken AB were divested after the companies were listed on the OM Stockholm Exchange. 238,750 shares in E*TRADE were received as payment in connection with the divestment of the shares of E*TRADE Nordic AB. The holding in Boxman AB was divested and 853,533 shares of iMVS.com plc (now called Boxman.com plc) were received. Novestra received 81,630 shares of Jupiter as payment for the divestment of shares of Intelligence SE AB.

2. Income from other operations

| | | |
|-----------------------|---------------|--------------|
| <i>The Group</i> | | |
| Income from trading | 54,822 | 4,700 |
| Fees | 1,825 | - |
| Total | 56,647 | 4,700 |
| <i>Parent Company</i> | | |
| Fees | 1,825 | - |
| Total | 1,825 | - |

Trading is carried out in Novestra BK AB.

12 months ended 12 months ended
June 30, 2000 June 30, 1999

3. Employees and personnel costs

The Group

| | | |
|------------------------------|----------|----------|
| Average number of employees: | | |
| Women | 2 | - |
| Men | 4 | - |
| Total | 6 | - |

| | | |
|---|--------------|----------|
| Salaries and other remunerations: | | |
| President, Executive Vice President | 844 | - |
| Other employees | 654 | - |
| Total salaries and other remunerations | 1,498 | - |

| | | |
|-------------------------------------|------------|----------|
| Social costs: | | |
| President, Executive Vice President | 274 | - |
| Other employees | 185 | - |
| Total costs | 459 | - |

| | | |
|--|--------------|----------|
| Total salaries and other remunerations and social costs | 1,957 | - |
|--|--------------|----------|

Parent company

| | | |
|------------------------------|----------|----------|
| Average number of employees: | | |
| Women | 1 | - |
| Men | 1 | - |
| Total | 2 | - |

| | | |
|---|------------|----------|
| Salaries and other remunerations: | | |
| President, Executive Vice President | 308 | - |
| Other employees | 405 | - |
| Total salaries and other remunerations | 713 | - |

| | | |
|-------------------------------------|------------|----------|
| Social costs: | | |
| President, Executive Vice President | 102 | - |
| Other employees | 126 | - |
| Total costs | 228 | - |

| | | |
|--|------------|----------|
| Total salaries and other remunerations and social costs | 941 | - |
|--|------------|----------|

The Board has not received any remuneration during the fiscal year.

The Parent Company has had personnel employed from May 1, 2000.

Salary and other remunerations to the President amounted to 175. The period of notice from the Company's side for the President is six months. Novestra uses the ITP pension plan for all employees. The Company has no contracts that include payment of redundancy pay.

INCENTIVE PROGRAMME

Novestra has recruited personell to be responsible for the Evestra business segment. They are the owners of Evestra Intressenter ("EVI"), in which Novestra has acquired 0.001 per cent of the capital and voting rights. EVI has also signed an agreement with Novestra which gives EVI the right to sign a forward contract for 20 per cent of every investment that Evestra carries out. The acquisition price shall be equivalent to Evestra's purchase price with interest in the amount of five per cent from the acquisition date until the forward contract expires, which is December 2002.

ADVISORY CONTRACT NORDIC STRATEGIES

An advisory contract exists between Novestra and Nordic Strategies, which is owned by Theodor Dalenson, Lennart Tengroth, Peter Ekelund och Thomas Åkerman. The agreement gives Nordic Strategies 0,5 percent per quarter of the book value of the assets of the Novestra Group at the end of each quarter with deductions for all of Novestra's salary related costs.

4. Remuneration to Nordic Strategies AB, the Group and Parent

| | | |
|---|--------------|--------------|
| Advisory fee | 5,377 | 1,300 |
| Office costs | 1,250 | 750 |
| Total remuneration to Nordic Strategies AB | 6,627 | 2,050 |

| | | |
|--|-----------------|-----------------|
| | 12 months ended | 12 months ended |
| | June 30, 2000 | June 30, 1999 |

5. Remuneration to auditors

KPMG

The Group

| | | |
|-------------------|--------------|-----------|
| Audit | 320 | 53 |
| Other assignments | 1,679 | - |
| Total | 1,999 | 53 |

Parent company

| | | |
|-------------------|--------------|-----------|
| Audit | 300 | 43 |
| Other assignments | 1,679 | - |
| Total | 1,979 | 43 |

6. Depreciation of tangible and intangible fixed assets

The Group

| | | |
|---|------------|----------|
| Depreciation according to plan allocated per asset: | | |
| Capitalised development costs | 228 | - |
| Goodwill | 307 | - |
| Equipment | 65 | 8 |
| Total | 600 | 8 |

Parent company

| | | |
|---|-----------|----------|
| Depreciation according to plan allocated per asset: | | |
| Equipment | 62 | 8 |
| Total | 62 | 8 |

The total depreciation relates to administration.

7. Operating leasing

The Group

| | | |
|--|--------------|----------|
| Assets held by way of operating leasing: | | |
| Rental expense for year | 389 | - |
| Future minimal rental payments: | | |
| Year 1 | 1,980 | - |
| Year 2 | 1,980 | - |
| Year 3 | 1,980 | - |
| Year 4 | 495 | - |
| Total | 6,435 | - |

Parent company

| | | |
|--|--------------|----------|
| Assets held by way of operating leasing: | | |
| Rental expense for year | 250 | - |
| Future minimal rental payments: | | |
| Year 1 | 1,980 | - |
| Year 2 | 1,980 | - |
| Year 3 | 1,980 | - |
| Year 4 | 495 | - |
| Total | 6,435 | - |

All rental payments relates to office rent.

8. Taxes

The Group

| | | |
|--------------|---------------|---------------|
| Taxes paid | -1,397 | - 253 |
| Deferred tax | - 392 | -1,450 |
| Total | -1,789 | -1,703 |

Parent company

| | | |
|--------------|----------|---------------|
| Taxes paid | - | - |
| Deferred tax | - | -1,426 |
| Total | - | -1,426 |

The Group's accumulated deficit amounts to 42,290.

The Parent Company's accumulated deficit amounts to 37,268.

| | 12 months ended June 30, 2000 | 12 months ended June 30, 1999 |
|--|----------------------------------|----------------------------------|
| 9. Capitalised costs for development, the Group | | |
| Acquisition costs: | | |
| At beginning of year | 1,216 | - |
| Capitalised during the year | 302 | 1,216 |
| At the end of the year | 1,518 | 1,216 |
| Depreciations: | | |
| At beginning of year | - | - |
| Amortization for the year | - 228 | - |
| At the end of year | - 228 | - |
| Net book value at the end of the year | 1,290 | 1,216 |

Capitalised costs for development relates to costs incurred for the site development of NetCap AB.

10. Goodwill, the Group

| | | |
|--|--------------|---|
| Acquisition values: | | |
| At beginning of year | - | - |
| Additions | 1,985 | - |
| At end of year | 1,985 | - |
| Depreciations: | | |
| At beginning of year | - | - |
| Amortisation for the year | - 307 | - |
| At end of year | - 307 | - |
| Net book value at the end of the year | 1,679 | - |

The goodwill relates to NetCaps acquisition of NetCap Tools AB (former BRG Capital AB).

11. Equipment

The Group

| | | |
|--|------------|-----------|
| Acquisition values: | | |
| At beginning of year | 40 | 40 |
| Equipment in acquired subsidiaries | 70 | - |
| Additions | 675 | - |
| At end of year | 785 | 40 |
| Depreciations: | | |
| At beginning of year | - 23 | -15 |
| Depreciations in acquired subsidiaries | - 6 | - |
| Depreciation for the year | - 65 | - 8 |
| At end of year | - 94 | - 23 |
| Art, no depreciation | 40 | - |
| Net book value at end of year | 731 | 17 |
| <i>Parent company</i> | | |
| Acquisition values: | | |
| At beginning of year | 40 | 40 |
| Additions | 642 | - |
| At end of year | 682 | 40 |
| Depreciations: | | |
| At beginning of year | - 23 | -15 |
| Depreciations for the year | - 62 | - 8 |
| At end of year | - 85 | - 23 |
| Art, no depreciation | 40 | - |
| Net book value at end of year | 637 | 17 |

12 months ended June 30, 2000 12 months ended June 30, 1999

12. Investment in group companies, parent company

| | | |
|--|--------------|--------------|
| Accumulated acquisitions values: | | |
| At beginning of year | 1,800 | 200 |
| Acquisitions | 1,610 | 1,600 |
| Disposals | - 100 | - |
| Accumulated acquisitions values at end of year | 3,310 | 1,800 |
| Accumulated depreciations: | | |
| At beginning of year | - | - |
| Depreciations | - 1,300 | - |
| Accumulated depreciations at end of year | - 1,300 | - |
| Net Book value at end of year | 2,010 | 1,800 |

Specification of holdings in group companies, parent company

| Name | Company reg. No. | Reg. Office | Share capital | Number of shares | Capital/votes | Book value |
|----------------|------------------|-------------|---------------|------------------|---------------|------------|
| Evestra AB | 556587-2701 | Stockholm | 100 | 1,000 | 100% | 110 |
| Novestra BK AB | 556542-9270 | Stockholm | 6,488 | 1,000 | 100% | 100 |
| NetCap AB | 556561-0127 | Stockholm | 2,567 | 244,444 | 55% | 1,800 |

Total **2,010**

Novestra BK AB is parent company in a group which includes Öresund Strategies AB, 556256-2545, and NetCap AB is parent company in a group which includes NetCap Tools AB, 556520-2230.

13. Investment in associated companies

The Group

| | | |
|--|---------|---------|
| Accumulated acquisition costs: | | |
| At beginning of year | 12,593 | - |
| Investments | 27,561 | 15,793 |
| Disposals | - 3,042 | - 3,200 |
| Reclassification | - 4,800 | - |
| Accumulated acquisition costs at end of year | 32,312 | 12,593 |

| | | |
|--|---------|---|
| Accumulated share of earnings: | | |
| At beginning of year | - | - |
| Received dividend | - 270 | - |
| Share of earnings for the year | - 2,378 | - |
| Accumulated share of earnings at end of year | - 2,648 | - |

Net book value at end of year **29,664** **12,593**

Parent Company

| | | |
|--|---------|---------|
| Accumulated acquisition costs: | | |
| At beginning of year | 12,593 | - |
| Investments | 27,561 | 15,793 |
| Disposals | - 3,042 | - 3,200 |
| Reclassifications | - 4,800 | - |
| Accumulated acquisition costs at end of year | 32,312 | 12,593 |

Net book value at end of year **32,312** **12,593**

Details of holdings of shares and participations in associated companies:

| Name | Ref. office | Share capital % | Ownership ³ | Group's carrying value | Book value parent |
|--|-------------|-----------------|------------------------|------------------------|-------------------|
| Skandia Mäklarna Holding AB Company reg. No. 556255-7834 | Lidingö | 11,045 | 27% | 5,208 | 4,750 |
| Dallas Sthlm DDG AB Company reg. No. 556481-2898 | Stockholm | 7,037 | 40% | 5,345 | 5,647 |
| Netsurvey Bolinder AB ¹ Company reg. No. 556392-3332 | Stockholm | 25,612 | 30% | 14,682 | 16,740 |
| PowerNet AB ² Company reg. No. 556553-0937 | Stockholm | 1,405 | 40% | 4,429 | 5,175 |

Total **29,664** **32,312**

The difference between shares of equity applying the equity method (29,664) and the share of associated companies equity (14,043) amounts to 15,621. Share of earnings, not yet received through dividends, is allocated to the equity reserve which is part of consolidated restricted equity. The equity reserve for the directly owned associated companies, amounts to 458. Accumulated losses on the other hand, is charged to the Group's unrestricted capital.

¹ Split 100:1 not yet registered with the Patent- and Registration Office.

² Novestra holds options to acquire a further 833,000 shares for a total of 20.0 MSEK on condition that capital requirement, according to the company, exists before the end of February 2002.

³ Prior to any dilution and reflecting the share of voting power.

| | 12 months ended June 30, 2000 | 12 months ended June 30, 1999 |
|--|----------------------------------|----------------------------------|
| 14. Shares and participations | | |
| Accumulated acquisition costs: | | |
| At beginning of year | 45,855 | 21,027 |
| Investments | 538,026 | 37,511 |
| Reclassifications | 4,800 | - |
| Disposals | - 70,775 | - 12,683 |
| Accumulated acquisition costs at end of year | 517,906 | 45,855 |
| Accumulated depreciations: | | |
| At beginning of year | - | - |
| Depreciations | - 6,800 | - |
| Accumulated depreciations at end of year | - 6,800 | - |
| Net book value at end of year | 511,106 | 45,855 |

| | Share of equity before dilution, % | Number of shares | Book value |
|-----------------------------|---------------------------------------|------------------|----------------|
| Bredbandsbolaget | 5.3 | 3 778 007 | 56 614 |
| Boxman ¹ | 1.7 | 853 533 | 13 718 |
| Continuum | 12.3 | 10 000 000 | 91 545 |
| DCM | 5.7 | 320 800 | 13 506 |
| E*TRADE ² | 0.0 | 98 672 | 14 462 |
| Evestra Intressenter | 0.0 | 1 | 10 |
| Fanglobe | 14.5 | 2 910 480 | 20 487 |
| Iquity Systems ³ | 5.4 | 1 221 876 | 18 505 |
| Jupiter ² | 0.5 | 81 630 | 4 381 |
| Klick Data | 7.1 | 145 000 | 2 779 |
| Mobilestop ⁴ | 3.9 | 250 000 | 3 005 |
| Qbranch | 15.0 | 1 500 000 | 26 344 |
| Recollections ⁵ | 13.4 | 22 419 | 17 412 |
| Run Media ⁶ | 12.0 | 284 333 | 15 098 |
| Interest-bearing fund | - | - | 199 999 |
| Other investments | - | - | 13 241 |
| Total book value | | | 511 106 |

¹ Novestra holds a convertible debenture for SEK 6.9 million, which upon conversion will be equivalent to 285,714 shares with a subscription period until February 25, 2001.

² Listed on Nasdaq, USA.

³ Novestra holds a convertible debenture for 6.3 MSEK (nominal amount 7.0 MSEK) which upon conversion will be equivalent to 11,667 shares with a subscription period of 180 days from April 19, 2000, and options for 336,000 shares with a strike price of US\$ 7.8 per share and a subscription period until April 19, 2003.

⁴ Novestra holds options to acquire a further 200,000 shares with a strike price of USD 2.80 per share and a subscription period until June 30, 2001.

⁵ Novestra holds options to acquire a further 250 shares for a strike price of USD 50 per share.

⁶ The investment was revoked in August 2000.

15. Income from group companies, parent company

| | | |
|--------------|----------------|----------|
| Write-downs | - 1,300 | - |
| Total | - 1,300 | - |

The write-down relates to shares in NetCap AB.

16. Appropriations, parent company

| | | |
|--------------------------------------|-------------|------------|
| Reversal of tax allocation reserve | - | 137 |
| Accumulated accelerated depreciation | - 135 | - |
| Total | -135 | 137 |

17. Shareholders' equity

Change during the year, the Group:

| | Share-capital | Restricted reserves | Unrestricted reserves | Net income |
|---|---------------|---------------------|-----------------------|---------------|
| At the beginning of year | 6,252 | 41,973 | 325 | 2,567 |
| Allocation of previous years income | | 15 | 2,552 | - 2,567 |
| Issue 1999-09-27 | 828 | 6,372 | | |
| Issue 2000-01-19 | 161 | 3,339 | | |
| Issue 2000-01-19 | 1,150 | 31,350 | | |
| Issue 2000-02-23 | 2,300 | 473,950 | | |
| Bonus issue | 12,550 | -12,550 | | |
| Income capital raising | | 3,056 | | |
| Transfer between restricted and unrestricted reserves | | 1,868 | - 1,868 | |
| Income for the year | | | | 88,176 |
| Amount at year-end | 23,241 | 549,373 | 1,009 | 88,176 |

Parent company

June 30, 2000

June 30, 1999

| | Shares | Votes | Shares | Votes |
|-----------------------------------|-------------------|-------------------|-------------------|-------------------|
| Number of shares and votes | 23,240,980 | 23,240,980 | 13,590,975 | 13,590,975 |

Development of share capital, parent company:

| Date | Transaction | Nom (SEK) | Change in share | Total share-capital | Total number of shares | Change in share premium reserve | Total share premium reserve |
|------------|---------------|-----------|-----------------|---------------------|------------------------|---------------------------------|-----------------------------|
| 1997-04-14 | Incorporation | 100 | 100 | 100 | 1,000 | - | - |
| 1998-03-03 | Split (10:1) | 10 | - | 100 | 10,000 | - | - |
| 1998-03-03 | Issue | 10 | 4 | 104 | 10,400 | 296 | 296 |
| 1998-03-03 | Issue in kind | 10 | 35 | 139 | 13,900 | 3 080 | 3 376 |
| 1998-04-21 | Issue | 10 | 10 | 149 | 14,873 | 1 742 | 5 118 |
| 1998-04-21 | Issue in kind | 10 | 14 | 163 | 16,263 | 2 489 | 7 607 |
| 1998-05-28 | Issue | 10 | 65 | 228 | 22,763 | 19 922 | 27 529 |
| 1998-08-28 | Bonus issue | 230 | 5,008 | 5,236 | 22,763 | -5,008 | 22,521 |
| 1998-08-28 | Split (100:1) | 2.30 | - | 5,236 | 2,276,300 | - | 22,521 |
| 1998-09-02 | Issue | 2.30 | 460 | 5,696 | 2,476,300 | 7,940 | 30,461 |
| 1998-09-07 | Issue in kind | 2.30 | 96 | 5,792 | 2,518,195 | 1,663 | 32,124 |
| 1999-06-28 | Issue | 2.30 | 460 | 6,252 | 2,718,195 | 8,540 | 40,664 |
| 1999-09-27 | Issue | 2.30 | 828 | 7,080 | 3,078,195 | 6,372 | 47,036 |
| 2000-01-19 | Issue | 2.30 | 161 | 7,241 | 3,148,195 | 3,339 | 50,375 |
| 2000-01-19 | Issue | 2.30 | 1,150 | 8,391 | 3,648,196 | 31,350 | 81,726 |
| 2000-02-23 | Issue | 2.30 | 2,300 | 10,691 | 4,648,196 | 473,950 | 555,676 |
| 2000-06-15 | Bonus issue | 5.00 | 12,550 | 23,241 | 4,648,196 | - 12,550 | 543,126 |
| 2000-06-15 | Split (5:1) | 1.00 | - | 23,241 | 23,240,980 | - | 543,126 |

NOTE 17, CONT.

Change in shareholders' equity during the year, parent company:

| | Share-capital | Premium-reserve | Retained earnings | Net income |
|---------------------------------|---------------|-----------------|-------------------|---------------|
| Amount at beginning of year | 6,252 | 40,664 | 369 | 1,861 |
| Allocation of last years income | | | 1,861 | -1,861 |
| Issue 1999-09-27 | 828 | 6,372 | | |
| Issue 2000-01-19 | 161 | 3,339 | | |
| Issue 2000-01-19 | 1,150 | 31,350 | | |
| Issue 2000-02-23 | 2,300 | 473,950 | | |
| Bonus issue | 12,550 | -12,550 | | |
| Income capital raising | | 3,055 | | |
| Income for the year | | | | 86,709 |
| Amount at year-end | 23,241 | 546,180 | 2,230 | 86,709 |

The premium reserve has decreased by 23,750 related to costs in connection with capital raising. Two series of debenture loans with detachable option rights have been issued. A total of 150,000 options with the right to subscribe for an equivalent amount of shares remain in the first series. These are divided between two periods (75,000 will mature on September 30, 2000 and 75,000 on September 30, 2001). The subscription price is SEK 10 per share. All of the 150,000 options rights have been demanded during August 2000. The second series is for 2,500,000 options with the right to subscribe for an equal number of shares at a subscription price of SEK 90 per share until June 30, 2001.

18. Provision for deferred tax, the Group and Parent company

As of June 30, 2000, 1,426 of the deferred tax is for deferment of taxation on share swaps, which occurred in connection with the Company accepting an offer during the previous fiscal year from GratisTel International AB (publ), in which the Company divested its entire holding in Infotel Nordiska AB (publ) for payment in shares of GratisTel International AB (publ), now under the name Iquity Systems.

19. Bank overdraft facility and collateral, the Group and the Parent company

| | June 30, 2000 | June 30, 1999 |
|-------------------------------|---------------|---------------|
| Bank overdraft facility: | | |
| Utilised credit | - | 5,308 |
| Credit line | - | 9,000 |
| Unutilised credit line | - | 3,692 |
| Assets pledged: | | |
| Assets pledged | - | 5,308 |
| Second mortgage | - | 24,537 |
| Assets pledged | - | 29,845 |

Asset pledged refer to general pledge of securities in custody.

Audit 52 Report

To the General Meeting of the shareholders of AB Novestra (publ)
Corporate identity number 556539-7709

I have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of AB Novestra for the financial year July 1, 1999 – June 30, 2000. These accounts and the administration of the company are the responsibility of the board of directors and the managing director. My responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on my audit. I conducted my audit in accordance with generally accepted auditing standards in Sweden. Those standards require that I plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts.

An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director, as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for my opinion concerning discharge from liability, I examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. I also examined whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. I believe that my audit provides a reasonable basis for my opinion set out below.

The annual accounts and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and, thereby, give a true and fair view of the company's and the group's financial position and results of operations in accordance with generally accepted accounting principles in Sweden. I recommend to the general meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the profit for the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Stockholm September 15, 2000

Stefan Holmström

Authorised Public Accountant
KPMG

RETURN ON SHAREHOLDERS' EQUITY

Income for the year as a percentage of the average shareholders' equity excluding minority interests.

EQUITY/ASSETS RATIO

Shareholders' equity excluding minority interests as a percentage of the total assets.

NET FINANCIAL LIABILITIES

Interest-bearing liabilities minus cash and short-term investments. Cash flow after investments Profit after financial items increased with depreciation and other items not affecting cash flow minus paid tax and adjusted for changes in working capital and net investments in fixed assets.

NET ASSET VALUE

Shareholders' equity adjusted for market value of holdings of publicly traded and/or market valued shares before tax. In the case of estimated market value for unlisted shares, the guidelines from the EVCA are applied. According to these guidelines for valuation, investments are divided into three categories.

1. Unlisted venture investments. Investments in immature companies that are intended to be retained until they can be classified as unlisted development investments. Unlisted venture investments shall be valued at the acquisition value where neither a surplus nor a deficit value can be motivated. Examples of situations that might lead to a deviation from using the acquisition value is in assessing the value for procurement of capital to external parties and where the earnings trend is worse than expected.

2. Unlisted development investments. Investments in mature companies with a sustainable profit level and where a divestment is predicted. It is recommended that assessment of the value of unlisted development investments should be done using a suitable P/E ratio at a sustainable profit level that is then adjusted with a discount as the shares are not yet listed.

3. Listed investments. Investments in listed companies are valued at the actual market value adjusted with a possible discount if the divestment of shares is restricted, for example, due to lock-up agreements. The shareholdings in Bredbandsbolaget, DCM, Fanglobe and Netsurvey have been valued based on the most recent capital procurement to external parties. Other holdings in unlisted portfolio companies have been valued at acquisition value in the calculation of net asset value.

MARKET VALUE OF LISTED COMPANIES

Market value at any given point in time.

ESTIMATED MARKET VALUE OF UNLISTED PORTFOLIO COMPANIES

The guidelines from the EVCA are applied when estimating the market value of unlisted securities.

SHAREHOLDERS' EQUITY PER SHARE

Shareholders' equity in relation to the number of shares at the end of the period.

SHAREHOLDERS' EQUITY PER SHARE AFTER FULL DILUTION

Shareholders' equity adjusted for the increase of shareholders' equity that occurs on full dilution in relation to the number of shares at the end of the period, corresponding to the number if full dilution had occurred.

NET ASSET VALUE PER SHARE

Net asset value in relation to the number of shares at the end of the period.

NET ASSET VALUE PER SHARE AFTER FULL DILUTION

Net asset value adjusted for the increase in net asset value that occurs upon full dilution in relation to the number of shares at the end of the period, corresponding to the number if full dilution had occurred.

EARNINGS PER SHARE

Income for the period in relation to the average number of shares.

EARNINGS PER SHARE AFTER FULL DILUTION

Income in relation to the average number of shares increased with the number that are added upon full dilution.

NUMBER OF SHARES AT THE END OF THE PERIOD

The number of shares at the end of each period adjusted for bonus issues and share splits.

NUMBER OF SHARES AT THE END OF THE PERIOD AFTER FULL DILUTION

The number of shares at the end of each period adjusted for bonus issues and share splits increased with the number of shares that are added after full dilution.

AVERAGE NUMBER OF SHARES DURING THE PERIOD

The average number of shares during the period calculated on a daily basis adjusted for bonus issues and share splits.

THE AVERAGE NUMBER OF SHARES DURING THE PERIOD AFTER FULL DILUTION

The average number of shares during the period calculated on a daily basis, adjusted for bonus issues and share splits increased with the number of shares that are added after full dilution.

In this Annual Report, "Novestra" or "the Company" pertains to AB Novestra (publ) or the Novestra Group, depending on the context. Other definitions: B2 Bredband AB ("Bredbandsbolaget"), Boxman.com plc ("Boxman"), Comintell Holdings AB ("Comintell"), Continuum Group Ltd. ("Continuum"), Dallas sithm Design Group AB ("Dallas"), Delphi Finansanalyt AB ("Delphi"), Digital Communication Media AB (publ) ("DCM"), Recollections Keepsake Products Inc. ("Recollections"), E*TRADE Group Inc. ("E*TRADE"), Fanglobe Inc. ("Fanglobe"), Iquity Systems Inc. ("Iquity Systems"), Jupiter Communications Inc. ("Jupiter"), Klick Data AB (publ) ("Klick Data"), Lagrummet Juni nr 42 AB (corporate identity number 556590-8778) ("Evestra Intressenter"), Mobilestop.com Inc. ("Mobilestop"), NetCap AB ("NetCap"), Netsurvey Bolinder AB (publ) ("Netsurvey"), PowerNet AB ("PowerNet"), Qbranch AB ("Qbranch"), Run Media Inc. ("Run Media") and Skandia Mäklarna Holding AB ("Skandia Mäklarna").

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