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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.**

## This is Novestra

Novestra is an independent investment company which invests in private as well as public companies. Novestra focuses on investing in small cap companies with substantial growth or value potential. Novestra's shares are listed on the Stockholm Stock Exchange's O List.

**Background**

Historically, Novestra has invested in early stages in private companies. Recently, Novestra has started to invest in public small cap companies, primarily in the Nordic region.

**Business Concept**

As an independent investment company, Novestra shall invest in private as well as public companies with substantial business operations and growth opportunities or where other circumstances are at hand that could lead to a significant improvement in valuation.

**Vision**

Novestra believes that it can optimise the return on its investments by being an active investor and by participation in the business development process in each individual company. By limiting the number of investments, Novestra expects to be able to be an active investor without building on a large organisation.

**Objectives**

Novestra's objective is to optimise its shareholders' long-term return by focusing on small cap opportunities without the risk-taking that comes with too narrow a focus. Shareholders shall benefit through the development in value of the Novestra share as well as through dividends, once the company begins to exit holdings and realise values. From a fiscal perspective, Novestra is an investment company and, through its tax efficient structure, Novestra can offer larger investors exposure towards small cap investment opportunities that they would otherwise not be able to participate in.

## The year in summary

**Net result for  
the financial  
year 2004  
amounted to  
MSEK 45.7  
(20.1)**

**Shareholders'  
equity as at  
December 31,  
2004 amounted  
to MSEK 420.0  
(292.5)**

**Cash and cash equivalents,  
including current investments,  
amounted to  
MSEK 88.3 (46.0)**

**Investments in  
public companies  
increased  
substantially  
resulting in  
good return**

**New share issue  
provided MSEK  
81.7 for new  
investments,  
primarily in public  
companies**

**Dividend of  
SEK 1.00  
per share  
proposed**



During the year, **the development in the private portfolio companies** has continued to be positive and revenue increased, on average, by 38 percent compared to the previous year. All directly and indirectly owned private portfolio companies, with the exception of Strax, showed improvements in results compared to the previous year. All private portfolio companies showed positive cash flows at the year-end 2004. During the year, Novestra has made **add-on investments** such as expansion capital in Strax of MSEK 6.8 in connection with a restructuring of company credits. Moreover, Novestra invested, indirectly through C More Group AB, MSEK 2.1 in C More Entertainment AB (formerly Canal Plus Television AB). Investments of MSEK 5.0 were also made in Bytek Systems AB and associated companies (including FLEXbridge Technologies, LLC, USA).

During the year, revenues referring to **dividends** from Continuum Group Ltd amounted to MSEK 39.0. The dividends originate partly from Continuum's divestment of its entire holding in B2 Bredband AB.

During the year, **investments in public portfolio companies** increased considerably, primarily in Nordic companies. These investments have developed very well and, for the full year 2004, the return in the public portfolio amounted to 26.6 percent calculated on the average capital invested. Since the fourth quarter 2003, when the new investment strategy involving an exposure toward the public stock market was initiated, the return in the public portfolio at the turn of the year 2004/2005 amounted to 40.0 percent calculated on the average capital invested. At year-end 2004, Novestra's unrealised result in the public portfolio amounted to MSEK 14.7 (11.3). During the year, Novestra

has made **new and add-on investments** in i.a. Aldata Solution Oy, FlyMe Europe AB, IBS AB, Karo Bio AB, Lagercrantz Group AB, Millicom International Cellular S.A., Pergo AB and Wilh. Sonesson AB.

At Novestra's Annual General Meeting on May 6, 2004, it was resolved to approve the proposed **bonus program** for the Managing Director, Peter Ekelund, and the Chairman and Chief Executive Officer, Theodor Dalenson.

It was also resolved to make **minor amendments to the company's articles of association**.

In order to enable a number of attractive investment opportunities, Novestra's Board of Directors decided in May 2004 to summon an Extraordinary General Meeting in order to resolve on a proposed directed new share issue. The Extraordinary General Meeting was held on June 18, 2004 and, at the meeting, it was resolved to implement **a directed new share issue** of 6 000 000 shares which provided the company with SEK 81 705 912, after transaction costs. After the new share issue, Novestra's share capital amounts to SEK 37 187 973 distributed on an equal number of shares.

The Board of Directors and the Managing Director propose an ordinary **dividend** to shareholders of SEK 1.00 per share for the financial year 2004. The total dividend amounts to SEK 37 187 973. For the financial year 2003, no dividend was declared. The proposal exceeds the previously communicated dividend policy due to the company's proposed strategy of a gradual divestment of its private portfolio during the next three years and to distribute revenues from these divestments to shareholders.

## Chairman's comments

Novestra has entered its fifth year as a public company, years that have been characterised by adversities as well as progress for both Novestra's management and shareholders. For a small company such as Novestra which has had a focus on one of the most difficult of investment areas, namely venture capital in the true sense of the word, this roller coaster ride which we have experienced is the norm.

Our initial focus on investments in start-ups and young companies which we believed had a great growth potential has involved great challenges. Many of the companies that we invested in have had significant capital needs, limited management resources and lack of functioning corporate structure. In addition, the companies have often introduced new, untried products and services which, in many cases, have had to be reengineered in order to better suit customer needs.

Such investment focus requires a long-term perspective and, over the last years, it has not been easy to act long-term and at the same time be a listed company. In mid-2000, the market lost interest in venture capital and growth stocks and newly started companies that were not immediately profitable were treated harshly. The market and media did not have the patience to wait for these businesses to be developed. One such example is Bredbandsbolaget, which we co-founded and which during 2001 and 2002 was condemned by the market and media. We can now conclude that those investors in Bredbandsbolaget, who had capital resources and perseverance, today are owners of one the largest broadband operators in the Nordic region.

The need for a long-term perspective in the venture capital business means that it is difficult to be listed and exposed to the market's demand for instant success. At Novestra, we have tried to manage this situation to the best of our ability, however many times it has been





## “Continuously positive development and improved results over the next few years”

It is immensely demanding to meet the various challenges in our portfolio companies in combination with handling the communication regarding our operations that a listing requires. Unfortunately, the demands on smaller listed companies have increased dramatically in recent years. This means that there is a significant risk that managements in smaller companies end up spending more time on administration rather than on running their business.

At Novestra, we have drawn the conclusion that our resources are too limited to manage a new round of investments in companies in early stages and at the same time handle issues and evaluate exit possibilities in our existing venture capital portfolio. This, in part, explains why Novestra's Board of Directors will propose at the Annual General Meeting on April 26, 2005 the divestment of a large part of the holdings in our private portfolio to take place until the year-end 2007, and that revenues be distributed to the company's shareholders. At the end of the three-year period, Novestra's main assets shall consist of two or three consolidated companies.

At the same time, Novestra's Board of Directors proposes that future investments in public companies be made through a fund structure with a larger capital base, which will include other investors. This will enable larger investments and thereby increased influence in the companies in which investments have been made. The Board proposes that an approximate amount of MSEK 200, corresponding to the amount that Novestra currently has invested in public holdings, be invested in the fund. Novestra's shares in the new fund structure, or the cash equivalent thereof, are also intended to be distributed to shareholders within the next few years. It is proposed that Novestra also have an administration agreement with the fund which would generate substantial revenues during the three-year period.

We are satisfied with the result that we have managed to deliver operationally, especially considering that we are only six employees at Novestra. We have had a positive development during 2003 and 2004, however Novestra's management believes that the best years, as far as results, lay ahead of us. If the stock market remains stable with continued activities in the M&A area, we should be able to deliver continuously improved results over the next few years.

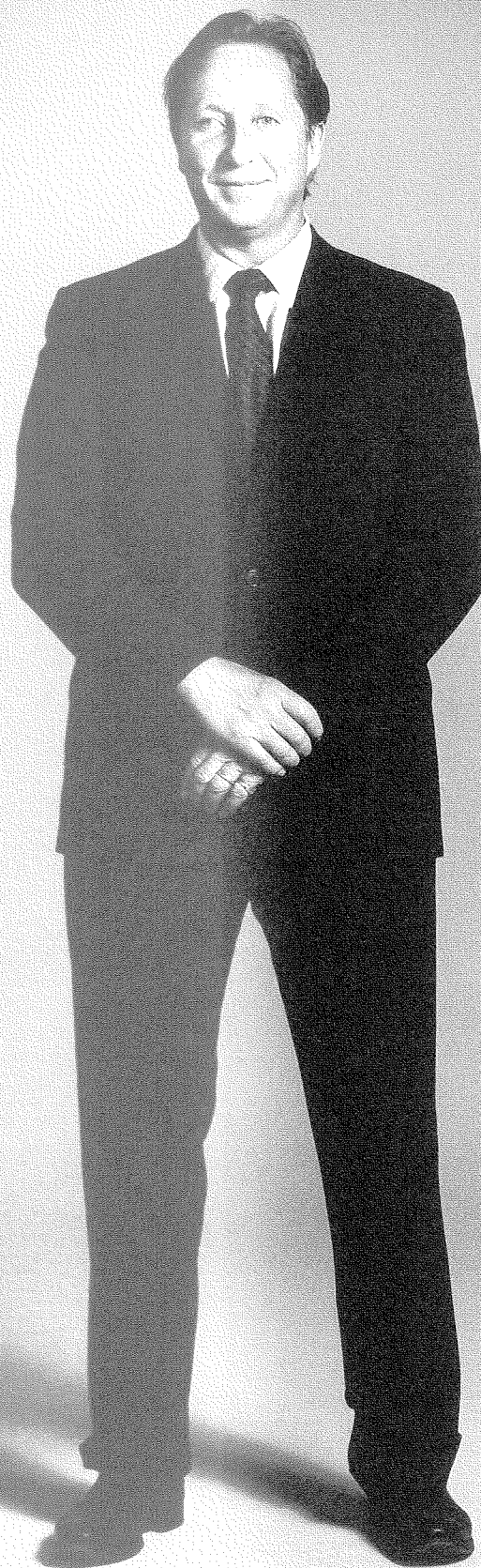
Stockholm, March 2005

Theodor Dalenson  
**Chairman**

AB NOVESTRA

## Managing Director comments

"Novestra's current  
portfolio has greater  
potential than risk"





Novestra's objective has been to create continuous return on our capital with an active and target-orientated investment approach. Looking back over the past few years, we can conclude that those companies which have managed to focus on their businesses and have kept their expenses under control have been exceptionally successful. These companies have developed businesses with strong growth, even during the period between 2001 and 2003 when their respective industries experienced a downturn. Now, these companies have entered a new phase where growth can be combined with significant improvements in results. Novestra can now, in our capacity as shareholder in these companies, begin to expect a good return on our investments.

Concurrent with the continuous improvements in our private portfolio, the market's valuations of small growth companies have gradually improved. Investors have begun to realise that strong growth is the key to good returns. In many industrial sectors, larger companies are now seeking areas of growth and growth companies and we believe that this development will be further enhanced during 2005.

A directed new share issue in June 2004 provided Novestra with net funds of SEK 81.7 million. These funds have primarily been invested in a portfolio consisting of Nordic public small cap companies. At year-end 2004, our larger holdings included IBS, inWarehouse, Lagercrantz, Millicom, Pergo and Wilh. Sörensson. Our public portfolio has generated a return of 27 percent during 2004. We expect to be able to deliver continued good returns and further develop our public portfolio during the current year.

Among our Swedish private portfolio companies, Wilh. Sörensson and Öhrnch have experienced very positive development with strong growth, stable entry margins and improved order books. In the U.S., our private portfolio companies have achieved a growth of, on average, 50 percent

Considering their large domestic market, the potential of our U.S.-based portfolio companies is, of course, very significant; this applies in particular to MyPublisher which is estimated to have just begun its exciting growth phase. At year-end 2004, all of our private portfolio companies showed positive cash flows. During the next three years, we intend to divest most of our private holdings and, subsequently, distribute the revenues.

Besides the improved prospects of exits and value increases in our private portfolio, our public portfolio has possibilities of continued strong increase of value. Our more diversified strategy lowers the risk and we are convinced that it will provide our shareholders with a high return.

Our positive development has also been reflected in the Novestra share price which has increased by 127 percent during the year. In addition, the average trading turnover of the Novestra share increased from 40 768 shares per trading day during 2003 to 81 063 shares per trading day during 2004. For the first time, we can propose a dividend to our shareholders, namely SEK 1.00 per share.

Novestra has proved that it is possible to succeed with a persistent, focused and active investment strategy even for a small company with limited capital resources. Even as the divestment phase is initiated during the next three-year period, much work remains to be done in order to seek to ensure maximised valuations in these transactions. We are looking forward to the next few years with confidence and we believe that our private portfolio today contains companies with greater potential than risk. We trust that our shareholders will benefit from this improved situation.

Stockholm, March 2005

Peter Ekefjord  
Managing Director

## Novestra shares

Novestra's shares have been listed on the Stockholm Stock Exchange's O List since June 21, 2000. A block consists of 1 000 shares. At year-end, Novestra's market value amounted to MSEK 667.

Since November 2002, a measure to increase liquidity has been taken by appointing Remium Securities AB as Novestra's market maker. The use of a market maker has had a continuously positive effect resulting in a good liquidity of the share also during 2004 and has been conducive in the increase in turnover by approximately 98 percent. The share was traded on 98 percent of trading days at an average rate of 81 063 shares per trading day.

During 2004, Novestra's share price exhibited a very positive trend. Over the year, the price increased by 127 percent which was 110 percent better than the OMX stock index. The share price on the first day of trading in 2004 was SEK 7.90 and at the last day of trading the share price was SEK 17.90. The shares were traded at an average share price of SEK 14.43 and the average turnover per trading day was SEK 1 107 036.

### Share capital structure

At an Extraordinary General Meeting in AB Novestra in June 2004, it was resolved to approve the Board of Directors' resolution that the company's share capital be increased by SEK 6 000 000 through a directed issue of a maximum of 6 000 000 new shares, which, after transaction costs, provided the company with SEK 81 705 912. The right to subscribe for the shares was directed towards a limited number of investors. The deviation from shareholders' preferential right was made to enable to immediately being able to take advantage of a number of attractive investment opportunities.

Following the new share issue, Novestra's capital amounts to SEK 37 187 973 distributed over 37 187 973 shares, each with a par value of SEK 1. Every share entitles the holder one vote and each holder with voting rights may vote at the shareholders' meetings for the entire number of shares that he/she holds without limitation

in the number of votes. Novestra has only one class of shares and all shares entitle equal rights to the company's assets and profits.

### Ownership structure

The total number of shareholders as at December 31, 2004 amounted to 3 595 (3 691). Foreign ownership amounted to 68.0 (61.4) percent of total outstanding shares.

### Result per share

The result per share amounted to SEK 1.3 (0.8) per share.

### Dividend policy and dividend

The Board of Directors and the Managing Director have decided to propose the Annual General Meeting an ordinary dividend to shareholders of SEK 1.00 per share for the financial year 2004. The proposal exceeds the previously communicated dividend policy due to the company's proposed strategy of a gradual divestment of its private portfolio during the next three years and to distribute revenues from these divestments to shareholders. The new strategy is subject to approval by the Annual General Meeting. The total dividend amounts to SEK 37 187 973. For the financial year 2003, no dividend was declared.

### Option scheme

As at December 31, 2004 Novestra had no outstanding option schemes.

### Other share information

Shareholders' equity per share at year-end amounted to SEK 11.3 (9.4) per share.

At the Annual General Meeting on May 6, 2004, the Board of Directors was given authorization to, up until the next Annual General Meeting at the latest and at one or several occasions and with or without preferential right for the shareholders, decide on a share issue of a maximum of 6 000 000 new shares against payment in cash, in kind, or by offset. To date, this mandate has not been utilised. However, in June 2004, an extraordinary general meeting decided on a directed new share issue of, in total, 6 000 000 shares.

**Development of share capital (KSEK)**

Date	Transaction	Nominal value (SEK)	Change in share capital	Total share capital	Total No. of shares	Change in share premium reserve through issues	Added to share premium
April 1997	Incorporation	100.00	100	100	1 000	-	-
March 1998	Split (10:1)	10.00	-	100	10 000	-	-
March 1998	New share issue	10.00	4	104	10 400	296	296
March 1998	Issue in kind	10.00	35	139	13 900	3 080	3 376
April 1998	New share issue	10.00	10	149	14 873	1 712	5 119
April 1998	Issue in kind	10.00	14	163	16 263	2 489	7 607
May 1998	New share issue	10.00	65	228	22 763	19 922	27 529
August 1998	Bonus issue	230.00	5 008	5 236	22 763	-5 008	22 521
August 1998	Split (100:1)	2.30	-	5 236	2 276 300	-	22 521
September 1998	New share issue	2.30	460	5 696	2 476 300	7 940	30 461
September 1998	Issue in kind	2.30	96	5 792	2 518 195	1 663	32 124
June 1999	New share issue	2.30	460	6 252	2 718 195	8 540	40 664
September 1999	New share issue	2.30	828	7 080	3 078 195	6 372	47 036
January 2000	New share issue	2.30	161	7 241	3 148 195	3 339	50 375
January 2000	New share issue	2.30	1 150	8 391	3 648 196	31 350	81 726
February 2000	New share issue	2.30	2 300	10 691	4 648 196	473 950	555 676
June 2000	Bonus issue	5.00	12 550	23 241	4 648 196	-12 550	543 126
June 2000	Split (5:1)	1.00	-	23 241	23 240 980	-	543 126
September 2000	New share issue	1.00	150	23 391	23 390 980	1 350	544 476
October 2003	New share issue	1.00	7 797	31 188	31 187 973	40 730	585 206
June 2004	New share issue	1.00	6 000	37 188	37 187 973	75 706	660 912

**Major shareholders and ownership structure as at December 31, 2004**

Shareholders	No. of shares <sup>(1)</sup>	Proportion of vote and capital, %
Laxey Partners (UK) Ltd	6 655 000	17.9
Deutsche Bank A.G.	6 430 241	17.3
W. Thorpe McKenzie	4 163 801	11.2
Theodor Dalenson	2 315 000	6.2
SEB Private Bank	1 373 066	3.7
Deutsche Bank, London Branch	1 297 392	3.5
Lindborg AB	969 000	2.6
Globinvest, Inc.	766 666	2.1
TSWII, L.P.	684 000	1.8
SIS Segaintersettle A.G.	592 882	1.6
Others	11 940 925	32.1
<b>Total</b>	<b>37 187 973</b>	<b>100.0</b>
<b>of which</b>		
Foreign ownership	25 291 989	68.0

<sup>(1)</sup> including shares held by family members and holdings through companies

Source: VPC AB

**Ownership statistics allocated per size as at December 31, 2004**

Ownership intervals	No. of shares	%	No. of shareholders	%
1- 500	417 600	1.1	1 607	44.7
501- 1 000	643 265	1.7	785	21.8
1 001- 10 000	3 235 418	8.7	1 024	28.5
10 001- 50 000	2 689 736	7.3	125	3.5
50 001- 100 000	1 797 826	4.8	26	0.7
100 001-	28 404 128	76.4	28	0.8
<b>Total</b>	<b>37 187 973</b>	<b>100.0</b>	<b>3 595</b>	<b>100.0</b>

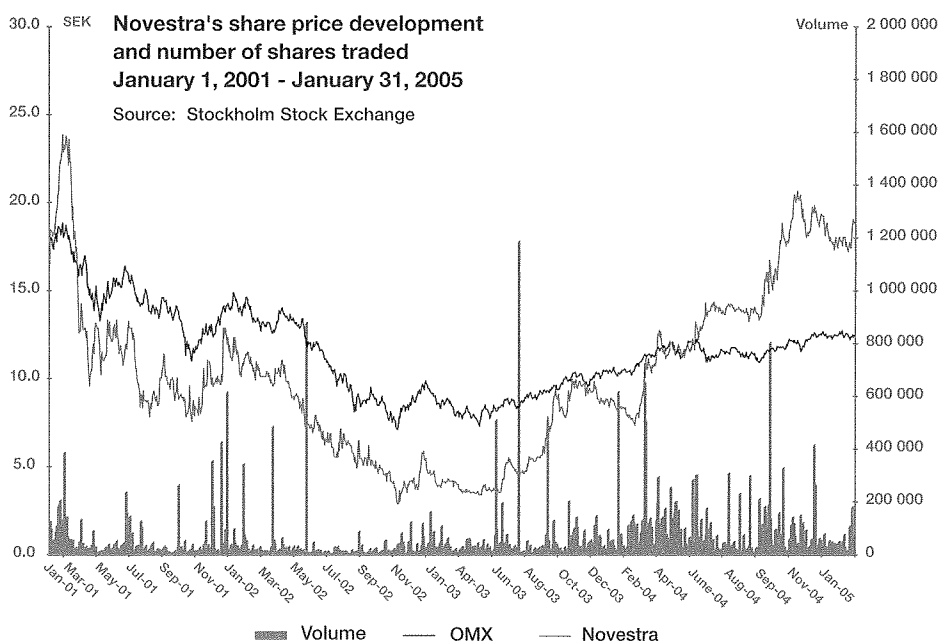
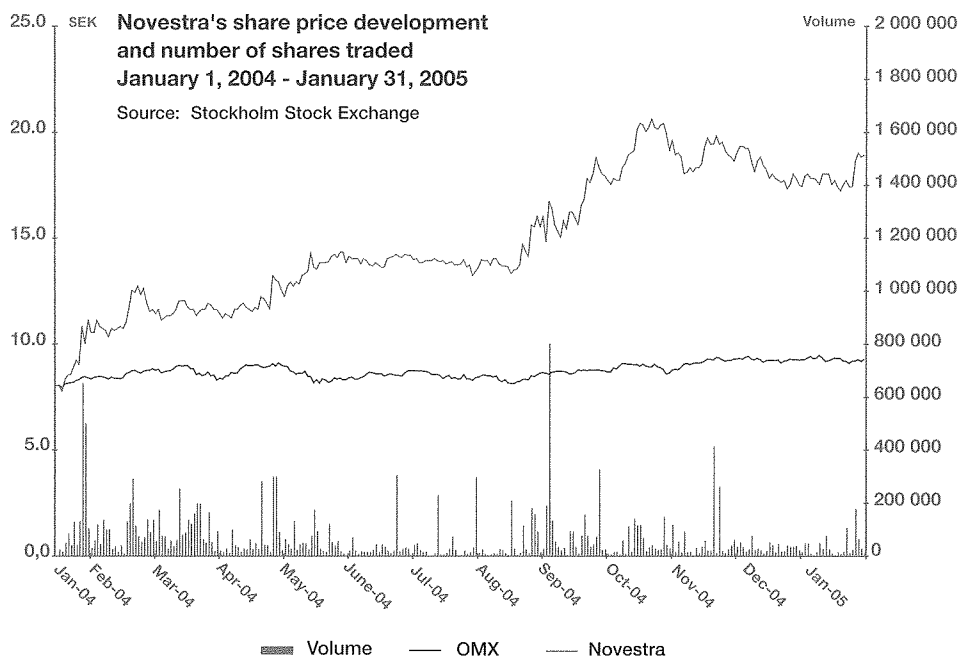
Source: VPC AB



## Five-year financial summary

Income statements (MSEK)	2004 (12 months)	2003 (12 months)	2001/2002 (18 months)	2000/2001 (12 months)	1999/2000 (12 months)
<b>Investment activity</b>					
Result from shares and participations	67.1	13.3	-56.0	-9.8	110.5
Write-downs	-0.5	15.9	-155.7	-146.3	-6.8
<b>Gross profit investment activity</b>	<b>66.6</b>	<b>29.2</b>	<b>-211.7</b>	<b>-156.1</b>	<b>103.7</b>
<b>Other operations</b>					
Income from other operations	-	3.0	-	1.2	1.8
<b>Gross profit other operations</b>	<b>-</b>	<b>3.0</b>	<b>-</b>	<b>1.2</b>	<b>1.8</b>
<b>Gross profit</b>	<b>66.6</b>	<b>32.2</b>	<b>-211.7</b>	<b>154.9</b>	<b>105.5</b>
Administrative expenses	-20.3	-12.3	-28.2	-21.9	-20.3
<b>Operating income</b>	<b>46.4</b>	<b>19.9</b>	<b>-239.9</b>	<b>-176.8</b>	<b>85.2</b>
Net financial items	-0.6	0.2	-2.4	-18.4	1.6
<b>Result after financial items</b>	<b>45.7</b>	<b>20.1</b>	<b>-242.3</b>	<b>-195.2</b>	<b>86.8</b>
Appropriations	-	-	0.2	0	-0.1
Current taxes	-	-	-	1.4	-
<b>Result for the year</b>	<b>45.7</b>	<b>20.1</b>	<b>-242.1</b>	<b>-193.8</b>	<b>86.7</b>

Balance sheets (MSEK)	2004 December 31	2003 December 31	2002 December 31	2001 June 30	2000 June 30
Tangible fixed assets	1.1	0.6	0.5	1.1	0.6
Financial fixed assets	334.1	268.2	205.1	319.3	545.5
Current assets	39.5	43.7	4.6	15.2	56.4
Cash and bank	78.6	11.0	18.1	140.2	134.4
<b>Total Assets</b>	<b>453.3</b>	<b>323.5</b>	<b>228.3</b>	<b>475.8</b>	<b>736.9</b>
Shareholders' equity:					
Restricted equity	354.1	272.4	466.0	570.9	569.4
Non-restricted equity	65.9	20.1	-242.1	-104.9	88.9
<b>Total shareholders' equity</b>	<b>420.0</b>	<b>292.5</b>	<b>223.9</b>	<b>466.0</b>	<b>658.3</b>
Provisions etc.	-	-	-	0.2	1.6
Interest-bearing liabilities	24.8	25.0	-	-	-
Non interest-bearing liabilities	8.5	6.0	4.4	9.6	77.0
<b>Total shareholders' equity and liabilities</b>	<b>453.3</b>	<b>323.5</b>	<b>228.3</b>	<b>475.8</b>	<b>736.9</b>





## Future opportunities

In the past two years, the development in the private portfolio has been very positive and the strong growth is expected to continue during 2005. The first indications in 2005 show a tendency of continued strong growth and, in some cases, further accelerating growth compared to the previous two years. Novestra envisages greater potential than risk in its private portfolio and there are good prospects for future substantial development in value.

The Board of Directors has decided to propose the Annual General Meeting a gradual divestment of most of the companies in Novestra's private portfolio. If the proposal is accepted by the Annual General Meeting, the company's operations will, to a certain extent, change character during the next few years. In the future, the company's prime focus will be to support its current private portfolio companies and seek to maximise value and, consequently, the return on investments in connection with future divestments.

In addition, the Board of Directors proposes that Novestra's investments in public companies shall be made through a fund structure with a larger capital base, which will include external investors. The Board proposes that an approx-

imate amount of MSEK 200, corresponding to the amount that Novestra currently has invested in public holdings, be invested in the fund. The objective is to enable larger investments and thereby be able to exert increased influence in the companies in which the fund has invested. Novestra's shares in the new fund structure, or the cash equivalent thereof, are also proposed to be distributed to shareholders within three years. It is proposed that Novestra also have an administration agreement with the fund which would generate substantial revenues during the three-year period.

Due to these changes, Novestra will in the near future work more intensely through participation in strategic discussions in companies included in its public market portfolio. To the extent possible, the participation will be taking place through board representation and with the support of resources from Novestra's network. The increased spread of risk, which the investments in public shares has resulted in, has led to a decrease of the total risk in Novestra's shares compared to previous years. Simultaneously, the possibilities for a positive development in value in the private as well as in the public portfolio are estimated to be good.

Key ratios	2004	2003	2001/2002	2000/2001	1999/2000
	(12 months)	(12 months)	(18 months)	(12 months)	(12 months)

**FINANCIAL KEY RATIOS**

Shareholders' equity, MSEK	420.0	292.5	223.9	466.0	658.3
Equity/asset ratio, %	92.6	90.4	98.1	97.9	89.4
Return on equity, %	12.8	7.8	neg	neg	24.5
Cash flow after investments, MSEK	-14.1	-55.6	-122.1	4.3	-382.8

**DATA PER SHARE**

Shareholders' equity per share, SEK	11.3	9.4	9.6	19.9	28.3
Shareholders' equity per share after full dilution, SEK	11.3	9.4	9.6	19.9	34.2
Result per share, SEK	1.3	0.8	-10.4	-8.3	4.8
Result per share after full dilution, SEK	1.3	0.8	-10.4	-8.3	4.2

**NUMBER OF SHARES ETC.*****Number of outstanding shares:***

at the end of the period	37 187 973	31 187 973	23 390 980	23 390 980	23 240 980
at the end of the period after full dilution	37 187 973	31 187 973	23 390 980	23 390 980	25 890 980

***Average number of shares:***

during the period	34 245 507	24 925 618	23 390 980	23 363 857	17 997 535
during the period after full dilution	34 245 507	24 925 618	23 390 980	23 363 857	20 647 535

# Board of Directors

## THEODOR DALENSON (Born 1959)

**Chairman.** Theodor Dalenson has been a board member of Novestra since 1997 when he co-founded the company. He has been the company's Chairman since 2000. Since 1983, Mr Dalenson has had a number of assignments for international companies such as Clorox, Kingsforth and Frontiers International, primarily within the fields of strategic planning and business development. He has served on a number of boards in both public and private companies as well as charitable organisations.

**Other board duties include:** ASF, Inc. and Bytek Systems AB.

### Shares in Novestra:

2 315 000 <sup>(1)</sup>

## COLIN KINGSNORTH (Born 1963)

**Board member since 2003.** Colin Kingsnorth is a partner and Chairman of Laxey Partners Ltd. Mr Kingsnorth has previously worked at several larger companies in the United Kingdom, including Robert Fleming Asset Management, Olliff & Partners and Buchanan Partners Ltd.

### Shares in Novestra:

Colin Kingsnorth: 0 <sup>(1)</sup>

Laxey Partners: 6 655 000

**Other board duties:** LP Value Ltd, Laxey Investors Ltd, Ceiba Finance Ltd, East European Development Fund Ltd and Tea Plantations Investment Trust Ltd.

## ANDERS LÖNNQVIST (Born 1958)

**Board member since 2000.** Anders Lönnqvist has been active within a number of development and investment firms, including Hevea AB, Investment AB Beijer and Schatullet AB. Mr. Lönnqvist is the Chairman and owner of Servisen Group AB.

### Shares in Novestra:

154 663 <sup>(1)</sup>

**Other board duties include:** NewSec AB (Chairman), Texcel AB (Chairman), I3 micro technology AB, KSSS, Lokal.nu AB and SSRS Holding AB.

<sup>(1)</sup> Where appropriate, shareholdings in Novestra include shares held by family members and holdings through companies as at December 31, 2004.

# Historical background

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## 1997

- Novestra was established with limited capital resources.

## 1997/98

- Novestra built up a small portfolio of approximately ten private holdings. Some of the investments were divested during these first two years, generating a high yield. In many cases, the positive outcome of these investments was the result of Novestra's active involvement in strategic issues combined with the implementation of transactions of vital importance to the companies. The proceeds from these early investments enabled Novestra to make further investments during the next two years without any additional external financing.

## 1999

- High growth and profit expectations gave rise to a market revaluation of unlisted small cap companies. In such market conditions, Novestra made further exits and a number of major new investments. A number of these new investments were quickly assigned high valuations.
- Unofficial trading in Novestra shares started in November.

## 2000

- As a result of considerable interest in Novestra and its portfolio companies, primarily from foreign institutions, Novestra decided to carry out a new share issue that provided the company with a total of MSEK 476.
- Novestra was granted investment company status in the spring.
- Novestra was officially listed on the Stockholm Stock Exchange's (Stockholmsbörsen) O-list in June. No new share issue was implemented in connection with the listing, since the company had concluded that it did not require additional capital and that the stock exchange's requirement regarding diversified ownership had already been met. Novestra subscribed for new shares in a number of companies intended for market listing within the next twelve months.
- The IT and telecom sectors experienced a dramatic downturn during the latter part of the year. Among other consequences, this resulted in the cancellation of planned IPOs for two of Novestra's portfolio companies.

## 2001

- The weak stock market trend continued, making further industrial exits impossible. As a result, Novestra decided to focus its operations around fewer investments. Simultaneously, significant write-downs of Novestra's book values were made. A number of Novestra's companies were disposed of and, in a few cases, were exited through liquidation or bankruptcy.

## 2002

- The consolidation process, by which Novestra increased stakes in companies that performed well and reduced in others, continued. Novestra remained actively involved in its holdings throughout the development and growth phases. Restructuring and cuts in Novestra's administration was initiated.

## 2003

- During the year, the development in the venture portfolio was very positive and, following the last three years' substantial write-downs, it was resolved to reverse some of the write-downs previously made.
- During the fall, Novestra implemented a rights issue which provided the company with MSEK 48.5. A new investment strategy involving an exposure towards the public stock market was initiated. Furthermore, the company's administrative expenses were considerably reduced and a restructuring of Novestra's corporate structure by the disposal of all of its subsidiary companies was implemented.

# Senior Management and employees

During the entire financial year 2004, Novestra has had six employees, including the Chairman of the Board and Chief Executive Officer, Theodor Dalenson (for further details regarding Theodor Dalenson, reference is made to page 20).

## Senior Management



**Peter Ekelund**

Managing Director

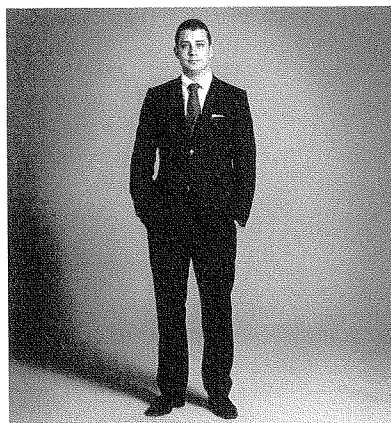
### **PETER EKELUND (Born 1954)**

**Managing Director.** Peter Ekelund was appointed Managing Director in 2002. Mr Ekelund worked as Project Manager for the development and launch of Absolut Vodka in the U.S. from 1977 – 1982. Mr Ekelund later served as Managing Director for a company in the U.K. 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 B.V. (later Canal Plus). Between 1997 and 1999, Mr Ekelund was an Executive Director of Milano-based Media Partners International. During 1999 and 2002, he was an Executive Director and board member of Novestra and co-founded B2 Bredband AB.

Mr Ekelund is a board member of Bytek Systems (Chairman), C More Entertainment AB, Explorica, inWarehouse, MyPublisher, Netsurvey, Qbranch and Strax.

## Other employees

Shares in Novestra: 264 553 <sup>(1)</sup>



### **JOHAN HEIJBEL (Born 1975)**

**Chief Financial Officer.** Johan Heijbel was appointed CFO in 2002. He was previously since 2001 Controller and Investment Manager at Novestra. Prior to that, Mr Heijbel worked at Ekonomikonsult Islinge KB and, up to his permanent employment at Novestra, he was Novestra's Finance and Accounting Manager on a consulting basis since the company was founded in 1997.

Shares in Novestra: 51 333 <sup>(1)</sup>

**Johan Heijbel**

Chief Financial Officer

<sup>(1)</sup> Where appropriate, shareholdings in Novestra include shares held by family members and holdings through companies as at December 31, 2004.

**W. THORPE MCKENZIE (Born 1947)**

**Board member since 1999.** W. Thorpe McKenzie is Managing Director of Pointer, L.P., USA, a fund of funds focusing on hedged vehicles which he co-founded in 1990. From 1982 until 1990, he was a private investor in New York City, and a director of several public and private companies. From 1980 until 1982, he was founding general partner of TIGER, a global hedge fund. From 1971 until 1980, he was a Vice President of Kidder, Peabody & Co., Inc. in New York.

**Other board duties (non-charitable):** Covista Communications, Inc. and MyPublisher, Inc.

**Shares in Novestra:**4 163 801 <sup>(1)</sup>**BERTIL VILLARD (Born 1952)**

**Board member since 2003.** Bertil Villard is a lawyer and partner in Vinge, one of the largest law firms in Scandinavia. He has previously worked i.a. as legal counsel for Swedish Match AB, Stora Kopparberg AB and Esselte AB (chief legal counsel), and as Head of Corporate Finance at ABN Amro Alfred Berg Fondkommission.

**Other board duties include:** Pergo AB (Chairman) and SalusAnsvar AB (Chairman).

**Shares in Novestra:**456 670 <sup>(1)</sup>**MATS BERGLUND (Born 1952)**

**Deputy board member since 2002.** Mats Berglund was previously a member of Novestra's management. Today, he is the Managing Director of IC Control AB. He was previously financial adviser to S:t Erik Investment AB as well as having accumulated over 20 years' experience in venture capital within electronics, white goods and automobile industries.

**Other board duties:** IC Control AB and Mercator International Group AB.

**Shares in Novestra:**29 999 <sup>(1)</sup>

## Auditors

**STEFAN HOLMSTRÖM (Born 1949)**

Authorized Public Accountant, KPMG Bohlins AB  
Auditor for Novestra since 1999

**INGRID HORNBERG ROMÁN (Born 1959)**

Authorized Public Accountant, KPMG Bohlins AB.  
Deputy Auditor for Novestra since 2002

<sup>(1)</sup> Where appropriate, shareholdings in Novestra include shares held by family members and holdings through companies as at December 31, 2004.



# Novestra's holdings

## Novestra's portfolio companies and other investments

Novestra's portfolio companies consist of small cap private as well as public companies with varying operations and geographical spread. Novestra can thereby offer its investors a well-diversified portfolio.

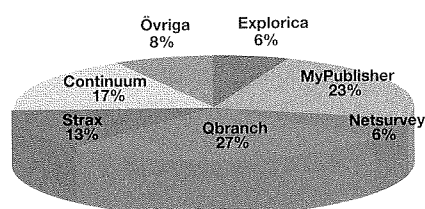
As at December 31, 2004, the total carrying value of Novestra's holdings together with a number of other investments amounted to MSEK 343.9 (303.2).

The private portfolio represented 59 percent of total investments of which 59 percent of the private portfolio consisted of companies all of which have operations based in the U.S. As at December 31, 2004, the market value of the public portfolio amounted to MSEK 147 representing 38 percent of total investments. The surplus value as at December 31, 2004 amounted to MSEK 14.7 (11.4).

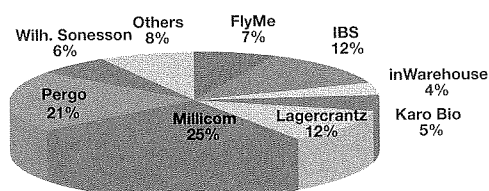
Presented below and on the following pages, are an overview and description of Novestra's portfolio companies.

## Values as at December 31, 2004

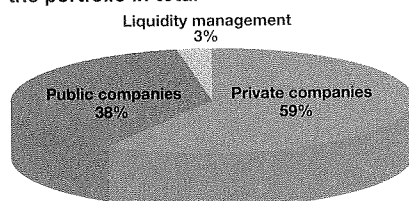
**Distribution of carrying values  
private holdings**



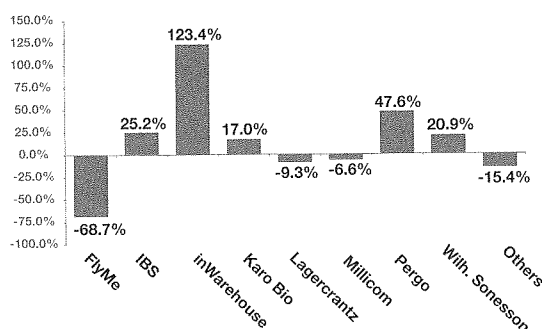
**Distribution of carrying values  
public holdings**

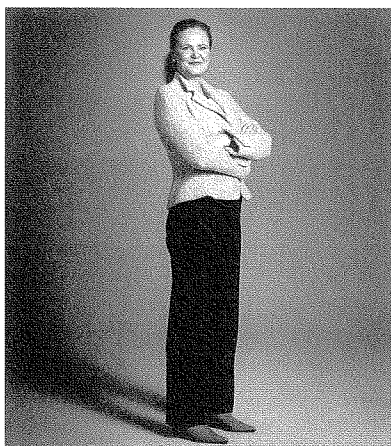


**Distribution of carrying values  
the portfolio in total**



**Surplus value public holdings, %**



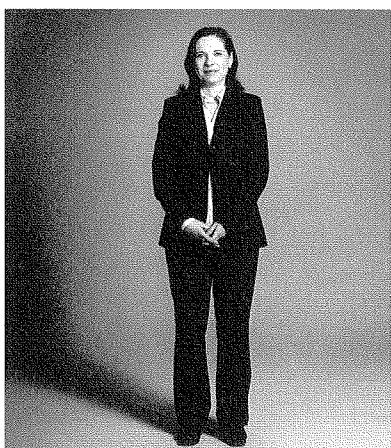
**CECILIA JANSON (Born 1958)**

**Investor Relations Manager.** Cecilia Janson has been responsible for information at Novestra since 2000. Ms Janson has previously worked at Svenska Handelsbanken. Thereafter, she co-founded and was Managing Director of the design company von der Esch in London. Ms Janson has also previously been self-employed and worked as an interpreter and translator.

Shares in Novestra: 2 000<sup>(1)</sup>

**Cecilia Janson**

Investor Relations Manager

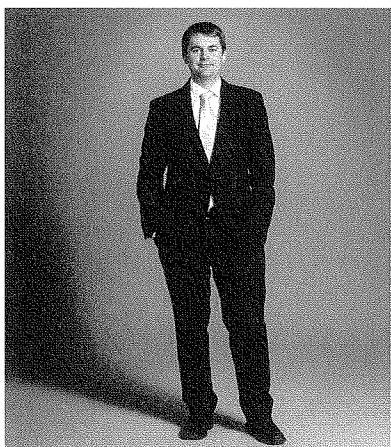
**RUTH LIDIN (Born 1968)**

**Economy and Administration.** Ruth Lidin has been working with economy and administration at Novestra since June 2001. Ms Lidin has previously worked at Athlone Extrusions in Ireland and at Medtronic-Synectics as Export Manager and later at ArthroCare Europe.

Shares in Novestra: 0<sup>(1)</sup>

**Ruth Lidin**

Economy & Administration

**MARCUS SÖDERBLOM (Born 1972)**

**Investment Manager.** Marcus Söderblom has worked as an Investment Manager at Novestra since 2000. Prior to that, Mr Söderblom worked at Hagströmer & Qviberg Fondkommission AB where he served as Project Manager in the Corporate Finance Division within the technology sector and took part in numerous capital procurements and other corporate transactions for various clients.

Mr Söderblom is a board member of Netsurvey.

Shares in Novestra: 66 875<sup>(1)</sup>

**Marcus Söderblom**

Investment Manager

<sup>(1)</sup> Where appropriate, shareholdings in Novestra include shares held by family members and holdings through companies as at December 31, 2004.

# Larger private holdings

## Explorica, USA

Explorica is an international organiser of educational travel. The company has its headquarters in Boston, Massachusetts and has operations in the U.S., Canada and Sweden. Explorica was founded in April 2000 and both the management and the Board of Directors have substantial experience from the travel industry.

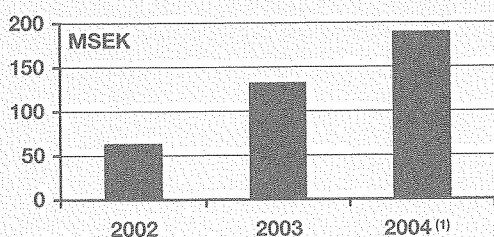
Explorica specialises in arranging educational travel for students in collaboration with teachers and schools. Both sales and administration are managed through a proprietary online system which, in an innovative manner, uses the latest available technology in order to streamline the process, making travel more accessible and more cost-effective.

The bulk of travel programs are sold eight to twelve months prior to the actual travel date. The company thereby has a good overview of its future business activities. Despite the unsettled world climate, Explorica has succeeded in showing strong growth in the last years. During 2004, the company has established itself as one of the leading players on the North American student travel market.

Explorica's main competitors are EF, ACIS, NETC and CHA.

Explorica's main shareholders, apart from Novestra, are Tremont Investments Ltd and Explorica's management.

Growth in sales, 2002-2004



[www.explorica.com](http://www.explorica.com)

Investment facts	2004 <sup>(1)</sup>	2003	2002
Sales, MSEK <sup>(2)</sup>	189.9	132.9	64.1
Growth in sales	43%	107%	49%
EBITDA, MSEK <sup>(2)</sup>	-10.7	-17.2	-22.9
Net result, MSEK <sup>(2)</sup>	-13.0	-18.0	-42.0
No. of employees at the end of the period	73		
Cash flow	Negative <sup>(3)</sup>		
Chairman of the Board, CEO and founder	Peter Nilsson		

Novestra <sup>(4)</sup>	
Carrying value, MSEK	12.6
Ownership prior to dilution and exercise of options etc	13.6%

<sup>(1)</sup> Unaudited figures   <sup>(2)</sup> USD/SEK = 6,61   <sup>(3)</sup> At year-end, positiv cash flow   <sup>(4)</sup> As at December 31, 2004

## Novestras holdings as at December 31, 2004, MSEK

Portfolio Companies	Balance b/f		Invested	Divested	Write-down	Value c/f	Ownership, % <sup>(1)</sup>
	January 1, 2004						
Private Companies							
C More Group AB (Canal Plus) <sup>(2)</sup>	-	2.1	-	-	-	2.1	0.3
Continuum Group Ltd	35.2	-	-	-	-	35.2	12.3
Dallas sthlm DDG AB	0.4	-	-	-	-	0.4	7.0
DCM AB	8.5	-	-	-	-	8.5	5.6
Explorica, Inc.	12.6	-	-	-	-	12.6	13.6
FLEXbridge Technologies, LLC	-	5.0	-	-	-	5.0	-
MyPublisher, Inc.	45.9	-	-	-	-	45.9	28.0
Netsurvey Bolinder AB	12.8	-	-	-	-	12.8	45.3
Qbranch AB	53.8	-	-	-	-	53.8	25.0
Strax Holdings, Inc.	18.7	6.8	-	-	-	25.5	19.1
Other	0.3	-	-	-	-	0.3	n/a
<b>Total Private Companies</b>	<b>188.2</b>	<b>13.9</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>202.1</b>	
Public companies							
Aldata Solution Oy <sup>(2)</sup>	-	7.3	-	-	-	7.3	0.9
FlyMe Europe AB (publ)	-	12.7	-3.0	-	-	9.7	1.7
IBS AB (publ) <sup>(2)</sup>	13.1	8.3	-5.0	-	-	16.4	2.0
InWarehouse AB (publ)	7.8	0.0	-2.5	-	-	5.3	8.2
JC AB (publ)	19.0	5.9	-24.9	-	-	-	-
Karo Bio AB (publ)	-	9.2	-2.1	-	-	7.1	2.1
Lagercrantz Group AB (publ) <sup>(2)</sup>	8.1	7.1	-	-	-	15.2	2.3
Millicom International Cellular S.A.	-	47.6	-15.8	-	-	31.8	0.3
Modul 1 Data AB (publ)	7.2	-	-7.2	-	-	-	-
Pergo AB (publ)	16.9	25.4	-15.3	-	-	27.0	3.2
Wilh. Sonesson AB (publ)	-	9.3	-0.9	-	-	8.4	1.1
Other	7.9	7.1	-11.1	-	-	3.9	n/a
<b>Total Public Companies</b>	<b>80.0</b>	<b>139.9</b>	<b>-87.8</b>	<b>-</b>	<b>-</b>	<b>132.1</b>	
Liquidity Management							
<b>Liquidity Management</b>	<b>35.0</b>	<b>0.2</b>	<b>-25.0</b>	<b>-0.5</b>	<b>-0.5</b>	<b>9.7</b>	
<b>Total Investments</b>	<b>303.2</b>	<b>154.0</b>	<b>-112.8</b>	<b>-0.5</b>	<b>-0.5</b>	<b>343.9</b>	

<sup>(1)</sup> Share of capital prior to dilution and exercise of options etc.<sup>(2)</sup> After the end of the period, the holding has been entirely divested.

### Netsurvey, Sweden

Netsurvey was founded in 1996. It is an innovative research company and software solution provider focused on online based surveys. The company was one of the first research companies with high quality online surveys reducing the processing time by up to 90 percent. Critical factors of success in Netsurvey's supply of services are speed, simplicity, feedback and follow-up.

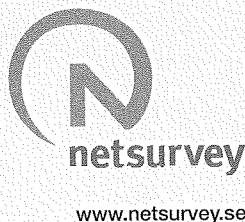
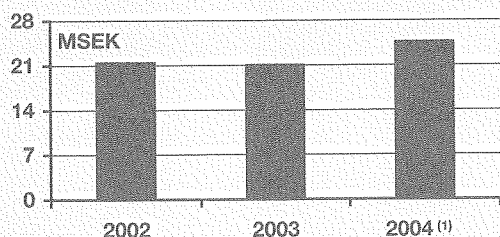
Currently, Netsurvey has operations in Sweden and through its customers in approximately 40 countries around the world. The company has developed a proprietary technology platform which, according to the company itself, can offer the fastest and most cost-effective information gathering on the market. At the same time, this platform is a detail-oriented research tool.

During 2004, after several years of slow growth, Netsurvey once again showed satisfactory growth. Furthermore, during the year the company increased its customer base and its range of services as well as initiated an acquisition strategy in order to increase its growth rate and strengthen its market position.

Netsurvey's competitors constitute both management consultant companies and research companies. Above all, Netsurvey has broad competence as regards internal company surveys and has been commissioned by i.a. Ericsson, IKEA, TeliaSonera, Tetra Pak, TietoEnator, Volvo and Volvo Car.

Apart from Novestra, Netsurvey's main owners are Servisen Private Equity Fund Ltd and its founder, Peter Bolinder.

**Growth in sales, 2002-2004**



Investment facts	2004 <sup>(1)</sup>	2003	2002
Sales, MSEK	24.8	21.2	21.6
Growth in sales	17%	-2%	2%
EBITDA, MSEK	3.9	2.5	-2.0
Net result, MSEK	1.6	0.3	-3.8
No. of employees at the end of the period	22		
Cash flow	Positive		
Chairman of the Board	Johan H. Larson		
CEO and founder	Peter Bolinder		

Novestra <sup>(2)</sup>	
Carrying value, MSEK	12.8
Ownership prior to dilution and exercise of options etc	45.3%

<sup>(1)</sup> Unaudited figures    <sup>(2)</sup> As at December 31, 2004

### MyPublisher, USA

MyPublisher was founded in 2001 and is based in Westchester, New York. The company is primarily focusing on the development of services and products for the digital photo industry. MyPublisher has developed an *end-to-end* solution offering customers an online or computer based service which enables customers to print individual, linen bound photo books and presentations as well as pocket book sized photo albums.

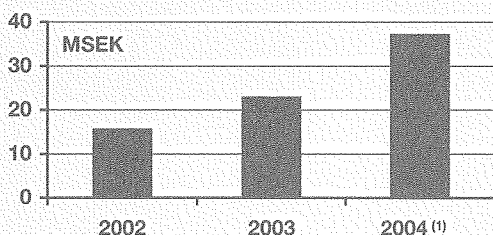
For this purpose, MyPublisher has developed a proprietary production system and software, *BookMaker™*, and has built its own production facility which can deliver digital print products to consumers as well as industrial customers.

During the last years, MyPublisher has shown very strong growth rate. Previously, it was primarily Apple computer users who were able to order the products, however, in the beginning of 2003, Adobe Systems incorporated MyPublisher's services and products in its *Adobe® Photoshop® Album* software. During 2004, MyPublisher signed an agreement by which the company's services are included in PCs delivered by Dell via the software *Jasc*. It is estimated that an additional 10 000 000 PC users could be reached annually.

During 2004, the company successfully introduced a number of new products, more than doubled its production capacity and intensified its marketing.

Apart from Novestra, MyPublisher's main owner is its founder, Carl Navarre, Jr.

Growth in sales, 2002-2004



[www.mypublisher.com](http://www.mypublisher.com)

Investment facts	2004 <sup>(1)</sup>	2003	2002
Sales, MSEK <sup>(2)</sup>	37.3	23.1	15.8
Growth in sales	61%	46%	158%
EBITDA, MSEK <sup>(2)</sup>	-2.9	-2.4	-11.9
Net result, MSEK <sup>(2)</sup>	-8.8	-5.6	-17.4
No. of employees at the end of the period	53		
Cash flow	Negative <sup>(3)</sup>		
Chairman of the Board, CEO and founder	Carl Navarre, Jr		

Novestra <sup>(4)</sup>	
Carrying value, MSEK	45.9
Ownership prior to dilution and exercise of options etc	28.0%

<sup>(1)</sup> Unaudited figures    <sup>(2)</sup> USD/SEK = 6,61    <sup>(3)</sup> At year-end, positiv cash flow    <sup>(4)</sup> As at December 31, 2004

## Strax, USA

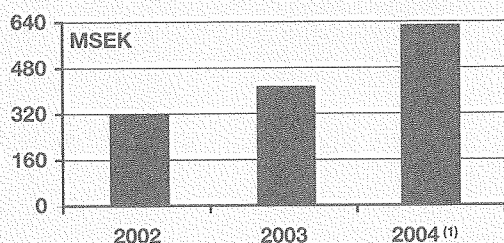
Strax was founded in 1996 and has its head office in Miami, Florida, as well as regional operations in London and Hong Kong. Strax is a company developing, marketing and selling a range of innovative mobile phone accessories, primarily to mobile operators and OEMs in North and South America. Strax also supplies and distributes mobile phones from leading OEMs and offers services focused on the mobile operators' needs, for example by solving their inventory management problems, such as overstocking and product obsolescence.

During the past years, Strax has showed continuous strong growth. During 2004, in particular the company's new European operations showed strong development.

Strax has a number of small and medium-sized competitors. Strax' key customers are mobile communication operators, service providers, retail chains and distributors such as AT&T, Andrew, Bellsouth, Cingular, Haier, Kmart, Telemovil El Salvador, Tracfone and Verizon.

Strax' main shareholders, apart from Novestra, are one of the founders, Ingvi Tómasson, and Landsbanki Íslands hf (The National Bank of Iceland).

Growth in sales, 2002-2004



# STRAX

[www.strax.com](http://www.strax.com)

Investment facts	2004 <sup>(1)</sup>	2003	2002
Sales, MSEK <sup>(2)</sup>	654.9	414.4	320.3
Growth in sales	58%	29%	37%
EBITDA, MSEK <sup>(2)</sup>	12.6	10.7	-1.3
Net result, MSEK <sup>(2)</sup>	3.7	4.6	-4.2
No. of employees at the end of the period	62		
Cash flow	Positive		
Chairman of the Board, CEO and founder	Ingvi Tómasson		

Novestra <sup>(3)</sup>	
Carrying value, MSEK	25.5
Ownership prior to dilution and exercise of options etc	19.1%

<sup>(1)</sup> Unaudited figures <sup>(2)</sup> USD/SEK = 6,61 <sup>(3)</sup> As at December 31, 2004

### Qbranch, Sweden

Qbranch was founded in 1993 and is one of Sweden's leading System Management consultant firms. The company offers a broad range of services such as consulting, outsourcing, security and system integration solutions.

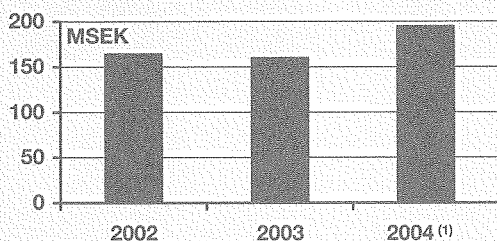
Qbranch offers its customers secure operations, functionality, security and IT knowledge which support their business operations and thereby enhances competitiveness and reduces costs. Through its subsidiaries Qbranch 365/24 AB and Qbranch Consulting AB, Qbranch offers 100 percent availability, survey and control of network resources, computers and all related applications, regardless of operative systems, network systems or geographic location.

During 2004, Qbranch again secured a place on Svenska Dagbladet's/Ahrén's list of Sweden's fastest growing companies as well as on the European growth list *Europe Top 500* which picks Europe's 500 fastest growing companies. Furthermore, the company expanded its operations to Göteborg and Malmö and secured contracts with a number of important new customers.

Qbranch competes with IT consultant companies operating in the Nordic market. Qbranch's customers include *aftonbladet.se*, Alekta, Dagens Nyheter, Emerson, Ericsson, Front Capital Systems, FöreningsSparbanken, Handelsbanken, Posten, Riksbyggen, SalusAnsvar, Sandvik, SEB, TeliaSonera and Vattenfall.

Qbranch's main shareholders, apart from Novestra, are the founders, Rune Mossberg and Ulf Engerby, and IT Investments Holding S.a.r.l.

**Growth in sales, 2002-2004**



**QBRANCH**  
SYSTEM MANAGEMENT

[www.qbranch.se](http://www.qbranch.se)

Investment facts	2004 <sup>(1)</sup>	2003	2002
Sales, MSEK	195.8	160.9	165.2
Growth in sales	22%	-3%	-7%
EBITDA, MSEK	30.7	18.9	17.3
Net result, MSEK	17.4	9.8	9.1
No. of employees at the end of the period	265		
Cash flow	Positive		
Chairman of the Board	John Wattin		
CEO and founder	Ulf Engerby		

Novestra <sup>(2)</sup>	
Carrying value, MSEK	53.8
Ownership prior to dilution and exercise of options etc	25.0%

<sup>(1)</sup> Unaudited figures    <sup>(2)</sup> As at December 31, 2004



# Larger public holdings


[www.flyme.se](http://www.flyme.se)

## FlyMe, Sweden

FlyMe is a low-cost airline with scheduled airline service in Sweden and to and from Helsinki, Finland. FlyMe's objective is to provide service on those domestic routes which have the largest number of passengers, to have an attractive timetable and simple, rebookable tickets at a lower price than most of its competitors.

The FlyMe shares are listed on the Stockholm Stock Exchange's "Nya Marknaden". For further information, reference is made to the company's website.

Novestra	Dec 31, 2004	Feb 28, 2005
Carrying value, MSEK	9.7	14.7
Ownership, % <sup>(1)</sup>	1.7%	4.7%

<sup>(1)</sup> Share of capital prior to dilution and exercise of options etc.


[www.ibs.net](http://www.ibs.net)

## IBS, Sweden

IBS is one of the largest providers of business systems software in the world. IBS's business concept is to assist customers within selected segments to increase their profitability and customer service through integrated IT solutions, consulting services and financing solutions. Swift and efficient implementation enables customers to focus on their own business goals. A global network of subsidiaries and business partners ensures that IBS's solutions are available internationally.

The IBS shares are listed on the Stockholm Stock Exchange's O List. For further information, reference is made to the company's website.

Novestra	Dec 31, 2004	Feb 28, 2005
Carrying value, MSEK	16.4	-
Ownership, % <sup>(1)</sup>	2.0%	-

<sup>(1)</sup> Share of capital prior to dilution and exercise of options etc.

# Co-investment vehicle

## Continuum<sup>®</sup> group Ltd.

### Continuum, USA

Continuum was founded in 2000 with the aim to invest primarily in smaller growth companies in the telecom, broadband and data applications sectors in Europe and the U.S.

After several successful exits during 2004, Continuum's current main holding is Speedera Networks, Inc. During 2004, Novestra's revenues referring to dividends from Continuum amounted to MSEK 39.0. The dividends originate i.a. from Continuum's divestment of its entire holding in B2 Broadband AB.

Continuum will be wound up during the upcoming year, whereby payments from the company's sales of portfolio companies will be distributed to the its shareholders.

### Speedera, USA

Speedera is indirectly owned by Novestra through its co-investment vehicle Continuum Group Ltd.

Speedera was founded in 1999 and has its head office in Santa Clara, California. The company provides support, surveillance and delivery services of static and dynamic content for Internet services for global companies. By supplying local servers, availability can be guaranteed and download time reduced.

Speedera's network solution has been ranked, in independent third party tests, as the fastest and most consistent Content Delivery System (CDN) in the world. Furthermore, Speedera was ranked the fastest growing private company in Silicon Valley by PricewaterhouseCoopers and was appointed *Rising Star* on the 2004 *Deloitte Technology Fast 500's* list, which is a ranking of North America's fastest growing companies within the technology sector. During 2004, the company also expanded into new markets such as India.

During the fourth quarter 2004, Speedera's sales amounted to approximately USD 8 million. This was an increase of 20 percent compared to the third quarter and 49 percent compared to the same period the previous year. The result during the fourth quarter 2004 increased by 296 percent compared to the same period the previous year. Additional financial information is not made public by Speedera for competitive reasons.

Speedera competes with Akamai Technologies, Inc. which is listed on Nasdaq in the U.S. Speedera's customers include Amazon, Intel, Microsoft and NASA.

Apart from Novestra/Continuum, other large owners include the founders, Trinity Ventures, Deutsche Bank, Hewlett-Packard and Oracle.

#### Investment facts

2004<sup>(1)</sup>

Cash flow	Positive
Chairman of the Board, CEO and founder	Ajit Gupta


[www.speedera.com](http://www.speedera.com)

#### Novestra<sup>(2)</sup>

Carrying value Continuum, MSEK	35.2
Novestras ownership in Continuum prior to dilution and exercise of options etc	12.3%
Continuums ownership in Speedera prior to dilution and exercise of options etc	20.0%
Novestras indirect ownership in Speedera prior to dilution and exercise of options etc	2.5%

<sup>(1)</sup> Unaudited figures    <sup>(2)</sup> As at December 31, 2004


[www.lagercrantz.com](http://www.lagercrantz.com)

### Lagercrantz Group, Sweden

Within well-defined niches and in co-operation with customers and producers, Lagercrantz Group offers products and solutions in electronics and communication which enhances customers' competitiveness. The Lagercrantz Group is a leading player on the Nordic market. Aside from in Denmark, Finland, Norway and Sweden, the Company also has operations in Poland, Switzerland, United Kingdom, Germany and Hong Kong.

The Lagercrantz shares are listed on the Stockholm Stock Exchange's O List. For further information, reference is made to the company's website.

Novestra	Dec 31, 2004	Feb 28, 2005
Carrying value, MSEK	15.2	-
Ownership, % <sup>(1)</sup>	2.3%	-

<sup>(1)</sup> Share of capital prior to dilution and exercise of options etc.

# MIC

[www.millicom.com](http://www.millicom.com)

### Millicom, Luxembourg

Millicom is a leading international operator of cellular telephony services focused on emerging markets in Asia, Latin America and Africa where basic telephone service is often inadequate. Economic development and rising income levels are creating new demand for communication services. The company's strategy is to be the leading low-cost provider, focused on prepaid services using mass market distribution methods. Currently, Millicom's portfolio of assets comprises 16 cellular operations in 15 countries covering a population of approximately 387 million people.

The Millicom shares are listed on the Stockholm Stock Exchange's O List and on Nasdaq in the U.S. For further information, reference is made to the company's website.

Novestra	Dec 31, 2004	Feb 28, 2005
Carrying value, MSEK	31.8	36.8
Ownership, % <sup>(1)</sup>	0.3%	0.4%

<sup>(1)</sup> Share of capital prior to dilution and exercise of options etc.


[www.inwarehouse.se](http://www.inwarehouse.se)

### inWarehouse, Sweden

inWarehouse is one of Sweden's leading companies in distance trading with a business concept to offer a complete distance trade concept, including cost-effective marketing, sales, logistics and an integrated e-trade platform. The company runs two types of operations, *inWarehouse Companies* and *inWarehouse at Home*.

The inWarehouse shares are listed on the Stockholm Stock Exchange's "Nya Marknaden". For further information, reference is made to the company's website.

Novestra	Dec 31, 2004	Feb 28, 2005
Carrying value, MSEK	5.3	21.3
Ownership, % <sup>(1)</sup>	8.2%	18.7%

<sup>(1)</sup> Share of capital prior to dilution and exercise of options etc.


[www.karobio.se](http://www.karobio.se)

### Karo Bio, Sweden

Karo Bio is an innovative drug discovery company focusing on nuclear receptors and the development of new drug therapies for disorders such as diabetes, obesity, arteriosclerosis and high-density-lipoprotein (HDL) cholesterol.

The Karo Bio shares are listed on the Stockholm Stock Exchange's O List. For further information, reference is made to the company's website.

Novestra	Dec 31, 2004	Feb 28, 2005
Carrying value, MSEK	7.1	1.8
Ownership, % <sup>(1)</sup>	2.1%	0.5%

<sup>(1)</sup> Share of capital prior to dilution and exercise of options etc.

# The Board of Directors' report

The Board of Directors and the Managing Director of AB Novestra, corporate identity No. 556539-7709, hereby present the annual report on the operations for the financial year January 1 – December 31, 2004.

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

## Result and Financial Position

The net result for the period amounted to 45 738 (20 136). The result included gross profit from investment activities of 66 645 (29 184) of which the result from shares and participations amounted to 67 134 (13 314) and write-downs to -489 (15 870). Also included in the net result was the gross profit from other operations of - (3 018) and administrative expenses of -20 292 (-12 276). Cash and cash equivalents amounted to 78 613 (11 009). The balance sheet total amounted to 453 350 (323 588) of which shareholders' equity constituted 419 968 (292 525) corresponding to an equity/assets ratio of 92.6 percent (90.4).

The gross profit from investment activities included capital gains of 25 494 (10 580) and dividends of 41 640 (2 734).

## Investments and disposals

Investments during the year, including investments not affecting the cash flow, amounted to 154 714 (115 889) of which 153 807 (115 432) consisted of investments in fixed financial assets. Investments in tangible assets amounted to 724 (457). Of the investments in fixed financial assets, 6 783 (22 065) referred to investments in existing private portfolio companies, 7 079 (-) referred to investments in new private portfolio companies, 46 786 (-) referred to investments in existing public portfolio companies, 86 091 (82 194) referred to investments in new public portfolio companies and 7 251 (11 173) referred to the liquidity management. Investments in existing private portfolio companies referred to 6 783 in Strax Holdings, Inc. and investments in new private portfolio companies referred to 2 068 in C More Group AB (Canal+) and 5 011

in FLEXbridge Technologies, Inc. Investments in existing public portfolio companies primarily referred to 25 447 in Pergo AB (publ), 8 303 in IBS AB (publ), 7 071 in Lagercrantz Group AB (publ) and 5 921 in JC AB (publ). Investments in new public portfolio companies primarily referred to 47 610 in Millicom International Cellular S.A., 12 685 in FlyMe Europe AB (publ), 9 313 in Wilh. Sonesson AB (publ), 9 200 in Karo Bio AB (publ) and 7 283 in Aldata Solution Oy.

During the year, no disposals of private portfolio companies took place (9 908). Disposals of public portfolio companies during the year amounted to 99 412 of which the largest disposals were 32 330 in JC AB (publ), 19 162 in Pergo AB (publ), 17 834 in Millicom International Cellular S.A. and 10 208 in Modul 1 Data AB (publ).

## Write-downs

The write-downs during the year amounted to -489 (15 870). The write-downs referred to a write-down of current investments.

## Significant events during the year

During the year, revenue in the private portfolio companies has increased, on average, by 38 percent compared to the previous year. All directly and indirectly owned private portfolio companies showed improved results compared to the previous year and showed positive cash flows at the year-end 2004. First indications in 2005 are of continued growth and, in some cases, further acceleration in revenue growth compared to the previous year.

Investments in the public portfolio companies have developed very well during the year. For the full year 2004, the return in the public portfolio amounted to 26.6 percent calculated on the average capital invested. Since the fourth quarter 2003, when the new investment strategy involving an exposure toward the public stock market was initiated, the return in the public portfolio at the turn of the year 2004/2005 amounted to 40.0 percent calculated on the average

[www.pergo.com](http://www.pergo.com)


### Pergo, Sweden

Pergo is an expansive flooring company that holds a leading position in markets for laminate flooring, primarily in Europe and in the U.S. Pergo's business concept is to develop, produce and market laminate flooring worldwide and to meet modern demands for durable and functional products for private and public environments. The aim is to control the entire chain from concept, product development and design to production and marketing. In addition, Pergo sells accessories such as glue, floor-laying tools and wallbases adapted to Pergo's products.

The Pergo shares are listed on the Stockholm Stock Exchange's O List. For further information, reference is made to the company's website.

Novestra	Dec 31, 2004	Feb 28, 2005
Carrying value, MSEK	27.0	38.6
Ownership, % <sup>(1)</sup>	3.2%	4.0%

<sup>(1)</sup> Share of capital prior to dilution and exercise of options etc.

## WILH. SONESSON

— AKTIEBOLAG —

[www.wson.se](http://www.wson.se)

### Wilh. Sonesson, Sweden

Wilh. Sonesson is a leading player in consumer healthcare in the Nordic region. Wilh. Sonesson's business concept is to offer well-documented products for health improvements and well-being. The company is active within the field of consumer self-care which comprises non-prescription drugs, naturopathic medicines, nutritional supplements (including vitamins and minerals) as well as other self-care products. The Group has operations in all Nordic countries.

The Wilh. Sonesson shares are listed on the Stockholm Stock Exchange's O List. For further information, reference is made to the company's website.

Novestra	Dec 31, 2004	Feb 28, 2005
Carrying value, MSEK	8.4	22.7
Ownership, % <sup>(1)</sup>	1.1%	2.6%

<sup>(1)</sup> Share of capital prior to dilution and exercise of options etc.

greater potential than risk in its private portfolio and there are good prospects for future substantial development in value.

The Board of Directors has decided to propose the Annual General Meeting a gradual divestment of most of the companies in Novestra's private portfolio. If the proposal is accepted by the Annual General Meeting, the company's operations will, to a certain extent, change character during the next few years. In the future, the company's prime focus will be to support its current private portfolio companies and seek to maximise value and, consequently, the return on investments in connection with future divestments.

In addition, the Board of Directors proposes that Novestra's investments in public companies shall be made through a fund structure with a larger capital base, which will include external investors. The Board proposes that an approximate amount of MSEK 200, corresponding to the amount that Novestra currently has invested in public holdings, be invested in the fund. The objective is to enable larger investments and thereby be able to exert increased influence in the companies in which the fund has invested. Novestra's shares in the new fund structure, or the cash equivalent thereof, are also proposed to be distributed to shareholders within three years. It is proposed that Novestra also have an administration agreement with the fund which would generate substantial revenues during the three-year period.

Due to these changes, Novestra will in the near future work more intensely through participation in strategic discussions in companies included in its public market portfolio. To the extent possible, the participation will be taking place through board representation and with the support of resources from Novestra's network. The increased spread of risk, which the investments in public shares has resulted in, has led to a decrease of the total risk in Novestra's shares compared to previous years. Simultaneously, the possibilities for a positive development in value in the private as well as in the public portfolio are estimated to be good.

## **Corporate Governance**

### ***Legislation and articles of association***

AB Novestra has in the first instance to apply the Swedish Companies Act, the Listing Agreement of the Stockholm Stock Exchange and the rules and recommendations issued by, for example, the Industry and Commerce Stock Exchange Committee. Moreover, Novestra shall, in the conduct of its business, follow the rules in the company's articles of association, which is available on Novestra's website.

### ***Annual General Meeting***

The notice convening the Annual General Meeting shall be sent out no earlier than six and no later than four weeks prior to the Meeting. This notice contains information on applications and rights to participate and vote at the Meeting, a numbered agenda for the Meeting, information on the proposed distribution of results and the essence of other proposals. Shareholders or proxies are entitled to vote for all the shares they own or represent.

Proposals to be dealt with at the Meeting should be addressed to the Board and sent well in advance of the date for sending the Notice of Meeting. Minutes of the Meeting will be sent to those shareholders requesting this. Further information on the 2005 Annual General Meeting is provided on page 68.

### ***Board of Directors***

The members of the Board of Directors are elected annually by the Annual General Meeting for the period until the end of the next year's Annual General Meeting. There are no rules regulating how long a member may serve on the Board of Directors. Novestra's three largest shareholders jointly decide on candidates for nomination in collaboration with the Chairman of the Board.

Novestra's Board consists of five ordinary members and one deputy member. The Chairman is the only board member who has an operative position in the company. The Managing Director is not a member of the Board. The composition of the Board can be

capital invested. At year-end 2004, Novestra's unrealised result in the public portfolio amounted to MSEK 14.7 (11.3).

At Novestra's Annual General Meeting on May 6, 2004, it was resolved to approve the proposed bonus program for the Managing Director, Peter Ekelund, and the Chairman and Chief Executive Officer, Theodor Dalenson.

It was also resolved to make minor amendments to the company's articles of association.

Furthermore, it was resolved to approve the Board of Directors' proposal to authorise the Board to resolve on an issue of a maximum of 6 000 000 new shares. (For further details, reference is made to the bulletin from the Annual General Meeting dated May 7, 2004).

In addition, the Annual General Meeting approved the acquisitions by W. Thorpe McKenzie and Theodor Dalenson, both members of Novestra's Board of Directors, of Novestra's dormant subsidiaries Novestra BK AB and Evestra Intressenter AB, respectively. The decision fell under the Swedish Act on Certain Directed Issues in Stock Market Companies etc.

To enable a number of attractive investment opportunities, Novestra's Board of Directors decided in May 2004 to summon an Extraordinary General Meeting in order to resolve on a proposed directed new share issue. An Extraordinary General Meeting was held on June 18, 2004 and, at the meeting, it was resolved to implement a directed new share issue of 6 000 000 shares which provided the company with SEK 81 705 912, after transaction costs. Following the new share issue, Novestra's share capital amounts to SEK 37 187 973 distributed on an equal number of shares.

#### **Liquidity and financing**

As at December 31, 2004, cash and bank amounted to 78 613 (11 009) and liquid invest-

ments within the liquidity management to 9 694 (35 000), in total 88 307 (46 009) corresponding to SEK 2.4 per share (1.5). At the year-end, together with the public holdings, total liquid assets amounted to 235 144 (137 309), including unrealised surplus values. As at December 31, 2004, current liabilities to credit institutions amounted to 24 851 (25 035).

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

Novestra has acquired additional shares in inWarehouse AB (publ) after which its holding amounts to 18.7 percent of the company's capital and votes. Novestra has also acquired 851 600 shares in Active Biotech AB (publ) at a value of MSEK 29.6 corresponding to 2.5 percent of the company's capital and votes.

Furthermore, Novestra has disposed of its entire holding in C More Group AB which is expected to have a positive effect on Novestra's result for 2005 of approximately MSEK 10. In addition, Novestra has disposed of its entire holdings in Aldata Solution Oy, IBS AB (publ) and Lagercrantz roun (publ).

In January 2005, Novestra made a further investment of MSEK 2.0 in Bytek Systems AB after which Novestra's holding in the company amounts to 27.3 percent of capital and votes.

The Board of Directors has resolved to propose the Annual General Meeting on April 26, 2005 to, in addition to the bonus resolved by the Annual General Meeting on May 6, 2004, allot Peter Ekelund and Theodor Dalenson a discretionary bonus for the financial year 2004 of MSEK 1.5 each (including social security contributions).

#### **Future opportunities**

In the past two years, the development in the private portfolio has been very positive and the strong growth is expected to continue during 2005. The first indications in 2005 show a tendency of continued strong growth and, in some cases, further accelerating growth compared to the previous two years. Novestra envisages



figures as at January 1 and December 31. The bonus payment shall be paid out to the person entitled to the bonus following the rendering by the Board of Directors of the company's annual report and the rendering of the company's auditor of the audit report relating to the annual report.

The reason for the Board's proposal that the calculations of the bonus be based on the change in shareholders' equity in lieu of the net result of the year is that a number of items, in accordance with the recommendations issued by the Swedish Financial Accounting Standards Council, shall be accounted for directly against shareholders' equity and, consequently, these items are not included in the net result of the year.

Following is an example of the size of the bonus which could be paid out for the financial year 2005 to the persons entitled to a bonus in accordance with the Board's proposal:

<b>Increase in shareholders' equity (KSEK)</b>	<b>Bonus payment per person entitled to a bonus (KSEK) <sup>(1)</sup></b>
25 000	1 250
50 000	2 500
75 000	3 750
100 000	5 000

Based on the actual annual base salary, the company's cost for the bonus to Peter Ekelund cannot exceed KSEK 7 500 and the company's cost for the bonus to Theodor Dalenson cannot exceed KSEK 6 900.

#### **Risk exposure and risk management**

Risk exposure and risk management are described in note 2, pages 52-53.

#### **Investor Relations**

Novestra's information to its shareholders is provided via the annual report, year-end and interim reports and on the company's website. Reports and press releases for previous years can also be found on the website.

#### **Environment**

Novestra does not conduct operations requiring environmental permits or any obligation to report in accordance with environmental laws. However, the company works actively to minimise the operations' environmental influence. The basis for the environmental work is a common environmental consciousness. Folksam annually rates the Swedish listed companies' influence on the climate through producing a climate index. Novestra's climate work is approved of and is rated two stars out of five.

#### **IFRS**

Novestra is not a group company and IFRS will therefore not be applied in the company's accounting and reporting. The intention is to adapt the company's accounting to IFRS as soon as Swedish legislation enables the adoption of the full set of rules and regulations in the accounting for legal entities that do not prepare consolidated accounts.

#### **Proposed distribution of earnings (SEK)**

At the disposal of the Annual General Meeting is:

Retained earnings	20 136 504
Result for the year	<u>45 738 506</u>
<b>Total</b>	<b>65 875 010</b>

The Board of Directors and the Managing Director propose that SEK 37 187 973, corresponding to SEK 1.00 per share, be distributed to the shareholders and that SEK 28 687 037 be transferred to profit carried forward.

For further information regarding the company's result and financial position, reference is made to the subsequent income statements, balance sheets and funds statements as well as notes to the financial statements belonging thereto.

<sup>(1)</sup> Bonus per person entitled to a bonus refers to the total cost for the company. The amount, therefore, includes social security fees.

found on pages 20-21 and a description of remunerations to the board members and the Managing Director are presented in note 7, pages 55-57.

During the financial year, the Board convened for seven board meetings. Between meetings of the Board, there has been continuous contact between the company, its Chairman and other board members. Board members were also continuously provided with written information of importance with regard to the company. Novestra's Board formulates a procedural plan for the Board every year. The procedural plan adopted for the Board includes the following:

- the Board shall meet at least five times per calendar year;
- the Managing Director is empowered to sign the company's interim reports;
- the members of the Board shall receive documentation regarding matters to be dealt with at board meetings in good time prior to the meeting and be provided with a monthly report of the company's operations; and
- in order to ensure that the Board maintains a dialogue with the auditors, the company's auditor shall participate in one board meeting annually and report on his observations from the annual auditing work.

The procedural plan also includes a description of matters to be dealt with at each board meeting and the specific resolutions to be passed at the statutory meeting. The procedural plan also gives instructions for the Managing Director.

***Significant business matters dealt with by the Board of Directors during the financial year***

During the financial year, the Board of Directors has dealt with the matter of a directed new share issue which was approved by an Extraordinary General Meeting on June 18, 2004. Furthermore, the Board has resolved on

a new strategy for the company's investment activities. The new strategy implies that Novestra's investments in public holdings shall, in the future, be made through a fund structure, which will include external investors, and that the private portfolio companies be divested within a three-year period, after which revenues from these divestments be distributed to shareholders. Other business matters dealt with included investment and divestment decisions of holdings as well as the preparation of the company's financial reports and the year-end report communicated to the market. In addition, the Board of Directors has dealt with the matter of variable result-based incentive program for the company's Chairman and Chief Executive Officer and the Managing Director.

***The Board of Directors' proposal for a variable result-based remuneration***

The Board has resolved to propose to the Annual General Meeting on April 26, 2005 to decide on a variable result-based remuneration for the company's Chairman and Chief Executive Officer, Theodor Dalenson, and the Managing Director, Peter Ekelund. The principal terms of the Board's proposal are presented below and the complete proposal will be held available to shareholders prior to the Annual General Meeting on April 26, 2005.

The Board's proposal suggests that Theodor Dalenson and Peter Ekelund shall each be entitled to an annual cash bonus payment from Novestra. For each person entitled to a bonus, the bonus payment shall, at a total cost for company basis, equal five percent of the increase in the company's shareholders' equity during each financial year. The increase of the company's shareholders' equity is to be calculated as the difference between shareholders' equity as at December 31 and January 1 each financial year, reduced by any shareholder contribution, equity injection or similar, and increased by any shareholder dividend or similar. The annual bonus payment should, however, never exceed an amount equal to five times the annual base salary for each person entitled to the bonus, and the calculations shall be based on audited

## Balance sheets, SEK thousands

	NOTE	December 31, 2004	December 31, 2003
<b>Assets</b>			
<b>Fixed Assets</b>			
<b>Tangible fixed assets:</b>			
Equipment	15	1 134	630
<b>Financial fixed assets:</b>			
Participations in associated companies	16	112 552	112 552
Shares and participations	17	221 593	155 604
		334 145	268 156
<b>Total fixed assets</b>		<b>335 279</b>	<b>268 786</b>
<b>Current Assets</b>			
<b>Current receivables:</b>			
Other receivables		26 305	5 167
Prepaid expenses and accrued income		3 459	3 626
		<b>29 764</b>	<b>8 793</b>
Current investments	18	9 694	35 000
Cash and bank		78 613	11 009
<b>Total current assets</b>		<b>118 071</b>	<b>54 802</b>
<b>Total Assets</b>		<b>453 350</b>	<b>323 588</b>

## Income statements, SEK thousands

	NOTE	12 months ended December 31, 2004	12 months ended December 31, 2004
<b>Investment activity</b>			
	3		
Result from shares and participations	4	67 134	13 314
Write-downs	5	-489	15 870
<b>Gross profit investment activity</b>		<b>66 645</b>	<b>29 184</b>
<b>Other operations</b>			
Income from other operations	6	-	3 018
Gross profit other operations		-	3 018
<b>Gross profit</b>		<b>66 645</b>	<b>32 202</b>
Administrative expenses	7, 8, 9, 10	-20 292	-12 276
<b>Operating income</b>		<b>46 353</b>	<b>19 926</b>
<b>Result from financial items</b>			
Result from participation in group companies	11	-	50
Interest income and similar income	12	1 222	970
Interest expense and similar charges	12	-1 837	-810
<b>Result after financial items</b>		<b>45 738</b>	<b>20 136</b>
<b>Appropriations and Tax</b>			
Current taxes	13	-	-
<b>Result for the year</b>	14	<b>45 738</b>	<b>20 136</b>
Result per share (SEK)		1.34	0.8
Average number of shares during the period		34 245 507	24 925 618
Result per share after dilution, SEK <sup>(1)</sup>		1.34	0.8
Average number of shares during the period after dilution		34 245 507	24 925 618
Proposed dividend, SEK per share		1.00	none

<sup>(1)</sup> The net result per share after dilution corresponds to the result per share prior to dilution, whereby no dilution exists.

## Summary of changes in shareholders' equity

Changes, SEK thousands	Share capital	Share premium reserve	Non-restricted equity	Total shareholders' equity
Shareholders' equity as at December 31, 2002	23 391	442 617	-242 146	223 862
Allocation of the previous year's result	-	-242 146	242 146	
Rights issue <sup>(1)</sup>	7 797	40 730	-	
Result for the year	-	-	20 136	
<b>Shareholders' equity as at December 31, 2003</b>	<b>31 188</b>	<b>241 201</b>	<b>20 136</b>	<b>292 525</b>
New share issue <sup>(2)</sup>	6 000	75 705	-	
Result for the year	-	-	45 738	
<b>Shareholders' equity as at December 31, 2004</b>	<b>37 188</b>	<b>316 906</b>	<b>65 874</b>	<b>419 968</b>

As at December 31, 2004, share capital amounted to a total of 37 187 973 distributed over an equal number of shares. Shareholders' equity, as at December 31, 2004, amounted to 419 968 (292 525) corresponding to 11.3 (9.8) per share.

Further information on the company's shareholders' equity is available on Note 19, page 63.

<sup>(1)</sup> The rights issue of 7 796 993 shares was implemented in the autumn of 2003 and provided the company with funds totalling 48 527, after transaction costs amounting to a total of 6 052.

<sup>(2)</sup> The new share issue of 6 000 000 shares was implemented in the summer of 2004 and provided the company with funds totalling 81 705, after transaction costs amounting to a total of 194.

# Balance sheets, SEK thousands

	NOTE	December 31, 2004	December 31, 2003
<b>Shareholders' equity and liabilities</b>			
<b>Shareholders' equity</b>	<b>19</b>		
<b>Restricted equity:</b>			
Share capital		37 188	31 188
Share premium reserve		316 906	241 201
		<b>354 094</b>	<b>272 389</b>
<b>Non-restricted equity:</b>			
Profit brought forward		20 136	-
Result for the year		45 738	20 136
		<b>65 874</b>	<b>20 136</b>
<b>Total shareholders' equity</b>		<b>419 968</b>	<b>292 525</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Liabilities to credit institutions	20	24 851	25 035
Accounts payable		570	349
Other liabilities		527	3 851
Accrued expenses and deferred income		7 434	1 828
		<b>33 382</b>	<b>31 063</b>
<b>Total liabilities</b>		<b>33 382</b>	<b>31 063</b>
<b>Total shareholders' equity and liabilities</b>		<b>453 350</b>	<b>323 588</b>
<b>Pledged assets</b>			
	21	146 837	116 552
<b>Contingent liabilities</b>			
		none	none

## Notes to the fund statements, SEK thousands

	12 months ended December 31, 2004	12 months ended December 31, 2003
<b>A) Adjustment for transactions not included in cash flow etc.</b>		
Depreciation and write-down charged to earnings	709	10 268
Reversals and write-down of assets	-	-25 870
Proceeds from sale of fixed assets	-25 494	-10 825
	<b>-24 785</b>	<b>-26 427</b>
<b>B) Non-cash transactions</b>		
Acquisition of assets in exchange for promissory note	-	159
Sale of assets in exchange for promissory note	-	260
Sale of assets in exchange for other asset	16 747	4 846
<b>C) Interest paid and dividend received</b>		
Dividends received	33 506	2 734
Interest received	1 089	559
Interest paid	-765	391
<b>D) Cash and bank</b>		
The following components are included in cash and bank:		
Cash and bank	78 613	11 009
<b>Total cash and bank</b>	<b>78 613</b>	<b>11 009</b>

Current investments amounting to 9 694 (35 000) with an availability of between three days and three months, have not been included in the liquid assets at the end of the year.



## Funds statements, SEK thousands

	NOTE	12 months ended December 31, 2004	12 months ended December 31, 2003
<b>Funds provided</b>			
Result after financial items		45 738	20 136
Adjustment for transactions not included in cash flow, etc.	A	-24 785	-26 427
		20 953	-6 291
Taxes paid		-	-
<b>Funds provided from operations prior to changes in working capital</b>		<b>20 953</b>	<b>-6 291</b>
Details of changes in working capital:	B		
Increase (-)/Decrease (+) in current receivables		-20 971	-4 117
Increase (+)/Decrease (-) in current liabilities		2 319	26 684
<b>Funds provided from operations</b>		<b>2 301</b>	<b>16 276</b>
<b>Investment activities</b>			
Investment in tangible fixed assets		-724	-457
Investment in financial fixed assets		-137 243	-110 427
Proceeds from sale of financial fixed assets		121 565	38 984
<b>Funds from investment activities</b>		<b>-16 402</b>	<b>-71 900</b>
<b>Financing activities</b>			
New share issue		81 705	48 527
<b>Funds from financing activities</b>		<b>81 705</b>	<b>48 527</b>
<b>Total cash flow</b>		<b>67 604</b>	<b>- 7 097</b>
<b>Cash and bank at the beginning of the year</b>		<b>11 009</b>	<b>18 106</b>
<b>Cash and bank at the end of the year</b>		<b>78 613</b>	<b>11 009</b>

**Note 1 Accounting and valuation principles (cont.)**

expenses have not been proportionally allocated per segment due to the fact that the completed work cannot be allocated by such systematics.

**Revenues**

Revenues are accounted for according to the Swedish Financial Accounting Standards Council's recommendation No. 11 (Revenues). Revenues mainly consist of capital gains on the sale of securities, dividends received and fees. Revenues are reported in the income statement when it is probable that the future economic benefits will flow to the company and these benefits can be calculated reliably. Revenues are accounted for at the actual amount received or what is expected to be received. A dividend is recognised when the right to receive a payment is established. Fees are booked and accounted for during the period they relate to taking into account generally accepted accounting principles.

**Valuation principles etc.**

The company's assets and liabilities are recorded at acquisition value and at nominal value respectively, unless otherwise stated below.

**Write-downs**

Write-downs are accounted for according to the Swedish Financial Accounting Standards Council's recommendation No.17 (Write-downs). Each time the company prepares its financial reports, an assessment is made whether any depreciation of the company's fixed assets has occurred (with regard to financial fixed assets, excluding shares in associated companies, see "Shares, participations and other financial instruments" below). If indications show that a depreciation of a certain asset exists, the asset's recoverable value is calculated as the greater of the useful value and the net realisable value. Write-downs are made if the recoverable value is less than the carrying value. When calculating the useful value, the calculated expected future cash flow is discounted from the asset at a rate of interest pre-tax, which corresponds to the market's assessment of risk-free interest and risk related to the specific asset. A write-down is reversed if there has been a change in the conditions that were used in the calculations to determine the previous recoverable value. A reversal of a previously made write-down only occurs to the extent the asset's carrying value, after the reversal, does not exceed the carrying value the asset would have been accounted for, with deduction for depreciations, if no write-down would have been made.

**Shares, participations and other financial instruments**

Shares, participations and other financial instruments are accounted for in accordance with the Swedish Financial Accounting Standards Council's recommendation No. 27 (Financial instruments: Disclosure and Classification).

**Private holdings**

Shares, participations and other financial instruments in private holdings, which are classified as fixed assets, are accounted for entry by entry at the lower of acquisition value and market value. Market value is assessed by the Board of Directors using all available information that may be relevant for the valuation which comprises i.a.:

# Notes concerning accounting principles and comments to financial statements

All amounts in SEK thousands, unless otherwise stated.

## 1. Accounting and valuation principles

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### General accounting principles

The Annual Report is prepared in accordance with the Swedish Annual Accounts Act, the recommendations issued by the Swedish Financial Accounting Standards Council and statements by the Emerging Issues Task Force.

### Changed accounting principles

Beginning with the financial year 2004, the Swedish Financial Accounting Standards Council's recommendation No. 29 (Employee remuneration) is being applied; however, it is estimated that this will not have any significant effects on the company's earnings and financial position.

### Registered Office etc.

AB Novestra, corporate identity No. 556539-7709, is a public company and is registered in the county and the municipality of Stockholm. Novestra's registered address is Norrlandsgatan 16, 111 43 Stockholm, Sweden. Novestra's legal form of business entity is that of a limited company and therefore bound to the Companies Act according to Swedish legislation.

### Classification and presentation

Fixed assets, and where appropriate, long-term liabilities and provisions, in all essentials, consist of amounts that are expected to be recovered or settled more than twelve months from the balance sheet date. Current assets and liabilities, in all essentials, consist of amounts that are expected to be recovered or settled within twelve months from the balance sheet date.

### Segment reporting

The business areas private holdings, public holdings, and joint and other holdings constitute the primary format for reporting the company's operations by segment.

The internal reporting structure is based on a corresponding format, which is why the business areas are the most appropriate primary reporting format to use. No segment reporting based on geographic areas is made, as it is difficult to find a basis for dividing operations geographically that would add meaningful information and would reflect the company's operations. Geographical areas are not used for internal reporting purposes either. The company's operations are operated by a common organisation consisting of a small number of people. The business areas private holdings and public holdings are run by different officers for whom salary remunerations are proportionally allocated based on time dedicated to the respective segment. The costs for other personnel and all other administrative

**Note 1 Accounting and valuation principles (cont.)**

to plan and any write-downs. The acquisition value consists of the purchase price, including costs directly associated to the acquisition of the asset. The purchase price has been reduced with sales discounts etc.

**Depreciation**

Depreciation according to plan is based on the original acquisition value. Depreciation occurs over the assets' estimated useful life down to its estimated residual value in accordance with the Swedish Financial Accounting Standards Council's recommendation No.12 (Tangible Fixed Assets).

Depreciation plan	Estimated economic useful life
Tangible fixed assets:	
IT-investments	3 years
Other equipment	5 years

**Taxes**

The company applies the Swedish Financial Accounting Standards Council's recommendation No. 9 (Income taxes). Total tax consists of current and deferred tax. The taxes are reported in the income statement, except when the underlying transactions are charged directly against shareholders' equity, whereby the associated tax effect is reported in shareholders' equity. Current tax is tax that must be paid or received relating to the current year. Current tax also includes adjustments of current tax relating to previous periods. Deferred tax is calculated using the liability method, based on temporary differences between the carrying amounts of assets and liabilities and their tax bases, using tax rates enacted or substantially enacted at the balance sheet date. Temporary differences are not taken into account for differences related to participations in associated companies not expected to be subject to taxation within the foreseeable future. Untaxed reserves are recognised by including the deferred tax liability. Deferred tax assets relating to deductible temporary differences and loss carry-forwards are recognised only to the extent that it is probable that taxable profits (lower tax charges) will be available in the foreseeable future. Currently, the company has made the assessment that it is uncertain when in the future existing accumulated tax deficits and other temporary differences will be used, and consequently no value for these is included in the accounts. From a fiscal perspective, Novestra is an investment company. Fiscal regulations for investment companies differ from those of other limited companies in that capital gains from sale of shares and participations (convertibles in SEK, share options etc.) are tax-exempt. On the other hand, losses from sale of shares and participations are non-deductible. In return, an investment company must report a standard income of 1.5 percent of the aggregate value of the market value of shares and participations held at the beginning of the financial year. Not to be included in the basis for calculating the standard income are the value of business-related shares and own shares and derivatives in own shares. Business-related shares refer to shares and participations in unlisted limited companies and economic associations as well as shares and participations in listed limited companies if the holding corresponds to at least ten percent of the votes and has been held at least one year prior to the beginning of the financial year. Under certain conditions, shares and participations in foreign legal entities can also be business-related. Dividends and interest income received are taxable, while administrative expenses and interest expenses are deductible. Since an investment company's dividends paid are deductible, the company will not have to pay tax to the extent that the

**Note 1 Accounting and valuation principles (cont.)**

- Internally produced valuation data, such as discounted cash flow valuations and relative valuations based on key ratios.
- Valuation in the latest transaction made in the underlying company, subject to availability.
- Valuations and analyses produced by a third party, subject to availability.

Write-downs are made if the calculated recoverable value is less than the carrying value.

The valuation process of all holdings is a continuous one and the Board of Directors reassess the valuations on a quarterly basis.

**Public holdings**

Shares, participations and other financial instruments in public holdings, classified as fixed assets, are accounted for in accordance with FAR's (the institute for the accountancy profession in Sweden) recommendation No.12. Valuation is made collectively, as the holdings are considered as a portfolio, at the lower of acquisition value and market value. Market value is determined based on the quotation on the last business day in the reporting period.

Holdings of shares, participations and other financial instruments, classified as current assets, are accounted for as other investments. Valuation is made in accordance with the portfolio method at the lower of acquisition value and market value. Market value is determined based on the quotation on the last business day in the reporting period.

**Sale of securities in exchange for other asset than cash**

In cases where the purchasing company and/or the purchased company is listed on a Swedish or foreign stock exchange and is selling securities against payment in the purchasing company's own shares, the sale is recorded as the value of the average share price during a ten-day period prior to the transaction being made public. In those cases where the companies are unlisted, the valuations used in setting up the purchase agreements between the companies are applied.

**Receivables**

Receivables are reported at the amount expected to be collected based on individual assessment of collectibility.

**Receivables and liabilities in foreign currency**

Receivables and liabilities in foreign currencies are stated in accordance with the Swedish Financial Accounting Standards Council's recommendation No. 8. at the exchange rate at the balance sheet date. All exchange rate differences are reported among financial items.

**Tangible fixed assets**

Tangible fixed assets are recorded at acquisition value with the deduction of depreciation according

## 2. Risk exposure and risk management

Novestra's operations are influenced by a number of factors, both internal and external, which can be controlled to various degrees. These factors can significantly affect the company's operations regarding future development, result and financial position. Novestra is dependent on a number of key personnel, namely the founders and senior executives of the portfolio companies and certain employees and board members in Novestra and its related network.

### Commercial risks

Novestra's business activities expose the company to risks. Carrying out investments and sales of portfolio companies involves a risk, even during the time Novestra is a shareholder in the portfolio company. Examples of these risks are high exposure to a certain investment or to a certain line of business, difficulties in finding new investments at attractive valuations due to the general market situation and eventual obstacles that arise relating to sales of holdings due to the general market situation, or other barriers. Novestra aims to handle these risks through:

- a diversified portfolio with a good balance of holdings in different lines of business and a good balance between companies in various stages of development, whose business are operated in different geographical markets and in different currencies,
- actively working with, and analysing holdings to identify and counteract on specific risks in the holdings, and
- maintain a good balance between private and public holdings, which results in the company having high flexibility relating to different types of disposals. The listed holdings involve the possibility to relatively quickly be converted into liquid assets, and the unlisted holdings involve the possibility to other transaction forms, which can be more attractive or feasible in certain market conditions.

### Financial risks

The most significant financial risks in Novestra's operations is the price risk related to shares in non-public and public holdings as well as foreign exchange rate risks. Other risks that influence the financial operations are liquidity risks, financing risks, interest risks and credit risks. Activities to monitor and analyse risks are ongoing and are carried out by the management and are reported to the Board of Directors.

### Price risks

Price risks exist for both listed and unlisted shares. With regard to listed shares, the share prices are often volatile. The price risk in every individual investment in listed shares is both attributed to the specific company and the general development on the stock market. Novestra's investment and divestment decisions are based on its own analyses and assessments of the specific company's valuations. The holdings are evaluated on a long-term basis. Novestra's assessment, as a rule, is not influenced by how the holdings have developed, short-term, on the stock market.

### Currency risks

The shareholdings in foreign currencies are reported in Swedish kronor at the currency exchange rate

**Note 1 Accounting and valuation principles (cont.)**

resolved dividend amounts to the sum total of the standard income, dividends received and net financial result after the deduction of administration expenses.

**Borrowing costs**

Borrowing costs are reported in accordance with the main principle set out in the Swedish Financial Accounting Standards Council's recommendation No. 21. This results in the borrowing costs affecting the result in the period they relate to, regardless of how the borrowed funds were used.

**Leasing – lessee**

The Swedish Financial Accounting Standards Council's recommendation No. 6:99 is applied. Leasing is classified in the group accounts either as financial or operational leasing. (Financial leasing exists when the financial risks and benefits associated with the ownership in all essentials are transferred to the lessee. Should this not be the case, it is an operational leasing). As Novestra does not prepare group accounts, all leasing agreements are accounted for in accordance with the regulations for operational leasing. Operational leasing entails that the leasing fees are carried as an expense for its duration commencing from its usage, which can differ from what de facto has been paid as leasing fee during the year.

**Employee remuneration**

Employee remuneration is reported according to the Swedish Financial Accounting Standards Council's recommendation No. 29 (Employee remuneration). The company's pension plan is a defined contribution plan, which means that the pension is based on each employee's actual monthly salary. These premiums are accounted for as the employee earns the right to the pension.

**Transactions with related parties**

Transactions with related parties are reported according to the Swedish Financial Accounting Standards Council recommendation No. 23 (Disclosure on related party). With regard to the Board's and Managing Director's remuneration and other benefits, costs and obligations, which relate to pensions and other benefits, reference is made to Note 7.

In his capacity as a board member of Explorica, Inc. and inWarhouse AB, Novestra's Managing Director, Peter Ekelund, has received remunerations of USD 10 000 and SEK 75 000 respectively.

When preparing for and deciding on transactions with closely related parties, the related party in question never takes part in either the preparation work or the decision process. On each occasion, the Board uses the most suitable method to ensure that the transaction with the related party is given correct value based upon current market conditions.

**Cash flow statement**

The cash flow statement has been prepared in accordance with the Swedish Financial Accounting Standards Council's recommendation No. 7 (Reporting of cash flows) applying the indirect method.



**3. Investment activity**

The result from investment activity is divided into "Result from shares and participations" and "Write-downs". The result from shares and participations refers to gains and losses resulting from disposal of shares and securities and dividends received. Write-downs refer to unrealised adjustments of value regarding shares and securities, see notes 4 and 5 respectively.

	12 months ended December 31, 2004	12 months ended December 31, 2003
<b>4. Results from shares and participations</b>		
<b>Realised gains:</b>		
<i>Private holdings:</i>		
BB2 Bredband AB	-	4 846
B2 Partners, LLC	-	216
	-	5 062
<i>Public Holdings:</i>		
FlyMe AB (publ)	290	-
IBS AB (publ)	2 228	84
inWarehouse AB (publ)	3 196	-
JC AB (publ)	7 448	-
Karo Bio AB (publ)	361	-
Millicom International Cellular, S.A.	2 020	-
Modul 1 Data AB (publ)	2 971	677
Pergo AB (publ)	3 838	-
Wilh. Sonesson AB (publ)	303	-
	22 655	5 823
<b>Total realised gains</b>	<b>22 655</b>	<b>5 823</b>
<b>Dividends:</b>		
<i>Private holdings:</i>		
Boxman Ltd	-	217
Continuum Group Ltd	39 015	1 017
Qbranch AB	1 875	1 500
	40 890	2 734
<i>Public Holdings:</i>		
Lagercrantz Group AB (publ)	568	-
<b>Total dividends</b>	<b>41 458</b>	<b>2 734</b>
<b>Liquidity management:</b>		
Nektar	-	1 615
Tanglin	-	601
Zenit	-	2 473
Ram One (dividend)	182	-
Others	2 839	68
	3 021	4 757
<b>Result from shares and participations</b>	<b>67 134</b>	<b>13 314</b>

**Note 2 Risk exposure and risk management (cont.)**

applicable on the date of acquisition. As at December 31, 2004, the carrying value of shareholdings in foreign currencies was MSEK 135.7 (120.2). At full or partial divestment of Novestra's foreign holdings, exchange rate fluctuations can, particularly the USD/SEK rate, affect the value of the divested company denominated in SEK. Foreign holdings are not hedged during the period Novestra holds the investment.

**Liquidity risks**

Liquidity risks exist in shares or other financial instruments that cannot be divested, partly because such divestment cannot occur without considerable additional costs or other losses, partly because the liquidity would not be available to meet future or immediate payment commitments. The risk that shares or other financial instruments cannot be divested is handled by aiming at having a diversified portfolio. Novestra has a short-and long-term liquidity plan to secure the immediate and future payment ability.

**Financing risks**

Financing risks are defined as the risk that financing cannot be obtained when needed, or can only be obtained at significantly increased costs. Novestra's operations are run with a large proportion of shareholders' equity and, currently, the company sees no need for either additional short-term or long-term financing.

**Interest rate risks**

On the asset side, it is mainly Novestra's liquid assets that are exposed to interest rate risks, and on the liability side it is the interest-bearing liabilities that are exposed. The total interest rate risk in Novestra is considered low due to the extent of the assets, and the liabilities, respectively, that are exposed to risks. If the interest on deposits was raised by one percent on the balance sheet date, the positive effect would amount to KSEK 786 (110) on a yearly basis. If the lending rate was raised by one percent the negative effect would affect the year-end result by KSEK 249 (250) on a yearly basis.

**Credit risks**

Credit risks are defined as the risk of a counterparty or issuer being unable to fulfil a financial undertaking to Novestra. The extent of this risk mainly refers to investments of excess liquidity in bonds, funds and loans to portfolio companies. The credit risk relating to loans to portfolio companies is considerably higher, but occurs to a lesser extent and against securities which Novestra assesses as satisfactory. Overall, the credit risk is assessed as low.

The total credit exposure is divided as follows:

**Credit exposure, KSEK**

	2004 12 31	2003 12 31
Share index bonds	-	25 480
Participations in funds	9 694	9 389
Cash and bank balances	78 613	11 009
Other receivables	16 694	3 374
Loans to portfolio companies	9 612	1 793
<b>Total credit exposure</b>	<b>114 613</b>	<b>51 045</b>

Novestra's assessment is that there are no significant concentrations of credit risks.

**INFORMATION IN ACCORDANCE WITH NBK'S RECOMMENDATION ON SENIOR MANAGEMENT BENEFITS**

During the financial year, the Board of Directors received remuneration totalling 200 (250) in accordance with a decision taken at the Annual General Meeting 2004. The remuneration to the Board of Directors has been equally divided between the members of the Board who are not employees of Novestra, i.e. 50 to each board member. The Chairman of the Board, Theodor Dalenson is employed by Novestra with a fixed monthly salary amounting to 115 per month. The employment contract is subject to six months' notice by either party.

**Specification of remuneration and other benefits to board members:**

Board member	Remuneration 2004	Remuneration 2003	Position
Theodor Dalenson	2 394	510	Chairman and CEO
Salary	(1 380)	(460)	
Bonus <sup>(1)</sup>	(814)	(-)	
Pension	(200)	(-)	
Board member remuneration	(-)	(50)	
Colin Kingsnorth	50	50	Member
Anders Lönnqvist	50	50	Member
W. Thorpe McKenzie	50	50	Member
Bertil Villard	50	50	Member
<b>Total</b>	<b>2 594</b>	<b>710</b>	

<sup>(1)</sup> The Board of Directors has resolved to propose the Annual General Meeting on April 26, 2005 to, in addition to the bonus of 814 calculated in accordance with the resolution adopted by the Annual General Meeting 2004, allot Theodor Dalenson a discretionary bonus for the financial year 2004 of 1 132 (1 500 including social security contributions).

**Salary and other benefits to the Managing Director**

Salary and other benefits to the Managing Director, Peter Ekelund, amounted to a total of 2 344 (1 567), of which 1 530 (1 192) consisted of fixed salary and 814 (375) of bonus. In addition, costs relating to pensions amounted to a total of 225 (177). The principle for said bonus for the financial year 2004 was resolved by the Annual General Meeting 2004. The Board of Directors has resolved to propose the Annual General Meeting on April 26, 2005 to, in addition to the bonus of 814 calculated in accordance with the resolution adopted by the Annual General Meeting 2004, allot Peter Ekelund a discretionary bonus for the financial year 2004 of 1 132 (1 500 including social security contributions). The employment contract is subject to 12 months' notice by either party and contains no provision regarding lowered retirement age. In his capacity as a board member of Explorica, Inc. and inWarhouse AB, Novestra's Managing Director, Peter Ekelund, has received remunerations of USD 10 000 and SEK 75 000 respectively.

**Decision process**

All remuneration matters concerning senior management and other potential benefits are considered and decided upon by the Board. The same process applies to potential remunerations regarding consulting fees for members of the Board. Decisions on potential variable result-based remuneration to senior management for the financial year 2004 and henceforth are referred to the Annual General Meeting. No remuneration committee has been formed.

**Principles for remuneration to senior management**

The Senior Management has a fixed remuneration for completed work assignments. Decisions on variable result-based remuneration to senior management for the financial year 2004 and henceforth are referred to the Annual General Meeting. The Board's proposal regarding variable result-based remuneration to the company's Managing Director and Chairman and CEO of the Board shall be considered at the Annual General Meeting on April 26, 2005, as reported in the Board of Directors' report, page 39. The company has

5. Write-downs	12 months ended December 31, 2004	12 months ended December 31, 2003
<b>Private holdings:</b>		
Continuum Group Ltd	-	9 000
DCM, Digital Communication Media AB	-	5 000
Netsurvey Bolinder AB	-	-10 000
Strax Holdings, Inc.	-	11 870
	-	15 870
<b>Public holdings:</b>		
-	-	-
<b>Liquidity management:</b>		
Ram One	-240	-
Zenit	-249	-
	-489	-
<b>Write-downs</b>	<b>-489</b>	<b>15 870</b>

6. Income from other operations	12 months ended December 31, 2004	12 months ended December 31, 2003
Fees	-	3 018
<b>Total income from other operations</b>	<b>-</b>	<b>3 018</b>

Fees refer to remuneration for advisory and consulting assignments in connection with new investments and existing portfolio companies.

7. Employees	12 months ended December 31, 2004	12 months ended December 31, 2003
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**Average number of employees and distribution of women and men:**

The average number of employees during the year amounted to six (five), of which four (three) were men.

**Distribution of women and men in the Board of Directors and senior management:**

The Board of Directors and other senior management consisted of men, as in the previous year.

**Salaries and other remunerations:**

The Board of Directors and Managing Director	4 737	2 277
Other employees	2 758	2 250
<b>Total salaries and other remunerations</b>	<b>7 495</b>	<b>4 527</b>

**Social costs:**

The Board of Directors and Managing Director	2 064	916
(of which are pension costs)	(424)	(177)
Other employees	1 249	933
(of which are pension costs)	(297)	(237)
<b>Total social costs</b>	<b>3 313</b>	<b>1 849</b>
<b>Total salaries and other remunerations and social costs</b>	<b>10 808</b>	<b>6 376</b>

All salaries and other remunerations, except 100 (100) relating to Board remuneration, relate to personnel in Sweden.

	12 months ended December 31, 2004	12 months ended December 31, 2003
<b>11. Results from shares in group company</b>		
Proceeds from sale of shares in group company	-	50
<b>Total result from participations in group companies</b>	-	50

	12 months ended December 31, 2004	12 months ended December 31, 2003
<b>12. Interest received, interest expense, and similar income/charge</b>		
<b>Interest income and similar income:</b>		
Interest income - associated companies	126	322
Exchange rate gains	133	-
Interest income	963	648
<b>Total</b>	<b>1 222</b>	<b>970</b>
<b>Interest expense and similar charges:</b>		
Exchange rate losses	-1 071	-419
Interest expense - other	-766	-391
<b>Total</b>	<b>-1 837</b>	<b>-810</b>

	12 months ended		12 months ended	
13. Taxes	December 31, 2004		December 31, 2003	
Information on the relationship between reported tax expense and result before taxes:				
	Total value	Tax effect	Total value	Tax effect
Result before taxes	45 738	-12 807	20 136	-5 638
Standard income	2 033	-569	3 107	-870
Effects of tax-exempt income:				
Gains from sales of shares and participations	-25 494	7 138	-9 819	2 749
Effects of non-deductible expenses:				
Write-downs/reversed write-downs	489	-137	-15 870	4 444
Other non-deductible expenses	372	-104	378	-106
Effects of deductible expenses not included in the result:				
Expenses emanating from new share issue	-194	54	-6 052	1 695
<b>Total</b>	<b>22 944</b>	<b>-6 425</b>	<b>-8 120</b>	<b>2 274</b>
Proposed dividend	-37 188	10 413	-	-
<b>Total</b>	<b>-14 244</b>	<b>3 988</b>	<b>-8 120</b>	<b>2 274</b>
Increase in tax loss carried forward not recognised as deferred tax assets	14 244	-3 988	8 120	-2 274
<b>Reported tax expense</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Tax loss carried forward at the beginning of the year	-66 534	18 629	-58 414	16 355
Change tax loss carried forward during the year	-14 244	3 988	-8 120	2 274
<b>Tax loss carried forward at the end of the year</b>	<b>-80 778</b>	<b>22 617</b>	<b>-66 534</b>	<b>18 629</b>

In accordance with current legislation, there are no regulations determining the life of the company's fiscal deficit.

not defined any other group than senior management. Consequently, the category other senior management is not included.

#### **Incentive scheme**

The company has no outstanding share-related incentive scheme or any outstanding options. At the General Annual Meeting on May 6, 2004, it was resolved to approve the proposed bonus plan for the Managing Director Peter Ekelund and the Chairman and CEO Theodor Dalenson. The bonus shall, as a total cost for the company, correspond to five percent of the increase of the company's equity for every financial year, provided that, and to the extent that, the increase exceeds ten percent for the relevant financial year. The annual bonus shall, however, not exceed an amount corresponding to five times the annual base salary of the bonus plan participant for the year which such bonus is attributable to. Bonus shall be paid as from the financial year 2004. The bonus plan shall be subject to annual approval of the Annual General Meeting.

#### **Pension**

Pension is paid in accordance with the ITP plan for all employees.

#### **Severance Pay**

There are no agreements including severance pay.

	12 months ended December 31, 2004	12 months ended December 31, 2003
<b>8. Remuneration to auditors</b>		
Audit, KPMG Bohlins AB	680	313
Other assignments, KPMG Bohlins AB	63	421
<b>Total remuneration to auditors</b>	<b>743</b>	<b>734</b>

Of the remuneration to auditors during the financial year 2004, 38 (421) has been accounted for directly against shareholders' equity, since the expenses were pertaining to the new share issue carried out during the summer of 2004.

	12 months ended December 31, 2004	12 months ended December 31, 2003
<b>9. Depreciation of tangible and intangible fixed assets</b>		
Depreciation according to plan by type of asset:		
Equipment	220	268
<b>Total depreciation</b>	<b>220</b>	<b>268</b>

The total depreciation relates to administration.

	12 months ended December 31, 2004	12 months ended December 31, 2003
<b>10. Operational leasing</b>		
Assets held by way of operational leasing	-	-
Leasing expenses for the year	772	650
Contracted future lease payments:		
Year 1	740	660
Year 2	-	660
Year 3	-	-
Year 4	-	-
Year 5	-	-
<b>Total contracted future lease payments</b>	<b>740</b>	<b>1 320</b>

All leasing payments relate to rent for leased office premises.

## Note 14 Segment reporting (cont.)

## Development by business area January 1, 2003 - December 31, 2003

Income from shares and participations	Private holdings	Public holdings	Joint and other operations	Total
Capital gains/losses	5 062	761	4 757	10 580
Dividends	2 734	-	-	2 734
Write-downs	15 870	-	-	15 870
<b>Income from other operations</b>				
Fees	-	-	3 018	3 018
<b>Gross profit</b>	<b>23 666</b>	<b>761</b>	<b>7 775</b>	<b>32 202</b>
<b>Administrative expenses</b>				
Personnel costs <sup>(1)</sup>	-1 042	-455	-5 105	-6 602
Depreciation	-	-	-268	-268
Other costs	-	-	-5 406	-5 406
	-1 042	-455	-10 779	-12 276
<b>Operating profit/loss</b>	<b>22 624</b>	<b>306</b>	<b>-3 004</b>	<b>19 926</b>
Net financial income	-	-	210	210
<b>Result for the year</b>	<b>22 624</b>	<b>306</b>	<b>-2 794</b>	<b>20 136</b>

## Carrying value per business area as at December 31, 2003

	Private holdings	Public holdings	Joint and other operation	Total
<b>Assets</b>				
Participations in associated companies	112 552	-	-	112 552
Shares and participations	75 584	80 020	-	155 604
Other fixed assets	-	-	630	630
<b>Total fixed assets</b>	<b>188 136</b>	<b>80 020</b>	<b>630</b>	<b>268 786</b>
Current investments	-	-	35 000	35 000
Other current investments	-	-	8 793	8 793
Cash and bank	-	-	11 009	11 009
<b>Total assets</b>	<b>188 136</b>	<b>80 020</b>	<b>55 432</b>	<b>323 588</b>
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity	-	-	-	292 525
<b>Liabilities</b>				
Current liabilities to credit institutions	-	-	25 035	25 035
Other current liabilities	-	-	6 028	6 028
<b>Total shareholders' equity and liabilities</b>	<b>-</b>	<b>-</b>	<b>31 063</b>	<b>323 588</b>
<b>Investments:</b>				
Tangible fixed assets	-	-	457	457
Financial fixed assets	22 065	82 194	11 173	115 432
<b>Total investments</b>	<b>22 065</b>	<b>82 194</b>	<b>11 630</b>	<b>115 889</b>

<sup>(1)</sup> Personnel costs have been allocated according to the following principle: personnel costs for the Managing Director Peter Ekelund, who is responsible for the private holdings, are allocated to private holdings and to joint and other operations with 50 percent. Personnel costs for Theodor Dalenson, who is responsible for the public holdings, are allocated to public holdings with 75 percent and to joint and other operations with 25 percent.



## 14. Segment reporting

Performance by business area January 1 – December 31, 2004

Income from shares and participations	Private holdings	Public holdings	Joint and other operations	Total
Capital gains/losses	-	22 655	2 839	25 494
Dividends	40 890	568	182	41 640
Write-downs	-	-	-489	-489
<b>Gross profit</b>	<b>40 890</b>	<b>23 223</b>	<b>2 532</b>	<b>66 645</b>
<b>Administrative expenses</b>				
Personnel costs <sup>(1)</sup>	-2 425	-3 517	-7 948	-13 890
Depreciation	-	-	-220	-220
Other costs	-	-	-6 182	-6 182
	-2 425	-3 517	-14 350	-20 292
<b>Operating profit/loss</b>	<b>38 465</b>	<b>19 706</b>	<b>-11 818</b>	<b>46 353</b>
Net financial income	-	-	- 615	-615
<b>Result of the year</b>	<b>38 465</b>	<b>19 706</b>	<b>-12 433</b>	<b>45 738</b>

Carrying value per business area as at December 31, 2004

Assets	Private holdings	Public holdings	Joint and other operations	Total
Participations in associated companies	112 552	-	-	112 552
Shares and participations	89 447	132 146	-	221 593
Other fixed assets	-	-	1 134	1 134
<b>Total fixed assets</b>	<b>201 999</b>	<b>132 146</b>	<b>1 134</b>	<b>335 279</b>
Current investments	-	-	9 694	9 694
Other current assets	9 612	-	20 152	29 764
Cash and bank	-	-	78 613	78 613
<b>Total assets</b>	<b>211 611</b>	<b>132 146</b>	<b>109 593</b>	<b>453 350</b>
<b>Shareholders' equity and liabilities</b>				
Shareholders' equity	-	-	-	419 968
<b>Liabilities</b>				
Current liabilities to credit institutions	-	-	24 851	24 851
Other current liabilities	-	-	8 531	8 531
<b>Total shareholders' equity and liabilities</b>	<b>-</b>	<b>-</b>	<b>33 382</b>	<b>453 350</b>
<b>Investments:</b>				
Tangible fixed assets	-	-	724	724
Financial fixed assets	13 862	132 880	7 065	153 807
<b>Total investments</b>	<b>13 862</b>	<b>132 880</b>	<b>7 789</b>	<b>154 531</b>

<sup>(1)</sup> Personnel costs have been allocated according to the following principle: personnel costs for the Managing Director Peter Ekelund, who is responsible for the private holdings, are allocated to private holdings and to joint and other operations with 50 percent. Personnel costs for Theodor Dalenson, who is responsible for the public holdings, are allocated to public holdings with 75 percent and to joint and other operations with 25 percent.

**17. Shares and participations**

	December 31, 2004	December 31, 2003
Accumulated acquisition value:		
At the beginning of the year	259 850	363 574
Acquisitions	153 807	115 433
disposals	-87 818	-138 287
Reclassifications	-	-80 870
<b>At the end of the year</b>	<b>325 839</b>	<b>259 850</b>
Accumulated write-downs:		
At the beginning of the year	-104 246	-235 369
Disposals	-	105 253
Write-downs	-	25 870
<b>At the end of the year</b>	<b>-104 246</b>	<b>-104 246</b>
<b>Carrying value</b>	<b>221 593</b>	<b>155 604</b>

**Specification of shares and participations:**

Name	Ownership <sup>(1)</sup> , %	No. of shares	Carrying value
	Dec. 31, 2004	Dec. 31, 2004	Dec. 31, 2004      Dec. 31, 2003

**Private holdings**

C More Group AB <sup>(2)</sup>	0.3	27 700	2 068	-
Continuum Group Ltd <sup>(3)</sup>	12.3	8 062 500	35 184	35 184
Dallas sthlm DDG AB	7.0	112 904	426	426
DCM, Digital Communication Media AB	5.6	320 800	8 506	8 506
Explorica, Inc. <sup>(4)</sup>	13.6	4 333 333	12 556	12 556
FLEXbridge Technologies, Inc. <sup>(5)</sup>	-	-	5 011	-
Strax Holdings, Inc. <sup>(6)</sup>	19.1	1 347 673	25 526	18 743
Other	n/a	n/a	170	169
			<b>89 447</b>	<b>75 584</b>

**Public holdings:**

Aldata Solution Oy	0.9	633 550	7 283	-
FlyMe Europe AB (publ)	1.7	15 100 000	9 649	-
IBS AB (publ)	2.0	1 584 000	16 447	13 135
inWarehouse AB (publ)	8.2	5 908 422	5 343	7 770
JC AB (publ)	-	-	-	18 960
Karo Bio AB (publ)	2.1	647 668	7 113	-
Lagercrantz Group AB (publ)	2.3	633 500	15 218	8 148
Millicom International Cellular S.A.	0.3	200 000	31 796	-
Modul 1 Data AB (publ)	-	-	-	7 239
Pergo AB (publ)	3.2	1 709 700	26 993	16 870
Wilh. Sonesson AB (publ)	1.1	376 000	8 397	-
Other	n/a	n/a	3 907	7 898
			<b>132 146</b>	<b>80 020</b>
<b>Total</b>			<b>221 593</b>	<b>155 604</b>

As at December 31, 2004, the market value of the public holdings amounted to 146 837 (91 301).

15. Equipment	December 31, 2004	December 31, 2003
Accumulated acquisition value:		
At the beginning of the year	1 469	1 212
Disposals	-	-200
Acquisitions	724	457
<b>At the end of the year</b>	<b>2 193</b>	<b>1 469</b>
Accumulated depreciation:		
At the beginning of the year	-839	-731
Disposals	-	160
Acquisitions	-220	-268
<b>At the end of the year</b>	<b>-1 059</b>	<b>-839</b>
<b>Carrying value</b>	<b>1 134</b>	<b>630</b>

16. Investments in associated companies	December 31, 2004	December 31, 2003
Accumulated acquisition value:		
At the beginning of the year	132 051	86 181
Disposals	-9 499	-
Reclassifications	-	45 870
<b>At the end of the year</b>	<b>122 552</b>	<b>132 051</b>
Accumulated write-downs:		
At the beginning of the year	-19 499	-9 499
Disposals	9 499	-
Write-downs	-	-10 000
<b>At the end of the year</b>	<b>-10 000</b>	<b>-19 499</b>
<b>Carrying value</b>	<b>112 552</b>	<b>112 552</b>

*Specification of shares and participations held in associated companies as at December 31, 2004:*

Name	Corporate identity No.	Reg. office	Share capital (100%)	Net Result	Ownership <sup>(1)</sup>	Carrying value
MyPublisher, Inc.	n/a	N.Y., USA	-415	-8 771	28.0%	45 870
Netsurvey Bolinder AB	556392-3332	Stockholm	4 907	1 643	45.3%	12 838
Qbranch AB	556470-3980	Stockholm	46 766	17 398	25.0%	53 844
<b>Total</b>						<b>112 552</b>

*Specification of shares and participations held in associated companies as at December 31, 2003:*

Name	Corporate identity No.	Reg. office	Share capital (100%)	Net Result	Ownership <sup>(1)</sup>	Carrying value
34 Networks AB	556599-1188	Stockholm	-	-	22.8%	-
MyPublisher, Inc.	n/a	N.Y., USA	9 190	-6 065	28.6%	45 870
Netsurvey Bolinder AB	556392-3332	Stockholm	3 101	309	45.3%	12 838
Qbranch AB	556470-3980	Stockholm	36 840	9 769	25.0%	53 844
<b>Total</b>						<b>112 552</b>

<sup>(1)</sup> Prior to dilution and utilisation of options etc.

**Note 19 Shareholders' equity (cont.)**

income and costs accounted for during a period are included in the net result, unless a recommendation from the Swedish Financial Accounting Standards Council requires or allows them to be accounted for directly against shareholders' equity. Income and costs are accounted for directly against shareholders' equity increases or decreases the non-restricted equity. The non-restricted equity that is accounted for at the end of each year is available as dividends to the shareholders.

**Dividends**

The Board of Directors and the Managing Director propose a dividend of SEK 1.00 per share for the financial year 2004. No dividend to the shareholders was declared for the financial year 2003.

**Number of shares issued:**

Number of shares	Nominal amount	Number of votes
37 187 973	1 SEK	37 187 973

Novestra has only one class of shares and all shares are paid in full.

**Specification of the changes during the year:**

Number of outstanding shares at the beginning of the year	31 187 973
New share issue	6 000 000
<b>Number of shares at the end of the year</b>	<b>37 187 973</b>

<b>20. Liabilities to credit institutions</b>	<b>December 31, 2004</b>	<b>December 31, 2003</b>
Raised loans	24 851	25 035
<b>Total</b>	<b>24 851</b>	<b>25 035</b>

<b>21. Pledged assets</b>	<b>December 31, 2004</b>	<b>December 31, 2003</b>
Pledged assets	146 837	116 552
Utilised assets	-24 851	-25 035
<b>Second mortgage</b>	<b>121 986</b>	<b>91 517</b>

The pledge refers to standard pledging of the deposit. Additional credits of 35 000 were granted on February 15, 2005. The total of credits granted amounted to 75 000.

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

Novestra has acquired additional shares in inWarehouse AB (publ) after which its holding amounts to 18.7 percent of the company's capital and votes. Novestra has also acquired 851 600 shares in Active Biotech AB (publ) at a value of MSEK 29.6 corresponding to 2.5 percent of the company's capital and votes.

Furthermore, Novestra has disposed of its entire holding in C More Group AB which is expected to have a positive effect on Novestra's result for 2005 of approximately MSEK 10. In addition, Novestra has disposed of its entire holding in Aldata Solution Oy.

In January 2005, Novestra made a further investment of MSEK 2.0 in Bytek Systems AB after which Novestra's holding in the company amounts to 27.3 percent of capital and votes.

**Note 17 Shares and participations (cont.)**

<sup>(1)</sup> Prior to dilution and utilisation of options etc.

<sup>(2)</sup> Novestra holds warrants to subscribe for 35 000 shares in C More Group at a strike price of SEK 65.21 per share, adjusted upwards by 10–20 percent, calculated from the time of the investment. Novestra has disposed of its entire holdings, including warrants held, in C More Group after the end of the period.

<sup>(3)</sup> Novestra has a remaining investment commitment of MUSD 1.9. After discussions with Continuum's board and other main shareholders in Continuum, Novestra's Board estimates that Continuum does not intend to call for payment of the remaining investment commitment.

<sup>(4)</sup> Novestra holds warrants to subscribe for 1 083 333 shares in Explorica at a strike price of USD 0.50 per share. Novestra also holds warrants to subscribe for 444 330 shares at a strike price of USD 0.20 per share. Both warrant programs are valid up to and including December 14, 2005. In addition, Novestra holds warrants to subscribe for 1 340 000 shares at a strike price of USD 0.45 per share, valid up to and including June 14, 2011. If only Novestra were to utilise its warrants, Novestra's ownership would amount to 20.4 percent. If all 10 900 678 warrants issued in Explorica were to be utilised, Novestra's ownership would amount to 16.8 percent.

<sup>(5)</sup> Novestra holds warrants to subscribe for 123 600 shares in FLEXbridge at a strike price of USD 12.0 per share. If only Novestra were to utilise its warrants, Novestra's ownership would amount to 11.0 percent. If all 223 600 warrants issued in FLEXbridge were to be utilised, Novestra's ownership would amount to 10.1 percent.

<sup>(6)</sup> Novestra holds conversion options to subscribe for 333 333 shares in Strax at a conversion rate of USD 1.5 per share. If only Novestra were to utilise its conversion options, Novestra's ownership would amount to 22.0 percent. If all 1 466 677 conversion options issued in Strax were to be utilised, Novestra's ownership would amount to 19.6 percent.

18. Current investments	Carrying value		Market value	
	2004 12 31	2003 12 31	2004 12 31	2003 12 31
<i>Investments in funds:</i>				
Ram One	4 942	5 000	4 942	4 563
Zenit	4 752	5 000	4 752	4 826
	<b>9 694</b>	<b>10 000</b>	<b>9 694</b>	<b>9 389</b>
<i>Other</i>				
Share index bonds	-	25 000	-	25 480
<b>Total</b>	<b>9 694</b>	<b>35 000</b>	<b>9 694</b>	<b>34 869</b>

**19. Shareholders' equity**

Shareholders' equity consists of restricted equity and non-restricted equity. Restricted equity may not be reduced through dividends to the shareholders.

**Restricted equity**

Novestra's restricted equity consists of share capital and a share premium reserve. The share premium reserve originates from Novestra's issue of shares at a premium, i.e. shares sold at a value exceeding the shares nominal value. The amount received in a new share issue that exceeds the nominal value is transferred to the share premium reserve. Costs incurred in connection with a new share issue are charged to the share premium reserve with the result that the share premium reserve is decreased by these costs. The share premium reserve may be used to cover incurred losses, after decision taken by a general meeting of shareholders.

**Non-restricted equity**

Novestra's non-restricted equity consists of the net profit/loss for the year and previous years profit/loss carry forwards, reduced by any statutory reserve provision and after any dividends have been paid out. All

# Audit Report

To the general meeting of the shareholders of AB Novestra  
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 year 2004. These accounts and the administration of the company and the application of the Annual Accounts Act when preparing the annual accounts and the consolidated accounts 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 and significant estimates made by the board of directors and the managing director when preparing the annual accounts and the consolidated accounts 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. The statutory administration report is consistent with the other parts of the annual accounts and the consolidated accounts.

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 of 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, March 14, 2005

Stefan Holmström  
**Authorized Public Accountant**

**Note 22 Significant events after the end of the period (cont.)**

The Board of Directors has resolved to propose the Annual General Meeting on April 26, 2005 to, in addition to the bonus resolved by the Annual General Meeting on May 6, 2004, allot Peter Ekelund and Theodor Dalenson a discretionary bonus for the financial year 2004 of MSEK 1.5 each (including social security contributions).

The annual report is subject to resolution at the Annual General Meeting on April 26, 2005

Stockholm March 11, 2005

Theodor Dalenson  
Chairman

Colin Kingsnorth

Anders Lönnqvist

W. Thorpe McKenzie

Bertil Villard

Peter Ekelund  
Managing Director

My audit report was submitted on March 14, 2005

Stefan Holmström  
Authorized Public Accountant

**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.**



# Shareholder Information

**Annual General Meeting**

The Annual General Meeting will be held at 4.00 p.m. on Tuesday April 26, 2005 in "Lagrummet" at Advokatfirman Vinge KB, Smålandsgatan 20, Stockholm, Sweden.

**Participation**

To be entitled to participate in the business of the Meeting, shareholders

**must** be recorded in the register of shareholders maintained by VPC AB (the wedish Securities Register Center) on Friday April 15, 2004, and

**must** notify the company of their intention to attend the Meeting no later than 4.00 p.m. on Thursday April 21, 2004

**Notification of participation in the Annual General Meeting**

Notification can be given by writing to AB Novestra, Norrlandsgatan 16, SE-111 43 Stockholm, Sweden, by calling +46 8 545 017 50, by faxing +46 8 545 017 60, or by e-mailing [info@novestra.com](mailto:info@novestra.com).

**Nominee-registered shares**

Shareholders whose shares are registered in the name of a nominee through the trust department of a bank or similar institution must, in order to be entitled to participate in the meeting, request that their shares be temporarily re-registered in their own names in the register of shareholders held by VPC AB. Such registration must be effected on Friday April 15, 2004 at the latest. Shareholders are requested to inform their nominees well in advance prior to this date.

**Dividend**

The Board of Directors and the Managing Director propose a dividend to the shareholders of SEK 1.00 per share for the financial year 2004.

April 29, 2005 has been proposed as the record date. If the proposal is approved by the Annual General Meeting, the dividend is expected to be distributed by VPC AB on May 4, 2005.

**Financial Calendarium 2005****February 16, 2005**

Year-end Report for the financial year 2004

**April 26, 2005**

Annual General Meeting

**April 26, 2005**

Interim Report Q1

January 1 – March 31, 2005

**April 27, 2005**

Bulletin from the Annual General Meeting

**August 25, 2005**

Interim Report Q2

January 1 – June 30, 2005

**October 24, 2005**

Interim Report Q3

January 1 – September 30, 2005

**Other**

This annual report has been distributed to all shareholders recorded in VPC's register as per above.

The economic information can be found in Swedish and in English at Novestra's website [www.novestra.com](http://www.novestra.com) and may be ordered from:

**AB Novestra**

Norrlandsgatan 16, SE-111 43 Stockholm  
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Fax: +46 8 545 017 60

E-mail: [info@novestra.com](mailto:info@novestra.com)

## Definitions

### 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.

### Cash flow after investments

Result after 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.

### 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.

### Result per share

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

### Result per share after full dilution

The result 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.

### Average annual growth in sales

The total of the annual growth during the period divided by the number of years.

**In this Annual Report, "Novestra" or "the Company" pertains to AB Novestra (publ).**

**Other definitions:** 34 Networks AB ("34 Networks"), Aldata Solution Oy ("Aldata Solution"), B2 Bredband AB ("B2 Bredband"), Bytek Systems AB ("Bytek Systems"), C More Group AB – formerly Canal Plus Television AB – ("C More Group"), Continuum Group Ltd ("Continuum"), Dallas sthlm DDG AB ("Dallas"), DCM, Digital Communications Media AB ("DCM"), Explorica, Inc. ("Explorica"), FLEXbridge Technologies, Inc. ("FLEXbridge"), FlyMe Europe AB (publ) ("FlyMe"), IBS AB (publ) ("IBS"), inWarehouse AB (publ) ("inWarehouse"), JC AB (publ) ("JC"), Karo Bio AB (publ) ("Karo Bio"), Lagercrantz Group AB (publ) ("Lagercrantz"), Millicom International Cellular S.A. ("Millicom"), Modul 1 Data AB (publ) ("Modul 1"), MyPublisher, Inc. – formerly Recollections Keepsake Holdings, Inc. – ("MyPublisher"), Netsurvey Bolinder AB ("Netsurvey"), Pergo AB (publ) ("Pergo"), Qbranch AB ("Qbranch"), Speedera Networks, Inc. ("Speedera"), Strax Holdings, Inc. ("Strax") and Wilh. Sonesson AB (publ) ("Wilh. Sonesson").

# Addresses

## AB Novestra (publ)

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Copr. id No.: 556539-7709

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## HOLDINGS

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### DCM, Digital Communication

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### FlyMe Europe AB (publ)

Möndalsvägen 24, 5 tr  
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[pr@flyme.com](mailto:pr@flyme.com) (Public relations)  
[ir@flyme.com](mailto:ir@flyme.com) (Investor relations)  
[www.flyme.com](http://www.flyme.com)  
[www.flymeeurope.com](http://www.flymeeurope.com)

### IBS AB (publ)

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[www.ibs.net](http://www.ibs.net)

### inWarehouse AB (publ)

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### Karo Bio AB (publ)

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### MyPublisher, Inc.

400 Columbus Avenue  
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