

**NOVESTRA**

**Year-end  
Report**

**Q4**

**2008**

## Very positive development and growth in the portfolio companies during 2008 despite weaker economic climate

- The Group's net income amounted to MSEK -90.7 (4.7) corresponding to SEK -2.4 (0.13) per share. Equity as at December 31 2008 amounted to MSEK 331.1 (421.8), corresponding to SEK 8.9 (11.3) per share. Cash and cash equivalents amounted to MSEK 47.9 (53.4).
- Novestra has a portfolio mainly consisting of mature growth companies, with good profitability, in a broad range of industries. The portfolio companies had combined sales amounting to approximately MSEK 2 050 during 2008, with a combined EBITDA amounting to approximately MSEK 100.
- Sales in 2008 for MyPublisher amounted to approximately MSEK 210, a growth rate of approximately 56 percent, in Qbranch sales amounted to approximately MSEK 440, corresponding to a growth rate of 20 percent and sales in Strax amounted to approximately MSEK 770, corresponding to approximately 2 percent. Explorica expects sales of approximately MSEK 580 for the financial year 2008/2009, corresponding to a growth rate of approximately 15 percent.
- The value of the private portfolio has been written down by a total of MSEK 78.4 during 2008. The value adjustment is not related to the development in the individual companies but reflects the changes in valuation multiples in publicly traded companies in the current financial climate.

## Comments from the Managing Director

We have had an exceptionally strong development in the portfolio companies and conclude that many of the strategic decisions made during the last two years started to show results during 2008. While we noticed a slight deceleration in growth during the fourth quarter, most of the portfolio companies started 2009 with strong balance sheets and expectations for continued growth even in a tougher economic climate.

Despite the very positive growth and earnings trend in the portfolio companies during 2008, we have made downward value adjustments, and therefore report a negative result for the year. The reason for the value adjustment is the substantial revaluation which has taken place in the financial markets due to the uncertainty of the economic climate as well as the lowered future expectations. Novestra has therefore written down its values accordingly.

The Board of Directors and the Managing Director of AB Novestra hereby submit the Year-end Report for the financial year January 1 – December 31, 2008, including Interim Report No. 4 referring to the period October 1 – December 31, 2008. All amounts are provided in SEK thousands unless otherwise stated. Figures in parentheses refer to the corresponding period the previous financial year. Information provided refers to the group and parent company unless otherwise stated.

## Significant events during the period

**Novestra's portfolio companies have had a very positive development during 2008 despite the weakened economic climate. The first half of 2008 was exceptionally strong, however with some decline in growth of sales during the second half of the year as the general economy weakened.**

**EXPLORICA** will arrange approximately 45 000 trips during the financial year 2008/2009. Sales are expected to amount to approximately MSEK 580, corresponding to a growth rate of approximately 15 percent, with improved profitability. In the US, which is the company's largest market, the ability and willingness to travel is effected by the continued weakened US economy, while the strengthening of the US dollar had a positive effect on the spending power of the consumer.

**MYPUBLISHERS** sales increased by approximately 56 percent and amounted to approximately MSEK 210 during 2008 with considerably improved profitability. MyPublisher's software BookMaker™ has been downloaded more than two million times and both the software and the photo albums are highly ranked in the majority of tests carried out. Given the large number of new customers in combination with the high rate of software downloads, the company expects a maintained high growth rate in 2009, with continued increase in profitability as a result of more cost-effective marketing.

**QBRANCHS** sales amounted to approximately MSEK 440 for 2008, corresponding to a growth rate of approximately 20 percent. Margins decreased somewhat during the year, but are expected to revert to higher levels during 2009. Several important contracts were signed by Qbranch during 2008, amongst others a contract with the University of Gothenburg. DN and Riksborgen renewed existing contracts and signed new three-year contracts.

**STRAX** refined and consolidated its operations during the year, and has a total focus on the sale and distribution of mobile telephone accessories. Sales for 2008 amounted to approximately MSEK 770, which corresponds to a growth rate of approximately 2 percent in relation to comparable business units. The company was provided with approximately MSEK 90 of equity at the end of 2008, which in combination with increasing gross margins by approximately 40 percent during 2008, implies that the conditions for 2009 are promising.

**DIINO** had approximately 1.4 million users at the end of 2008, compared to approximately half a million users at the beginning of the year. The company is continuously working on increasing revenues, and strengthening the cash flow. One action taken was launching an entirely new technical platform for the company's online storage service, with a modified payment model for users. Diino has also been ranked as one of the world's ten 10 best on-line backup providers by BackupReview.info during the period.

**NETSURVEY** specialized in on-line employee and customer surveys continues to have a stable development and show sales of approximately MSEK 27.5, corresponding to a growth of 10 percent during 2008 with continued profitability.

All figures presented for the portfolio companies regarding 2008, represent unaudited figures.

## Result and financial position

### January 1 – December 31 2008

**THE GROUP'S** net income for the period amounted to -90 718 (4 669). The result included gross profit from investment activities amounting to -74 707 (11 750), gross profit from other activities of 1 133 (2 000), administration expenses of -13 210 (-14 420) and net financial items of -3 625 (-3 904). Result from Discontinued operations amounted to - (10 348). As at December 31, 2008, total assets amounted to 401 623 (479 667), of which equity was 331 132 (421 849), corresponding to an equity/assets ratio of 82.5 (88.0) percent. Current liabilities to credit institutions amounted to 65 501 (50 440). The group's cash and cash equivalents including investments in listed shares amounted to 47 896 (53 440). In addition the group has an unutilized credit facility amounting to 59 499 (74 560).

#### VALUE ADJUSTMENTS

Value adjustments during the period amounted to a total of MSEK -81.6 (2.8), of which MSEK -78.4 (-7.4) relates to private holdings. Currency effects during the period amounted to MSEK 37.8 (-14.4) and are related to Novestra's US based holdings. Novestra values all holdings at fair value at each report date. Private holdings are valued through estimated discounted cash flow. The calculated value is tested against the valuation of comparable listed companies. The valuations of comparable companies, against which Novestra tests the calculated values, have decreased significantly during the year and even more so in the last few months, which resulted in Novestra making downward adjustments for the private holdings with a total of MSEK -78.4 (-7.4) during 2008. The adjustment is not made due to the development in the individual companies but reflects how the companies in general are valued in the current market conditions. The value of the private companies is difficult to assess in the current market conditions.

**THE PARENT COMPANY'S** net income for the period amounted to -61 936 (-15 562). The result included gross profit from

investment activities amounting to -45 246 (3 051), administration expenses of -13 200 (-14 410) and net financial items of -3 490 (-3 600). As at December 31, 2008, total assets amounted to 278 423 (326 140), of which equity was 201 636 (263 569). Cash and cash equivalents including investments in listed shares, amounted to 47 797 (53 340). In addition an unutilized credit facility amounting to 59 499 exists (74 560).

**INVESTMENTS** during the period amounted to a total of 54 079 (91 040) including investments not effecting cash flow, thereof investments in tangible fixed assets amounted to 34 (193) and investments in financial assets amounted to 54 045 (90 847).

## Significant events after the end of the period

The development in the portfolio companies has continued to be positive after the end of the period. Turbulence in the financial markets has continued with extreme volatility and global decline.

#### FUTURE DEVELOPMENT

Several of Novestra's portfolio companies have during the year developed significantly better than other companies operating in the same markets have. Novestra believes that several of the portfolio companies will continue to develop positively during 2009, and that the prerequisites for a positive growth in value will significantly increase if the portfolio companies reach their set growth and result targets.

Discussions concerning divestment of Novestra's portfolio companies will be held when the management deems that the value potential in the companies is at an attractive level. Simultaneously, continuous attention is being paid to investments in publicly traded securities which are considered to have a value growth potential even though the general economic situation may continue to remain weak.

There is no need for additional funding in Novestra, or in any of the larger portfolio companies.

## ACCOUNTING PRINCIPLES

Novestra prepares consolidated financial statements in accordance with International Financial Reporting Standards (IFRS). The Interim Report has been prepared in accordance with IAS 34 Interim Reporting. The new, or amended, standards and interpretations which came into effect as of and including the financial year 2008 do not influence Novestra's financial reports. New standards or amendments to be applied as of and including 2009 or later shall not be applied in advance. The same accounting principles and valuation techniques are applied in the Interim Report as those applied in the Annual Report for 2007. The parent company's financial reports are prepared in accordance with the Annual Accounts Act and the Swedish Financial Reporting Board's recommendation RFR 2.1 Accounting for legal entities. The accounting principles and valuation techniques for the parent company are unchanged compared to those provided in the Annual Report for 2007.

The group accounts for share related investments, including holdings in associated companies at fair value with changes in value in the income statement.

Assessment of fair value for unlisted shares and participations is made primarily through the calculation of discounted future cash flows in accordance with accepted methods and consideration of relative valuation where the calculated value is tested against the valuation of comparable listed companies or, if the occasion arises, transactions in the company. Listed shares and participations are valued on the basis of their share price on the closing date.

A detailed description of the account and valuation principles applied in the group and the parent company are supplied in Novestra's Annual Report for the financial year 2007.

## Risks and uncertainties

The primary risks present in Novestra's business activities are commercial risk, operative risk, price risk attributed to shares in private and public holdings and currency risk. A more detailed description of the risks

and uncertainties which can influence is provided in Novestra's Annual Report for 2007 for the parent company and the group's operations and financial position. No significant risks have occurred in addition to the risks described in Novestra's Annual Report for 2007.

## Dividend

As for the financial year 2007, the Board of Directors propose that no dividend be paid out for the financial year 2008.

## Company information

The company's registered address is AB Novestra, Norrlandsgatan 16, 111 43 Stockholm. The Registered Office is Stockholm county, Stockholm municipality, and the company's corporate identity number is 556539-7709.

## Financial calendar

The Annual Report for 2008 will be published on **www.novestra.com** on or around April 1, 2009.

### April 22, 2009

Annual General Meeting and Interim Report for the period January 1 – March 31, 2009

### August 25, 2009

Interim Report for the period January 1 – June 30, 2009

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The undersigned declare that the Year-end Report provides a true and fair overview of the parent company's and the group's operations, financial position, performance and result and describes material risks and uncertainties facing the parent company and other companies in the group.

**Stockholm February 13, 2009**

**Theodor Dalenson**  
Chairman

**Colin Kingsnorth**  
Director

**Anders Lönnqvist**  
Director

**Jan Söderberg**  
Director

**Bertil Villard**  
Director

**Jens A. Wilhelmsen**  
Director

**Johan Heijbel**  
Managing Director

The 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.

The information provided in this report is such that AB Novestra is obliged to make public according to the Securities Market Act [*sv. lagen om värdepappersmarknaden*]. The information has been released to the media for publication on February 16, 2009 at 8.55 am.



## Novestra's holdings as at December 31, 2008

Portfolio companies	Ownership (%) <sup>1</sup>	Carrying value in the Group (MSEK)	Market Cap at carrying values 100 % (MSEK)
Diino AB	49.2	24.3	49.3
Explorica, Inc.	14.8	51.9	380.0
MyPublisher, Inc.	25.0	138.8	555.1
Netsurvey AB	45.3	10.5	23.3
Qbranch AB	23.1	96.6	418.9
Strax Holdings, Inc.	14.7	26.3	178.9
Other	n/a	38.8	n/a
<b>Total investments</b>		<b>387.2</b>	

1 Share of capital after dilution and exercise of options etc.

For information regarding the portfolio companies with regard to business operations and historical financial data, reference is made to Novestra's latest annual report.

## The group

### Key ratios

#### FINANCIAL KEY RATIOS

Equity, MSEK  
Equity/assets ratio, %  
Cash flow after investments, MSEK

#### DATA PER SHARE

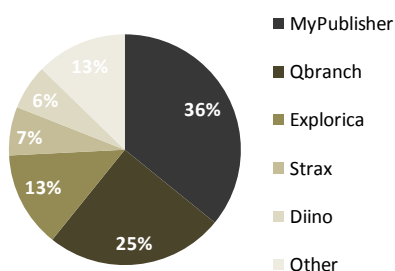
Equity, SEK  
Result including Discontinued operations, SEK

#### NUMBER OF SHARES

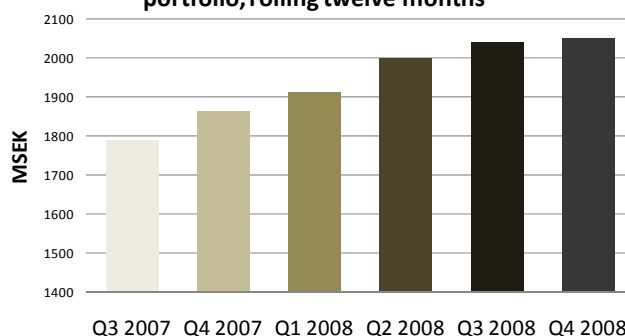
Number of shares at the end of the period  
Average number of shares during the period

2008 (12 months) Jan 1–Dec 31	2007 (12 months) Jan 1–Dec 31	2008 (3 months) Oct 1–Dec 31	2007 (3 months) Oct 1–Dec 31
331.1	421.8	331.1	421.8
82.5	88.0	82.5	88.0
-21.9	263.8	-2.5	-10.7
8.90	11.34	8.90	11.34
-2.44	0.13	-0.25	0.38
37 187 973	37 187 973	37 187 973	37 187 973
37 187 973	37 187 973	37 187 973	37 187 973

Portfolio companies, distribution  
of carried values



Total combined sales in the private equity  
portfolio, rolling twelve months



## The group

### Income statements KSEK

	<b>2008</b> (12 months) Jan 1–Dec 31	<b>2007</b> (12 months) Jan 1–Dec 31	<b>2008</b> (3 months) Oct 1–Dec 31	<b>2007</b> (3 months) Oct 1–Dec 31
<b>INVESTMENT ACTIVITY</b>				
Changes in value	-81 638	-2 810	-4 986	18 817
Dividends	6 931	14 560	109	-
<b>Gross profit investment activity</b>	<b>-74 707</b>	<b>11 750</b>	<b>-4 877</b>	<b>18 817</b>
<b>Other activity</b>				
Income from other activity	1 133	2 000	-	500
<b>Gross profit other activity</b>	<b>1 133</b>	<b>2 000</b>	<b>-</b>	<b>500</b>
<b>Gross profit</b>	<b>-73 574</b>	<b>13 750</b>	<b>-4 877</b>	<b>19 317</b>
Administrative expenses <sup>1</sup>	-13 210	-14 420	-3 719	-3 562
<b>Operating income</b>	<b>-86 784</b>	<b>-670</b>	<b>-8 596</b>	<b>15 755</b>
<b>RESULT FROM FINANCIAL INVESTMENTS</b>				
Net financial items	-3 625	-3 904	-874	-832
<b>Result after financial items</b>	<b>-90 409</b>	<b>-4 574</b>	<b>-9 470</b>	<b>14 923</b>
Current taxes	-309	-1 105	4	-786
<b>Result for the period from remaining operations</b>	<b>-90 718</b>	<b>-5 679</b>	<b>-9 466</b>	<b>14 137</b>
Result from Discontinued operations <sup>2</sup>	-	10 348	-	-
<b>Result for the period including Discontinued operations</b>	<b>-90 718</b>	<b>4 669</b>	<b>-9 466</b>	<b>14 137</b>
Result per share from remaining operations, SEK	-2.44	-0.15	-0.25	0.38
Result per share incl. Discontinued operations, SEK	-2.44	0.13	-0.25	0.38
Average number of shares during the period	37 187 973	37 187 973	37 187 973	37 187 973

<sup>1</sup> Depreciation for the period amounted to 141 (161). The total depreciation relates to equipment pertaining to administration.

<sup>2</sup> Discontinued operations refer to the previously named business area Public holdings. AB Novestra redeemed the total holding in Nove Capital Fund, which was the major holding in the business area Public holdings and therefore the business area is accounted for as Discontinued operations in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations.

## The group

Performance by business area	Discontinued operations		Private holdings		Joint		Total	
Jan 1–Dec 31 (KSEK)	2008	2007	2008	2007	2008	2007	2008	2007
Income from shares and participations								
Changes in value	-	10 348	-78 413	-7 369	-3 225	4 559	-81 638	7 538
Dividends	-	-	6 931	14 560	-	-	6 931	14 560
Income from other activity	-	-	-	-	1 133	2 000	1 133	2 000
<b>Gross profit</b>	<b>-</b>	<b>10 348</b>	<b>-71 482</b>	<b>7 191</b>	<b>-2 092</b>	<b>6 559</b>	<b>-73 574</b>	<b>24 098</b>
Administrative expenses								
Personnel costs	-	-	-992	-992	-7 240	-6 848	-8 232	-7 840
Depreciation	-	-	-	-	-141	-161	-141	-161
Other costs	-	-	-	-	-4 837	-6 419	-4 837	-6 419
	-	-	-992	-992	-12 218	-13 428	-13 210	-14 420
<b>Operating profit/loss</b>	<b>-</b>	<b>10 348</b>	<b>-72 474</b>	<b>6 199</b>	<b>-14 310</b>	<b>-6 869</b>	<b>-86 784</b>	<b>9 678</b>
Net financial income	-	-	-	-	-3 625	-3904	-3 625	-3 904
Current taxes	-	-	-	-	-309	-1 105	-309	-1 105
<b>Result for the period</b>	<b>-</b>	<b>10 348</b>	<b>-72 474</b>	<b>6 199</b>	<b>-18 244</b>	<b>-11 878</b>	<b>-90 718</b>	<b>4 669</b>



# The group

## Balance sheets, KSEK

Dec 31 2008

Dec 31 2007

### ASSETS

#### FIXED ASSETS

Equipment	1 258	1 369
Shares and participations	387 157	450 782
<b>Total fixed assets</b>	<b>388 415</b>	<b>452 151</b>

#### CURRENT ASSETS

Current receivables:		
Other receivables	2 013	8 570
Prepaid expenses and accrued income	1 668	2 595
	<b>3 681</b>	<b>11 165</b>

Cash and cash equivalents	9 527	16 351
<b>Total current assets</b>	<b>13 208</b>	<b>27 516</b>

<b>TOTAL ASSETS</b>	<b>401 623</b>	<b>479 667</b>
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#### EQUITY AND LIABILITIES

<b>Equity</b>	<b>331 132</b>	<b>421 849</b>
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#### Current liabilities:

Interest-bearing liabilities	65 501	50 440
Accounts payable	881	28
Other liabilities	1 734	4 231
Accrued expense and prepaid income	2 375	3 119
	<b>70 491</b>	<b>57 818</b>
<b>Total liabilities</b>	<b>70 491</b>	<b>57 818</b>

<b>TOTAL EQUITY AND LIABILITIES</b>	<b>401 623</b>	<b>479 667</b>
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#### Pledged assets

133 975

151 050

#### Contingent liabilities

None

None

## Changes in equity during the period, KSEK

### Equity b/f January 1 2007

603 855

Result January 1 – December 31 2007 4 669

Distribution to the shareholders by redemption of shares<sup>1</sup> -185 940

Cost of redemption program -735

<b>Equity as at December 31 2007</b>	<b>421 849</b>
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Result January 1 – December 31 2008 -90 718

<b>TOTAL EQUITY AS AT DECEMBER 31 2008</b>	<b>331 132</b>
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<sup>1</sup> A split of the existing shares in AB Novestra was made with the distribution to the shareholders which resulted in the total number of shares in the company temporarily doubled. The redemption procedure was an alternative transaction method for a dividend and the temporary increase in the number of shares has not been taken into consideration with regard to the calculation of the average number of shares during the period or with regard to the calculation of the result per share during the period.

# The group

## Consolidated statement of cash flows, KSEK

	<b>2008</b> (12 months)	<b>2007</b> (12 months)
	Jan 1–Dec 31	Jan 1–Dec 31
<b>OPERATING ACTIVITIES</b>		
Result after financial items for the period	-90 409	-4 574
Result from Discontinued operations for the period	-	10 348
Adjustment for non-cash items	81 297	-7 384
Taxes paid	-2 514	-
<b>Funds provided from operations prior to changes in working capital</b>	<b>-11 626</b>	<b>-1 610</b>
Details of changes in working capital:		
Increase (-)/decrease (+) in current receivables	-6 023	16 808
Increase (+)/decrease (-) in current liabilities	-181	53
<b>Cash flow from operations</b>	<b>-17 830</b>	<b>15 251</b>
<b>INVESTMENT ACTIVITIES</b>		
Investments in tangible assets	-34	-193
Investments in financial assets	-20 579	-75 094
Proceeds from sale of financial assets	16 558	323 779
<b>Cash flow from investment activities</b>	<b>-4 055</b>	<b>248 492</b>
<b>FINANCING ACTIVITIES</b>		
Dividend	-	-
Distribution to shareholders by redemption of shares	-	-185 940
Costs of redemption program	-	-736
Changes in interest-bearing liabilities	15 061	-63 640
<b>Cash flow from financing activities</b>	<b>15 061</b>	<b>-250 316</b>
<b>Cash flow for the period</b>	<b>-6 824</b>	<b>13 427</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>16 351</b>	<b>2 924</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>9 527</b>	<b>16 351</b>
<b>Cash flow from Discontinued operations</b>		
Cash flow from operations	-	-
Cash flow from investment activities	-	300 826
Cash flow from financing activities	-	-
<b>Cash flow from Discontinued operations</b>	<b>-</b>	<b>300 826</b>

# Parent company

## Income statements, KSEK

	<b>2008</b> (12 months) Jan 1–Dec 31	<b>2007</b> (12 months) Jan 1–Dec 31	<b>2008</b> (3 months) Oct 1 –Dec 31	<b>2007</b> (3 months) Oct 1 –Dec 31
<b>INVESTMENT ACTIVITY</b>				
Result from shares and participations	-52 177	-11 509	-4 885	917
Dividends	6 931	14 560	109	-
<b>Gross profit</b>	<b>-45 246</b>	<b>3 051</b>	<b>-4 776</b>	<b>917</b>
Administrative expenses	-13 200	-14 410	-3 719	-3 562
<b>Operating income</b>	<b>-58 446</b>	<b>-11 359</b>	<b>-8 495</b>	<b>-2 645</b>
<b>RESULT FROM FINANCIAL ITEMS</b>				
Net financial items	-3 490	-3 600	-859	-878
<b>Result after financial items</b>	<b>-61 936</b>	<b>-14 959</b>	<b>-9 354</b>	<b>- 3 523</b>
Current taxes	-	-603	-	-603
<b>Result for the period</b>	<b>-61 936</b>	<b>-15 562</b>	<b>-9 354</b>	<b>-4 126</b>

## Balance sheets, KSEK

	<b>Dec 31 2008</b>	<b>Dec 31 2007</b>
<b>ASSETS</b>		
Equipment	1 258	1 369
Shares and participations	265 189	299 354
<b>Total fixed assets</b>	<b>266 447</b>	<b>300 723</b>
Current receivables	2 548	9 165
Cash and cash equivalents	9 428	16 252
<b>Total current assets</b>	<b>11 976</b>	<b>25 417</b>
<b>TOTAL ASSETS</b>	<b>278 423</b>	<b>326 140</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>	<b>201 636</b>	<b>263 569</b>
<b>Current liabilities</b>	<b>76 787</b>	<b>62 571</b>
<b>Total equity and liabilities</b>	<b>278 423</b>	<b>326 140</b>
<b>Pledged assets</b>	<b>91 219</b>	<b>72 899</b>
<b>Contingent liabilities</b>	<b>None</b>	<b>None</b>

## Changes in equity, KSEK

<b>Equity b/f January 1 2007</b>	<b>465 806</b>
Result January 1 – December 31 2007	-15 562
Distribution to shareholders by redemption of shares	-185 940
Cost of redemption program	-735
<b>Equity as at December 31 2007</b>	<b>263 569</b>
Result January 1 – December 31 2008	-61 936
<b>TOTAL EQUITY AS AT DECEMBER 31 2008</b>	<b>201 636</b>

## About AB Novestra

Novestra is an independent investment company with a portfolio of investments in a number of privately held growth companies including Diino AB, Explorica, Inc., MyPublisher, Inc., Netsurvey AB, Qbranch AB and Strax Holdings, Inc.

The Novestra shares are listed on the Nasdaq OMX Nordic Exchange under the symbol NOVE in the Small Cap section. For further information regarding AB Novestra reference is made to [www.novestra.com](http://www.novestra.com).