

Company Overview

NovAtel Inc. designs, markets, and supports a broad range of products that determine precise geographic locations using the Global Positioning System (GPS). The system is comprised of 24 earth orbiting satellites that transmit radio signals 24 hours a day worldwide. GPS receivers calculate the distance from the satellites to the receiver and then use a triangulation technique to determine exact geographical locations. GPS is used for a variety of purposes, including navigating, tracking, mapping, and conducting geographical surveys.

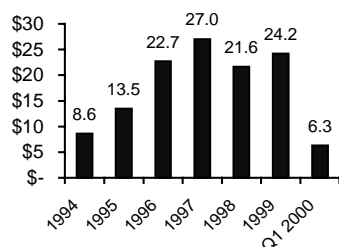
NovAtel focuses on high-end GPS applications such as surveying, geographic information systems (GIS), aviation, marine, mining and machine control and agriculture, with technologically innovative products that are easy to use and integrate, are highly reliable and provide a high degree of accuracy. According to industry sources, these market segments represent an estimated US\$2.0B in 1999 and are expected to grow to approximately US\$7.0 billion by the year 2003. NovAtel is not active in low-end GPS applications such as vehicle navigation and the consumer/cellular market.

Investor Information (at 05/05/00)

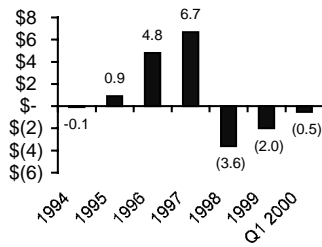
Nasdaq:	NGPS	CAGR 1993-99	
Price:	US\$3.75	Sales:	30%
Market capitalization:	US\$28.8 million	52-week price range:	US\$1.00 - US\$10.50
Shares outstanding:	7,674,440		

Financial Highlights

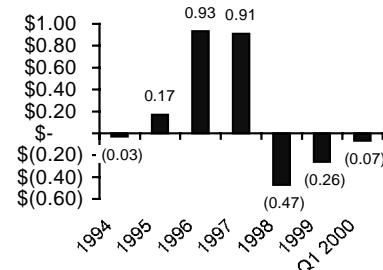
Revenue
CDN\$ Millions



Net Income (Loss) From Continuing Operations
CDN\$ Millions



Net Income (Loss) From Continuing Operations - Per Share (basic)
CDN\$



Statement of Operations
(CDN\$ in thousands, except per share data)

	Three months ended	
	3/31/00	3/31/99
Revenue	\$ 6,293	\$ 5,270
Net loss from continuing operations	\$ (507)	\$ (770)
Net income (loss) per share from continuing operations (basic)	\$ (0.07)	\$ (0.10)
Net income (loss) per share from continuing operations (fully diluted)	\$ (0.07)	\$ (0.10)

Balance Sheet
(CDN\$ in thousands)

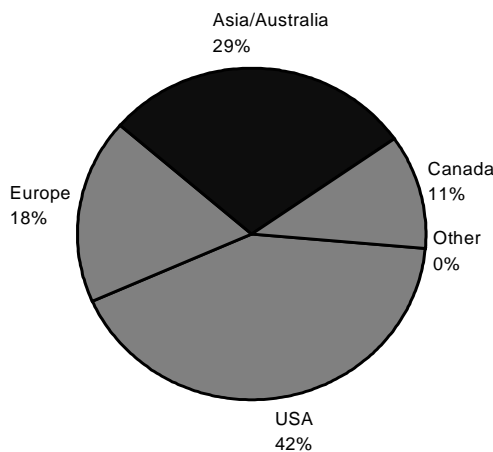
	at 3/31/00	at 12/31/99
Cash and short term investments	\$ 7,088	\$ 8,280
Debt-current	\$ 0	\$ 0
Debt-long term	\$ 0	\$ 0
Total shareholders' equity	\$ 21,263	\$ 21,752

Recent Developments

- ◆ In January, NovAtel announced its new GPS 600 Series Antenna. This is the GPS industry's first dual frequency antenna to achieve less than 1mm offset between L1 and L2 phase centers without the aid of a choke ring. The new 600 Series Antenna achieves this kind of industry-leading performance by replacing conventional patch antenna designs with NovAtel's patent pending Pinwheel Technology – a unique aperture coupled slot array configuration. The innovative design of this antenna eliminates horizontal phase center variation while coinciding with the geometrical center of the antenna, delivering choke ring level performance and accuracy without the need for a choke ring. The antenna is also compact, measuring only 6.5 inches and weighing 600 grams, making it ideal for portable applications such as surveying. Other advantages include low power consumption (200 mW) and a rugged, sturdy housing that can handle even the toughest environmental challenges.
- ◆ Also in January, NovAtel announced that it had delivered an additional six GPS receivers to Raytheon Systems Company for the Federal Aviation Administration's Wide Area Augmentation System (WAAS). WAAS is considered to be the first step toward achieving a future integrated, worldwide Global Navigation Satellite System, which is intended to eventually replace current radio-based navigation and instrument approach systems. WAAS will reduce aircraft separation requirements, increase the number of flights on busy routes, facilitate the next generation of aircraft approach systems and contribute to the increased safety and efficiency of international aviation. NovAtel has now delivered more than 200 receivers to the US WAAS, Japanese MSAS, European EGNOS and other WAAS related programs.
- ◆ On May 1, 2000, President Clinton announced that the United States would immediately stop intentional degradation, also known as selective availability, of the GPS signal available to the public. This means that typical accuracies of 100 meters with the degradation are now significantly improved to the level of a few meters without differential aiding but with the same equipment. NovAtel anticipates this action will allow new GPS applications to emerge.

Distribution

NovAtel sells its products through multiple channels – direct, dealers and value-added resellers – and in over 35 countries worldwide.



Region (Q1 2000)

Key Strategies

- ◆ Exploit high-end GPS markets by using our products, marketing strength or partnerships.
- ◆ Build Special Apps business by acting as an incubator for developing products.
- ◆ Maintain technological leadership.
- ◆ Continue to expand presence in Geomatics sector.
- ◆ Pursue opportunities for aerospace and defense.
- ◆ Provide superior customer support.
- ◆ Expand international presence.

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