

Company Overview

NovAtel Inc. is a leading provider of precise global positioning and augmentation technologies designed to afford our customers rapid integration and superior return on investment.

NovAtel Inc. designs, markets and supports a broad range of products which determine precise geographic locations using the Global Positioning System (GPS). NovAtel's GPS products are used principally for applications in high-end markets such as surveying, geographical information systems (GIS), aviation, unmanned

vehicles, marine, mining, machine control, agriculture and precise timing, rather than for applications in low-end markets such as the vehicle navigation and consumer/cellular markets.

NovAtel is also the prime supplier of GPS ground reference receivers to national satellite-based augmentation systems worldwide including the U.S. WAAS, Europe EGNOS, Japan MSAS and China SNAS.

Investor Information (at 5/2/03)

Nasdaq: NGPS
 Price (Close): US\$3.81
 Market capitalization: US\$29.29 million
 Shares outstanding: 7,687,645

CAGR 1993-02
 Sales: 24%
 52-week price range (Close):
US\$1.76 - US\$4.19

Financial Highlights

Statement of Operations

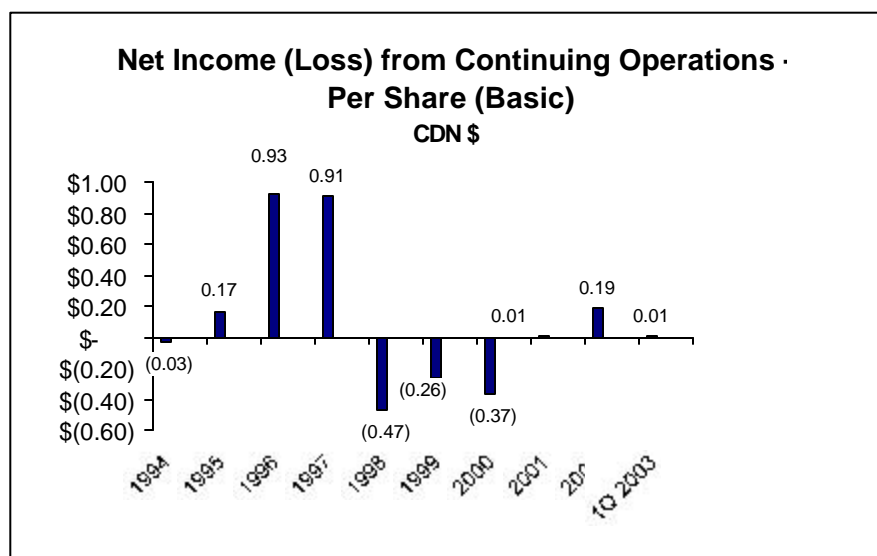
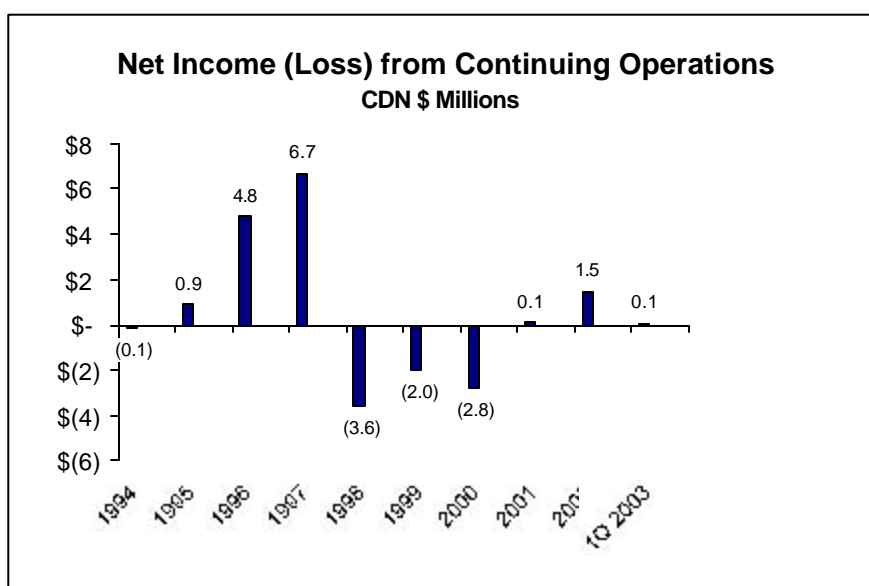
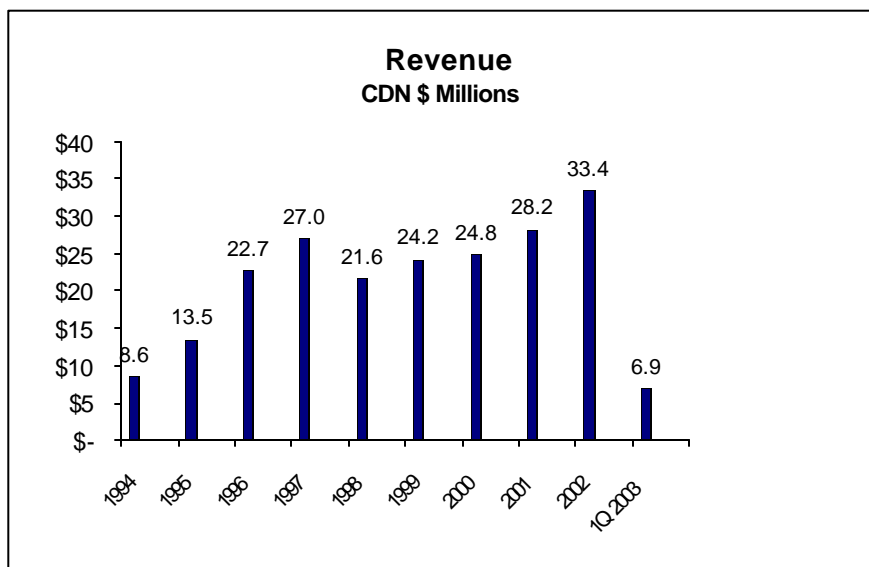
(CDN\$ in thousands, except per share data)

	Three months ended	
	<u>3/30/03</u>	<u>3/31/02</u>
Revenue	\$ 6,899	\$ 7,241
Net income from continuing operations	\$ 63	\$ 250
Net income	\$ 15	\$ 73
Net income (loss) per share from continuing operations (basic)	\$ 0.01	\$ 0.03
Net income (loss) per share from continuing operations (diluted)	\$ 0.01	\$ 0.03

Balance Sheet

(CDN\$ in thousands)

	<u>at 3/30/03</u>	<u>at 12/31/02</u>
Cash and short term investments	\$ 9,455	\$ 6,572
Total assets	\$29,385	\$30,890
Debt-long term	\$ 0	\$ 0
Total shareholders' equity	\$20,562	\$ 20,547

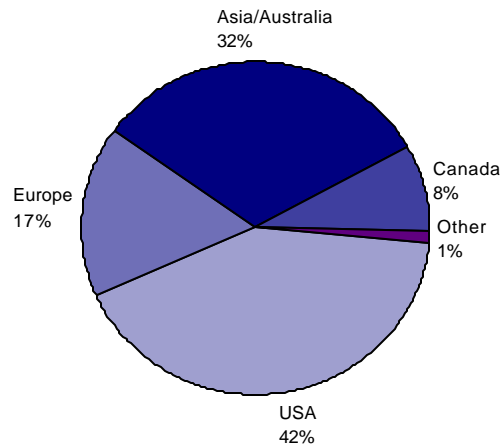


Recent Developments

- ◆ On February 11, NovAtel and CMC Electronics Inc. announced the signing of a Memorandum of Understanding towards NovAtel's acquisition of CMC Electronics' Global Positioning System OEM product line. The new product line will extend NovAtel's current high-performance, upgradeable L1 and L1/L2 product line into the mid-level L1 market. This will increase NovAtel's total addressable market in core segments and also create entry points into new vertical markets, such as timing and marine. The target date for the actual transfer of the business is in mid-May 2003.
- ◆ NovAtel launched a series of new products on February 10, to expand its core GPS technology offering. These new products include its latest GPS engine – the OEM4-G2L; a rugged enclosure – the ProPak-G2; and the GPS-700 antenna series.
- ◆ On April 28, NovAtel announced receiving two letter contracts from Raytheon Navigation Landing Systems, worth US \$100,000 each, to initiate development of a ground receiver and signal generator for the new FAA Geostationary Communication Control Segment (GCCS). Provided that NovAtel's development proposals are accepted by Raytheon and the corresponding contracts are awarded, NovAtel expects the combined programs to provide revenue of approximately US \$3 million over the next two years.
- ◆ NovAtel announced a 220,000 Euro contract award by the European Space Agency on December 18, 2002. The contract is for the initial development phase of the Ground Reference Receiver for the European Galileo program. Galileo is the European Union's state-of-the-art Global Navigation Satellite System, which is expected to be fully operable by 2008 with up to 30 satellites orbiting the earth. NovAtel and ESA are also working towards replacing this interim agreement with a full contract worth 500,000 Euros, which work would be completed by the end of Q4 2003.
- ◆ NovAtel's Asian distribution network has been strengthened with the addition of Dr. Jose J. Briceno and i-qube. Based in Tokyo, Japan, it was announced on December 17, 2002 that Dr. Briceno will play a key role in expanding and supporting NovAtel's business in Asia.
- ◆ On December 5, 2002, NovAtel announced that it had shipped additional WAAS (Wide Area Augmentation System) receivers to Shenzhen Shenyuan Trading Company for use in the Chinese Satellite Navigation Augmentation System (SNAS). This order represents the second lot of receivers for Phase 2 of the Chinese SNAS program, and includes upgrades to mini-WAAS receivers previously delivered under Phase 1 in 2000. This latest shipment has a value of \$2.4 million US to NovAtel.

Distribution

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



Region (2002)

Key Strategies

- ◆ Profitable growth through ROI based decision making, creating value for stakeholders
- ◆ Develop strategic partnerships and ventures with best-of-breed companies offering complementary technologies and/or markets
- ◆ Focus on customer satisfaction through excellent product cost/performance, rapid integration ability and support
- ◆ Attract and retain the best performance motivated employees
- ◆ Continued investment in sales, marketing and operational excellence
- ◆ Continued investment in R&D with a focus on advancements in precision global positioning and its augmentations (e.g. L2CS, L5, GPS+inertial, GPS+communications, GPS+Galileo...)

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