

## 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.

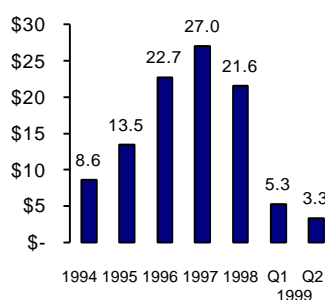
NovAtel focuses on high-end GPS applications such as surveying, geographic information systems (GIS), aviation, marine, mining and machine control and agriculture with technologically innovative products that provide high levels of accuracy, real-time positioning and reliability. According to industry sources, these market segments represent an estimated US\$1.0B in 1999 and are expected to grow to approximately US\$2.0 billion in 2003. NovAtel is not active in low-end GPS applications such as vehicle navigation and the consumer/cellular market.

## Investor Information (at 8/11/99)

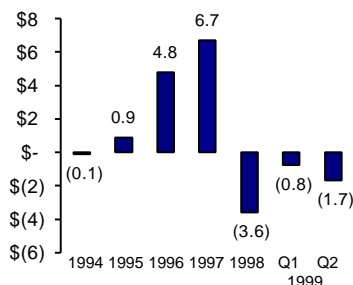
Nasdaq:	NGPS	CAGR 1993-98	
Price:	US\$1.625	Sales:	35%
Market capitalization:	US\$12.5 million	52-week price range:	US\$1.375 - US\$4.875
Shares outstanding:	7,674,040		

## Financial Highlights

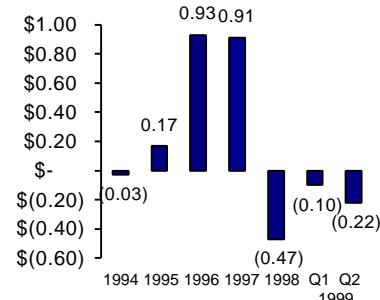
**Revenue**  
CDN\$ Millions



**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)

	Six months ended	
	6/26/99	7/4/98
Revenue	\$ 8,577	\$ 10,509
Net income (loss) from continuing operations	\$ (2,444)	\$ (1,784)
Net income (loss) per share from continuing operations (basic)	\$ (0.32)	\$ (0.23)
Net income (loss) per share from continuing operations (fully diluted)	\$ (0.32)	\$ (0.23)

**Balance Sheet**  
(CDN\$ in thousands)

	at 6/26/99	at 12/31/98
Cash and short term investments	\$ 9,746	\$ 4,486
Debt-current	\$ 0	\$ 0
Debt-long term	\$ 0	\$ 0
Total shareholders' equity	\$ 20,342	\$ 22,786

## Recent Developments

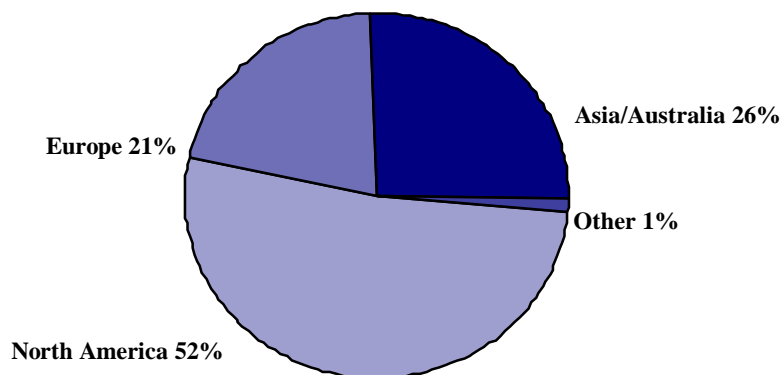
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- ◆ On August 9, 1999 NovAtel announced that it has been awarded an initial contract to supply wide area reference receivers for the European Geo-stationary Overlay System (EGNOS). The EGNOS receivers have the same hardware configuration as the NovAtel Wide Area Augmentation System (WAAS) receivers, with added software qualification and functionality.
- ◆ On July 20, 1999 NovAtel and Sokkia Co. Ltd. solidified a unique partnership by forming a jointly owned subsidiary company. This company, called POINT, Inc., will begin operations August 2, 1999 and bring together NovAtel's world-class GPS engineering with Sokkia's unparalleled sales and distribution system. Comprised of marketing and development groups from both parent companies, POINT, Inc. will provide Sokkia's global market with advanced measurement solutions for the fields of surveying, mapping, Geographical Information Systems (GIS), construction and machine control. Sokkia's distribution system includes more than 25 subsidiaries and additional representatives around the world, each having its own dealer network.
- ◆ In Costa Rica on June 15, 1999 NovAtel, its partner GOPS Servicios De Consultoria S.A. and senior officials from a branch of Costa Rica's Ministry of Public Works and Transportation jointly signed an agreement to conduct a capital project study of the roadway that links the City of Puerto Limón and Sixaola City, a total of 92 kilometres. The study is valued at CDN \$580,000. As part of the project study, NovAtel and GOPS will work with Consejo Nacional de Vialidad (CONAVI) to provide GPS surveying services us NovAtel's dual frequency GPS surveying product. The survey will identify bid specifications for the proposed reconstruction of the road, which has been affected by a number of natural disasters such as the earthquake in 1991 and several hurricanes (CESAR and MITCH).

## Distribution

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



*Region (1<sup>st</sup> Half 1999)*

## Key Strategies

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- ◆ Build OEM business by developing new and innovative products
- ◆ Continue to build presence in end user markets
- ◆ Expand international distribution network
- ◆ Maintain technological leadership
- ◆ Lead industry in customer support and service
- ◆ Develop significant opportunities for aviation

## Investor Contact

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Sonia Ross  
NovAtel Inc.

Telephone: 403•295•4532  
Facsimile: 403•295•0230

1120 - 68th Avenue N.E.  
Calgary, AB T2E 8S5

E-mail: [sross@novatel.ca](mailto:sross@novatel.ca)  
Website: <http://www.novatel.ca>