

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.

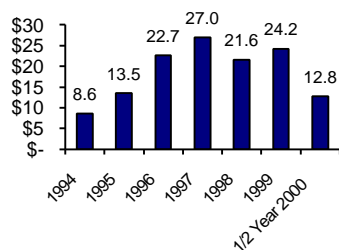
NovAtel focuses on high-end GPS applications such as surveying, geographic information systems (GIS), aviation, marine, mining and machine control and agriculture, with technologically innovative products that are easy to use and integrate, are highly reliable and provide a high degree of accuracy. According 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 07/20/00)

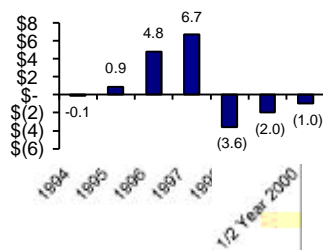
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|------------------------|------------------|----------------------|----------------------|
| Nasdaq: | NGPS | CAGR 1993-99 | |
| Price: | US\$4.875 | Sales: | 30% |
| Market capitalization: | US\$37.4 million | 52-week price range: | US\$1.00 - US\$10.50 |
| Shares outstanding: | 7,674,815 | | |

Financial Highlights

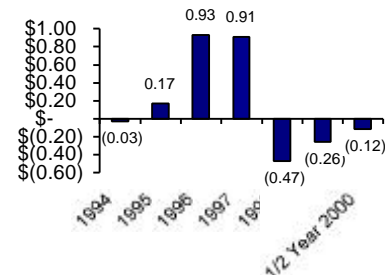
Revenue
CDN\$ Millions



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 | |
|--|------------------|------------|
| | 6/30/00 | 6/26/99 |
| Revenue | \$ 12,763 | \$ 8,577 |
| Net loss from continuing operations | \$ (956) | \$ (2,444) |
| Net income (loss) per share from continuing operations (basic) | \$ (0.12) | \$ (0.32) |
| Net income (loss) per share from continuing operations (fully diluted) | \$ (0.12) | \$ (0.32) |

Balance Sheet

(CDN\$ in thousands)

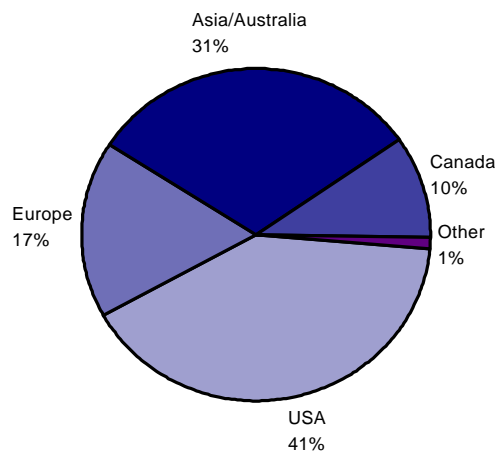
| | at 6/30/00 | at 12/31/99 |
|---------------------------------|------------|-------------|
| Cash and short term investments | \$ 7,161 | \$ 8,280 |
| Debt-current | \$ 0 | \$ 0 |
| Debt-long term | \$ 0 | \$ 0 |
| Total shareholders' equity | \$ 20,814 | \$ 21,752 |

Recent Developments

- ◆ In early July, NovAtel announced that it had received an order for 34 WAAS and mini-WAAS receivers from Shenzhen Shenyuan Trading Company for use in the Chinese Satellite Navigation Augmentation System (SNAS). 12 of the receivers have been delivered to the customer in China, with the remaining 22 receivers scheduled for delivery before the end of 2000. Initially, eleven SNAS reference sites are being installed in and around Beijing, each equipped with three NovAtel WAAS/mini-WAAS receivers. These receivers are functionally identical to those used in the United States WAAS and Japanese MSAS (MTSAT Satellite-based Augmentation System). The Multipath Estimating Delay Lock Loop (MEDLL®) function, which minimizes multipath effects in the broadcast reference corrections, has been disabled in the mini-WAAS receivers. MEDLL is scheduled to be activated in these receivers in later phases of the Chinese SNAS project.

Distribution

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



Region (1st Half 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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