

## 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\$1.3B in 1997 and are expected to grow to approximately US\$3.3 billion in 2000. NovAtel is not active in low-end GPS applications such as vehicle navigation and the consumer/cellular market.

## Investor Information (at 10/29/98)

Nasdaq: NGPSF  
Price: US\$2.75  
Market capitalization: US\$21.1 million  
Price range since IPO: US\$2.00 - US\$12.125  
Shares outstanding: 7,674,040

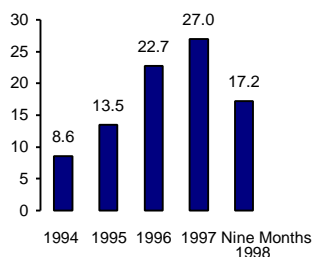
CAGR 1993-97  
Sales: 53%  
Income from continuing operations: 136%

### Analyst Coverage

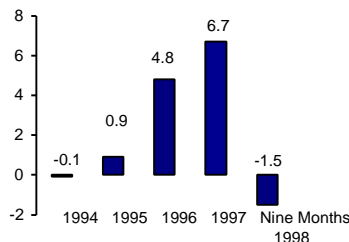
Montgomery Securities  
Prudential Securities

## Financial Highlights

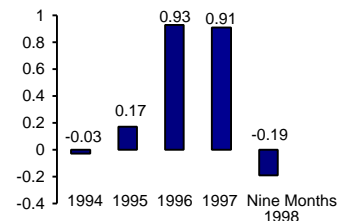
**Revenue**  
CDN\$ Millions



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



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



### Statement of Operations

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

	Nine months ended	
	10/03/98	09/27/97
Revenue	\$ 17,192	\$ 19,470
Income (loss) from continuing operations	\$ (1,475)	\$ 4,211
Income (loss) per share from continuing operations (basic)	\$ (0.19)	\$ 0.57
Income (loss) per share from continuing operations (fully diluted)	\$ (0.19)	\$ 0.55

### Balance Sheet

(CDN\$ in thousands)

	at 10/03/98	at 12/31/97
Cash and short term investments	\$ 5,700	\$ 10,732
Debt-current	\$ 0	\$ 0
Debt-long term	\$ 0	\$ 0
Total shareholders' equity	\$ 24,936	\$ 25,073

## Recent Developments

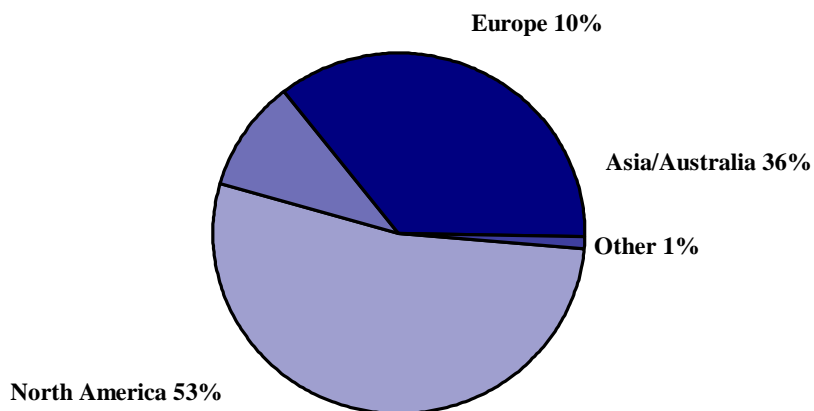
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- Doug Reid was promoted to become President and CEO and a Director of NovAtel, following the resignation of Pascal E. Spothelfer. Reid had served as Executive Vice President and Chief Operating Officer for NovAtel since October 1996 and as Vice President and General Manager of NovAtel's GPS business unit from July 1995 to October 1996.
- Graham Purves was promoted to Vice President, Sales and Marketing. Purves has been with NovAtel for over 10 years, and was most recently responsible for setting up and serving as Director, Custom Products Group where he built the group to pursue survey, GIS and machine control markets and developed key accounts.
- Wendy Watson was promoted to Director, Custom Products Group, replacing Purves. Watson joined NovAtel in 1994 as the first Product Manager for the GPS Group, and most recently she had served as Product Manager for the Custom Products Group.
- James W. (Jim) Close was appointed to the Board of Directors of NovAtel. Close has been President and CEO of Canadian Marconi Company since July 1, 1998.
- In September, NovAtel released its latest GPS products at the Institute of Navigation (ION) '98 conference and trade show held in Nashville, TN. The MiLLennium – WAAS receiver, the MiLLennium – GLONASS receiver, and a DL (data logging) Series GPS receiver will directly impact the aviation, surveying and geographic information systems markets, providing increased accuracy, flexibility and ease of use in these applications.

## 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 (Nine Months 1998)**

## Key Strategies

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- Grow OEM business by expanding the product family
- Broaden revenue base by entering selected end-user markets
- Expand international business by a targeted marketing strategy with optimized sales channel mix
- Maintain technological leadership
- Lead industry in customer support and service

## Investor Contact

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