

Company Overview

NovAtel Inc. is a precise positioning technology company. It designs, markets, and supports a broad range of products that determine precise geographic locations using the Global Positioning System (GPS) and is the principal supplier of reference receivers to WAAS ground networks around the world. 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's GPS products are used principally for applications in precision markets such as the surveying, geographic information systems (GIS), aviation, marine, mining, machine control, agriculture and precise timing markets with technologically innovative products that are easy to use and integrate, are highly reliable and provide a high degree of accuracy. NovAtel is not active in low-end GPS applications such as vehicle navigation and the consumer/cellular market.

Investor Information (at 11/7/02)

Nasdaq: NGPS
 Price (Close): US\$2.339
 Market capitalization: US\$17.97 million
 Shares outstanding: 7,684,815

CAGR 1993-01
 Sales: 24.5%
 52-week price range (Close):
US\$1.61 - US\$4.95

Financial Highlights

Statement of Operations

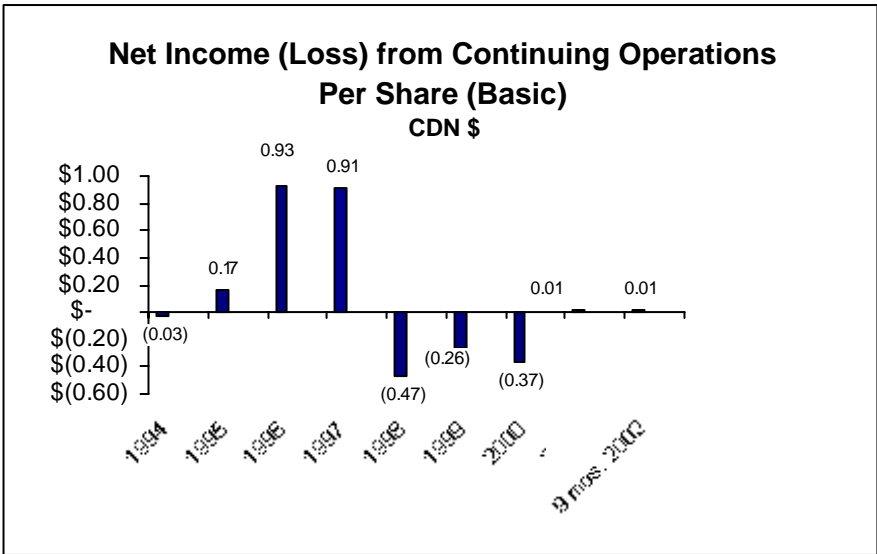
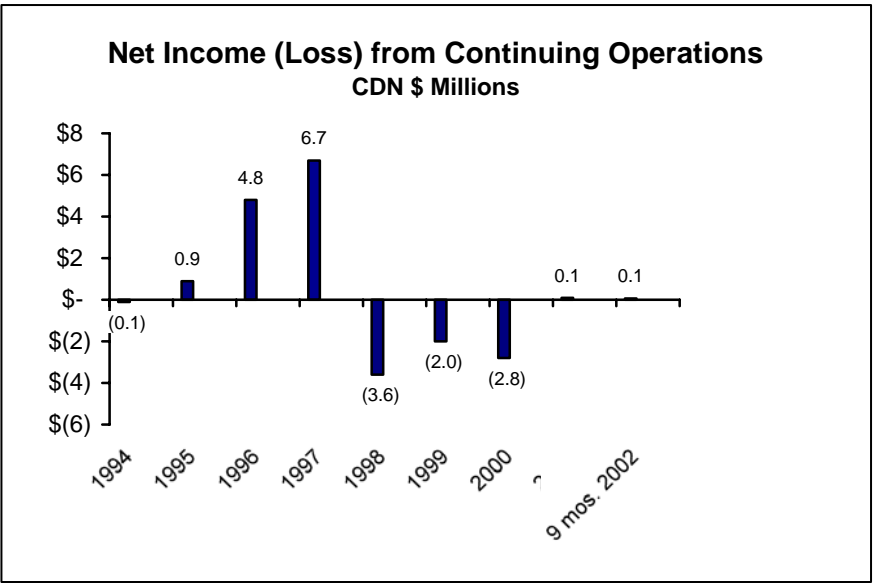
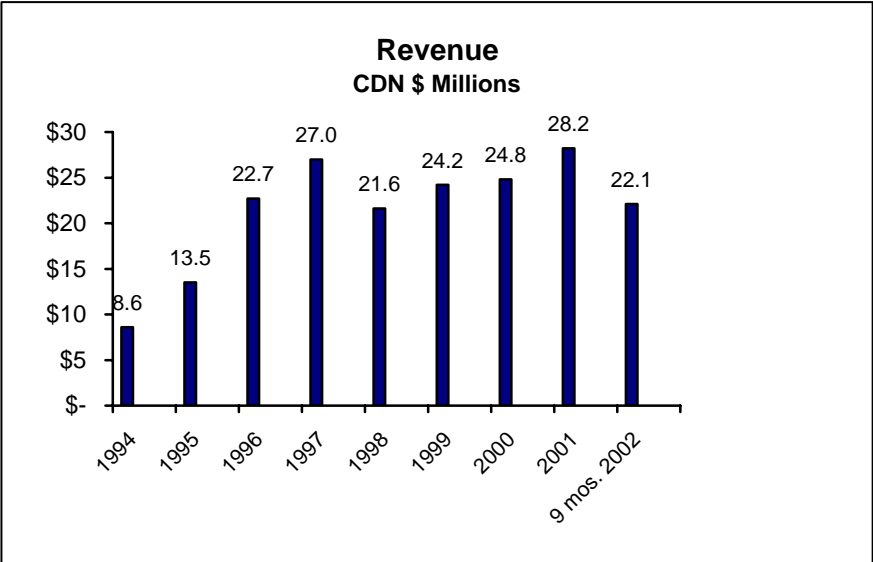
(CDN\$ in thousands, except per share data)

	Nine months ended	
	<u>9/28/02</u>	<u>9/29/01</u>
Revenue	\$22,110	\$ 20,425
Net income (loss) from continuing operations	\$ 60	\$ (656)
Net income (loss) per share from continuing operations (basic)	\$ 0.01	\$ (0.09)
Net income (loss) per share from continuing operations (diluted)	\$ 0.01	\$ (0.09)

Balance Sheet

(CDN\$ in thousands)

	<u>at 9/28/02</u>	<u>at 12/31/01</u>
Cash and short term investments	\$ 6,206	\$ 4,794
Total assets	\$27,641	\$27,821
Debt-long term	\$ 0	\$ 0
Total shareholders' equity	\$19,094	\$ 19,086

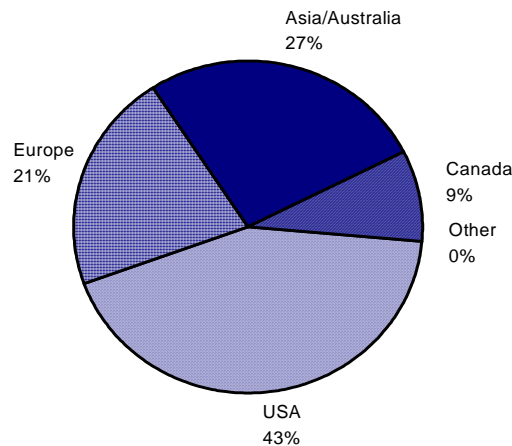


Recent Developments

- ◆ On September 25, NovAtel launched its latest generation GPS engine, the OEM4-G2, a small, high performance, dual frequency receiver featuring patented Pulse Aperture Correlator (PAC) technology. This new engine is available with an Application Programming Interface (API) option – an enhancement that allows systems developers to write specialized application software to run on the OEM4-G2. The product was designed for more flexibility and ease of integration, as it can run customized application software directly onboard, meaning that developers don't have to spend additional resources developing a separate hardware platform for their unique software application. This has a significant impact on time to market and allows them to deliver positioning products to their customers that are smaller, less expensive, more reliable and easier to upgrade.
- ◆ NovAtel announced on November 5 that it had been awarded a contract by Public Works & Government Services Canada, valued at \$142,000 (CDN), for an Interoperability study on the receiver requirements for Galileo. Galileo is the European Union's state-of-the-art Global Navigation Satellite System (GNSS), which is expected to be fully operable by 2008 with up to 30 satellites orbiting the earth. This contract, sponsored in Canada by the Canadian Space Agency (CSA), focuses principally on both GPS and Galileo receiver requirements and system performance.

Distribution

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



Region (2001)

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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