

## **NovAtel Reports Profit for the Fourth Quarter and Full Year 2001**

(Calgary, Alberta, Canada, February 21, 2002)— NovAtel Inc. (NASDAQ: NGPS), a global positioning systems manufacturer, today announced results for the fourth quarter and year ended December 31, 2001.

Revenues in the fourth quarter 2001 were CDN \$7.8 million (US \$4.9 million) compared to CDN \$5.8 million (US \$3.6 million) in the same period a year ago and CDN \$6.9 million (US \$4.3 million) in the previous quarter. The Company is reporting net income for the fourth quarter 2001 of CDN \$766,000 (US \$481,000) or CDN \$0.10 (US \$0.06) per share compared with a net loss of CDN \$1.4 million (US \$854,000) or CDN \$(0.18) (US \$(0.11)) per share in the same period a year ago.

For the full year ended December 31, 2001, revenues were CDN \$28.2 million (US \$17.8 million), up from CDN \$24.8 million (US \$15.6 million) in the same period a year ago. The Company earned net income of CDN \$110,000 (US \$69,000) for the full year, or CDN \$0.01 (US \$0.01) per share, compared with a net loss of CDN \$2.8 million (US \$1.8 million) in 2000.

“NovAtel had an exceptional fourth quarter in 2001, highlighted by the continued commitment of the Chinese government to deploy SNAS, their WAAS-equivalent system,” said David Vaughn. “These fourth quarter results, along with the improved bottom line performance of the third quarter, allowed us to put together our first profitable year since 1997.”

“Earlier this year, NovAtel focused its resources on growing the top line revenue while putting in place a number of cost-saving programs, including an across-the-board salary cut of 10%. These steps were taken in an effort to turn NovAtel into a profitable company,” continued Vaughn. “Our performance in 2001 exceeded our internal targets and allowed us to not only reinstate our employees’ full salaries but also to reimburse to them all the moneys contributed by our salary reduction program.”

“Getting NovAtel profitable in these difficult times has been a real team effort, and we all look forward to continued profitability in 2002,” concluded Vaughn.

The Company will have a conference call this afternoon at 4:30 p.m. E.T. Participants may access the NovAtel Inc. conference call by dialing 1-888-293-1928 (North America) or 212-993-0209 (International). This call is being webcast by CCBN and can be accessed at NovAtel’s web site at [www.novatel.ca](http://www.novatel.ca).

The webcast is also being distributed over CCBN’s Investor Distribution Network to both institutional and individual investors. Individual investors can listen to the call through CCBN’s individual investor center at [www.companyboardroom.com](http://www.companyboardroom.com) or by visiting any of the investor sites in CCBN’s Individual Investor Network such as America Online’s Personal Finance Channel, Fidelity Investments® (Fidelity.com) and others. Institutional investors can access the

call via CCBN's password-protected event management site, StreetEvents ([www.streetevents.com](http://www.streetevents.com)).

A replay of the conference call will be available until February 26, 2002 by dialing 1-800-558-5253 and entering reservation number 20351811, or until May 21, 2002 at the web addresses noted above.

NovAtel Inc. 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. NovAtel's GPS products are used principally for applications in precision markets such as the surveying, geographic information systems, aviation, marine, mining and machine control, agriculture and precise timing markets. For further information please visit our website at [www.novatel.com](http://www.novatel.com).

*Certain statements in this news release constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of the Company, or developments in the Company's industry, to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, but are not limited to, operating results of subsidiaries and joint ventures, establishing and maintaining effective distribution channels, certification and market acceptance of the Company's new products, impact and timing of large orders, pricing pressures in the market and other competitive factors, maintaining technological leadership, timing of revenue recognition in connection with certain contracts, the ability to maintain supply of products from subcontract manufacturers, the procurement of components to build products, and the impact of industry consolidations, together with the other risks and uncertainties described in public filings.*

**NOVATEL INC.**

**CONSOLIDATED BALANCE SHEETS**  
(in Canadian \$ thousands)

	<u>December 31,</u> <u>2001</u>	<u>December 31,</u> <u>2000</u>
<b>ASSETS</b>		
Current assets:		
Cash and short term investments.....	\$ 4,794	\$ 6,055
Accounts receivable.....	6,050	4,246
Related party receivables.....	665	1,165
Related party notes receivable.....	1,595	1,426
Inventories.....	6,562	6,532
Prepaid expenses and deposits.....	<u>286</u>	<u>401</u>
Total current assets.....	19,952	19,825
Capital assets.....	2,854	3,592
Intangible assets.....	2,487	2,853
Deferred development costs.....	<u>2,528</u>	<u>2,560</u>
Total assets.....	<u>\$ 27,821</u>	<u>\$ 28,830</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Accounts payable and accrued liabilities.....	\$ 4,469	\$ 5,811
Related party payables.....	418	568
Notes payable.....	1,964	1,426
Deferred revenue.....	202	245
Provision for future warranty costs.....	285	268
Capital lease obligation – current portion.....	<u>330</u>	<u>228</u>
Total current liabilities.....	7,668	8,546
Deferred gain on sale/leaseback of capital assets.....	814	935
Capital lease obligation – long-term portion.....	<u>253</u>	<u>307</u>
Total liabilities.....	<u>8,735</u>	<u>9,788</u>
Non-controlling interest.....	<u>—</u>	<u>73</u>
Shareholders' equity:		
Capital stock.....	35,596	35,614
Contributed surplus.....	25	—
Deficit.....	<u>(16,535)</u>	<u>(16,645)</u>
Total shareholders' equity.....	<u>19,086</u>	<u>18,969</u>
Total liabilities and shareholders' equity.....	<u>\$ 27,821</u>	<u>\$ 28,830</u>

**NOVATEL INC.**

**CONSOLIDATED STATEMENTS OF OPERATIONS**  
(in Canadian \$ thousands, except per share data)

	<u>Three months ended</u>		<u>Year ended</u>	
	<u>Dec. 31,</u> <u>2001</u>	<u>Dec. 31,</u> <u>2000</u>	<u>Dec. 31,</u> <u>2001</u>	<u>Dec. 31,</u> <u>2000</u>
Revenues .....	\$ 7,812	\$ 5,766	\$ 28,237	\$ 24,843
Cost of sales.....	<u>3,003</u>	<u>2,611</u>	<u>13,272</u>	<u>10,842</u>
Gross profit.....	<u>4,809</u>	<u>3,155</u>	<u>14,965</u>	<u>14,001</u>
Operating expenses:				
Research and development .....	1,603	1,986	6,827	8,161
Selling and marketing .....	1,239	927	3,859	4,527
General and administration.....	<u>1,168</u>	<u>881</u>	<u>4,170</u>	<u>3,661</u>
Total operating expenses.....	<u>4,010</u>	<u>3,794</u>	<u>14,856</u>	<u>16,349</u>
Operating income (loss) .....	799	(639)	109	(2,348)
Interest income .....	16	78	138	319
Other expense .....	<u>(49)</u>	<u>(767)</u>	<u>(124)</u>	<u>(769)</u>
Income (loss) from continuing operations before income taxes .....	766	(1,328)	123	(2,798)
Provision for income taxes .....	<u>—</u>	<u>21</u>	<u>13</u>	<u>13</u>
Net income (loss) from continuing operations.....	766	(1,349)	110	(2,811)
Net income (loss) from discontinued operations...	<u>—</u>	<u>(12)</u>	<u>—</u>	<u>16</u>
Net income (loss) .....	<u>\$ 766</u>	<u>\$ (1,361)</u>	<u>\$ 110</u>	<u>\$ (2,795)</u>
Net income (loss) per share (basic):				
Continuing operations .....	\$ 0.10	\$ (0.18)	\$ 0.01	\$ (0.37)
Discontinued operations.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.01</u>
Net income (loss) per share.....	<u>\$ 0.10</u>	<u>\$ (0.18)</u>	<u>\$ 0.01</u>	<u>\$ (0.36)</u>
Weighted average shares outstanding (basic) .....	<u>7,683</u>	<u>7,678</u>	<u>7,690</u>	<u>7,676</u>
Net income (loss) per share (diluted):				
Continuing operations .....	\$ 0.10	\$ (0.18)	\$ 0.01	\$ (0.37)
Discontinued operations.....	<u>—</u>	<u>—</u>	<u>—</u>	<u>0.01</u>
Net income (loss) per share.....	<u>\$ 0.10</u>	<u>\$ (0.18)</u>	<u>\$ 0.01</u>	<u>\$ (0.36)</u>
Weighted average shares outstanding (diluted).....	<u>7,750</u>	<u>7,795</u>	<u>7,704</u>	<u>7,816</u>