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Nocom Annual Report 2002

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Annual General Meeting

The Annual General Meeting of Nocom AB (publ) will be held on Thursday, May 15, 2003, starting 4 pm, in the Company's premises, Kristallen, Axel Johanssons gata 4-6, Uppsala, Sweden.

Registration

Stockholders that wish to participate in the Annual General Meeting shall be registered in the share register kept by VPC AB as of Monday, May 5, 2003, as well as announce their intention to participate in the Annual General Meeting by 4 pm on May 12, 2003, in writing to Nocom AB (publ), Kristallen, SE-754 51 Uppsala, Sweden, by phone to +46 18 65 55 00, by fax to +46 18 65 55 55, or via the Internet at www.nocom.se.

When registering, name, address, telephone number, personal (social security) or corporate identity number, and number of shares shall be stated.

Nominee stockholders shall, in good time prior to May 5, 2003, through their administrator temporarily register their

stock in their own name in order to own the right to participate in the meeting.

Authorization documents, such as powers of attorney and registration certificates, should be submitted before the Annual General Meeting where applicable. Stockholders who wish to bring one or two assistants should announce this intention within the time limit and according to the procedure that applies to stockholders.

Dividends

The Board proposes that no dividends be paid for the fiscal year 2002.

Financial Information 2003

Interim report January–March	May 15, 2003
Interim Report January–June	August 21, 2003
Interim Report January–September	November 13, 2003

2002 in Brief

- Sales totaled SEK 150.8 (280.4) million, a decrease of 46 percent.
- Operating profit before depreciation totaled SEK -39.3 (-75.8) million, an improvement of SEK 36.5 million.
- Profit after financial items totaled SEK -87.1 (-187.9) million, of which one-off costs comprised approximately SEK 38 million as follows:
 - Goodwill write-down SEK 19.1 million
 - Action plan SEK 19.0 million
- The number of employees at year-end totaled 92 (155). After the implementation of the action plan, the number of employees is expected to total no more than 80.
- Cash flow from current operations totaled SEK -18.4 (-41.4) million.
- Available liquid assets totaled SEK 17.1 million as of December 31, 2002. In addition, there were unutilized committed lines of credit totaling SEK 7.0 million.
- In September Nocom implemented a far-reaching action plan that entailed phasing out consulting operations and the rationalization and optimization of functions such as sales, marketing, and finance. In total, about 50 positions were affected.
- The fourth quarter was Nocom's strongest for five years in terms of results. Operating profit before depreciation was positive for the quarter, for the first time since 1999, and totaled SEK 4.0 (-17.0) million. Cash flow from current operations was also positive in the fourth quarter and totaled SEK 3.9 million.
- In September, the Board appointed Christer Magnusson as Chairman. Anders Jonson, who had been the Chairman of the Board since 2001, remains a Board Member. Monica Caneman was elected to Nocom's Board of Directors at the Annual General Meeting in April, and in November the Company's CEO Stefan Skarin was also elected.
- Nocom's Series B stock is quoted on Stockholmsbörsen's (the Stockholm Stock Exchange) O-List. During the year, the stock unit price varied from a low of SEK 0.48 to a high of SEK 3.60. The stock price on December 31 was SEK 0.81 and Nocom's market value was SEK 23 million.

Nocom in Brief

Nocom AB (publ) is an innovative IT company with an offering aimed directly at client companies, as well as at partners and resellers. The Company is focused on IT solutions for use within integration, infrastructure, analysis, security, and development. Our offering encompasses market-leading software with support, maintenance, professional services, and training.

Our e-channel center offers advanced hosting solutions for critical business systems. The Nocom group also includes

Travelutions, IT and management consultants with a focus on the travel industry.

Clients are found primarily among large and medium size companies in the Scandinavian market. Nocom has about 80 employees and is represented in Sweden, Norway, and Finland. The Company was founded in 1985 and has been quoted on the Stockholmsbörsen's O-List (NOCM B) since 1999.



A Few Words from the CEO

Strong Finish to a Year of Changes

When we entered 2002 we did it as a streamlined IT company. Operations outside our core operations had been divested or discontinued. By so doing we put a stop to the diversification that took place during the first years of the 21st century, with a widening of our offering and acquisitions within areas such as market communications and e-logistics. Operations now had a focus on software distribution with services and IT consultants.

Now, when summarizing 2002, we can enjoy a strong finish to another year of major changes. The fourth quarter provided the Company's strongest result for five years, cash flow was positive, and for the first time since 1999 we could report a positive quarterly result before depreciation. Our focused work to create a stable and long-term profitable

company is beginning to show results, despite the weak market. Many predicted a turnaround for the IT market during the year 2002. As the months went by it became clear that this year too would be characterized by weak demand and low activity. During the spring, the continued weak IT market trend gained increasingly greater effect on the industry, with major profitability problems, bankruptcies, and structural changes as a result.

The general economic recessionary period naturally played its part. But it was more the general lack of confidence in the IT industry and a new way of valuing investments that was felt. Major demands were made on IT investments, requiring that they not only bring benefit, but also generate immediate and measurable cost savings.

The market, in other words, provided no momentum, and it was clear that drive and changes of both operations and organization were required in order to create profitability.

The weak IT market affected the industry's consulting companies hard and at an early stage. Dramatically declining demand and hard-pressed prices resulted in even Nocom's consulting operations being affected with major problems. Despite the fact that we have consciously developed leading consulting expertise within growth areas such as content management and integration, we lost our required capacity levels.

Directly after the summer we launched the most extensive savings and action plan that the Company has ever implemented. We decided to divest ourselves of IT consulting operations, which also affected support functions such as sales, marketing, and finance. In total, about 40 percent of the Company's employees were affected by the plan. The goal was to achieve extensive and rapid cost savings. Savings achieved under the program totaled SEK 40 million on an annual basis. If we add the effects of the measures taken during 2001, the Company has now reduced its annual operating costs by SEK 110 million.

The achieved cost reductions are important and are a prerequisite for continued existence and profitability. Even more important is the fact that we have steered the organization and operations in the right direction. We have found our way back to Nocom's origins and to its core – software. Since our beginnings in 1985, our strength has been to, at an early stage, identify the new software and technologies that have the potential to create business advantages for our customers. We have built the expertise in the Company around this software and have been able to offer customers and partners advanced associated services. This has made us both an attractive and professional distributor for our suppliers and a competent and long-term supplier for our customers, partners, and retailers.

The importance of our business relationships cannot be over-emphasized when the market has been as weak as it was during 2002. Our 18 years in the market have made us veterans in a relatively young industry – years of experience and confidence, which are an asset when confidence in the industry in general is low. A major share of sales during the year came from already established customers, partners, and retailers. During the year, we saw a great deal of evidence showing that our customers are looking over their IT operations in order to cut costs – directly through technology, and indirectly through reduced administration. A considerable share of our software sales takes place via partners and retailers in the Scandinavian market. Despite

the fact that the year has been tough for these actors as well, our sales via this channel have been stable. The explanation for this is that we have an attractive product portfolio, which was also expanded and strengthened during the year.

Our employees have played a decisive role in the successful restructuring of Nocom. The process has been demanding in many ways. The action plan was comprehensive and entailed major changes in work roles and workloads. Despite this fact, we were able to implement the plan completely as planned and with retained work ethics and loyalty. Our employees have on average just over seven years of industry experience, which gives us a stable foundation of expertise upon which to stand. This has been a strength during the turbulence of the fall.

We could, in other words, begin the fourth quarter with a focus on software within the areas of integration, analysis, security, development tools, and infrastructure. Software sales are important, since they affect a major portion of other sales. In addition to software, our offering encompasses support, maintenance, professional services, and training.

In addition to the software focus, we maintain our efforts in the area of advanced hosting solutions for critical business systems in the e-channel center and Travelutions IT and management services with a focus on the travel industry.

We head towards 2003 with a great degree of confidence. We continue our efforts to create a stable result improvement in order to attain long-term profitability. The important first step has been taken with the strong finish to the year. During 2003 we shall refine our offering further. We will extend our product portfolio with new suppliers and products, increase the number of active partners in the market, build further upon our customer relationships, and further develop the expertise of our employees.

With our 18 years in the market, Nocom is one of Sweden's leading software companies. Our strength has always been to combine our expertise, suppliers' products, and our partners' resources. We intend to do the same this year as well. Profitability, refinement, and long-term vision are the key words for 2003.



Stefan Skarin
Chief Executive Officer
Nocom



Interview with Christer Magnusson and Monica Caneman

Board Work during 2002

It has been yet another intensive year for Nocom's board. The strong downturn for the industry and profitability problems have demanded an active and engaged effort from the Board. One important issue has been to create a long-term board, with broad expertise adapted to fit the Company's requirements. During the year Christer Magnusson has assumed the post of Chairman, and Monica

Caneman and Stefan Skarin have been elected as new board members.

Supplemental Expertise

The Board consists of five persons and now has a collection of expertise that not only suits the Company's requirements

today, but also creates good conditions for continued positive development of operations.

Christer Magnusson, who assumed the chairman's post in September, has extensive experience in Swedish business and leadership issues. He has been CEO for Vingresor/Club 33, Linjeflyg, and Stockholm Saltsjön, and has experience in board work including terms with Tandem Computers, H&M, Taxi Kurir, and SJ. Christer Magnusson has worked for many years with advanced leadership development and advisory expertise, which has proved valuable during the Company's restructuring and changes during the year.

"Today we have a board with a broad base of business expertise and which has all the prerequisites to bring long-term vision and business viability to the Company," states Christer Magnusson.

"This year has been very much about adapting the organization to a declining market. We have continued our active and long-term efforts to guarantee the Company's operations and future. Both the Board and company management have set profitability goals first, and we have emphasized Nocom's core business in software."

Monica Caneman, New to the Board

As part of the strategy to broaden the Board's expertise, Monica Caneman was elected to the Board in April. This move brought the Board advanced financial expertise.

Monica Caneman has more than 20 years experience in the Swedish banking and financial markets, gained during a string of high-ranking posts within companies including Finans Skandic and SEB, where she was acting CEO 1997–2001. Monica Caneman has wide experience in Swedish business through her work on the boards of companies such as SEB Bolån, Scandic Hotels, Eurocard, Frango, Capona, Vitea, and Citymail.

"I take great benefit from my experiences with other companies and industries. I have an overall perspective of operations and can help to steer the Company in the right direction, with the strategic measures which are required in order to build a viable and profitable company," says Monica Caneman.

She viewed the fact that the industry had major problems as more of a challenge when she accepted the position on the Board.

"Despite the situation with the IT market and Nocom's profitability problems, I saw clear potential in the Company," she explains.

"What sets Nocom apart from many other actors in the market is that there is a business foundation that is stable and not as affected by the reduced demand. It is this business that I and the rest of the Board believe in and are now building upon."

Continuity and IT Expertise

In times of change it is also important to preserve continuity and operational expertise. Curt Egerot has been on the Board since 1995 and has previously held leading posts at Electrolux. In addition to contributing with manufacturing industry expertise, where Nocom traditionally had many important customers, he represents the continuity that is important during work to implement changes.

Also on the Board is Nocom's founder Anders Jonson. He is one of the foremost visionaries of the Swedish IT market and has often been among the first to understand the commercial potential of new technologies. Through his lengthy experience he has gained a great deal of knowledge about the IT industry. Until Christer Magnusson took the post in September, he was the chairman of Nocom's board.

Further IT expertise has been brought to the Board during the year. Stefan Skarin, Nocom's CEO since June 2001, was elected to the Board during an extraordinary stockholders' meeting in the fall. Stefan Skarin has a great deal of experience in the IT industry, gained from such companies as leading software suppliers Oracle and Adobe, both in Sweden and abroad. This gives him a good deal of knowledge about both the industry at large, as well as within sales and software distribution specifically.

Good Conditions for 2003

Board work during 2002 focused to a great degree on creating a profitable and stable company. The strong measures implemented have taken the Company from a strong loss to profitability. An improved result and the good financial position enable Nocom to meet 2003 with favorable conditions, even if the market turnaround is delayed.

Monica Caneman does not believe that there will be any dramatic economic improvement during 2003.

"In many industries the market is characterized by waiting and great uncertainty. The time frame for the expected market turnaround has been successively postponed and 2003 also looks like it will be a tough year," predicts Caneman.

Christer Magnusson also feels an immediate market turnaround is doubtful.

"What feels good is that now Nocom can live with weaker demand. The strong fourth quarter is proof of this. We have adapted to the tough conditions currently in place, but can gear up the day the market turns."

"We now have the major changes behind us and look forward to a year of continued improvement to our result," concludes Magnusson.

Nocom's Operations

During the second half of 2001 Nocom carried out a dramatic streamlining of the Company and operations that fell outside the core business area were divested or restructured. The subsidiaries Tradevision, working in e-logistics, and Hera, a market communication agency, were sold in December and Nocom was, at the start of 2002, a streamlined IT company.

The difficult market situation that characterized the major part of 2001 continued throughout all of 2002. For Nocom the reduced demand meant that further restructuring of operations became necessary in order to reach profitability, and a comprehensive action plan was carried out during the fall.

During 2002 Nocom's operations were organized into Nocom AB and the subsidiary Nocom Partner Network AB. Nocom's offering has comprised sales of software, IT consulting services, and other services directly to the end customer, while Nocom Partner Networks operations have been focused on software distribution via partners and retailers.

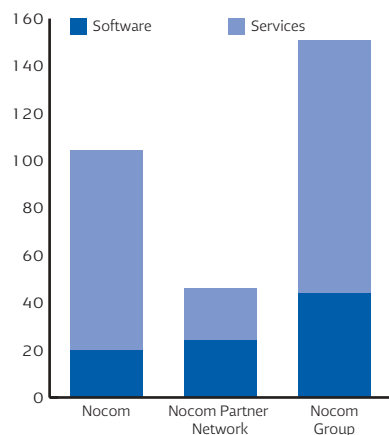
Nocom in 2002

Nocom

Nocom's offering is based on standard software from market-leading suppliers. Services such as service, support, professional services, maintenance, and training are connected to the software. In addition, operations include the e-channel center, which offers hosting solutions for critical business systems, and Travelutions, whose offering consists of consulting services to the travel industry.

Nocom reported sales of SEK 104.6 million during 2002. Operating profit before depreciation totaled SEK -40.1 million

Sales for 2002 distributed between software and services, SEK millions.



Software and Services

Sales of software and services were least affected by the weak market in 2002. Here Nocom has been able to take advantage of its attractive product portfolio and long-term collaborations with leading suppliers. Even more important are the close and long-standing relationships the Company has with its customers. Much of the year's business involved deepening and expanding collaborations with companies that Nocom has worked with over many years. Renewals of service and support agreements continued to do well and were for the most part unaffected by the general market situation.

In June, a major contract was signed with SEB, concerning the delivery of advanced search engine services for the bank's Intranet and about 50 websites. During the year, a number of important contracts were signed for host computer access, with companies such as Ikea, Posten, and companies within the banking and insurance sector.

Consulting Operations

Market conditions for consulting operations, with IT strategy, system design, system development and project management, worsened successively during the spring. Weak demand and a strong downward price press on consulting services resulted in low order volumes and major profitability problems for these operations. In connection with the action plan in the fall, Nocom divested itself of its IT consulting operations completely.

Nocom e-channel center

The market for hosting was characterized by closures and structural changes during the year. Today there are fewer actors in the market and prices have stabilized somewhat, even if at a low level. At the e-channel center, the volume of orders increased during the year.

In March, after an official public bid process, Nocom signed a general agreement with Stockholm County Council, covering the technical operation and support of the Internet portal Vårdguiden (The Healthcare Guide) and Elektroniska Katalogen EK (The Electronic Catalogue). The contract covered the supply of services and products at a value of approximately SEK 10 million and runs for two years.

Travelutions

The previously so expansive travel market has had a couple of lean years, with reduced numbers of travelers, increased security demands, and extensive profitability problems for many of the market's players. In spite of this situation,

Travelutions experienced continued good demand for their services within areas such as revenue management, traffic planning, and IT strategy.

Nocom Partner Network

Nocom Partner Network offers market-leading software to retailers and partners in the Scandinavian market.

Sales for all of 2002 totaled SEK 46.2 million. Operating profit before depreciation was positive and totaled SEK 2.3 million.

Even Nocom Partner Network's operations, software distribution, were under great market pressure with declining margins and low activity in the retail chain. During recent years major changes have taken place in software suppliers' sales strategies. In their role as value-adding distributors (VAD), Nocom has been the company that represented the suppliers in the Scandinavian market and has also been able to offer expertise and services connected to the products.

When the market was expansive and growth good, many suppliers chose instead to establish themselves locally with their own sales organizations. The strong decline in market conditions during the past two years has however forced many suppliers to call a halt to this resource intensive establishment. Several international suppliers have cut back their operations or shut them down completely and returned to a straight distribution model, in other words, sales, marketing, training, and support are carried out by local distributors in the various countries. This development has benefited Nocom Partner Network, which can act as the supplier's virtual organization. Nocom Partner Network has been able to take advantage of the extensive product expertise and experience found in the Company, its good reputation, and the long-standing relationships with partners and retailers.

The product portfolio was strengthened during the year with products from Sybari and iCognito within the area of security, Macromedia within development tools, HOB within integration, and AppDancer within the area of analysis.

The Associated Company Mobile Relations

MR Mobile Relations AB was founded in October 2000.

Vodafone owns 51 percent of the company and Nocom owns the other 49 percent.

During 2002 Mobile Relations successfully concentrated their operations to mobile applications such as SMS and Premium SMS. The company has tied some 25 companies to their SMS service, for which Nocom e-channel center has hosting responsibility.

The largest customers during the year were Connex, City-tidningen, LunarWorks, ManagerZone, PracticeWorks (Folktandvården), Tullverket, and Vasaloppet.

Mobile Relations recorded sales of SEK 4.9 million during 2002.



Nocom in 2003

With more than 18 years in the market, Nocom is one of Sweden's leading software companies. Ever since its start, the Company has been early in identifying innovative software and concepts, and launching them in the Scandinavian market. This is an important part of Nocom's success, as are the many partnerships and collaborations that have been established over the years.

Since the summer of 2001, Nocom has found its way back to the original core, software, where the Company has both a great deal of experience and cutting-edge expertise. It is around this area that Nocom now builds its market offering. As of January 2003, Nocom has gathered its offering to partners and retailers, as well as directly to end-users, under the same organization.

Software

Nocom now has a well-composed and attractive product portfolio. The focus is on five selected areas – integration, security, analysis, development tools, and infrastructure – that are judged as having good market potential. By choosing market-leading software, which is based on open standards, Nocom contributes to a flexible IT architecture, where different software can be easily integrated. The customer is also ensured that there is an established supplier behind the product that will regularly upgrade the software and develop new versions.

Today, Nocom works with software from about 20 suppliers. The Company works actively with ongoing evaluation of the current line as well as with new suppliers and

software. The goal for 2003 is that the software offering shall be strengthened and expanded with new software and suppliers.

Integration

Since its start in 1985 Nocom has worked with products for integration between personal computers and host computers, so-called terminal emulation or host computer access. Technology has developed over the years, but the crucial thing has always been to make the information in the central system accessible to users, both within and outside the Company.

There is increased interest in the new web-based solutions, which help companies to reduce their IT costs considerably, such as through centralized administration. With today's technologies companies can convert their host computer access from locally installed to server-based software and thereby achieve immediate cost reductions.

Nocom's suppliers within integration are WRQ, NetManage, and Hummingbird, all of which are leading players within different technology environments for host computer access, and HOB, which offers a Java-based solution for access to MS Windows Terminal Server.

Security

Security has been given increased priority in all organizations or companies that use IT in their operations, and covers everything from virus and hacking protection to monitoring how employees use the Internet. The Scandinavian market for security products is in a strong growth period and is expected to increase from just over SEK 2 billion in 2002 to SEK 4.3 billion in 2006, according to IDC.

In the area of security, Nocom works with NetIQ, Sybari, iCognito, and Elron Software.

NetIQ's products present information from the firewall's log files in a comprehensive and easily accessible way. With this information as a base, companies can maximize secu-

rity in networks and ensure that users utilize networks and the Internet in an optimal manner. Sybari supplies server-based security solutions, primarily for Microsoft Exchange and Lotus Domino, where all e-mail can be monitored and dealt with in real-time. This prevents the distribution of junk mail, so-called spamming, and even stops viruses early enough so that they do not spread further within the system.

iCognito is the market leader in the area of web filtering with its PureSight software, which helps companies, authorities, organizations, schools, libraries and others to monitor and control Internet use. iCognito's technology identifies and denies access to web pages with content such as pornography and games.

Elron Software has software that stops undesired e-mail and spamming and ensures that sensitive or unauthorized information is not sent from a company or organization.

Analysis

Many companies have made major investments in their websites, which increased the need for analysis products. Nocom sees continued increased demand for analysis products during 2003, and judges that increasingly more companies will see the profitability in effective analysis tools.

In the area of analysis Nocom works with WebTrends and AppDancer Networks.

WebTrends is the market-leader in web traffic analysis. With products from WebTrends companies gain knowledge about the behavior of website visitors, what effect various market activities have, what gets visitors' attention, and what makes them come back. With this information as a base, companies can easily identify the website's strong and weak sides, and thereby develop the website in a way which is adapted to suit the visitors' behavior and needs.

AppDancer Networks offers monitoring of units connected to a network and analysis of network flow, in order to facilitate identification of error sources and bottleneck sectors.

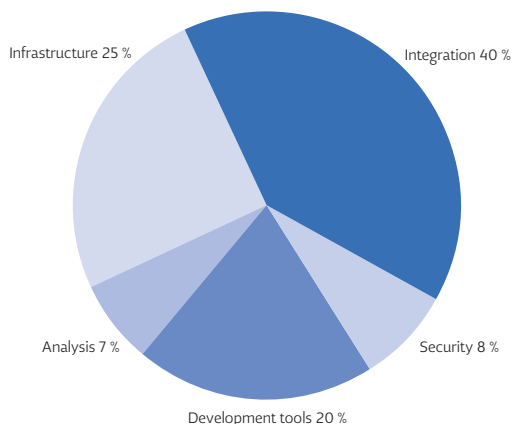
Development Tools

For the past ten years, Nocom has been the Scandinavian distributor for leading suppliers of development tools. The product portfolio consists of a complete line of tools for software development, for both Windows and web applications.

Primary suppliers today are Gupta Technologies and Macromedia for system development, and Oplayo and RealNetworks for multimedia solutions.

Gupta Technologies supplies effective system development tools for building large-scale business systems for both Windows and the web. In addition, Gupta offers databases that are easy to integrate with other products and are characterized by low memory requirements, high security,

Operations in 2002 according to technology field.



and minimal administration. Gupta Technologies has been represented by Nocom in the Swedish market since 1991.

Macromedia is an internationally leading supplier of web development tools. Macromedia supplies software for the creation, development, and administration of websites, as well as for the supply of interactive content.

In Oplayo's product portfolio we find software for streaming media, in other words, direct playback of moving images, audio recordings, presentations, and so on. The products are characterized by a high level of user-friendliness and enable transmission directly to cellular telephones and to personal computers via the Internet or e-mail.

RealNetworks is an established and well-known brand in the market for audio and video distribution. With RealNetworks companies can easily create cost-effective solutions for the distribution of multimedia content in real-time to many users.

Infrastructure

When companies build their IT operations it is important to take a comprehensive view, where security, scalability, and open architecture are the most important criteria for a successful infrastructure. Nocom has provided infrastructure products since 1994, and works with the suppliers SUN Microsystems, Hummingbird, and Verity.

Sun Microsystems, previously Netscape, develops applications and products for information transfer over the Internet. The company offers software for application-based infrastructure, such as web, e-mail, calendar, portal, and directory solutions.

Hummingbird has software for document management. The software manages a large number of document formats, and users can easily search, monitor, distribute, and publish information with full control of versions and who has what access.

Verity is a market-leader in systems for advanced free text search and automatic classification and personalization of information. Verity offers solutions that make companies' information rapidly accessible and suited for employees, suppliers, partners, and customers.

Services

Within its service offering Nocom has experience and expertise that few other actors in the market can match. A software purchase from Nocom often means the start of a close and long-term collaboration, where the customer or the partner gains access to the extensive product expertise found in the Company. Our service offering encompasses support, service, maintenance, professional services, and training.

Nocom offers a complete service and support program for its software. Contracts run on an annual basis and the

rate of renewal is very high. During years of close customer contact, Nocom's product experts also gain valuable knowledge and understanding of customers' operations and needs. All support contracts are reinsured with the supplier, which is thereby a participant in the delivery. Even if the majority of support cases are solved directly by Nocom's own product experts, there is always the possibility of asking suppliers for advice if needed. This close collaboration with suppliers provides unique access to technical product information and experience from users all over the world.

Nocom's product experts also carry out assignments at the customer's premises, covering everything from installation, upgrading, and trouble-shooting, to solutions and integration with other systems where Nocom's products are included.

Nocom also offers training for most of its software. Training is carried out by Nocom's own certified instructors or instructors from the supplier. In addition to scheduled courses provided on Nocom's premises, companies can customize a training program completely to meet their own needs and requirements.



Nocom e-channel center

From the e-channel center Nocom provides hosting services for critical business IT solutions, with a focus on security and accessibility. In these modern facilities Nocom offers a large selection of advanced and customized associated services, such as monitoring and backup solutions. All infrastructure is doubled, which means that maintenance and preventative work can take place without affecting customers' systems. Nocom e-channel center is located in Solna.

Travelutions

Through the business area Travelutions, Nocom offers consulting services to the travel industry within the areas of strategy, market, revenue management, logistics, distribution, and IT strategy.

Customers and Partners

Nocom's business relationships are characterized by the Company's long lasting market presence. Many of the collaborations, with customers as well as partners and retailers, date back over ten years.

Nocom's customers are primarily large and medium size companies within industry, telecommunications, trade, and banking and finance. Major agreements have been signed with companies such as SEB, Posten, Ikea, and Nordea. The customer base is very large and during 2002 Nocom did business with over 2,000 customers. Important customers

at the e-channel center include Stockholm County Council and Vodafone, while Travelutions primarily supplies to government authorities, hotels, shipping lines, railways, and airlines.

Nocom's customer relationships are characterized by their longevity and the rate of return purchase is high. There is good potential for expanding and increasing collaboration with customers during 2003, by offering new products and solutions within the selected technological areas.

Sales within distribution operations take place via approximately 800 retailers and partners throughout Scandinavia. Collaboration entails close partnership wherein Nocom, together with the partner, handles customer sales and further develops the common service offering. Thanks to the high level of expertise found in the organization, Nocom can offer considerably more than a traditional software distributor. The wide range of valuable associated services is at the disposal of both partners and retailers, and for their customers. This guarantees the quality and maximum utilization of software investments.

Important partners during 2002 included WM-data, Atea, Dustin Partner, Intellibis, Intelligo, Cap Gemini, IT-Partner, Countquest, and TCM.

One important goal for 2003 is to increase the number of Scandinavian partners and retailers by offering a broad and competitive product line, supplemented with advanced services.



Our Employees

Experience and Expertise

The past year has been a year of major changes for Nocom's employees. The comprehensive cutbacks in personnel during the fall were necessary, but entailed hardship for all of Nocom's employees. It has been crucial to maintain the commitment, experience, and expertise in the Company. The strong corporate culture at Nocom has been an asset and has helped the organization exit this process of change with its strength intact.

Experience and Specialist Expertise

In spite of the turbulence in the market and the major changes to operations, the Company has managed to retain the key expertise that operations demand. Nocom's ability to hold on to capable employees, especially in the area of service, means that many employees already have many years of experience and special expertise in the software that Nocom supplies. Many choose to develop within and with the Company, which provides a high level of expertise in the organization and continuity in customer relationships.

At the end of the year, the average employee had over seven years of industry experience.

Major Reductions in Personnel

The number of employees decreased from 155 to 92, the equivalent of 41 percent, during 2002. The reduction is due to the extensive action plan that was implemented in September, when 57 people were served notice. The staff reductions affected consulting operations, but also functions

such as sales, marketing, and finance. When the action plan attains full effect in the beginning of 2003, the number of employees is estimated to be no more than 80.

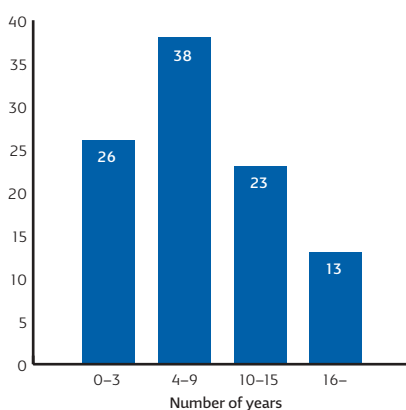
Especially in times of cost reductions and cutbacks it is important to take good care of employees and ensure their satisfaction at the workplace. It has been an important task for company management to make employees involved in the major changes that have been carried out, in part by maintaining open communication and regularly informing them about developments. Other personnel work, such as organizing after-work activities and working actively with equality issues and healthcare, has been carried out on an ongoing basis as previously.

Good Working Environment 2003

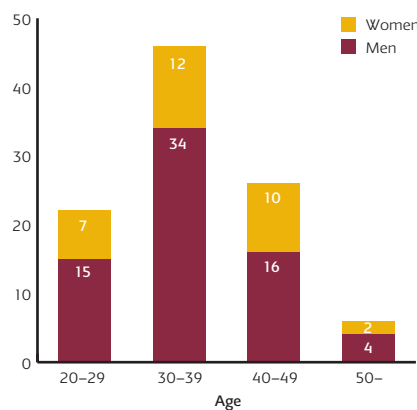
The task for the upcoming year is primarily to create a good working environment. 2002 was a year of major organizational changes, while our ambition for 2003 is for it to be a year of stability.

The high level of product expertise among our employees has, through all the years, been one of Nocom's primary success factors. As the Company's offering is expanded with new products it is important to add to and deepen our expertise within the selected areas of technology. During 2003, therefore, the Company will continue to invest in skills development for its employees, primarily within the areas of security, analysis, and development tool technology.

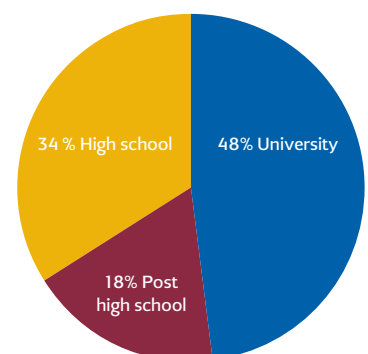
Industry experience among Nocom's employees, percent, December 31, 2002



Nocom's employees by age and gender, percent, December 31, 2002



Education level, percent, December 31, 2002



Nocom Stock

Nocom's B stock has been quoted on the Stockholm Stock Exchange's (Stockholmsbörsen) O-List since January 1999. The stock unit price varied during the year 2002 from a low of SEK 0.48 to a high of SEK 3.60. The stock price as of December 31 was SEK 0.81. Nocom's market value as of December 31, 2002 was SEK 23 million.

The number of Nocom stockholders as of December 31, 2002 was 5,631 (5,983). Of these 241 (217) hold more than 10,000 shares each. Overseas investor holdings comprise about 13 (14) percent of the capital stock and not quite 6 (6) percent of the votes.

Stock Data

Nocom's share capital amounts to SEK 28,288,504, distributed among 28,288,504 shares, each with a nominal value of SEK 1. Of these, 3,718,130 shares are of the A series and 24,570,374 shares are of the B series. All shares provide the same rights to the Company's assets and profits. Se-

ries A shares each provide ten votes at stockholders' meetings and Series B shares each provide one vote at stockholders' meetings. At the Annual General Meeting, each stockholder with voting rights may vote with their full entitlement of voting rights with no limitations on the number.

Warrants

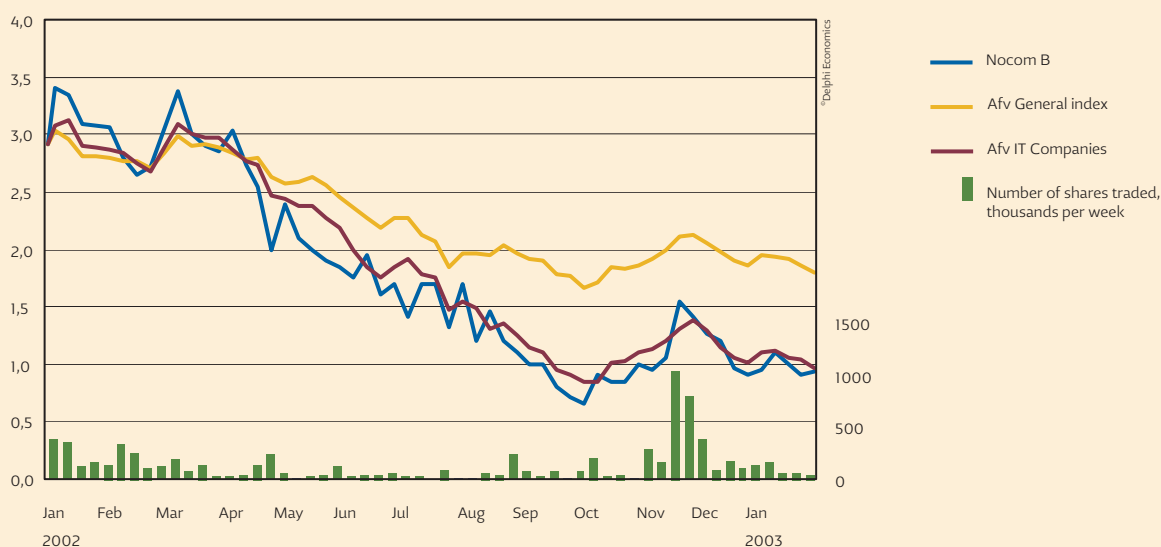
The outstanding option programs as of December 31, 2002 are presented in the table on page 13.

Dividends

The Board of Directors' dividend policy is that dividends shall be equal to approximately 30 percent of after-tax profit.

The Board proposes that no dividend be distributed for the financial year 2002

Stock price, SEK, January 1, 2002 – Januari 31, 2003



Capital Stock Trend ¹⁾

Year	Transactions	Par value	Increase in number of shares	Total number of shares	Increase in capital stock	Total capital stock
1990	Company formed	100	500	500	50,000	50,000
1993	Split 100:1	1	49,500	50,000	-	50,000
1994	Stock dividend 9:1	1	450,000	500,000	450,000	500,000
1996	Stock dividend 5:1	1	2,500,000	3,000,000	2,500,000	3,000,000
1996	New stock issue	1	129,600	3,129,600	129,600	3,129,600
1997	New stock issue	1	220,920	3,350,520	220,920	3,350,520
1998	New stock issue	1	940,000	4,290,520	940,000	4,290,520
1999	New stock issue	1	31,200	4,321,720	31,200	4,321,720
1999	New stock issue	1	271,456	4,593,176	271,456	4,593,176
2000	New stock issue	1	540,000	5,133,176	540,000	5,133,176
2000	New stock issue	1	300	5,133,476	300	5,133,476
2000	New stock issue	1	195,700	5,329,176	195,700	5,329,176
2000	Stock dividend 4:1	1	21,316,704	26,645,880	21,316,704	26,645,880
2000	New stock issue	1	5,500	26,651,380	5,500	26,651,380
2001	New stock issue	1	27,500	26,678,880	27,500	26,678,880
2001	New stock issue	1	609,624	27,288,504	609,624	27,288,504
2001	New stock issue	1	1,000,000	28,288,504	1,000,000	28,288,504

¹⁾ Operations began in 1985 and until February 1998 were implemented under the aegis of Nocom Nordic Communication AB. The current operating company began in 1990.

Stockholder Structure, December 31, 2002

	Total shares	Percentage of total shares	Total stockholders	Percentage of total stockholders
1-1,000	1,706,111	6.0	3,571	63.4
1,001-10,000	6,515,621	23.0	1,819	32.3
10,001-50,000	4,177,762	14.8	195	3.4
50,001-100,000	1,827,684	6.5	26	0.5
100,001-	14,061,326	49.7	20	0.4
Total	28,288,504	100.0	5,631	100.0

Stockholders, December 31, 2002

	Total Series A	Total Series B	Total number of shares	Total number of votes	Percentage of capital	Percentage of votes
Anders Jonson ¹⁾	3,718,130	3,855,930	7,574,060	41,037,230	26.8	66.5
Michel Östlund	-	948,500	948,500	948,500	3.3	1.5
Clearstream Banking SA	-	701,333	701,333	701,333	2.5	1.1
Euroclear Bank SA	-	684,800	684,800	684,800	2.4	1.1
Livförsäkringsbolaget Skandia	-	521,050	521,050	521,050	1.8	0.8
Ekonomistyrning	-	505,000	505,000	505,000	1.8	0.8
SIS Segaintersettle AG	-	361,300	361,300	361,300	1.3	0.6
Lars Berglöf	-	302,000	302,000	302,000	1.1	0.5
Niclas Sahlgren	-	292,580	292,580	292,580	1.0	0.5
Dalaney Investments Limited	-	288,600	288,600	288,600	1.0	0.5
Other	-	16,109,281	16,109,281	16,109,281	57.0	26.1
Total	3,718,130	24,570,374	28,288,504	61,751,674	100.0	100.0

¹⁾ Stockholding incl. family. Issued call options comprising 2,150,000 Series A shares and 3,400,000 Series B shares.

Warrants

Options program	Available warrants/options	Acquired warrants/options	Redeemed options	Acquired but unredeemed warrants 2002-12-31	Redemption price/option	Redemption of options, period
1999/2003 ¹⁾	1.250.000	394.000	34.500	359.500	47,60	20000101-20030115
2000/2003	375.000	359.000	-	359.000	69,32	20030301-20030430
2001/2003	1.400.000	645.000	-	645.000	5,60	20031201-20031231

¹⁾ Optionsprogram 1999/2003 har löpt ut den 15 januari 2003 utan att ytterligare optioner har påkallats.

Share Data

	2002	2001	2000	1999	1998
Equity per share, SEK	0.72	3.85	11.13	2.46	2.16
Equity per share adjusted for full utilization of outstanding warrants, SEK 1)	0.97	3.93	11.13	2.46	2.16
Number of shares at close of period, millions	28.3	28.3	27.3	23.0	21.6
Number of shares at close of period adjusted for full utilization of outstanding warrants, millions 1)	29.7	29.7	27.3	23.0	21.6
Average number of shares, millions	28.3	28.2	26.2	22.3	17.0
Average number of shares adjusted for full utilization of outstanding warrants, millions 1)	29.7	28.2	26.2	22.3	17.0
Earnings per share, SEK	-3.13	-6.41	-2.26	-0.07	0.28
Cash flow from current operations/share, SEK (calculated from the average number of shares adjusted for full utilization of outstanding warrants) 1)	-0.62	-1.47	-1.80	-0.51	0.91
Dividend per share, SEK	-	-	-	-	-

¹⁾ Adjusted for full utilization of outstanding warrants equivalent to 1,400,000 Series B shares, which upon full subscription increase equity by SEK 7.8 million. As of December 31, 2002, 645,000 options had been subscribed to but not redeemed, which increases equity by SEK 3.6 million. Options originating from option programs previous to 2001 have not been considered. Equity per share, adjusted for subscribed options, totals SEK 0.83.

Five-year Overview

Income Statements

SEK millions	2002	2001	2000	1999	1998
Net sales	150.8	280.4	232.1	185.8	146.2
Operating costs	-188.6	-353.3	-277.8	-178.3	-137.4
Depreciation of tangible assets	-21.3	-25.2	-15.3	-5.4	-3.4
Amortization of intangible assets	-6.6	-14.6	-8.0	-1.4	-0.3
Items affecting comparability	-19.1	-67.2	-	-	-
Profit/loss from participation in associated companies	-1.5	-2.9	-0.3	-	-
Operating profit/loss	-86.3	-182.8	-69.3	0.7	5.1
Profit/loss from financial investments	-0.8	-5.1	4.4	0.5	0.1
Profit/loss after financial items	-87.1	-187.9	-64.9	1.2	5.2
Taxes	-1.5	0.4	1.1	-2.7	-0.5
Minority share of period's profit/loss	-	6.1	4.5	-0.0	-
Net Profit/Loss	-88.6	-181.4	-59.3	-1.5	4.7

Balance Sheets

SEK millions	2002	2001	2000	1999	1998
ASSETS					
Fixed assets					
Intangible fixed assets	13.1	38.8	105.1	25.9	0.2
Tangible fixed assets	18.1	39.6	49.7	25.7	4.1
Financial fixed assets	13.4	15.7	24.0	11.3	4.0
Total fixed assets	44.6	94.1	178.8	62.9	8.3
Current assets					
Stock/inventory and work in progress	1.7	3.1	3.8	5.2	3.9
Other current assets	6.9	12.7	26.6	14.1	3.2
Accounts receivable	30.6	56.3	102.2	66.4	46.4
Short-term investments	-	-	27.7	-	35.0
Cash and bank balances	19.5	47.2	91.1	12.3	14.7
Total current assets	58.7	119.3	251.4	98.0	103.2
TOTAL ASSETS	103.3	213.4	430.2	160.9	111.5
EQUITY AND LIABILITIES					
Total equity	20.3	108.9	278.2	56.5	46.6
Minority interests	-	-	15.3	0.9	-
Provisions (deferred tax)	-	-	-	-	1.5
Long-term interest-bearing liabilities	0.2	4.5	7.0	10.4	-
Current liabilities					
Accounts payable	19.0	22.9	45.6	17.2	20.4
Interest-bearing liabilities	3.6	7.9	9.4	10.0	-
Other current liabilities	60.2	69.2	74.7	65.9	43.0
Total current liabilities	82.8	100.0	129.7	93.1	63.4
TOTAL EQUITY, PROVISIONS, AND LIABILITIES	103.3	213.4	430.2	160.9	111.5

Cash Flows

SEK millions	2002	2001	2000	1999	1998
Payments from customers	178.4	323.0	207.2	162.7	199.4
Payments to suppliers and employees	-195.7	-366.9	257.6	-173.2	-184.0
Interest received	1.0	4.6	4.8	1.2	0.5
Interest paid	-1.6	-1.5	-1.5	-0.7	-0.5
Income tax paid	-0.5	-0.6	-0.1	-1.4	0.0
Cash flow from current operations	-18.4	-41.4	-47.2	-11.4	15.4
Cash flow from investment activities	-9.3	-31.7	-72.5	-28.3	-3.4
Cash flow from financing activities	-	1.5	226.2	2.3	30.9
Net cash flow for the year	-27.7	-71.6	106.5	-37.4	42.9

Key Ratios

	2002	2001	2000	1999	1998
Gross margin, %	-26.1	-26.4	-19.7	-4.1	6.0
Operating margin, %	-57.2	-65.2	-29.9	0.4	3.5
Profit margin, %	-58.8	-67.0	-28.0	0.6	3.6
Cash flow, %	-12.2	-14.8	-20.3	-6.1	10.5
Equity/assets ratio, %	19.7	51.0	68.2	35.7	41.8
Return on equity, %	-137.2	-93.8	-35.5	-2.9	17.8
Return on capital employed, %	-117.3	-83.3	-32.7	3.1	18.9
Interest coverage ratio	-47.1	-140.3	-42.3	2.7	14.0
Capital employed, SEK millions	24.1	121.3	309.9	77.8	46.6
Net interest-bearing liabilities, SEK millions	-15.7	-34.8	-102.4	8.1	-49.7
Net debt/equity ratio	-0.77	-0.32	-0.37	0.14	-1.07
Number of employees at close of period	92	155	241	146	97
Average number of employees	124	229	194	118	96
Sales per employee, SEK millions	1.2	1.2	1.2	1.6	1.5
Value added per employee, SEK millions	-0.1	-0.2	0.2	0.6	0.6

The Board and its Work Method

Nocom's Board is comprised of five members. Two board members resigned during the year and were replaced. The CEO was elected to the Board in November. Executives within the Company participate in the Board's meetings as speakers or in an administrative capacity.

At the Annual General Meeting, board members are appointed by the Nominating Committee. This committee shall prepare and then present at the AGM proposals for board members and auditors, as well as proposed fees, to be decided upon by the AGM.

The Board, the auditors, and their respective fees are decided by the AGM.

The Board appoints the Chief Executive Officer. The CEO's salary and other employment conditions are decided by the Board. For other members of company management, individual salaries are negotiated with the CEO.

The Board has established rules of procedure for its work, which are revised once a year. The rules of procedure contain regulations governing the number of board meetings and issues to be dealt with at ordinary meetings,

as well as the division of labor. The specific duties of the Board Chairperson and the CEO are specified in the rules of procedure.

The rules of procedure stipulate what information is required for the Board's assessment of the financial positions and trends of the Company and the Group. In addition to established reports and information to be submitted prior to each meeting, the CEO presents monthly profit/loss summaries, important changes in total assets, and comments.

Nocom's Board held ten (twelve) meetings at which minutes were kept during the financial year 2002. At these meetings, the Board dealt with the fixed agenda arising at each board meeting, such as the business situation, the budget, the annual accounts, interim reports, and financial reports. The Board continually addressed all issues concerning considerable investments and the disposal of operations. Individual board members also assisted Group management in different strategic issues.

The Company's auditors present the result of their audit to the Board each year.

Proposal for the Treatment of the Loss

The Board and the CEO propose that the accumulated deficit of SEK 144,987,937 be covered by settlement against the share premium reserve.

The Group's accumulated deficit, according to the consolidated balance sheet, totals SEK 88,578 thousand. Allocation to restricted equity is not required.

Definitions

Gross margin

Operating profit/loss before depreciation and amortization as a percentage of sales.

Equity

Net equity including 72 percent of untaxed reserves.

Equity per share

Equity divided by the number of shares at the close of the period.

Value added per employee

Profit/loss after depreciation/amortization plus labor costs divided by the average number of employees. Labor costs are calculated as salary costs plus an additional 50 percent to cover payroll overhead etc.

Cash flow

Cash flow from current operations as a percentage of sales.

Net interest-bearing liabilities

Interest-bearing liabilities less interest-bearing assets.

Net debt/equity ratio

Net interest-bearing liabilities divided by equity.

Earnings per share

Profit/loss after financial items less full tax as a percentage of the number of shares. Earnings per share is reported using both the number of shares at the close of the period and the average number of shares.

Return on equity

Profit/loss after financial items less full tax as a percentage of the average adjusted equity.

Return on capital employed

Profit/loss after financial items plus financial costs as a percentage of the average capital employed.

Interest coverage ratio

Profit/loss after financial items plus financial expenses divided by financial expenses.

Operating Margin

Operating profit/loss after depreciation/amortization as a percentage of sales.

Equity/assets ratio

Equity as a percentage of total assets.

Capital employed

Total assets less non-interest bearing liabilities.

Profit margin

Profit/loss after financial items as a percentage of sales.

Income Statements

SEK thousands	Note	Group			Parent Company	
		2002	2001	2000	2002	2001
Net sales from operations	3, 4	150,755	280,443	232,151	17,688	68,207
Goods for resale	8	-67,787	-107,556	-97,451	-7,878	-31,039
Other external costs	4, 9, 18	-36,446	-94,041	-77,857	-20,084	-31,071
Personnel costs	1, 2	-84,276	-151,654	-102,519	-22,662	-47,551
Depreciation of tangible assets	5	-21,272	-25,218	-15,297	-6,490	-3,124
Amortization of intangible assets	5	-6,612	-14,643	-8,028	-	-
Write-downs of intangible assets	6	-19,112	-45,223	-	-	-
Profit/loss from participations in affiliated companies	7	-	-21,959	-	-	-
Profit/loss from participations in associated companies		-1,540	-2,921	-297	-	-
Operating profit/loss		-86,290	-182,772	-69,298	-39,426	-44,578
Profit/loss from financial investments						
Profit/loss from participations in affiliated companies	7	-	-	-	-103,250	-70,088
Profit/loss from other securities	10	-277	-7,019	-	-4,750	-7,019
Interest income		979	3,231	5,951	207	1,462
Interest expenses and similar profit/loss items	11	-1,533	-1,330	-1,507	-969	-32
Total profit/loss from financial investments		-831	-5,118	4,444	-108,762	-75,677
Profit/loss after financial items		-87,121	-187,890	-64,854	-148,188	-120,255
Tax on net profit/loss for the year	12	-1,519	369	1,117	896	128
Minority share of net profit/loss for the year		-	6,054	4,471	-	-
Net profit/loss for the year		-88,640	-181,467	-59,266	-147,292	-120,127
Earnings per share, SEK (based on average number of shares)	14	-3.13	-6.41	-2.26		
Earnings per share, SEK (based on average number of shares at full dilution.)	14	-3.13	-6.41	-2.26		

Comments to the Income Statements¹⁾

General

In recent years Nocom has undergone extensive changes, which complicates year-to-year comparisons. As an introduction to the comments to the income statements, we provide a short look back over the years 1999–2002.

Brief History

Jan 1999	Quoted on Stockholmsbörsen's O-List.
Jul 1999	Acquire Bizit AB, including computer center and consulting operations.
Dec 1999	Acquire 70 percent of MCS AB, a consulting company in the travel industry.
Mar 2000	New stock issue provides Nocom with SEK 230 million. Market communications company Hera acquired.
Apr 2000	Acquire Interactive TM, with consulting operations.
Jun 2000	Acquire Cyberink, with consulting operations.
Aug 2000	Acquire 70 percent of e-logistics company Tradevision AB.
Oct 2000	Establish MR Mobile Relations AB (49 percent) together with Vodafone (51 percent).
Jan 2001	Acquire a minority share of MCS AB.
Feb 2001	Acquire Aero Hosting AB, management consultants in the travel industry.
Mar 2001	Investment in the PharmaPoint pharmaceuticals portal is written down by SEK 7 million.
Apr 2001	Cutbacks in consulting operations in Gothenburg.
Jun 2001	Stefan Skarin new CEO.
Jun 2001	Market communications company Hera's goodwill written down by SEK 21 million.
Sep 2001	Cutbacks in consulting operations, cost-savings program.
Sep 2001	Travel consultancy company Travelutions' (formerly MCS) goodwill written down by SEK 6 million.
Dec 2001	Market communications company Hera and e-logistics company Tradevision divested. Capital losses of SEK 22 million.
Dec 2001	Goodwill written down by SEK 18 million in travel consultancy company Travelutions and other consulting operations.
Jun 2002	Goodwill written down in consulting operations by SEK 19 million.
Sep 2002	Consulting operations phased out, operations restructured, program burdens profit/loss with SEK 19 million.

Operating Income

Nocom's income for 2002 decreased by 46 percent and totaled SEK 150.8 (280.4) million. In the table below, which shows income in Nocom and Nocom Partner Network respectively, the decrease can be seen to be due in part to the disposal of the business segments Tradevision AB and Hera AB, which were divested in December 2001, and in part to operations in Nocom. The decrease in sales primarily encompasses sales of software and

consulting services. In conjunction with the action plan in September 2002, consulting operations were wound down.

Operating income

SEK millions	2002	2001	2000
Nocom	104.6	180.5	159.6
Nocom Partner Network	46.2	43.9	38.9
Divested business segments	-	61.3	35.3
Less intragroup sales	-	-5.3	-1.7
Group	150.8	280.4	232.1

The Group's operations can be divided into the segments software and services.

Income distribution between the two segments during the years 2000–2002 can be seen in the tables below.

Operating income 2002

SEK millions	Software	Services	Group
Nocom	19.9	84.7	104.6
Nocom Partner Network	24.2	22.0	46.2
Divested business segments	-	-	-
Less intragroup sales	-	-	-
Group	44.1	106.7	150.8

Operating income 2001

SEK millions	Software	Services	Group
Nocom	54.5	126.0	180.5
Nocom Partner Network	33.9	10.0	43.9
Divested business segments	-	61.3	61.3
Less intragroup sales	-	-	-5.3
Group	88.4	197.3	280.4

Operating income 2000

SEK millions	Software	Services	Group
Nocom	49.1	110.5	159.6
Nocom Partner Network	30.9	8.0	38.9
Divested business segments	-	35.3	35.3
Less intragroup sales	-	-	-1.7
Group	80.0	153.8	232.1

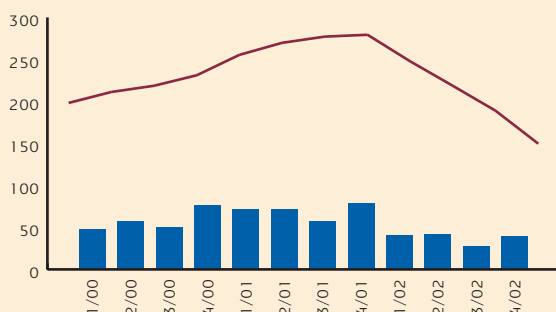
Software

This income represents sales of software licenses. The market was also marked by uncertainty and generally low demand in 2002 as well. During the year the product portfolio was complemented with products from Sybari and iCognito within security, Macromedia within development tools, HOB within integration, and AppDancer within analysis. The income level for 2002 is considered low and is expected to increase during 2003.

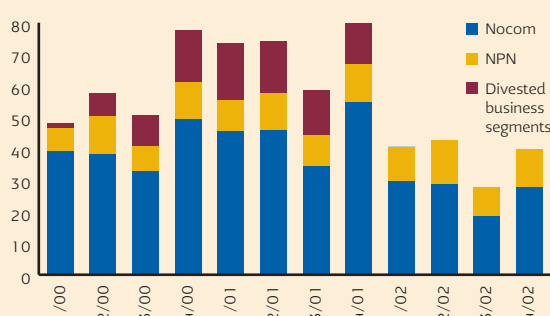
Service

Income stems from support contracts, maintenance contracts, professional services, and training for the Group's software offering, from e-channel center hosting services, and from consulting services. Sales of support and

Sales per quarter and rolling 12-month period, SEK millions



Sales per quarter according to business area, SEK millions



¹⁾ The comments refer to the Group otherwise stated.

maintenance contracts, primarily within integration, development tools, and infrastructure, continued to develop well with good profitability during 2002. Within e-channel center operations, the degree of utilization increased somewhat during the latter part of the year.

The market conditions for Nocom's consulting operations gradually worsened during the year, which led to such operations being completely wound down in conjunction with the action plan in the fall.

Operating costs

Goods for resale

Costs for goods for resale primarily concern purchase costs for licenses in software operations and support and software service agreements in service operations. Costs for goods for resale in relation to operating income increased during the year to 45 percent for the entire year. This increase can be explained by the disposal of business segments in December 2001. These segments had a cost structure that differed from current operations.

Personnel costs

Personnel costs increased during the year and totaled SEK 84.3 (151.7) million. The average number of employees dropped by 46 percent and totaled 124 (229). The action plan from the fall will further reduce the number of employees from about 140 to 80. The total number of employees at the end of the year was 92 (155).

	2002	2001	2000
Average number of employees	124	229	194
Sales per employee, SEK millions	1.2	1.2	1.2
Personnel costs per employee, SEK millions	0.7	0.7	0.5
Value added per employee, SEK millions	-0.1	-0.2	0.2

Personnel costs per employees remained unchanged between the years 2001 and 2002. Personnel costs have been burdened with the reservation made for the action plan in the fall of 2002. One-off costs burdened value added per employee considerably during 2001 and 2002.

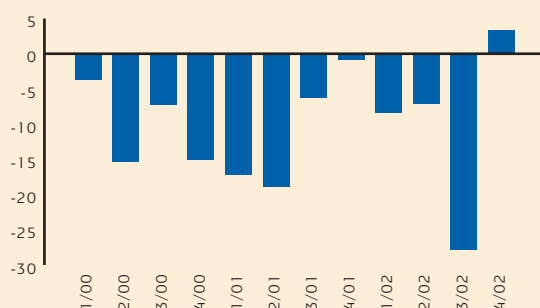
Other external costs

Other external costs were reduced by more than 60 percent and totaled SEK 36.4 (94.0) million. The reduction is connected to operations being wound down, general cost-savings, and divested operations. In general, cost levels were low at the start of 2003.

Operating profit and profit/loss after financial items

SEK millions	2002	2001	2000
Nocom	-40.1	-43.2	-40.9
Nocom Partner Network	2.3	-6.9	1.2
Profit/loss from participations in associated companies	-1.5	-2.9	-0.3
Divested business segments	-	-22.8	-6.0
Operating profit/loss before depreciation	-39.3	-75.8	-46.0
Depreciation of tangible assets	-21.3	-23.8	-14.8
Amortization of intangible assets	-6.6	-7.2	-6.9
Write-downs, intangible assets	-19.1	-24.4	-
Profit/loss from financial investments	-0.8	-5.4	4.3
Divested business segments	-	-51.3	-1.5
Profit/loss after financial items	-87.1	-187.9	-64.9

Operating profit/loss before depreciation, Nocom, SEK millions



Nocom

Operating profit/loss before depreciation for 2002 was SEK -40.1 (-43.2) million. Operating profit/loss before depreciation has been gradually improved and a profit was reported for the fourth quarter of 2002. Cost-savings in combination with good software sales enabled the improvement.

During the fourth quarter, the Nocom e-channel center for hosting operations reaped the rewards of its market adaptation within the organization and its offering in the form of an improved result and increased orders. The mobile SMS services that the e-channel center supplies via the associated company Mobile Relations are also experiencing continued strong growth.

Nocom Partner Network

Nocom Partner Network, which works via partners and retailers, reports an operating profit before depreciation of SEK 2.3 (-6.9) million for 2002. Sales during the year were on a level with 2001. In the fourth quarter of 2002 operating profit before depreciation improved and totaled SEK 0.6 (-7.4) million. In addition to Sweden, Nocom Partner Network also has operations in Norway and Finland. The potential for further growth is judged to be good.

Depreciation of tangible fixed assets

The depreciation of tangible fixed assets is distributed between improvement expenses for third party real estate and equipment as follows:

SEK millions	2002	2001	2000
Improvement expenses for third party real estate	2.2	3.5	1.0
Equipment	19.1	21.7	14.3
	21.3	25.2	15.3
Divested business segments	-	-1.4	-0.5
Total	21.3	23.8	14.8

Depreciation of improvement expenses for third party real estate is primarily associated with the establishment of the e-channel center in Solna, Sweden. The expenses are being depreciated over the rental contract period. As of December 31, 2002, 3 years of the contract period were remaining.

Equipment is depreciated within the Group over 3 to 5 years. The shorter depreciation period is applied to computers and the longer period is applied to other office equipment.

Financial leasing obligations are reported as fixed assets and the cost as depreciation and interest expense. As of December 31, 2002, the current value of future payment obligations totaled SEK 3.8 (12.4) million. Financial leasing has been reported as depreciation totaling SEK 5.7 (7.9) million.

Depreciation is distributed between the different business units as follows:

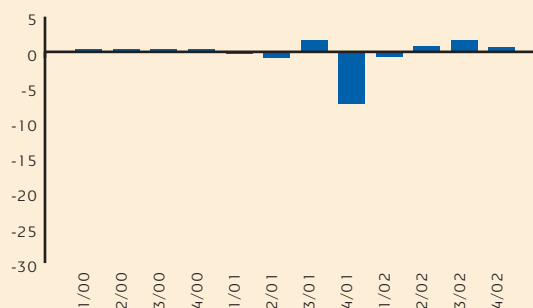
SEK millions	2002	2001	2000
Nocom	21.0	23.5	14.6
Nocom Partner Network	0.3	0.3	0.2
Divested business segments	-	1.4	0.5
Total	21.3	25.2	15.3

Amortization of intangible fixed assets

Amortization of intangible fixed assets refers to the depreciation of both capitalized development expenditure and goodwill.

Amortization for the years 2000 to 2002 is presented in the table below:

Operating profit/loss before depreciation, Nocom Partner Network, SEK millions



SEK millions	2002	2001	2000
Capitalized development expenditure	-	2.2	-
Goodwill	6.6	12.4	8.0
	6.6	14.6	8.0
Divested business segments	-	-7.4	-1.1
Total	6.6	7.2	6.9

Goodwill amortization is distributed between the different business units as follows:

SEK millions	2002	2001	2000
Nocom	6.5	7.1	6.8
Nocom Partner Network	0.1	0.1	0.1
Divested business segments	-	7.4	1.1
Total	6.6	14.6	8.0

The amortization rate for current goodwill is presented in the graph on the right below.

Write-downs of intangible fixed assets

In both 2001 and 2002 the operating profit/loss was burdened with extensive goodwill write-downs, which were distributed between the different business units as follows:

SEK millions	2002	2001	2000
Nocom	19.1	24.4	-
Nocom Partner Network	-	-	-
Divested business segments	-	20.8	-
Total	19.1	45.2	-

An altered assessment of the profitability of consulting operations has entailed a decrease in the value of the profit center. Goodwill in consulting operations was written down by SEK 19.1 million on June 30. In conjunction with the action plan in September, consulting operations were completely wound down.

Profit/loss from participations in associated companies

This profit/loss item refers to the Group's participation in the profit/loss of MR Mobile Relations AB. This company, which was started in October 2000, is jointly-owned by Vodafone (51 percent) and Nocom (49 percent). The company's business offering encompasses operator-independent SMS services. These services are provided in close collaboration with Nocom's e-channel center in Solna.

Profit/loss from financial investments

Net income from financial investments includes the write-down of SEK 0.3 million concerning for VS Market AB. The previous year the holding in Pharma Interactive CGS AB was written down by SEK 7.0 million.

Parent Company

Operations in the Parent Company comprise group management, PR and IR, financial administration, and infrastructure personnel.

The Parent Company's sales for the period totaled SEK 17.7 (68.2) million. Profit/loss after financial items was SEK -148.2 (-110.3) million. The loss was burdened with considerable one-off costs in connection with restructuring and streamlining the Group. The number employed by the Parent Company as of December 31, 2002 was 23 (54) persons.

Risk Management

Business risks

The past year was characterized by delayed decisions concerning IT investments in many aspects. Customers' investment processes – and thereby Nocom's sales cycle – were lengthened. Nocom has built a strong customer base over the past 18 years. Thanks to the Company's support and software maintenance agreements, we remain close to our customers over a long period of time. The main focus within the sales department has been concentrated on structuring sales work. This also provides company management with a better basis for assessing the sales situation for the Company's software and services.

As a result of the streamlining and focusing process that Nocom went through during the second half of the year, the Company's ability to attain its goals and profitability has increased. A clear concept of our business and goals increases awareness on the part of our employees. This makes it possible to work in a focused and effective manner.

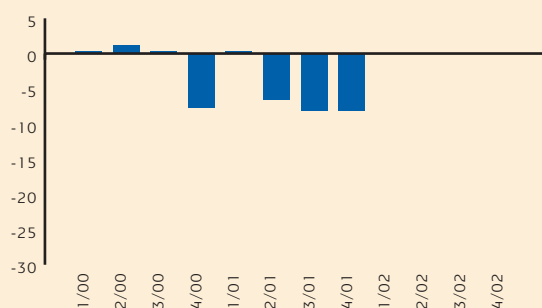
Financial Risks

Financial risks are managed in accordance with the finance policy established by the Board. This policy stipulates that the risks are to be managed in such a way as to minimize short-term effects on profit/loss and to create room to act in the longer term. Financing activities in the form of risk management, liquid fund management, and borrowing are administered centrally by the Parent Company.

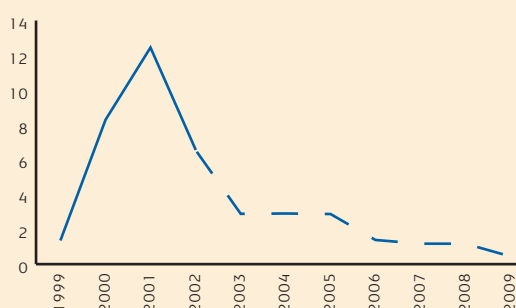
The dominating financial risk for Nocom is the foreign exchange risk, primarily in the form of a net outward flow of USD. As the disposals and closures implemented during 2001 and 2002 concerned SEK-based operations, exposure in USD has increased in relation to current operations. The extent of the increase has however been reduced by suppliers moving over to billing Nocom in SEK instead of, as previously, USD. For the year 2002, total flow exposure in USD accounted for approximately 14 (10) percent of sales.

Exchange rate clauses in contracts and in standard terms and conditions toward the customer and the adjustment of outgoing prices based on these conditions comprise the primary opportunity we have to correct the current exchange rate shifts with regard to incoming prices and the risks that arise as a result. All bids submitted by Nocom and all agreements signed with customers contain an exchange rate adjustment clause. The extent of the Group's other hedging activities is determined by the Board in accordance with the currency policy.

Operating profit/loss before depreciation, divested business segments



Goodwill amortization, 1999–2009, SEK millions



Balance Sheets

SEK thousands	Note	2002	Group 2001	2000	Parent Company 2002	2001
ASSETS						
Fixed assets						
Intangible fixed assets						
Goodwill	15	13,075	38,799	105,146	-	-
		13,075	38,799	105,146	-	-
Tangible fixed assets						
Improvement expenses for third party real estate	16	6,254	8,496	9,315	645	898
Equipment	17, 19	11,852	31,167	40,341	3,881	9,514
		18,106	39,663	49,656	4,526	10,412
Financial fixed assets						
Stock in subsidiaries	20	-	-	-	38,069	85,799
Participations in associated companies	21	339	1,879	4,800	347	5,097
Other long-term securities holdings	22	3,996	3,996	9,812	3,996	3,996
Other long-term receivables		428	76	77	-	-
Deferred tax claims	13	8,612	9,749	9,313	-	-
		13,375	15,700	24,002	42,412	94,892
Total fixed assets		44,556	94,162	178,804	46,938	105,304
Current assets						
Inventories etc.						
Goods for resale		1,745	3,045	2,873	-	2,117
Current receivables						
Accounts receivable		30,644	56,184	102,191	398	42,202
Receivables from subsidiaries		-	-	-	30,535	95,432
Receivables from associated companies		158	9	8	8	8
Other current receivables		2,934	4,438	11,300	2,191	2,339
Work on contract		-	49	980	-	-
Prepaid expenses and accrued income	23	3,761	8,300	15,284	1,703	4,069
		37,497	68,980	129,763	34,835	144,050
Short-term investments		-	-	27,696	-	-
Cash and bank balances	24	19,536	47,218	91,104	4,393	36,273
Total current assets		58,778	119,243	251,436	39,228	182,440
TOTAL ASSETS		103,334	213,405	430,240	86,166	287,744
EQUITY, PROVISIONS, AND LIABILITIES						
Equity						
Restricted equity						
Capital stock	26	28,289	28,289	27,261	28,289	28,289
Restricted reserves		80,620	294,382	323,840	174,619	294,408
		108,909	322,671	351,101	202,908	322,697
Non-restricted equity						
Profit/loss brought forward		62	-32,295	-13,657	2,304	338
Net profit/loss for the year		-88,640	-181,467	-59,266	-147,292	-120,127
		-88,578	-213,762	-72,923	-144,988	-119,789
Total equity		20,331	108,909	278,178	57,920	202,908
Minority interests		-	-	15,277	-	-
Long-term liabilities						
Liabilities to credit institutes	27	181	4,500	7,000	-	-
Total long-term liabilities		181	4,500	7,000	-	-
Current liabilities						
Accounts payable		18,864	22,887	45,623	5,686	18,178
Liabilities to subsidiaries		-	-	-	18,045	39,142
Tax liabilities		306	469	920	-	-
Other current liabilities		10,896	18,855	24,016	454	4,067
Accrued expenses and prepaid income	28	52,756	57,785	59,226	4,061	23,449
Total current liabilities		82,822	99,996	129,785	28,246	84,836
TOTAL EQUITY, PROVISIONS, AND LIABILITIES		103,334	213,405	430,240	86,166	287,744
Pledged assets	29	7,795	40,671	43,987	3,856	24,856
Contingent liabilities	30	-	-	-	-	562

Comments to the Balance Sheets¹⁾

As a result of the extensive changes implemented in the Nocom Group in recent years (see Comments to the Income Statements), total assets have decreased by more than SEK 327 million in two years. Total assets as of December 31, 2002 amounted to SEK 103.3 million.

Assets

Intangible fixed assets

Goodwill on the balance sheet has decreased from SEK 105 million on December 31, 2000 to SEK 13.1 million on December 31, 2002. Goodwill at the beginning of the year totaled SEK 38.8 million. This balance sheet item was the Group's second largest asset item after accounts receivable. In addition to amortization, goodwill was written down by SEK 19.1 million during 2002 and by SEK 45.2 million during 2001.

The assessment of the goodwill value is based on net estimated future cash flows. The distribution between business units of the goodwill book value as of December 31, 2002 is presented in the table below. The table also shows the amortization period while the following table shows the expected amortization amounts for the years 2003-2009.

Book value December 31, 2002

SEK millions	Software	Services	Total
Nocom	-	12.2	12.2
Nocom Partner Network	0.9	-	0.9
Total	0.9	12.2	13.1
Amortization period	10 years	5-10 years	

Goodwill attributable to e-channel center operations is amortized over ten years. This goodwill totaled SEK 6.9 million on December 31, 2002.

Goodwill attributable to Travelutions' consulting operations is amortized over five years. This goodwill totaled SEK 5.3 million on December 31, 2002.

Amortization per year

SEK millions	Software	Services	Total
2003	0.1	2.8	2.9
2004	0.1	2.8	2.9
2005	0.1	2.8	2.9
2006	0.2	1.3	1.5
2007	0.1	1.1	1.2
2008	0.1	1.1	1.2
2009	0.2	0.3	0.5
Total	0.9	12.2	13.1

Tangible fixed assets

Tangible fixed assets totaled SEK 18.1 (39.7) million on December 31, 2002. Of this amount the book value for financial leasing obligations totaled SEK 3.9 (12.8) million.

Investments for the year totaled SEK 0.3 (30.6) million net. Future investment needs are also judged to be low.

Financial fixed assets

Financial fixed assets reported on December 31, 2002 totaled SEK 13.4 (15.7) million.

Investments reported under this heading comprise the associated company MR Mobile Relations AB at SEK 0.3 million and Diabact AB at SEK 4.0 million.

MR Mobile Relations AB is jointly-owned by Nocom (49 percent) and Vodafone (51 percent). Nocom owns less than 20 percent of Diabact AB.

Deferred taxes were reported at SEK 8.6 (9.7) million.

Current assets

Total current assets decreased by SEK 60.6 million and totaled SEK 58.7 million as of December 31, 2002.

Equity, provisions, and liabilities

Equity

Equity as of December 31 totaled SEK 20.3 (108.9) million.

The Group's equity/assets ratio was 20 (51) percent as of December 31, 2002.

Return on capital employed was -117.3 (-83.3) percent and return on equity was -137.2 (-93.7) percent.

Change in equity for the year is presented below:

SEK millions	
Net profit/loss for the year	-88.6
Translation difference	0.0
Total	-88.6

Minority interests

As a result of the acquisition of a minority holding in Travelutions and the disposal of Tradevision during the year 2001, no minority interests are reported as of December 31, 2002.

Interest-bearing liabilities

Interest-bearing liabilities decreased by SEK 8.6 million during the year and totaled SEK 3.8 million as of December 31, 2002. All interest-bearing liabilities stem from financial leasing.

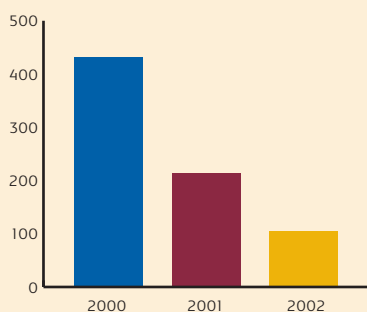
Other liabilities

Other liabilities totaled SEK 79.2 (92.1) million as of December 31, 2002. The decrease can be attributed to the streamlining implemented during the year. Costs of SEK 19.0 million attributable to the action plan were reserved on September 30. At year-end, SEK 8.8 million of this reserve remained.

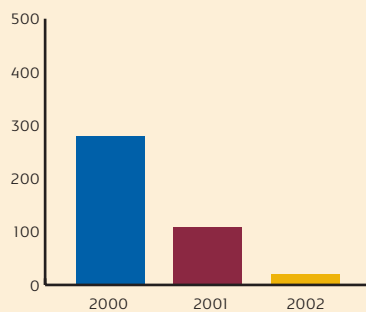
Parent Company

Total assets within the Parent Company amounted to SEK 86.2 (287.7) million as of December 31, 2002. Equity within the Parent Company totaled SEK 57.9 (202.9) million. Investments in tangible fixed assets totaled SEK 0.6 (5.7) million net. The number of employees within the Parent Company as of December 31, 2002 was 23 (54).

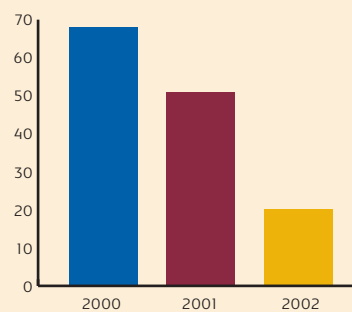
Total assets, SEK millions



Equity, SEK millions



Equity/assets ratio, percent



¹⁾ The comments refer to the Group otherwise stated.

Cash Flow Statements

SEK thousands	Group			Parent Company	
	2002	2001	2000	2002	2001
Current operations					
Payments from customers	178,425	323,051	207,217	125,148	38,671
Payments to suppliers and employees	-195,720	-366,919	-257,658	-158,729	-73,089
Cash flow from current operations before interest paid and income tax	-17,295	-43,868	-50,441	-33,581	-34,418
Interest received	979	4,571	4,824	207	2,433
Interest paid	-1,533	-1,515	-1,526	-969	-32
Income tax paid	-517	-578	-57	-132	-4
Cash flow from current operations	-18,366	-41,390	-47,200	-34,475	-32,021
Investment activities					
Investments in intangible fixed assets	-	-21,784	-	-	-
Investments in tangible fixed assets	-9,039	-16,648	-37,719	-604	-5,535
Investments in subsidiaries	-	7,951	-22,947	-	1,177
Investments in associated companies	-	-	-4,800	-	-
Investments in other financial fixed assets	-277	-1,202	-7,105	-	-1,202
Amortization of other financial fixed assets	-	-	15	-	-
Cash flow from investment activities	-9,316	-31,683	-72,556	-604	-5,560
Financing activities					
New stock issue	-	1,491	231,834	-	2,057
Group contributions	-	-	-	3,200	470
Amortization of loans	-	-	-5,609	-	-
Cash flow from financing activities	-	1,491	226,225	3,200	2,527
Net cash flow for the year	-27,682	-71,582	106,469	-31,879	-35,054
Liquid funds at the beginning of the year	47,218	118,800	12,331	36,272	71,326
Liquid funds at the end of the year	19,536	47,218	118,800	4,393	36,272
Frozen bank funds	-2,434	-2,834	-	-2,434	-2,834
Unutilized committed lines of credit	7,000	18,500	20,400	7,000	17,000
Total available liquid assets	24,102	62,884	139,200	8,959	50,438

Comments to the Cash Flow Statements¹⁾

Cash flow from current operations for 2002 was SEK -18.4 (-41.4) million. Cash flow during the year was affected positively by improvements in operating capital in the amount of SEK 15.7 (30.8) million. During the fourth quarter, cash flow totaled SEK 3.9 (10.1) million. During the fourth quarter cash flow was affected negatively by SEK 7.6 million attributable to the action plan implemented in September.

Cash flow from current operations per quarter for the years 2000 to 2002 is presented in the table below.

Current operations

SEK millions	2002	2001	2000
Q1	-8.6	-3.6	9.9
Q2	-0.2	-17.7	-8.4
Q3	-13.5	-30.2	-31.3
Q4	3.9	10.1	-17.4

Cash flow from investment activities for 2002 totaled SEK -9.3 (-31.7) million. In the fourth quarter, cash flow from investment activities totaled SEK -2.5 (18.1) million. The disposals of Hera and Tradevision affected cash flow positively in the amount of SEK 22.3 million in the fourth quarter of 2001.

Cash flow from investment activities per quarter for the years 2000 to 2002 is presented in the table below.

Investment activities

SEK millions	2002	2001	2000
Q1	-1.8	-33.6	-5.6
Q2	-3.5	-12.6	-17.6
Q3	-1.5	-3.6	-20.5
Q4	-2.5	18.1	-28.8

Cash flow was affected by the acquisition of subsidiaries as follows:

SEK millions	2002	2001	2000
Intangible fixed assets	-	-25.3	-87.2
Tangible fixed assets	-	-0.2	-2.2
Financial fixed assets	-	-	-0.1
Current assets	-	-1.4	-45.1
Minority shares in affiliated companies' balance sheets	-	-	18.0
Provisions	-	0.1	1.6
Long-term liabilities	-	-	2.2
Current liabilities	-	0.6	7.3
Minority interests	-	-0.1	-
Total purchase price	-	-26.3	-105.5
Payment with issued stock	-	11.0	49.9
Liquid funds in the acquired companies	-	1.0	32.7
Total cash flow attributable to acquired companies	-	-14.3	-22.9

Cash flow was affected by the disposal of subsidiaries as follows:

SEK millions	2002	2001	2000
Intangible fixed assets	-	53.6	-
Tangible fixed assets	-	4.0	-
Financial fixed assets	-	-	-
Current assets	-	19.0	-
Minority shares in affiliated companies' balance sheets	-	-9.1	-
Provisions	-	-0.2	-
Long-term liabilities	-	-6.0	-
Current liabilities	-	-14.7	-
Capital gains	-	-22.0	-
Total purchase price	-	24.6	-
Liquid funds in the disposed companies	-	-2.3	-
Total cash flow attributable to disposed companies	-	22.3	-

Cash flow from financing activities for 2002 totaled SEK 0.0 (1.5) million. In February 2000, Nocom implemented a new stock issue that provided the Company with approximately SEK 230 million after issue costs. In conjunction with employees redeeming warrants in March 2001, 27,500 new shares were issued, providing the Company with SEK 1.3 million. During 2001, implemented option programs provided Nocom with SEK 0.2 million.

Cash flow from financing activities per quarter for the years 2000 to 2002 is presented in the table below.

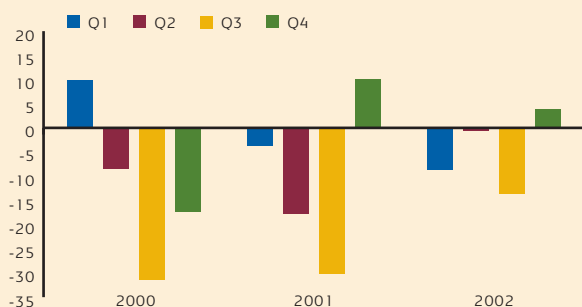
Financing activities

SEK millions	2002	2001	2000
Q1	0.0	1.3	228.6
Q2	0.0	0.0	1.1
Q3	0.0	6.8	-3.8
Q4	0.0	-6.6	0.3

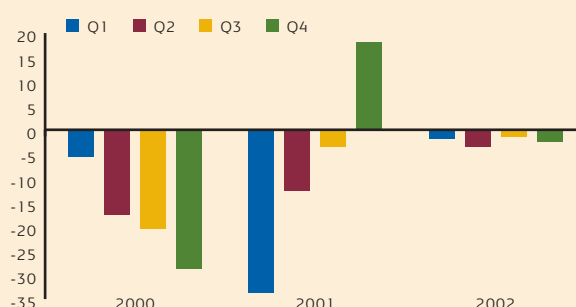
Available liquid funds at year-end totaled SEK 17.1 (44.4) million. In addition to this, there were unutilized committed lines of credit totaling SEK 7.0 (18.5) million.

The Parent Company's cash flows are presented on the previous page. Available liquid funds in the Parent Company totaled SEK 9.0 (50.4) million, of which SEK 7.0 (17.0) million were comprised of unutilized committed lines of credit.

Cash flow from current operations, SEK millions



Cash flow from investment activities, SEK millions



¹⁾ The notes refer to the Group unless otherwise stated.

Accounting and Valuation Principles

Nocom's annual accounts have been produced in accordance with the Swedish Annual Accounts Act and the Swedish Financial Accounting Standards Council's recommendations and pronouncements. Unless otherwise stated the principles applied to the Parent Company and the Group are identical.

Consolidated accounts

The consolidated accounts include subsidiaries where the Parent Company directly or indirectly has a determining influence.

The Group's financial statements are produced in accordance with the acquisition method, which means that in the case of an acquisition, the subsidiary's equity, established as the difference between the real values of the assets and liabilities, is eliminated in its entirety. As a result, the Group's equity only includes that part of the subsidiary's equity arising after the acquisition. If the consolidated acquisition value of the stock exceeds the net value of the assets recorded in the acquisition analysis, the difference is reported as goodwill in the consolidated accounts. In the case of different valuations of assets and liabilities at Group and company level, the tax effect is considered, which is reported as deferred tax claims or deferred taxes. During the acquisition analysis, deferred tax claims concerning acquired deficit deductions are also considered.

Companies acquired during the year are included in the consolidated accounts in the applicable amounts after the acquisition. The profit/loss from companies sold during the year are included in the consolidated income statement until the time of the disposal.

Associated company accounts

The companies considered associated companies are those that are not subsidiaries but where the Parent Company directly or indirectly holds at least 20 percent of the votes for all participations.

The consolidated accounts report participations in associated companies in accordance with the equity method. The equity method means that participations in a company are reported as the acquisition value at the point of acquisition and are then adjusted according to the Group's share of the change in the associated company's net assets. The value of the participations includes any goodwill obtained via the acquisition. The consolidated income statement includes as income the Group's share of the associated company's profit/loss. Unrealized internal profits are eliminated with the Group's share of the profit.

The Parent Company reports participations in associated companies in accordance with the acquisition cost method. Only dividends received from profits earned after the acquisition are recorded as income from associated companies.

Translation of overseas subsidiaries and overseas offices

The Group applies the current method for translating the annual accounts of overseas subsidiaries and offices. This means that the assets and liabilities of the overseas subsidiary/office are translated at the closing day rate. All items in the income statements are translated using the average rate for the year. Translation differences are transferred directly to the Group's equity.

The following translation rates have been applied:

Country	Currency	Closing day rate	Average rate
Norway	NOK 1	1.2595 (1.1835)	1.2187 (1.1572)
Finland	FIM 1	- (1.5648)	- (1.5356)
Finland	EUR 1	9.1925 (9.3039)	9.1329 (9.3039)
Denmark	DKK 1	- (-)	- (1.2270)
England	GBP 1	- (-)	- (14.90)

Mergers

Mergers of wholly-owned subsidiaries are reported in accordance with the group value method, which means that assets and liabilities are taken over at the values based on the acquisition analysis conducted during the origi-

nal acquisition of the subsidiary. Merger differences are transferred directly to equity.

Income taxes

Reported income tax includes taxes to be paid or received for the applicable year, adjustments concerning previous years' taxes, changes in deferred taxes, and participations in associated companies' taxes. The valuation of all tax liabilities/claims is made in nominal amounts and in accordance with the tax regulations and tax rates that are established or have been announced and will most probably be established. For items reported in the income statement, the associated tax effects are also reported in the income statement. The tax effects of items reported directly against equity are reported against equity.

Deferred tax is calculated according to the balance sheet method on all temporary differences arising between reported and written-down values of assets and liabilities.

Deferred tax claims concerning deficit deductions or other future fiscal deductions are reported to the extent that it is probable that the deduction can be settled against surpluses during future taxation. From previous years, there remain capitalized temporary differences and capitalized values of acquired deficits totaling SEK 8.6 million. These remain without any additional deficit values being capitalized.

Income recognition

Software operations

Net sales concern income from sales of software licenses. Software license fees are recorded as income upon final delivery.

Service operations

Income stems from support contracts, software service contracts, professional services, and training for the Group's software offering, from e-channel center hosting service operations, and from consulting services.

Income from support and software service contracts is reported linearly throughout the contract period. Specialist support and training are provided on a current account basis, wherein income is recorded as work progresses. Income from e-channel operations is comprised in part of startup income, which is recorded at the start of each project, and in part of operating/administration income, which is recorded on an ongoing basis throughout the contract period.

Consulting services are primarily provided on a current account basis, wherein income is recorded as work progresses. Work yet to be billed is recorded as a current asset.

Financial leasing agreements

When leasing agreements entail that the Group – as the leaseholder – in all essential aspects reaps the economic benefits and assumes the economic risks attributed to the leasing object, the object is reported as a fixed asset in the consolidated balance sheet. The equivalent obligation to pay future leasing fees is reported as a liability.

Within the Parent Company, all leasing agreements are reported – whether they are financial or operational – as operational leasing agreements.

Receivables

Receivables are reported in the amounts expected to be received after individual assessment.

Receivables and liabilities in foreign currencies

Receivables and liabilities in foreign currencies are valued at the closing day rate. In the case of hedging through future rates, the current rate is applied on the day the hedge is made from the underlying claim or liability. The difference compared to the future rate when the contract is entered is distributed over the contract period.

Exchange gains and losses

Exchange rate differences, including future rate hedges attributable to purchases within software operations, are reported as costs for goods for resale. Exchange rate differences arising in conjunction with the revaluation of loans and financial claims in foreign currencies are reported as financial income or expenses.

Stock/inventories

Stock/inventories are valued, with the application of the first-in-first-out principle, at the lower of the acquisition value and the real value on closing day.

Fixed assets

Tangible and intangible fixed assets are written off systematically over the assessed period of use. The following depreciation/amortization periods are applied:

Goodwill	5–10 years
Tangible fixed assets:	
Computers and software	3 years
Other equipment	5 years

Within individual companies, computers and software are written off over five years for tax purposes.

The goodwill items arising through acquisitions, with consideration for previous assessments of the long-term strategic values within acquired units, are written off over ten years. As of the year 2002, the amortization period for goodwill in consulting operations will be altered to five years. Other goodwill, which for the most part concerns e-channel center operations, will be amortized over ten years from here on. The assessment of the goodwill value is based on net estimated future cash flows.

Stock issue costs

Stock issue costs do not burden the profit/loss but are instead settled against the share premium reserve.

Cash Flow Statement

The cash flow statement is prepared in accordance with the direct method. The reported cash flow only comprises transactions entailing the making or receiving of payments.

In addition to cash and bank balances, short-term financial investments that are only exposed to an insubstantial currency fluctuation risk and performed in the open market in known amounts or that have a remaining maturity period of less than three months from the acquisition point are classified as liquid funds.

Notes

Note 1 Personnel

Number of employee years:

Number	2002		2001		2000	
	Total employees	Of which men	Total employees	Of which men	Total employees	Of which men
Parent Company						
Uppsala	30	27%	44	57%	45	56%
Stockholm	6	100%	13	92%	-	-
Gothenburg	-	-	-	-	1	100%
Subsidiaries in Sweden						
Uppsala	43	76%	69	62%	67	74%
Stockholm	32	83%	64	75%	47	76%
Gothenburg	2	100%	9	80%	18	100%
Helsinki, office in Finland	-	-	3	100%	2	100%
Copenhagen, office in Denmark	-	-	5	60%	2	100%
London, office in England	-	-	2	100%	0	100%
Other countries, offices	-	-	4	100%	-	-
Overseas subsidiaries						
Finland	2	100%	0	100%	-	-
Norway	9	87%	16	87%	12	90%
Total in subsidiaries	88	81%	172	70%	148	79%
Group total	124	69%	229	70%	194	74%

Salaries, other remuneration, and payroll overhead:

	2002		2001		2000	
	Salaries and other remuneration	Payroll overhead (of which retirement plan costs)	Salaries and other remuneration	Payroll overhead (of which retirement plan costs)	Salaries and other remuneration	Payroll overhead (of which retirement plan costs)
Parent Company	14,295	7,010 (1,866)	28,732	15,086 (4,349)	18,683	9,537 (2,014)
Subsidiaries	39,593	17,167 (4,242)	69,777	29,982 (6,952)	54,848	23,670 (4,717)
Group total	53,888	24,177 (6,108)	98,509	45,068 (11,301)	73,531	33,207 (6,731)

Of the Group's retirement plan costs, SEK 779 (1,304) thousand are attributable to the Board and CEOs. Of the Parent Company's retirement plan costs, SEK 345 (752) thousand are attributable to the Board and CEOs. The comparative figures for the Parent Company for previous years include severance pay to former CEOs.

Salaries and other remuneration per country distributed between board members, others, and employees:

SEK thousands	2002		2001		2000	
	The Board and CEO	Other employees	The Board and CEO	Other employees	The Board and CEO	Other employees
Parent Company						
Sweden	1,391	12,904	3,097	25,635	1,820	16,863
Subsidiaries						
in Sweden	2,160	31,692	5,379	50,271	5,748	42,250
Helsinki, office in Finland	-	-	-	1,013	-	943
Copenhagen, office in Denmark	-	-	-	2,928	-	1,325
London, office in England	-	-	-	1,350	-	267
Overseas subsidiaries						
Finland	-	854	0	79	-	-
Norway	888	3,999	741	8,016	645	3,670
Total in subsidiaries	3,048	36,545	6,120	63,657	6,393	48,455
Group total	4,439	49,449	9,217	89,292	8,213	65,318

Salaries and other remuneration to the Board and CEOs also include salary paid to the Vice CEO in accordance with BFN R4.

Note 2 Remuneration to senior executives

Principles

The Chairman and Members of the Board receive remuneration in accordance with the AGM's decision. No special remuneration is paid for committee work. Board members that receive a salary from a company within the Nocom Group do not receive board remuneration.

Remuneration to the Chief Executive Officer and other senior executives comprises a base salary, variable remuneration, other benefits, retirement plans, and financial instruments. Other senior executives refers to the five persons who together with the Chief Executive Officer comprise company management. See page 33 for the composition of company management. In the case of the Chief Executive Officer, the variable remuneration can comprise a maximum of 30 percent of the base salary. In the case of other senior executives, the variable remuneration can comprise a maximum of 10–35 percent of the base salary. The variable remuneration is based on outcome in relation to individually established goals.

Retirement benefits and remuneration in the form of financial instruments and other benefits paid to the Chief Executive Officer and other senior executives comprise a part of their total remuneration.

Remuneration and other benefits during the year

The Board

Remuneration to the Chairman of the Board totaled SEK 120 (120) thousand. Other external board members each received SEK 80 (60) thousand.

The Chief Executive Officer

The Chief Executive Officer received a base salary of SEK 1,113 (2,814) thousand. In addition to this, variable remuneration totaling SEK 148 (-) thousand was paid. Other benefits in the form of a company car and luncheon vouchers were provided to a total of SEK 46 (99) thousand. Retirement plan costs of SEK 345 (752) thousand were paid.

Other senior executives

Other senior executives received base salaries totaling SEK 2,927 (3,003) thousand. In addition to this, variable remuneration totaling SEK 434 (169) thousand was paid. Other benefits in the form of company cars and luncheon vouchers were provided to a total of SEK 173 (200) thousand. Retirement plan costs of SEK 624 (564) thousand were paid.

Bonus

The Chief Executive Officer's bonus for 2002 was based on the Group's operating profit. The bonus amount for 2002 was equal to 13 percent of the base salary.

The other senior executives' bonuses for 2002 were based on the Group's operating profit and individual goals. The bonus amounts for 2002 for other senior executives were equal to 2–17 percent of their base salaries.

Financial instruments

The Chief Executive Officer and other senior executives held, as of December 31, 2002, warrants from the programs that as of the New Year were still running. The warrants were acquired at market value. The market value of the warrants in the programs is calculated in accordance with the Black & Scholes valuation model. Based on an analysis of the historical volatility of the stock prices of the Company and comparable companies, the expected volatility during the term of the warrants has been judged to be 30–60 percent.

Options program	Other senior CEO	Redemption price/option	Redemption of options, term (year, month, date)	
			Other senior executives	price/option
1999/2003	-	13,500	47.60	20000101–20030115
2000/2003	14,000	36,000	69.32	20030301–20030430
2001/2003	-	30,000	5.60	20031201–20031231

Retirement agreements

The CEO is covered by a retirement plan equivalent to the ITP plan, but with a retirement age of 60 years. All other senior executives are covered by a retirement plan equivalent to the ITP plan. The Group applies a set fee retirement plan.

Severance pay

The notice period from the Company's side regarding the CEO is twelve (12) months with full salary and a maximum of six months severance pay. Other senior executives have employment contracts that stipulate mutual notice periods of three–six months. For all senior executives, salaries and other agreed benefits are not paid during the notice period.

Note 3 Net sales according to business segment and geographic market

Net sales are distributed between business segments as follows:

SEK thousands	Group			Parent Company	
	2002	2001	2000	2002	2001
Nocom	104,559	180,562	159,673	17,688	68,207
Nocom Partner Network	46,196	43,914	38,911	-	-
Divested business segments	-	61,297	35,307	-	-
Less intragroup sales	-	-5,330	-1,740	-	-
Sales, total	150,755	280,443	232,151	17,688	68,207

Net sales are distributed between geographical markets as follows:

SEK thousands	Group			Parent Company	
	2002	2001	2000	2002	2001
Sweden	123,516	229,287	181,400	14,632	60,300
Norway	24,699	21,300	24,272	1,948	5,966
Finland	2,540	5,766	8,678	1,108	1,941
Other markets	-	24,090	17,801	-	-
Sales, total	150,755	280,443	232,151	17,688	68,207

Note 4 Inter-company dealings

Of the year's total purchase costs and sales income for the Parent Company, 14 (4) percent of the purchases and 47 (11) percent of the sales are attributed to other companies within the Group.

Of the year's total purchase costs and sales income for the subsidiaries, 13 (5) percent of the purchases and 1 (1) percent of the sales are attributed to the Parent Company.

Note 5 Depreciation & Amortization

SEK thousands	2002	Group		Parent Company	
		2001	2000	2002	2001
Capitalized development expenditure	-	2,243	-	-	-
Goodwill	6,612	12,400	8,028	-	-
Improvement expenses for third-party real estate	2,165	3,504	1,000	253	412
Equipment	13,364	13,803	7,151	6,237	2,712
Financial leasing	5,743	7,911	7,146	-	-
Depreciation & amortization, total	27,884	39,861	23,325	6,490	3,124

Note 6 Write-downs of intangible assets

SEK thousands	2002	Group		Parent Company	
		2001	2000	2002	2001
Goodwill Nocom	19,112	24,421	-	-	-
Goodwill divested business segments	-	20,802	-	-	-
Write-downs of intangible assets, total	19,112	45,223	-	-	-

An altered assessment of the profitability of consulting operations has entailed a decrease in the value of the profit center. Goodwill in consulting operations was written down by SEK 19,112 thousand on June 30. In conjunction with the action plan in September, consulting operations were completely wound down.

Note 7 Profit/loss from participations in affiliated companies

SEK thousands	2002	Group		Parent Company	
		2001	2000	2002	2001
Capital losses from the sale of subsidiaries	-	-21,959	-	-	-31,620
Capital gains from the liquidation of subsidiaries	-	-	-	264	-
Write-downs of shares in subsidiaries	-	-	-	-103,514	-38,468
Profit/loss from participations in affiliated companies	-	-21,959	-	103,250	-70,088

Profit/loss from participations in affiliated companies is reported within the Group under operating profit and within the Parent Company as profit/loss from financial investments.

Note 8 Exchange rate differences

In the Group's operating profit, the item goods for resale includes positive exchange rate differences concerning operating receivables and operating liabilities totaling SEK 611 thousand. For the years 2001 and 2000, the equivalent amounts were SEK 967 thousand and SEK -100 thousand respectively. For the Parent Company, the operating profit includes exchange rate differences totaling SEK 850 (-182) thousand.

Note 9 Remuneration to the auditors

SEK thousands	2002	Group		Parent Company	
		2001	2000	2002	2001
Audits					
Öhrlings Pricewaterhouse Coopers	533	996	614	417	372
Other	86	36	34	-	-
Assignments other than audits					
Öhrlings Pricewaterhouse Coopers	304	842	1,287	304	707
Remuneration to the auditors, total	923	1,874	1,935	721	1,079

Note 10 Profit/loss from other securities

SEK thousands	2002	Group		Parent Company	
		2001	2000	2002	2001
Write-down of holdings in VS Market AB	-277	-	-	-	-
Write-down of holdings in MR Mobile Relations AB	-	-	-	-4,750	-
Write-down of holdings in Pharma Interactive CGS AB	-	-7,019	-	-	-7,019
Profit/loss from other securities, total	-277	-7,019	-	-4,750	7,019

Note 11 Interest expense and similar items

SEK thousands	2002	Group		Parent Company	
		2001	2000	2002	2001
Interest expenses	-193	-260	-369	-69	-32
Financial leasing	-440	-1,255	-1,039	-	-
Other	-900	185	-99	-900	-
Interest expense and similar items, total	-1,533	-1,330	-1,507	-969	-32

Note 12 Tax on net profit/loss for the year

SEK thousands	2002	Group		Parent Company	
		2001	2000	2002	2001
Current tax	-188	-63	-95	-	-
Current tax attributable to previous years	-166	-4	-	-	-4
Deferred tax	-1,165	436	1,212	896	132
Tax on net profit/loss for the year	-1,519	369	1,117	896	128

Note 13 Deferred tax

SEK thousands	2002	Group		Parent Company	
		2001	2000	2002	2001
Deferred tax cost/income for the year					
Deferred tax cost for temporary differences	-1,232	-932	-790	-	-
Deferred tax income	-	-	-	896	132
-for Group contributions	-	-	-	-	-
-for temporary differences	67	1,368	2,002	-	-
Deferred tax on income statement, total	-1,165	436	1,212	896	132

SEK thousands	2002	Group		Parent Company	
		2001	2000	2002	2001
Difference between tax cost and tax cost based on current tax rate					
Reported pre-tax profit/loss	-87,121	-187,890	-64,854	-148,188	-120,255
Tax according to current tax rate	24,394	52,609	18,159	41,493	33,671
Tax effect of non-deductible costs	-10,466	-23,082	-5,694	-32,128	-1,125
Tax effect of non-taxable income	2	214	-	-	15
Increase in unreported tax claims for deficit deductions	-15,449	-29,372	-11,348	-8,469	-32,433
Tax on profit/loss for the year according to income statement	-1,519	369	1,117	896	128

Note 13 Deferred tax (cont.)

Tax rate

The current tax rate is the tax rate for income tax within the Group.

The tax rate is 28% (28%).

Temporary differences

Temporary differences arise in those cases where the reported and written-down values of the assets or liabilities differ. Temporary differences concerning the following items have resulted in deferred tax liabilities and deferred tax claims:

SEK thousands	2002	Group		Parent Company	
		2001	2000	2002	2001
Deferred tax liabilities					
Acquired profit/loss	-50	-50	-	-	-
Untaxed reserves	-	-67	-626	-	-
Deferred tax liabilities total					
	-50	-117	-626	-	-
Deferred tax claims					
Allocation for structural costs	2,476	-	-	-	-
Deficit deductions	81,306	78,117	22,731	47,099	37,734
Unreported deferred tax claims for deficit deductions and temporary differences	-75,120	-68,251	-12,792	-47,099	-37,734
Deferred tax claims, total					
	8,662	9,866	9,939	0	0
Deferred tax claims net, total					
	8,612	9,749	9,313	0	0

Note 14 Earnings per share

	2002	Group	
		2001	2000
Reported profit/loss, SEK thousands	-88,640	-181,467	-59,266
Profit/loss for calculating earnings per share before dilution, SEK thousands	-88,640	-181,467	-59,266
Average number of shares before dilution	28,288,504	28,205,171	26,186,317
Average number of shares after dilution	29,688,504	28,205,171	26,186,317

In December 2001 Nocom issued 1,400,000 warrants, 645,000 of which had been subscribed to as of December 31, 2002.

Against the background of the fact that the current value of the warrants exceeds the actual value (market value) of the stock, no dilution effect will arise.

Note 15 Goodwill

SEK thousands	2002	Group		Parent Company	
		2001	2000	2002	2001
Opening acquisition value					
	76,334	115,087	27,731	362	362
Purchases					
	-	26,151	58,764	-	-
Purchases via the acquisition of subsidiaries					
	-	-	327	-	-
Goodwill arising from the acquisition of subsidiaries					
	-	-	28,265	-	-
Sales and disposals					
	-	-64,904	-	-	-
Closing accumulated acquisition values					
	76,334	76,334	115,087	362	362
Opening depreciation					
	13,115	9,941	1,801	362	362
Opening depreciation of purchases via the acquisition of subsidiaries					
	-	-	112	-	-
Depreciation sales and disposals					
	-	-9,226	-	-	-
Depreciation for the year					
	6,612	12,400	8,028	-	-
Closing accumulated depreciation					
	19,727	13,115	9,941	362	362
Opening write-downs					
	24,420	-	-	-	-
Write-downs for the year					
	19,112	24,420	-	-	-
Closing accumulated write-downs					
	43,532	24,420	-	-	-
Closing planned residue value					
	13,075	38,799	105,146	0	0

Note 16 Improvement expenses for third party real estate

SEK thousands	2002	Group		Parent Company	
		2001	2000	2002	2001
Opening acquisition value					
	11,166	10,396	1,040	1,497	395
Purchases					
	-	4,163	9,177	-	1,102
Purchases via the acquisition of subsidiaries					
	-	-	179	-	-
Sales and disposals					
	-77	-3,393	-	-	-
Closing accumulated acquisition values					
	11,089	11,166	10,396	1,497	1,497
Opening depreciations					
	2,670	1,081	26	599	187
Opening depreciation of purchases via the acquisition of subsidiaries					
	-	-	55	-	-
Sales and disposals					
	-	-1,915	-	-	-
Depreciation for the year					
	2,165	3,504	1,000	253	412
Closing accumulated depreciation					
	4,835	2,670	1,081	852	599
Closing planned residue value					
	6,254	8,496	9,315	645	898

Note 17 Equipment

SEK thousands	Group			Parent Company	
	2002	2001	2000	2002	2001
Opening					
acquisition value	79,625	73,244	40,428	23,078	18,546
Purchases	1,759	12,544	23,228	604	4,612
Purchases via the acquisition of subsidiaries	-	65	5,185	-	-
Financial leasing	-20,637	3,911	6,315	-	-
Translation differences	-	-	-22	-	-
Sales and disposals	-34,042	-10,139	-1,890	-	-80
Closing accumulated acquisition values	26,705	79,625	73,244	23,682	23,078
Opening depreciations	48,458	32,903	15,736	13,564	10,873
Sales and disposals	-52,712	-6,159	-235	-	-21
Opening depreciation of purchases via the acquisition of subsidiaries	-	-	3,125	-	-
Depreciation concerning financial leasing for the year	5,743	7,911	7,146	-	-
Translation difference	-	-	-20	-	-
Depreciation for the year	13,364	13,803	7,151	6,237	2,712
Closing accumulated depreciation	14,853	48,458	32,903	19,801	13,564
Closing planned residue value	11,852	31,167	40,341	3,881	9,514

The Group generally writes off software directly at the point of acquisition. However, such purchases are capitalized if they are of considerable value to the Group in the future. Their accumulated acquisition value, which is capitalized as equipment, totaled SEK 1,319 (4,001) thousand as of December 31, 2002.

Note 18 Operational leasing agreements

Leasing fees paid during the year for operational leasing agreements within the Group totaled SEK 9,738 (11,286) thousand. The majority of the operational leasing agreements concern rental agreements for premises. The nominal value of the agreed future leasing fees concerning agreements where the remaining contractual period exceeds one year are distributed as follows:

SEK thousands	Group			Parent Company	
	2002	2001	2000	2002	2001
Payment due within 1 year	7,438	6,742	7,188	6,748	5,154
Payment due within 2 years	7,013	6,150	5,824	6,715	5,149
Payment due within 3 years	6,593	5,150	4,213	6,593	4,702
Payment due in 4 years or more	0	4,106	4,532	0	4,106

Within the Parent Company, all leasing agreements are reported – whether they are financial or operational – as operational leasing agreements.

Note 19 Financial leasing agreements

The majority of the financial leasing agreements concern the e-channel center and company vehicles. The accumulated acquisition value of the financial leasing agreements totaled SEK 8,531 (29,168) million as of December 31, 2002. Accumulated depreciation totaled SEK 4,592 (16,353) million at year-end. These obligations are reported as equipment on the balance sheet. Also see note 17.

The present value of future payment obligations resulting from financial leasing agreements is reported as a liability to credit institutes, in part as current liabilities and in part as long-term liabilities, as follows:

Group, SEK thousands	2002	2001	2000
Current liabilities	3,608	7,940	9,398
Long-term liabilities			
Payment due in 2 years	181	1,406	4,216
Payment due in 3 years	-	3,094	2,784
Total	3,787	12,440	16,398

The acquisition values and accumulated depreciation for financial leasing agreements is presented in note 15.

Note 20 Stock in subsidiaries

SEK thousands	Parent Company	
	2002	2001
Opening acquisition value	132,025	165,568
Provided stockholders' contributions	68,514	47,840
Acquisition of subsidiaries	-	17.35
Liquidated subsidiaries	-1,730	-
Sold subsidiaries	-11,000	-98,698
Closing accumulated acquisition values	186,809	132,025
Opening write-downs	46,226	19,404
Opening write-downs for sold subsidiaries	-	-8,476
Write-downs for the year	103,514	35,298
Closing accumulated write-downs	148,740	46,226
Closing book value	38,069	85,799

Stockholders' contributions for 2002 were provided to Nocom Sverige AB, Nocom Partner Network (PN) AB, and Nocom Travelutions AB.

Parent Company's holding, SEK thousands	Share of voting power	Share of voting power	Total shares	Book value 2002	Book value 2001
Direct holdings:					
Nocom Partner					
Network (PN) AB	100%	100%	1,000	425	425
Nocom AS	100%	100%	500	50	50
Nocom Travelutions AB	100%	100%	3,333	9,585	9,585
Nocom Sverige AB	100%	100%	1,000	28,009	63,009
Nocom Vilande AB				-	1,730
Travelutions AB				-	11,000
Indirect holdings via subsidiaries:					
Travelutions AB	100%	100%	-	-	-
Nocom e-channel					
center AB	100%	100%	-	-	-
Nocom OY	100%	100%	-	-	-
Closing book value				38,069	85,799

Information about the subsidiaries'

corporate ID numbers and registered offices:	Corporate identity number	Registered office
Direct holdings:		
Nocom Partner Network (PN) AB	556489-9937	Uppsala
Nocom AS	957462561	Oslo
Nocom Travelutions AB	556579-0432	Uppsala
Nocom Sverige AB	556579-0473	Uppsala
Indirect holdings via subsidiaries:		
Travelutions AB	556527-5624	Uppsala
Nocom e-channel center AB	556535-8792	Stockholm
Nocom OY	1702558-9	Esbo

Note 20 Stock in subsidiaries (cont.)

During the year, the number of companies in the Group was reduced through both voluntary subsidiary liquidations and mergers. Nocom Vilande AB has been liquidated. Nocom Professional Services AB changed trade name to Nocom Sverige AB. Nocom Cyberink AB, Nocom Interactive AB, and Nocom Integration AB have merged with Nocom Sverige AB. Nocom e-channel center AB has been restructured into a new legal entity.

Note 21 Participations in associated companies

SEK thousands	Group			Parent Company	
	2002	2001	2000	2002	2001
Opening acquisition value	5,097	5,097	3,002	5,097	5,097
Acquisitions for the year	-	-	5,097	-	-
Reclassification	-	-	-3,002	-	-
Closing accumulated acquisition values	5,097	5,097	5,097	5,097	5,097
Opening profit/loss from participations in associated companies	-3,218	-297	-	-	-
Write-downs for the year	-	-	-	-4,750	-
Profit/loss for the year from participations	-1,540	-2,921	-297	-	-
Closing accumulated profit/loss from participations in associated companies	-4,758	-3,218	-297	-4,750	-
Closing book value	339	1,879	4,800	347	5,097

	Share of voting power	Share of voting power	Total 2002	Book value 2001	Book value
Parent Company's holding, SEK thousands					
Direct holdings:					
MR Mobile Relations AB	49%	49%	490	347	5,097
Closing book value				347	5,097

Note 22 Other long-term securities holdings

SEK thousands	Group			Parent Company	
	2002	2001	2000	2002	2001
Opening acquisition value	11,015	9,812	-	11,015	9,812
Acquisitions for the year	277	1,203	6,810	-	1,203
Reclassification	-	-	3,002	-	-
Closing accumulated acquisition values	11,292	11,015	9,812	11,015	11,015

Opening write-downs	-7,019	-	-	-7,019	-
Write-downs for the year	-277	-7,019	-	-	-7,019
Closing accumulated write-downs	-7,296	-7,019	-	-7,019	-7,019
Closing book value	3,996	3,996	9,812	3,996	3,996

The Parent Company's holding, SEK thousands	Book value 2002	Book value 2001
Direct holdings:		
Diabact AB	3,996	3,996
Indirect holdings via subsidiaries:		
VS Market AB	0	-
Closing book value	3,996	3,996

Note 23 Prepaid expenses and accrued income

SEK thousands	Group			Parent Company	
	2002	2001	2000	2002	2001
Accrued income	577	755	4,087	8	618
Other items	3,184	7,545	11,197	1,695	3,451
Prepaid expenses and accrued income, total	3,761	8,300	15,284	1,703	4,069

Note 24 Cash and bank balances

The Group has unutilized committed lines of credit totaling SEK 7,000 (18,500) thousand. The Parent Company has unutilized committed lines of credit totaling SEK 7,000 (17,000) thousand.

Note 25 Change in equity

Group, SEK thousands	Capital stock	Restricted reserves	Unrestricted reserves
Opening balance	28,289	294,382	-213,762
Treatment of loss from previous year	-213,762	213,762	
Change in translation difference			62
Net profit/loss for the year			-88,640
Closing balance	28,289	80,620	-88,578

Parent Company, SEK thousands	Capital stock	Share premium reserve	Statutory reserve	Profit/loss carried forward
Opening balance	28,289	294,308	100	-119,789
Treatment of loss from previous year		-119,789		119,789
Group contributions				3,200
Tax effect of Group contributions				-896
Net profit/loss for the year				-147,292
Closing balance	28,289	174,519	100	-144,988

Ongoing option programs are presented in a table on page 13.

Note 26 Capital stock

The capital stock is distributed between 28,288,504 shares with a nominal value of SEK 1, of which 3,718,130 are Series A shares and 24,570,374 are Series B shares. Series A shares provide ten (10) votes per share and Series B shares provide one (1) vote per share.

Note 27 Long-term liabilities

Payment is due on all long-term liabilities within five years of the closing day.

Note 28 Accrued expenses and prepaid income

SEK thousands	Group			Parent Company	
	2002	2001	2000	2002	2001
Accrued salaries and payroll overhead	6,158	7,872	11,465	562	3,657
Accrued accounts payable	10,480	20,367	17,913	-	15,999
Prepaid income	22,942	21,911	24,825	2,273	-
Other items	13,176	7,635	5,023	1,226	3,793
Accrued expenses and prepaid income, total	52,756	57,785	59,226	4,061	23,449

Note 29 Pledged assets

SEK thousands	Group			Parent Company	
	2002	2001	2000	2002	2001
For liabilities					
Retirement plans and similar obligations:					
Direct retirement plan commitment	1,422	1,422	1,422	1,422	1,422
Liabilities to credit institutions:					
Chattel mortgages	-	24,000	25,750	-	21,000
Machines used under financial leasing agreements	3,939	12,815	16,815	-	-
Total liabilities	5,361	38,237	43,987	1,422	22,422
Other commitments					
Frozen bank funds	2,434	2,434	-	2,434	2,434
Pledged assets, total	7,795	40,671	43,987	3,856	24,856

In conjunction with unutilized committed lines of credit being reduced during 2002, pledged assets were also reduced.

Note 30 Contingent liabilities

Group SEK thousands	Parent Company				
	2002	2001	2000	2002	2001
Guarantees for subsidiaries leasing commitments	-	-	-	-	562
Contingent liabilities, total	-	-	-	-	562

Since Nocom's acquisition of Tradevision from SAS in August 2000, there is an agreed potential supplementary purchase sum based on future earnings. In view of Tradevision's negative earnings trend, the Board of Directors previously concluded that no supplementary purchase price would be paid. This conclusion stands. The Parent Company has made capital cover guarantees for the subsidiaries Nocom Integration AB and Nocom Travelutions AB.

Uppsala, Sweden, March 13, 2003

Christer Magnusson
Chairman of the Board

Stefan Skarin
Chief Executive Officer

Monica Caneman

Curt Egerot

Anders Jonson

Audit report (translation)

To the general meeting of the shareholders of Nocom AB (publ)
Corporate identity number 556400-7200

We have audited the annual accounts, the consolidated accounts, the accounting records and the administration of the board of directors and the managing director of Nocom AB (publ) for the year 2002. These accounts and the administration of the company are the responsibility of the board of directors and the managing director. Our responsibility is to express an opinion on the annual accounts, the consolidated accounts and the administration based on our audit.

We conducted our audit in accordance with generally accepted auditing standards in Sweden. Those standards require that we plan and perform the audit to obtain reasonable assurance that the annual accounts and the consolidated accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and their application by the board of directors and the managing director, as well as evaluating the overall presentation of information in the annual accounts and the consolidated accounts. As a basis for our opinion concerning discharge from liability, we examined significant decisions, actions taken and circumstances of the company in order to be able to determine the liability, if any, to the company of any board member or the managing director. We also examined

whether any board member or the managing director has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association. We believe that our audit provides a reasonable basis for our opinion set out below.

The annual accounts and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and, thereby, give a true and fair view of the company's and the group's financial position and results of operations in accordance with generally accepted accounting principles in Sweden.

We recommend to the general meeting of shareholders that the income statements and balance sheets of the parent company and the group be adopted, that the loss for the parent company be dealt with in accordance with the proposal in the administration report and that the members of the board of directors and the managing director be discharged from liability for the financial year.

Uppsala, Sweden, March 13, 2003

Ingvar Pramhäll
Auktoriserad revisor
(Authorized Public Accountant)

Leonard Daun
Auktoriserad revisor
(Authorized Public Accountant)

The Board



Christer Magnusson, born 1940.

Chairman of the Board since September 2002 and Board Member since 2001. Chairman of the boards of Nordic Tourism & Trade AB, TaxiKurir AB, Spinator AB, and Mässrestauranger AB. Member of the boards of Perlan Dialog & Ledarskap AB and Proliva AB.

Holdings in Nocom: 150,000 Series B shares, call options equal to 100,000 Series A shares and 100,000 Series B shares.



Monica Caneman, born 1954.

Board Member since 2002. Board appointments at Investment AB Öresund, Frango AB, Capona AB, Vitea AB, Svenska Dagbladet AB, Citymail AB, SJ AB, Lindorff Holding AS, and Akademikliniken AB.

Holdings in Nocom: call options equal to 100,000 Series A shares and 100,000 Series B shares.



Curt Egerot, born 1934.

Board Member since 1995. Owner of CAE Konsult. Chairman of the board of Skarpnäck Care AB. Member of the board of Vattentornet AB.

Holdings in Nocom (including family): 213,079 Series B shares, call options equal to 100,000 Series A shares and 100,000 Series B shares.



Anders Jonson, born 1960.

Founder of Nocom and Board Member since 1985. Member of the board of Nordea Region bank Norr- och Mellansverige.

Holdings in Nocom (including family): 3,718,130 Series A shares, 3,855,930 Series B shares, and 5,400,000 issued call options.



Stefan Skarin, born 1962.

Chief Executive Officer of Nocom AB and Board Member since 2002.

Holdings in Nocom: 21,000 Series B shares, call options equal to 1,550,000 Series A shares and 2,050,000 Series B shares, and warrants equal to 14,000 Series B shares.

Stock and warrant holdings as of January 31, 2003

Senior Executives



From the left: Stefan Skarin, Agneta Forssén, Peter Lämber, Lars Grundström, Stefan Ström, and Christer Nilsson.

Stefan Skarin, born 1962, Chief Executive Officer. Employed since 1999. Holdings in Nocom: 21,000 Series B shares, call options equal to 1,550,000 Series A shares and 2,050,000 Series B shares, and warrants equal to 14,000 Series B shares.

Agneta Forssén, born 1963, Marketing Manager. Employed since 1991. Holdings in Nocom: 7,750 Series B shares, call options equal to 50,000 Series B shares, and warrants equal to 5,700 Series B shares.

Lars Grundström, born 1946, IT Manager. Employed since 1998. Holdings in Nocom: 520 Series B shares and warrants equal to 10,000 Series B shares.

Peter Lämber, born 1964, Sales Manager, Scandinavia. Employed since 1999. Holdings in Nocom: call options equal to 75,000 Series B shares and warrants equal to 14,000 Series B shares.

Christer Nilson, born 1948, Manager Professional Services. Employed since 1992. Holdings in Nocom: 71,000 Series B shares and warrants equal to 10,900 Series B shares.

Stefan Ström, born 1958, Chief Financial Officer. Employed since 1997. Holdings in Nocom (incl. family): 3,450 Series B shares, call options equal to 300,000 Series A shares and 375,000 Series B shares, and warrants equal to 25,400 Series B shares.

Auditors

Ingvar Pramhäll, born 1942.
Authorized public accountant,
Öhrlings PricewaterhouseCoopers.

Leonard Daun, born 1964.
Authorized public accountant,
Öhrlings PricewaterhouseCoopers.

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