

ADDNODE GROUP

Press release

Addnode Group acquires Joint Collaboration, a Norwegian software company with an annual turnover of SEK 135 M

STOCKHOLM, 2 July 2013 - The acquisition of Joint Collaboration AS (“Joint”) is a big step forward in the development of Addnode Group, complementing our existing offerings in Business Areas Design Management and Product Lifecycle Management. Joint is a leading supplier of SaaS (Software as a Service) rental solutions for primarily the Oil and Gas as well as the Construction industry.

Summary

- On July 1, 2013, Addnode Group signed an agreement to acquire all outstanding shares in Joint from Joint’s existing shareholders (the “Transaction”).
- The Transaction will be paid at closing by a payment of NOK 56 M in cash and such number of Series B shares of Addnode Group which represents a value of NOK 39 M. The final cash payment is subject to an adjustment based on the actual net cash position, and the actual level of working capital, in Joint at closing. A maximum conditional purchase price of NOK 95 M in cash is payable if certain targets related to Joint’s EBITDA during the period 2013-2015 are achieved. In summary, the maximum acquisition cost is NOK 190 M on a cash and debt free basis.
- The initial cash payment of NOK 56 M will be financed through a new three year credit facility.
- The Transaction is conditional upon approval from the competition authority in Norway, and the change of ownership is intended to take place on August 30, 2013.

Background and motive

- Addnode Group is one of the largest providers of business critical support systems for the engineering and construction communities in the Nordics. The Transaction reflects Addnode Group’s strategy to be a strong partner to these customers.
- Joint’s SaaS collaborations tools and know-how will strengthen Addnode Group’s position as software supplier and give us an even better opportunity to contribute to our customers’ further growth.
- With customers in all Nordic countries as well as complementary document management solutions, Addnode Group will be able to facilitate a further expansion of Joint in the Nordics.
- Joint will strengthen Addnode Group in the Norwegian market and particularly to Oil and Gas and the Construction industries.
- The Transaction increases recurring revenues as portion of Addnode Group’s total income.
- The Transaction is expected to improve earnings per share from closing.

“The acquisition of Joint is a big step forward for the Group’s growth. We have a strong offer of IT-solutions for the design of products, facilities, and infrastructure as well as for product life cycle management. Joint gives us expertise and broadens the Addnode Group’s offering with collaboration tools for the management of projects that we desired,” says Staffan Hanstorp, President and CEO of Addnode Group.

“This is strategically right for our customers, the employees and the company. Addnode Group’s knowledge and experience will help us continue to progress and become even better at what we do best

today. Together, we will give our customers access to a broader product and service offering and a better geographical coverage,” says Steinar Svinø, CEO of Joint.

Description of Joint

Joint features two web-based collaboration tools; Joint ProsjektHotell and Joint UniZone. Both solutions are SaaS (Software as a Service) rental solutions for interaction between a company and its external suppliers during construction projects.

- Joint ProsjektHotell is a web-based collaboration tool for construction projects: planning phase, design phase, construction phase and operational phase.
- Joint UniZone is an effective and flexible solution for collaborative development projects in the oil and gas industry. The solution supports typical core processes in construction projects.

Joint was founded in 2001 and has currently over 50 employees. Customers include Norway’s and the Nordic region’s largest corporations, as well as many small and medium-sized customers. Joint’s solutions has over 45,000 users of their solutions ranging from companies such as Statoil, the Norwegian National Rail Administration (Jernbaneverket), the Norwegian Public Roads Administration (Vegveset), Lyse, Oslo 2022, The Norwegian Defence Estates Agency (Forsvarsbygg), Hoegh, M7 Offshore, Hæhre Entreprenør and many more. In addition to its SaaS rental solutions, Joint resells EMC software with hosting and support services.

For the twelve month period April 1, 2012 through March 31, 2013 Joint’s net sales were NOK 120 M and the EBITA resultat amounted to NOK 23 M.

For more information about Joint please visit www.joint.no

Impact on Addnode Group’s income and financial position

- The Transaction is expected to improve earnings per share from closing.
- The acquisition cost for the Transaction is maximum NOK 190 M on a cash and debt free basis.
 - The Transaction will be paid at closing by a payment of NOK 56 M in cash and such number of Series B shares of Addnode Group which represents a value of NOK 39 M based on the average volume weighted price paid on NASDAQ OMX Stockholm, and the SEK/NOK exchange rate, both calculated from and including June 17, 2013, up to and including July 12, 2013.
 - The final cash payment is subject to an adjustment based on the actual net cash position, and the actual level of working capital, in Joint at Closing.
- A maximum conditional purchase price of NOK 95 M in cash is payable if certain targets related to Joint’s EBITDA during the period 2013-2015 are achieved. The cash element of NOK 56 M to be paid at closing will be financed by a new three year credit facility.
- Preliminary purchase price allocation is expected to be communicated in Addnode Group’s interim report for the period 1 January – 30 September 2013.

Closing and conditions

The closing of the Transaction is expected to take place on August 30, 2013 and is subject to approval from the Norwegian competition authority and that certain other conditions, mainly to the benefit of Addnode Group, are fulfilled or waived.

Addnode Group's segment reporting

From the date of the interim report for the first nine months of 2013, which will be presented on October 25, 2013, the businesses acquired will be reported as part of the Business Area Design Management,

The information in this press release is such that Addnode Group AB must disclose in accordance with the Swedish Securities Markets Act and/or the Financial Instruments Trading Act. The information was released on 2 July 2013 at 08:00am.

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About Addnode Group

Addnode Group provides mission-critical IT solutions comprising of software, systems and services. We are the Nordic market leader in IT solutions for design, engineering and product lifecycle management. We also have a strong market position in Sweden in case management systems to the public sector, municipal engineering systems, geographical information systems and a strong offering in the web area.

We are 800 + employees in Sweden, Norway, Finland, Denmark, Serbia and USA. With over 3000 customers using our solutions in more than 60 countries and a track record of good growth, we continue to build a strong and extensive portfolio of high performance IT solutions.

In 2012 net sales totaled SEK 1.365 M. Addnode's Series B share is listed on the OMX Nordic List, Small Cap. More information about Addnode Group on www.addnodegroup.com