

# ADDNODE GROUP IN BRIEF

Addnode Group acquires, operates and develops entrepreneur-driven companies that supply software and services to markets in which we have or can achieve a leading position. We are Europe's leading supplier of software and services for design, construction and product data information, and a leading supplier of document and case management systems to public sector clients in Sweden and Norway. In 2015 we had 19 per cent growth and net sales of SEK 1,901 m.

## BRIEF FACTS



### TWO CORE BUSINESSES

IT solutions for design, construction and product data information.  
IT solutions for document and case management.



### ENTREPRENEURSHIP

We are characterised by entrepreneurship with short decision-making channels in which business-critical decisions are made as close to customers and end-users as possible.



### ACQUISITIONS

We have carried out more than 40 acquisitions since 2003 and are constantly searching for companies that can strengthen or complement either of our two core businesses.



### RECURRING REVENUE

49 per cent of our revenue is of a recurring nature from support and maintenance contracts, and SaaS solutions.

## Nº1

Europe's leading supplier of design, construction and product data systems.

## 600,000

engineers and administrators rely on our software and services.

## 49%

recurring revenue in 2015.

## Contents

### ADDNODE GROUP

- 2 Addnode in brief
- 3 2015 in figures
- 4 Message from the CEO
- 6 Overview
- 8 Business concept and targets
- 10 Risks
- 12 Acquisitions

- 14 Markets
- 16 Business areas
- 24 CSR
- 26 Share data
- 30 Five-year summary
- 32 Interview with the CFO
- 33 Report of the Board of Directors

### ANNUAL REPORT 2015

- 38 Consolidated financial statements
- 42 Financial statements for the Parent Company
- 46 Supplementary disclosures and notes
- 72 Interview with the Chairman of the Board
- 73 Corporate Governance Report
- 82 Auditors' Report
- 83 Definitions
- 84 Glossary of industrial terms
- 85 Addresses
- 86 Shareholder information

Addnode Group Annual Report 2015 The annual report can be downloaded from [www.addnodegroup.com](http://www.addnodegroup.com)  
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*This publication is a translation of Addnode Group's Swedish annual report for the fiscal year 2015.*



## 2015 IN FIGURES

SEK 1,901 m

Net sales

SEK 168 m

EBITA

### KEY FINANCIAL DATA 2015

SEK m	2015	2014	2013
Net sales	1,900.8	1,598.6	1,443.5
EBITA	168.0	159.0 <sup>1</sup>	110.9 <sup>1</sup>
EBITA margin, %	8.8	9.9	7.7
Operating profit	126.0	128.5	85.9
Operating margin, %	6.6	8.0	6.0
Profit after tax	95.5	100.2	62.9
Earnings per share after dilution, SEK	3.18	3.38	2.19
Dividend per share, SEK	2.25 <sup>2</sup>	2.25	2.25
Net cash	-23.2	33.2	51.3
Equity/assets ratio, %	48	56	54
Debt/equity multiple	0.19	0.09	0.12
Average number of employees	1,005	890	859
Total number of employees at year-end	1,202	934	951

<sup>1</sup>Excluding revaluation of contingent consideration.

<sup>2</sup>Board of Directors' proposal to the Annual General Meeting.

SEK 3.18

Earnings per share

SEK 2.25<sup>2</sup>

Dividend per share

### QUARTERLY OVERVIEW 2015



#### Q1

##### NEWLY STARTED IOT COMPANY AND SIGNING OF SEK 200 M CREDIT FACILITY

- > Start of joint venture company with Transcat PLM focusing on analysis-driven Internet of Things applications.
- > Signing of SEK 200 m revolving credit facility for acquisitions.



#### Q2

##### STRONG CASH FLOW AND NEW PRESIDENT OF BUSINESS AREA PROCESS MANAGEMENT

- > Strong cash flow from operating activities, amounting to 153 per cent of operating profit for the quarter.
- > Appointment of Andreas Wikholm as new President of business area Process Management.



#### Q3

##### DOUBLING OF PLM BUSINESS AREA THROUGH ACQUISITION, NEW BUSINESS MODEL FOR SUBSIDIARY CAD-Q\*

- > Acquisition of German company Transcat PLM, doubling sales and number of employees for Product Lifecycle Management (PLM) business area.
- > Change in business model of third-party vendor Autodesk affects parts of Cad-Q, a subsidiary in the Design Management business area.

\*Undergoing name change to Symetri.



#### Q4

##### STRONG GROWTH DRIVEN BY INTERNATIONAL EXPANSION

- > 33 per cent growth compared with corresponding period a year ago, owing in part to acquisition of Transcat PLM.

# INTERNATIONAL EXPANSION AND HIGH GROWTH

Addnode Group took a major step out into the international market in 2015. We carried out our largest acquisition ever and became a leading European supplier of software and services for design, construction and product data information. We had strong growth of 19 per cent and increased our recurring revenue to 49 per cent of net sales. 2015 was truly a year to be satisfied with!

## HOW WOULD YOU SUMMARISE 2015?

2015 was yet another year of growth, in which we increased our net sales by 19 per cent. We further expanded internationally through the acquisition of the German company Transcat PLM, our largest acquisition ever. All in all I am satisfied with the Group's performance during the past year, with an ever-greater share of recurring revenue and stable earnings of SEK 168 m. We have a broad customer base and good diversification of risk, where no single segment or sector accounts for more than 10 per cent of our sales.

## HOW DID THE PRODUCT LIFECYCLE MANAGEMENT AND DESIGN MANAGEMENT BUSINESS AREAS PERFORM DURING THE YEAR?

Through the acquisition of the German company Transcat PLM we have now positioned ourselves as a leading European supplier of software and services for design, construction and product data information. The market is made up of customers both in traditional sectors such as the automotive, manufacturing and life sciences industries as well as new customers in the service and retail sectors. In the new, combined company TechniaTranscat we have already created many interesting business opportunities. In its first six months in the Group, Transcat PLM has made a strong contribution to earnings and holds great potential to combine its offering with its sister company Technia.

In the Design Management business area we are a market-leading supplier in the Nordic countries and the UK of software and services for design and construction. During the year, the business area was exposed to several severely hit markets, and despite this it still managed to increase its net sales. A change in the business model for Autodesk products in our subsidiary Cad-Q\* has entailed that a large share of licensing revenue

has now shifted over to a model where, instead of buying the licences, customers subscribe to the licences. Initially this will have an impact on earnings, but over time it will lead to an increase in recurring revenue and in the predictability of our earnings.

## HOW DID THE PROCESS MANAGEMENT AND CONTENT MANAGEMENT BUSINESS AREAS PERFORM IN 2015?

In Process Management we have won several key tenders and built further upon our offering to public sector clients in Sweden and Norway. The public sector is undergoing an interesting transformation, where we have been a driver in simplifying and digitalising the dialogue between municipalities, authorities and the general public.

We have begun a consolidation of the business area's product portfolio in an effort to strengthen customer benefit and ensure that we support our customers' needs for innovative business systems.

As for Content Management, we both developed and refined the customer offering, and continued the work with internal efficiency improvement. This work is beginning to generate results, and we have improved profitability significantly, albeit from low levels.

## IN WHAT WAYS ARE YOU WORKING TO DEVELOP ADDNODE GROUP'S OFFERINGS?

We have continued our work on increasing the content of our proprietary software in deliveries to our customers, which sets us apart from our competitors. The fact that we understand our customers' needs and challenges is ultimately proved by the high demand in the market for the products and services we are developing.

19%

GROWTH IN NET SALES  
IN 2015 VS 2014

Germany

IN 2015 WE ACQUIRED TRANSCAT PLM AND  
ESTABLISHED OUR PRESENCE IN A NEW MARKET



**“The fact that we understand our customers’ needs and challenges is ultimately proved by the high demand in the market for the products and services we are developing.”**

Within the Group we have many years of experience in developing our offerings through acquisitions of complementary businesses. We are continuously evaluating acquisition candidates that can expand or strengthen our software and services in new and existing markets.

**WHAT IS YOUR VIEW OF DEVELOPMENTS IN 2016?**

We have now positioned ourselves in the European market with an international offering in the systems area for design and construction as well as product data information, and we are strongly positioned in the Swedish and Norwegian markets for systems that can handle large amounts of information for the public sector.

Several of our subsidiaries working together have a stronger offering than what they could each have on their own. In cases where we see clear business synergies like this, we are combining companies. Examples include the formation of TechniaTranscat in the PLM business area, the combination of Tekis and Cartesia in the Process Management business area, and the currently ongoing name change of Cad-Q to Symetri in the Design Management business area.

We have compelling offerings in all our business areas, with solid industry know-how and high delivery reliability. Together with our customers, in 2016 we will continue to simplify and improve everyday life for more than a half-million engineers and administrators around the world while upholding our commitment to quality.

Staffan Hanstorp  
*President and CEO*

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*\* Undergoing name change to Symetri.*

1,200

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EMPLOYEES DELIVERED PRODUCTS AND SERVICES TO MORE THAN 4,500 CUSTOMERS IN 2015

12%

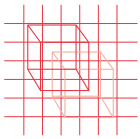
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AVERAGE RATE OF GROWTH DURING THE LAST FIVE YEARS

# WE ACQUIRE, MANAGE AND DEVELOP ENTREPRENEUR-DRIVEN IT COMPANIES

Our business concept is to acquire, manage and develop entrepreneur-driven companies that supply software and services to markets in which we have or can achieve a leading position. We are a leading European supplier of software and services for design, construction and product data information, and a leading supplier of document and case management systems to public sector clients in Sweden and Norway.

## ADDNODE GROUP'S BUSINESS AREAS

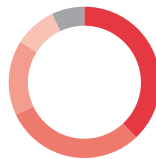


### Design Management

IT solutions for design and construction.

Design Management is northern Europe's leading supplier of business-critical support systems for design and construction. For example, the Group's system solutions make it possible to streamline processes and digitally simulate and analyse prior to production. Our customers are in the construction and real estate sectors, infrastructure, manufacturing industries and the marine industrial sector. Sales in 2015 amounted to SEK 828 m.

#### NET SALES PER MARKET

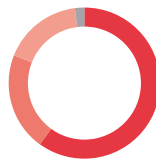


38% Sweden  
30% Norway  
16% Finland  
9% UK  
7% Other

43%

SHARE OF NET SALES

#### NET SALES BY TYPE OF REVENUE



60% Support and maintenance  
21% Software  
17% Services  
2% Other

33%

SHARE OF EBITA BEFORE CENTRAL COSTS



### Product Lifecycle Management

IT solutions for product data information.

Product Lifecycle Management is a leading European system supplier of product data information. The system solutions enable the integration of data, processes, business systems and all parties in the product chain. Our customers are in a wide range of industries, including telecom, the construction and automotive industries, medical technology, service companies and retailing. Sales in 2015 amounted to SEK 513 m.

#### NET SALES PER MARKET

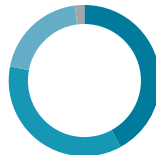


49% Germany  
27% Sweden  
8% Finland  
7% USA  
9% Other

27%

SHARE OF NET SALES

#### NET SALES BY TYPE OF REVENUE



42% Support and maintenance  
36% Services  
20% Software  
2% Other

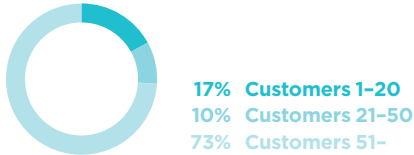
27%

SHARE OF EBITA BEFORE CENTRAL COSTS

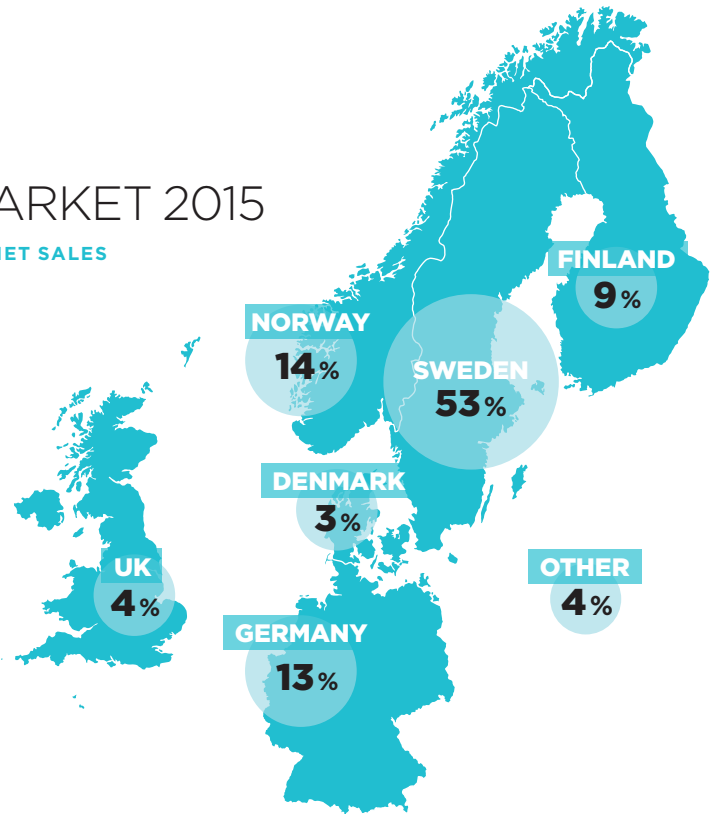
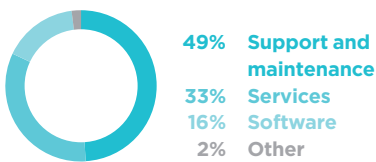
## OUR MARKET 2015

### NET SALES

#### NET SALES PER CUSTOMER



#### NET SALES BY TYPE OF REVENUE



### ADDNODE GROUP'S BUSINESS AREAS

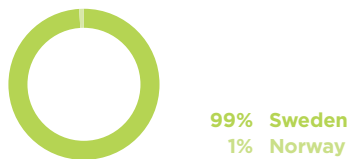


## Process Management

IT solutions for document and case management in the public sector.

Process Management is a leading supplier of document and case management software and services to public sector clients in Sweden and Norway. The system solutions enable efficient case management for authorities, such as construction permits, which simplifies the interaction between public sector authorities and the general public. Our customers consist of municipal administrations and state agencies. Sales in 2015 amounted to SEK 440 m.

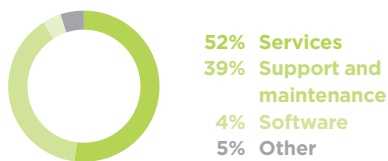
#### NET SALES PER MARKET



23%

SHARE OF NET SALES

#### NET SALES BY TYPE OF REVENUE



36%

SHARE OF EBITA BEFORE CENTRAL COSTS

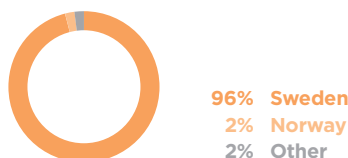


## Content Management

IT solutions for websites, collaboration services and customer service.

Content Management creates digital IT solutions for websites and e-commerce in addition to telecom, interactive voice response and customer service solutions. Our customers are in the public sector as well as the telecom, banking and finance, logistics, manufacturing and service industries. Sales in 2015 amounted to SEK 140 m.

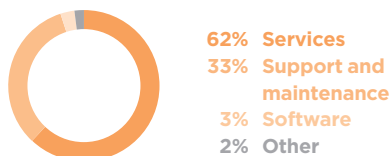
#### NET SALES PER MARKET



7%

SHARE OF NET SALES

#### NET SALES BY TYPE OF REVENUE



4%

SHARE OF EBITA BEFORE CENTRAL COSTS

# FOCUSED GROWTH STRATEGY

Addnode Group has great experience in growing through acquisitions. We believe in decentralised decision-making close to the customers. Our companies operate independently under a joint brand platform in accordance with the Group's strategies, core values and leadership principles.

## BUSINESS CONCEPT

Addnode Group acquires, operates and develops entrepreneur-driven IT companies that supply software and services to markets in which we have or can achieve a market-leading position. We have more than 4,500 customers in 30 countries. Through local market knowledge and depth of industrial knowledge we create stable growth and profitability to provide our customers, employees and shareholders favourable development and high returns.

## FOCUS ON TWO CORE BUSINESSES

We focus on a handful of selected sectors and competency areas in which we have – or can achieve – a leading position and thereby contribute to driving ourselves and societal development forward.

- > We are a leading European supplier of software and services for design, construction and product data information.
- > We are a market-leading supplier of document and case management systems to public sector clients in Sweden and Norway.

## ENTREPRENEURSHIP WITH SHARED VALUES

Addnode Group is characterised by entrepreneurship with short decision-making channels in which business-critical decisions are made as close to customers and end users as possible. The Group's subsidiaries are organised in business areas and operate independently under a joint brand platform

in accordance with the Group's strategies, core values and leadership principles. Addnode Group's CEO, CFO and central functions work closely with the business area presidents and subsidiaries in order to contribute to strategic direction, financial monitoring and expertise surrounding business models, brands, acquisitions and communication.

## ACQUISITION-DRIVEN GROWTH

Addnode Group is pursuing growth organically as well as through acquisitions. The software and services that we create together with our customers form the foundation for organic growth. Acquisitions of businesses, technology and solutions strengthen our position and expertise, and enable faster expansion into new markets. We value tried-and-tested business models, competent employees and recurring revenue.

## BUSINESS MODELS WITH LARGE SHARE OF RECURRING REVENUE

Our business models combine sales of services and software with recurring revenue from SaaS (Software as a Service) solutions, and support and maintenance contracts. We take long-term responsibility for the IT solutions we deliver, which creates value and stability for our customers and profitability for the Group even in a weaker economic climate. In 2015, recurring revenue accounted for 49 per cent of net sales.

12%

AVERAGE GROWTH DURING THE LAST FIVE-YEAR PERIOD

4,500

CUSTOMERS IN MORE THAN 30 COUNTRIES



## Financial targets

### GROWTH

TARGETS SET BY  
THE BOARD OF  
DIRECTORS



**10%**

Annual growth in net sales of at least 10 per cent.

### EARNINGS

**10%**

Operating margin before amortisation and impairment of intangible assets (EBITA margin) of at least 10 per cent.

### DIVIDEND POLICY

**50%**

At least 50 per cent of consolidated profit after tax shall be distributed to the shareholders, provided that net cash is sufficient to operate and develop the business.

ACHIEVEMENT  
2015



**19%**

Growth in 2015 was 19 per cent. Growth is attributable to the acquisition of Transcat PLM in the Product Lifecycle Management (PLM) business area.

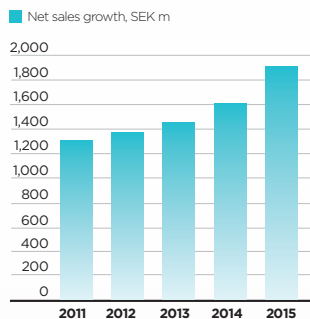
**9%**

The EBITA margin was 8.8 per cent (9.9), adjusted for revaluation of contingent consideration.

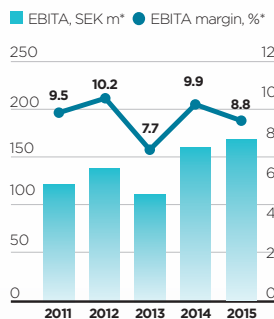
**71%**

The Board of Directors has proposed a dividend of SEK 2.25 per share (2.25). Based on an average share price of SEK 52.53 in 2015, the proposed dividend corresponds to a dividend yield of 4.3 per cent.

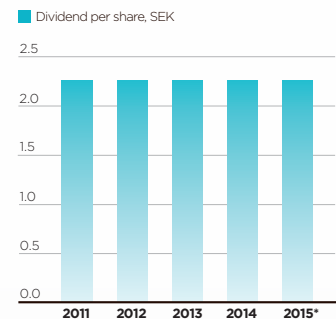
ACHIEVEMENT  
OVER FIVE  
YEARS



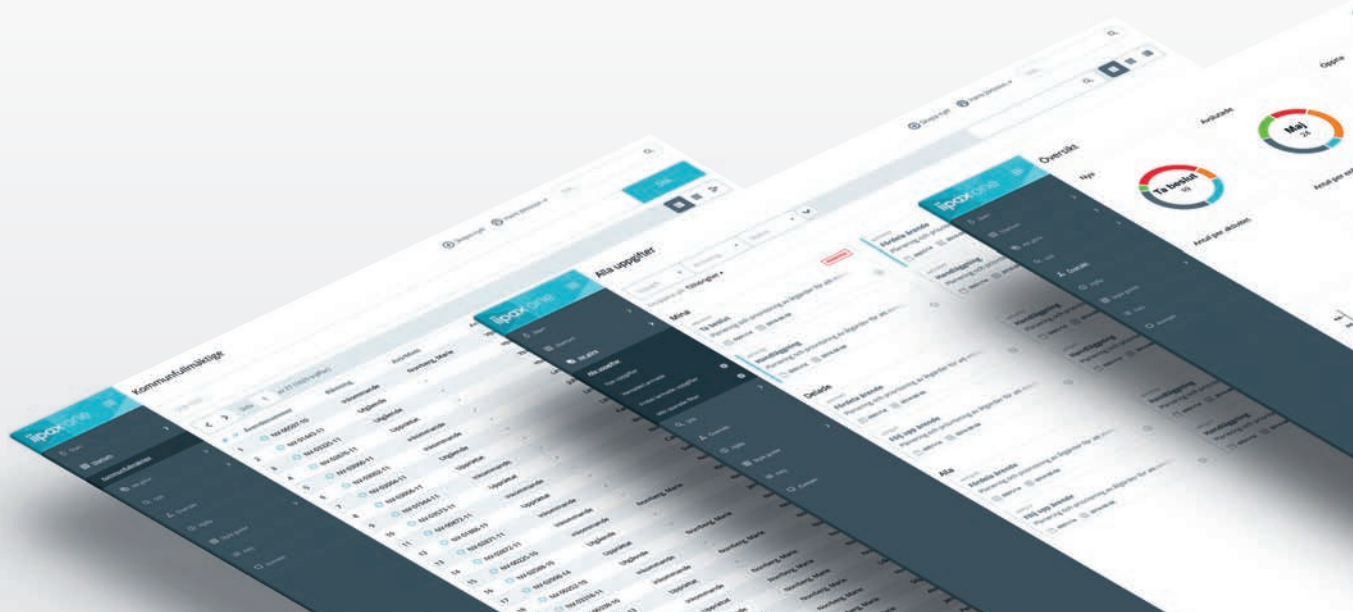
During the last five-year period, sales grew by an average of 12%.



\* Excluding capital gains and revaluation of contingent consideration.



\* Proposed by the Board of Directors.



# A STRATEGY AND BUSINESS MODEL THAT OFFER GOOD RISK DIVERSIFICATION

All business activities involve risk-taking. Systematic and structured risk management is a prerequisite for long-term value creation. Addnode Group's strategy and business model, combined with conscious risk management, enable the Group to focus on growth and profitability.

## CONTINUOUS RISK MANAGEMENT

Risk is managed at various levels within Addnode Group. With input from the President and Group Management, the Board of Directors analyses the risks and opportunities that must be managed by the Group. An evaluation of risk management is performed at least once a year. The President and Group Management are responsible for adopting policies and rules, and for ensuring that systems are in place to monitor risks in the business. Group Management is responsible for the continuing risk management activities in each area of responsibility. Business area and subsidiary presidents are responsible for managing their respective opportunities and risks, for ensuring that routines are in place in accordance with the Group's policies and rules, and for monitoring compliance with these policies and rules.

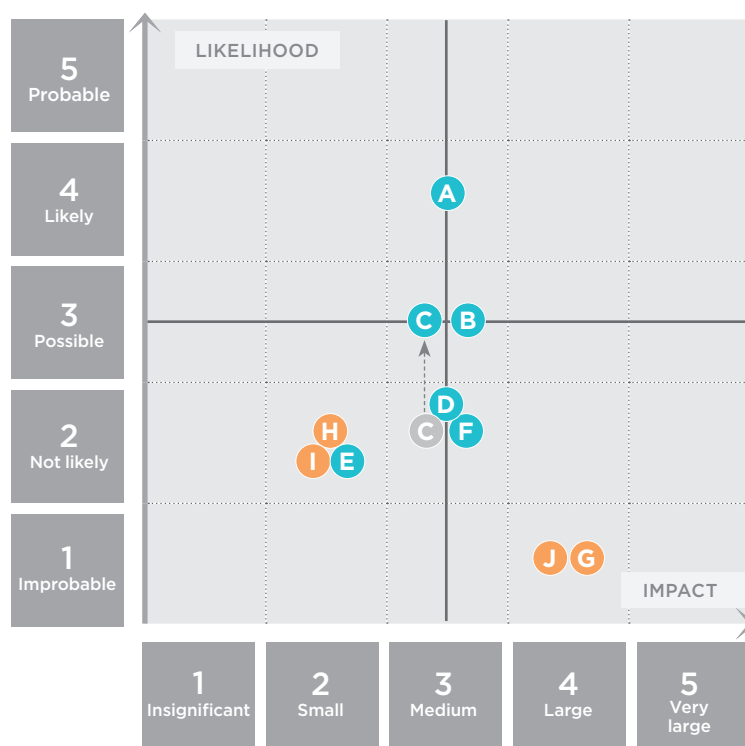
## SENSITIVITY ANALYSIS

The following table shows impact on earnings of changes of various factors.

Impact	Changes, %	Impact on earnings*, SEK
Net sales	+/- 1	0.40 (0.37)
Gross margin	+/- 1	0.63 (0.54)
Payroll expenses	+/- 1	0.26 (0.24)
Other operating expenses	+/- 1	0.11 (0.09)

\*All else being equal, profit before tax per share for the financial year 2015 (2014).

## RISK ANALYSIS OVERVIEW



### BUSINESS RISKS

- A** Business cycle and external risks.
- B** Products, technology and partners.
- C** Competition.
- D** Customer structure.
- E** Revenue structure.
- F** Organisation, competence succession and managing growth.

### FINANCIAL RISKS

- G** Credit risk.
- H** Exchange rate risk.
- I** Interest rate risk.
- J** Liquidity risk.

### CHANGES SINCE 2014

- C** In 2015 Germany became our second-largest geographical market through the acquisition of Transcat PLM. This has given us access to a considerably larger market and potentially entails a higher level of competition.

PROBABILITY OF OCCURRENCE (1-5) 1. Improbable   2. Not likely   3. Possible   4. Likely   5. Probable		IMPACT ON BUSINESS OF OCCURRENCE (1-5) 1. Insignificant   2. Small   3. Medium   4. Large   5. Very large		
RISK AREAS ADDRESSED	DESCRIPTION OF POTENTIAL RISKS			ADDNODE GROUP'S STRATEGY FOR MANAGING IDENTIFIED RISKS
<b>A</b> BUSINESS CYCLE AND EXTERNAL RISKS	That customers' willingness to invest and demand may change with respect to their view of the external business environment and economic climate.	4	3	Addnode Group addresses these risks by doing business with both the private and public sectors in several countries, and by actively working to adapt the offering and organisation to prevailing demand.
<b>B</b> PRODUCTS, TECHNOLOGY AND PARTNERS	That new, fundamentally changed ways of working, behaviours and rapid technology shifts may lead to changed customer demands and prompt our partners to change their business models and terms, thereby affecting our earnings capacity.	3	3	Addnode Group addresses this risk by working closely with customers in an effort to gain an understanding of their needs over time. We have well-established and strategic collaborations with market-leading and global suppliers of IT platforms and software, enabling us to rapidly respond to new conditions.
<b>C</b> COMPETITION	That new and stronger competitors may result in a decline in demand for offered products and services.	3	3	Addnode Group addresses the risk of competition by focusing on selected market segments in which we can offer cutting-edge expertise and be a leader by offering distinct added value to customers.
<b>D</b> CUSTOMER STRUCTURE	That having a customer structure comprising one or a few sectors/customers could affect sales and earnings should the individual customer or sector encounter problems.	2	3	Owing to its business model, Addnode Group's sales are not dependent on individual customers or sectors. The Group has approximately 4,500 customers, and the 20 largest customers account for 17 per cent of net sales. While individual subsidiaries may be affected by the loss of a customer, by virtue of the Group's size we have resources to drive the business further and find new customers - which provides security for our employees as well as our customers.
<b>E</b> REVENUE STRUCTURE	That having a revenue structure with a large proportion of hourly-based sales and/or short durations of customer contracts results in a short-term planning horizon and small opportunities to counter changes.	2	2	The Group has a balanced portfolio of assignments that provides stable earnings over time. Addnode Group's recurring revenue in the form of support and maintenance contracts accounts for 49 per cent of net sales, resulting in more stable earnings over time.
<b>F</b> ORGANISATION, COMPETENCE SUCCESSION AND MANAGING GROWTH	Not having the ability to attract and retain employees in key positions.	2	3	Addnode Group addresses this risk by giving each company within the Group responsibility for its own competence succession. The individual companies have an advantage in recruiting by belonging to a financially stable Group.

**Financial risks**

Finance-related risks derive mainly from factors outside of Addnode Group's own operations and pertain to risks in the form of changed financial conditions. All in all, the Group's total exposure to various financial risks is deemed to be relatively limited. How we manage the most significant finance-related risks is described below. For more detailed information about risks and risk management, see Note 37 on pages 67-69.

<b>G</b> CREDIT RISK	For Addnode Group, the main credit risk is of customers failing to pay for provided products or services.	1	4	Overall, Addnode Group's credit risk is deemed to be low. Accounts receivable are spread among a large number of counterparties in various industries, markets and types of customers. The Group has established guidelines to ensure that sales are made to customers with satisfactory credit records. Historically, bad debt losses have been very low, and 2015 earnings were positively affected by SEK 0.1 m (-1.5) through the reversal of previous provisions for bad debts.
<b>H</b> EXCHANGE RATE RISK	Exchange rate risk refers to the risk of a negative impact on the Group's earnings and shareholders' equity caused by changes in exchange rates.	2	2	The Group's exchange rate risk is generally low, since the Group companies operate primarily in their respective local markets and thereby have both revenues and expenses in the same currency.
<b>I</b> INTEREST RATE RISK	The risk of being negatively affected by large increases in interest rates.	2	2	Addnode Group's interest rate risk is low on account of its low level of borrowing. The Group's net debt, i.e., the net sum of interest-bearing assets and liabilities, was SEK 23 m on 31 December 2015 (-33).
<b>J</b> LIQUIDITY RISK	The risk of a shortage of available cash and cash equivalents to pay obligations.	1	4	Addnode Group's liquidity risk is deemed to be relatively limited. As at 31 December 2015 the Group had SEK 103 m (72) in cash and cash equivalents, plus an unutilised bank overdraft facility of SEK 100 m and an acquisition credit facility of SEK 200 m, of which SEK 94 m (0) was utilised as at 31 December 2015.

# FORTY ACQUISITIONS

Acquisition-driven growth is a key part of Addnode Group’s strategy. We acquire entrepreneur-driven companies that are close to our customers and know their markets. As part of Addnode Group, entrepreneurs continue to develop in an organisation with extensive business expertise and financial stability.

## ACQUISITION STRATEGY

Addnode Group has made some 40 acquisitions since it was first established. Acquiring IT companies run by driven entrepreneurs is part of our strategy to develop the business. As part of Addnode Group, the companies and entrepreneurs that choose to join us become part of our core business. With us they gain knowledge, contacts, stability and commitment. Backed by our business expertise and financial strength, acquired companies are able to realise their potential and pursue ventures that were previously out of reach. A key success factor for Addnode Group is that the employees and managers who join us through our acquisitions stay on and develop together with us.

## ACQUISITION CRITERIA

We acquire businesses with proven business models, competent employees, recurring revenue and strong leaders. Most important of all is that the businesses are closely related to our existing offerings and that they contribute the following:

- > They complement or strengthen an existing software or a service offering
- > They broaden our geographical presence or provide us access to a new customer market
- > Competent employees who are committed to both innovation and implementation
- > Technologies that further develop our offering.

## Acquisitions 2015

### TRANSCAT PLM - OUR LARGEST ACQUISITION EVER

#### Business area:

#### Product Lifecycle Management

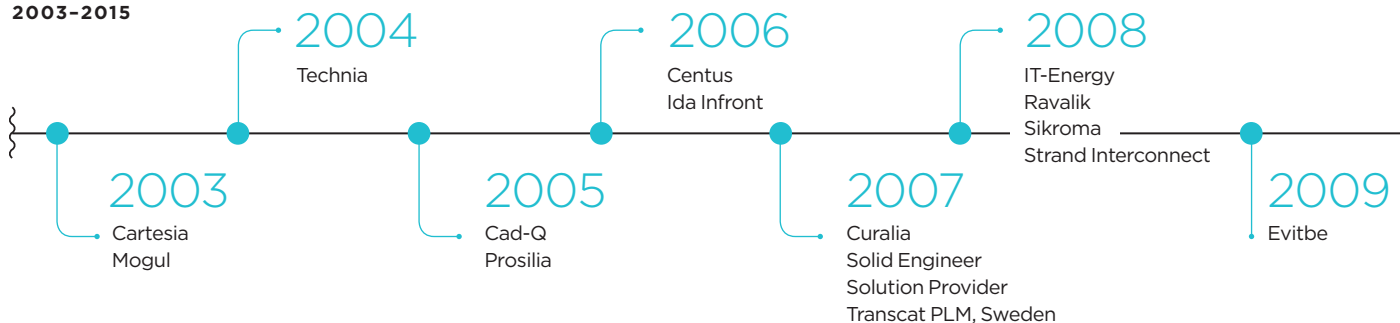
The acquisition is Addnode Group’s largest to date and makes us Europe’s leading system supplier of software and services for product data information.



“TRANSCAT PLM IS GOOD IN AREAS IN WHICH WE WANT TO BE EVEN STRONGER, SUCH AS DIGITAL PRODUCT MODELS AND 3D SIMULATIONS.”

Jonas Gejer, CEO of TechniaTranscat

## ACQUISITION HISTORY 2003-2015





## “We are a unique force in the European PLM market”

In 2015 Addnode Group carried out its largest acquisition ever with the acquisition of the German company Transcat PLM. After consolidation with its Swedish sister company Technia on 1 January 2016, the combined company TechniaTranscat was born – a leading European supplier of software and services for product data information (PLM systems).

Transcat PLM was established in 1987 and has since grown to become one of Europe’s leading suppliers of PLM solutions based on Dassault Systèmes’ products. Transcat PLM also offers a portfolio of proprietary products and services ranging from consulting, project conception and training to on-site user support. The company had sales of SEK 450 m in 2014. In addition to Germany, the company has operations in Austria and Slovakia.

“We have a strong position in the German-speaking markets, especially among industrial customers in areas like the automotive and aerospace industries,” comments Gerhard Keller, Managing Director and co-founder of Transcat PLM.

The combination of Technia and Transcat PLM is a natural progression of many years of cooperation between the two companies.

“We have had a business relationship for five to six years and have been a Technia reseller in the German market,” says Günther Öhlschläger, Managing Director and a Transcat PLM co-founder. “Both companies are leaders in their respective areas, and together we form a unique force in the European PLM market.”

### STRONGER IN BOTH THE GERMAN AND NORDIC MARKETS

Jonas Gejer, President of Addnode Group’s business area PLM, is CEO of TechniaTranscat and sees good potential for growth.

“The entire German market has performed very well for quite some time,” he says. “In Germany we have what is referred to as *Mittelstand* – that is, mid-sized German companies that are world leaders in their respective niches. These are companies with



Gerhard Keller,  
Managing Director  
and co-founder  
of Transcat PLM



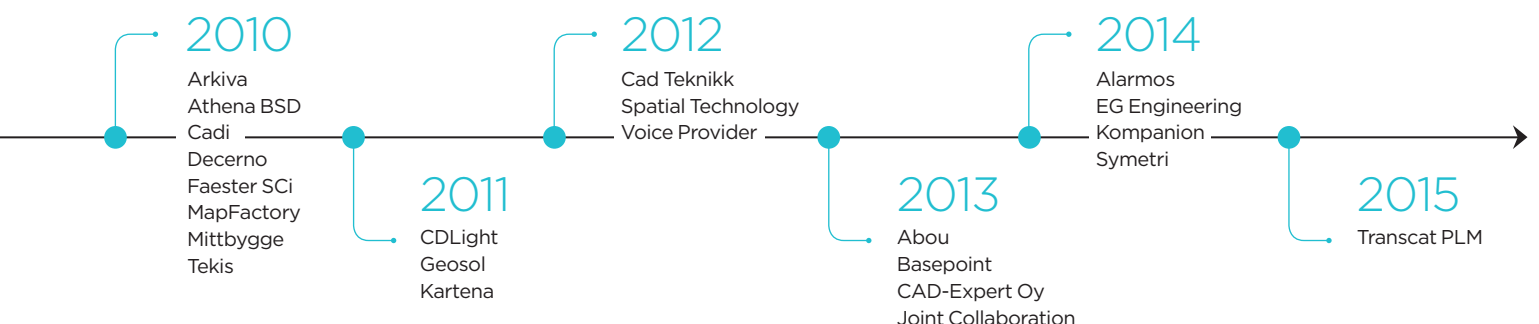
Günther Öhlschläger,  
Managing Director  
and co-founder of  
Transcat PLM

500 to 1,000 employees that are experiencing profitable growth and performing considerably better than most other companies around the world. They represent a prime market for our offering. Transcat PLM is skilled in areas in which we need to be even stronger, such as digital product models and 3D simulations. In the Nordic market we have worked extensively in the retail and med-tech sectors, and in these areas we are now capturing new opportunities in Germany.”

### GOOD CLIMATE FOR COOPERATION THROUGH CONCERTED, MAJOR CUSTOMER FOCUS

Following the acquisition, a 150-day programme was launched to address the changes needed to integrate the companies, and some 20 customers have been identified as being suitable for the new joint offering.

“We have 11 integration projects that we are currently conducting together,” Gejer notes. “What feels good is that we share many of the same core values and have a strong customer focus. We are also receiving strong support from Addnode Group’s corporate offices, which have a wealth of helpful experience surrounding how to best integrate acquired companies.”



# OUR MARKETS

Addnode Group is an international company with Europe as its home market.

We are a leading European supplier of software and services for design, construction and product data information, and a leading supplier of document and case management systems to public sector clients in Sweden and Norway.

Our system solutions are used by more than 600,000 engineers and administrators.

## DESIGN MANAGEMENT AND PRODUCT LIFECYCLE MANAGEMENT

Through its Design Management and Product Lifecycle Management business areas, Addnode Group is a leading European system supplier of software and services for design, construction and product data information.

## PROCESS MANAGEMENT AND CONTENT MANAGEMENT

Through its Process Management and Content Management business areas, Addnode Group is a leading supplier of document and case management systems in the Swedish and Norwegian markets.

### IN WHAT AREAS DO WE DELIVER IT SOLUTIONS?

DESIGN AND CONSTRUCTION,  
BUILDING AND REAL ESTATE, PROJECT PLANNING,  
PROPERTY MANAGEMENT, INFRASTRUCTURE,  
LIFECYCLE MANAGEMENT OF PRODUCTS  
AND SERVICES

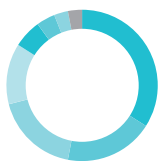
DOCUMENT AND CASE MANAGEMENT,  
E-ARCHIVES, GEOGRAPHICAL IT SYSTEMS  
AND WEB SOLUTIONS

### IN WHICH INDUSTRIES CAN OUR CUSTOMERS BE FOUND?

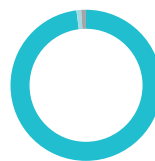
ARCHITECTS, CONSTRUCTION AND REAL ESTATE,  
MARINE INDUSTRY, PUBLIC SECTOR, OIL AND GAS,  
RETAILING, TECHNICAL CONSULTING,  
MANUFACTURING AND TELECOM

MUNICIPALITIES, STATE AGENCIES,  
COUNTY COUNCILS, BANKING AND FINANCE,  
DEFENCE, FOREST PRODUCTS,  
MANUFACTURING AND SERVICE

### IN WHAT COUNTRIES ARE OUR CUSTOMERS LOCATED\*?



34% Sweden  
19% Norway  
18% Germany  
13% Finland  
6% UK  
4% Denmark  
3% USA  
3% Other



98% Sweden  
1% Norway  
1% Other

\*Based on net sales in 2015.



600,000  
engineers and  
administrators use  
our software and  
services



# DESIGN MANAGEMENT

The Design Management business area is a leading supplier of software and services for design, construction and product data information in the Nordic countries and the UK. Through close customer relationships we deliver IT solutions that develop operations, shorten lead times and lower costs. The business area had sales of SEK 828 m in 2015.

## OFFERING

Design Management offers a broad product portfolio and a compelling service package, and it works closely with its customers to address their needs. The offering includes the following and other solutions:

- > 3D modelling and design of products, infrastructure and buildings
- > Simulation of strength, dynamics, fatigue, current and heat
- > Technical documentation and administration of product data
- > Project planning, implementation and administration of construction, plant and infrastructure projects
- > Property management and digitalisation of property portfolios as well as of document and drawing archives.

The business area's IT solutions are based on the Autodesk platform along with proprietary systems and applications with peripheral services in methodology, implementation, training, support and application administration.

## MARKET

The business area is one of the largest suppliers of software and services for design and construction in the Nordic countries and the UK.

## CUSTOMERS

Design Management has a broad customer base in both the private and public sectors, mainly in the construction, real

estate, manufacturing and marine industry sectors. Our customers are showing greater interest than ever in innovation in design, construction and manufacturing as well as in management of product data and buildings. We have more than 55,000 users of our web-based collaboration tool for planning and implementation of construction, plant and infrastructure projects.

Examples of customers include Botkyrkabyggen, Hexicon, KONE, LEO Pharma, Parker Hannafin, Preem, SCA, Sewtec Automation, Snøhetta, Statoil and Valmet.

## COMPETITIVE SCENARIO

The business area's Nordic and British organisation as well as its own portfolio of proprietary services and applications are key competitive advantages. Competitors consist of software companies such as Dassault Systèmes, PTC and Siemens.

### DESIGN MANAGEMENT IN BRIEF

**Subsidiaries:** 5D System, Cad-Q (undergoing name change to Symetri), Joint Collaboration and Symetri.

**Operations:** Sweden, Norway, Finland, Denmark and the UK.

**Employees:** Approximately 320.

### NET SALES BY MARKET 2015



38% Sweden  
30% Norway  
16% Finland  
9% UK  
7% Other

### NET SALES BY TYPE OF REVENUE 2015

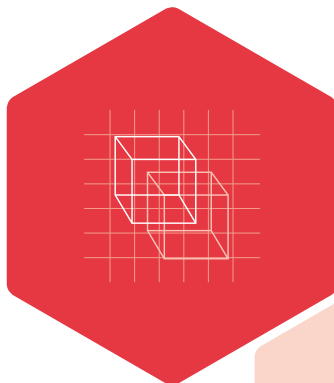


60% Support and maintenance  
21% Software  
17% Services  
2% Other

### KEY FIGURES

SEK M	2015	2014	2013
Net sales	827.7	780.5	649.9
EBITA	65.8	70.3	50.6
EBITA margin, %	7.9	9.0	7.8
Operating profit	47.0	53.6	39.9
Operating margin, %	5.7	6.9	6.1
Average number of employees	317	306	252





**“FOR US IT HAS BEEN VALUABLE TO HAVE A SOUNDING BOARD FOR IDEAS – SOMEONE WHO IS NOT AFRAID TO POINT OUT THINGS THAT WE HAVE NOT NOTICED INTERNALLY.”**

Magnus Rahm,  
technical director, Hexicon



## Strength testing cooperation with Cad-Q

Advanced strength calculations are of critical importance for Hexicon, a company that develops solutions for offshore wind power platforms. With the help of Cad-Q, Hexicon has developed a design that can withstand the most demanding conditions.

Hexicon is a Swedish company that develops and designs floating platforms for offshore wind power turbines. The company was established in 2009 by entrepreneurs with a background in the shipbuilding industry. Their business concept is to build wind power platforms in areas where it was previously not possible.

Hexicon’s solution is based on a truss design combined with large, vertical cylinders that provide buoyancy. The platform, moored to the seabed with chains, floats on the surface like an ordinary floating dock.

Today Hexicon has grown to a company with eight full-time employees, and the company is currently working on a wind power project off Scotland’s coast, which is planned to be operational in 2018.

Hexicon has been working together with Cad-Q since 2014 on solutions and design of strength calculations. This work is performed using Autodesk Simulation Mechanical, a software simulation program that enables advanced calculations, strength analyses and FEM analyses.

“Large steel constructions like these are subjected to extreme forces from waves, wind and currents,” explains Magnus Rahm, Technical Director at Hexicon. “There is always a risk of corrosion in salt water environments, plus the force of the wind is transferred from the actual wind power turbine to the foundation. A failure would be devastating – it just can’t happen – and therefore it is extremely important to perform precise strength calculations beforehand.”

The cooperation between Hexicon and Cad-Q has been excellent, Rahm says.

“Among other things, we have been assisted by a calculation engineer who has visited us a couple times a week for quite a long period,” he says. “For us it has been valuable to have a sounding board for ideas – someone who is not afraid to point out things that we have not noticed internally.”

And he has no doubts about the future prospects of Hexicon’s solution, since it can be used in many locations around the world.

“There is enormous potential for this technique,” he says. “Japan is a prime example of a country where this solution would be very suitable.”

Sven Eriksson, Cad-Q’s customer representative for Hexicon and on-site consultant, agrees.

“Hexicon is at the absolute forefront in this technology,” he says. “This is a concept with massive potential, and we look forward to helping the company develop in the global market.”

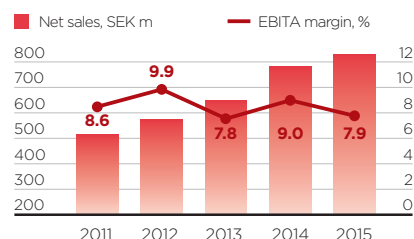
43%

SHARE OF NET SALES

33%

SHARE OF EBITA BEFORE CENTRAL COSTS

NET SALES & EBITA MARGIN



# PRODUCT LIFECYCLE MANAGEMENT

The Product Lifecycle Management (PLM) business area is Europe’s leading supplier of software and systems for product data information. For 20 years the business area has provided system solutions that help companies compile data from product development, production and customers to optimise efficiency in various areas and processes. The business area had sales of SEK 513 m in 2015.

## OFFERING

During the lifetime of a product, facility or service, a vast amount of information is created which, compiled in a single system, can reduce costs, shorten lead times and improve quality. Addnode Group’s offering spans the entire value chain from feasibility studies, implementation and application management to outsourcing of a complete PLM environment. A PLM system offers advantages across a company’s entire organisation, including:

- > Analysis and simulation of design and construction for product developers and designers
- > Resource management, cost control and governance for project managers
- > Vendor development and support in strategic purchasing for buyers
- > Providing quality engineers with tools for meeting environmental and safety requirements
- > Product information and analysis of outcomes for sales representatives, marketing staff and product planners
- > Export of product information for use in e-commerce portals, and of marketing and communication material for editors
- > Participation of partners in development and production processes.

## MARKET

The Nordic countries and Germany are our home market, but we are growing in the rest of Europe and in the USA. In 2015 we expanded into Germany through the acquisition of Transcat PLM.

The IT solutions provided by the business area are based primarily on Dassault Systèmes’ software and our proprietary system applications.

## CUSTOMERS

Our customers are in traditional industries such as telecom, manufacturing, automotive, construction and civil engineering, pharmaceuticals, medical technology and energy. A growing number of clothing, retail and service companies have been embracing the PLM concept in pace with rising demands for rapid innovation and customer-unique product development.

Examples of customers include Autoliv, FACC, EDAG, Elekta, Elomatic, Ericsson, Ford, GE Healthcare, Jula, Metabo, Microsoft Mobile and Under Armour.

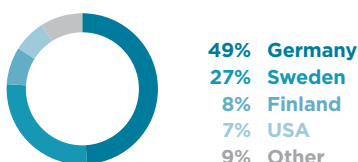
## COMPETITIVE SCENARIO

Our competitive advantages are our ability to customise and provide service in several countries. Competitors consist of PLM software companies with their own sales organisations, such as Siemens and PTC, as well as of system integrators such as Tata and Accenture.

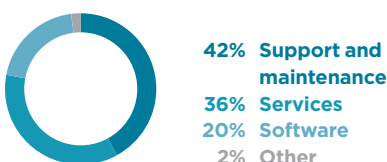
### PRODUCT LIFECYCLE MANAGEMENT IN BRIEF

**Subsidiaries:** Infuseit and TechniaTranscat.  
**Operations:** Sweden, Finland, Norway, Germany, Austria, Slovakia, USA and India.  
**Employees:** In 2015 we completed the acquisition of Transcat PLM, and at year-end the business area had approximately 440 employees.

NET SALES BY MARKET 2015

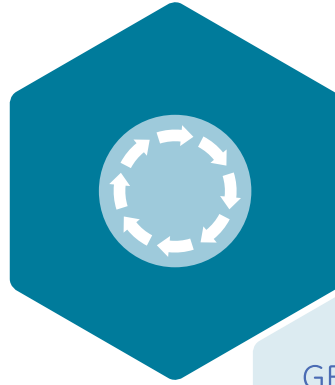


NET SALES BY TYPE OF REVENUE 2015



## KEY FIGURES

SEK M	2015	2014	2013
Net sales	512.6	263.6	248.7
EBITA	52.7	41.4	26.2
EBITA margin, %	10.3	15.7	10.5
Operating profit	46.3	38.2	23.3
Operating margin, %	9.0	14.5	9.4
Average number of employees	281	163	161



“TECHNIATRASCAT HAS BASICALLY BEEN THERE AND BUILT UP OUR ENTIRE PLM SYSTEM FROM THE START.”

Lars Lövström Nord,  
Leader Life Science PLM,  
GE Healthcare



## Secure medical technology using PLM systems from TechniaTranscat

TechniaTranscat's collaboration with GE Healthcare and its PLM systems celebrates 20 years in 2016. With the help of these PLM systems, GE Healthcare is well equipped to meet the tough product development challenges for time-to-market as well as ever-growing requirements for legal and regulatory compliance from US and European regulators.

GE Healthcare is part of General Electric, one of the largest companies in the world, with roughly 300,000 employees and operations in 100 countries. GE Healthcare offers a wide array of products and services for improving productivity and safety in healthcare, and makes it possible for healthcare providers to better diagnose and treat patients with conditions such as cancer, Alzheimer's and cardiovascular disease. Products include CT scanners, MRI cameras and ultrasound systems. The company also provides products used in developing and manufacturing pharmaceuticals.

TechniaTranscat has been a supplier of GE Healthcare's PLM systems since 1996, and the largest and most important system, Magic, now has approximately 2,500 users worldwide.

“TechniaTranscat has basically been there and built up our entire PLM system from the start,” says Lars Lövström Nord, Leader Life Sciences PLM at GE Healthcare. “We have used many of their technical solutions and thereby gained a more user-friendly system than what the base platform (Enovia) can offer. Today we use Magic for all types of product and project information.”

Because GE Healthcare is a supplier to the pharmaceutical industry, special requirements are placed on the PLM system.

“We have numerous validation requirements that we must meet, such as with the US Food and Drug Administration, its European equivalent – the European Medicines Agency – and various ISO standards,” Lövström Nord says. “Magic makes it easier for us to meet these requirements.”

A major upgrade of Magic was implemented recently, featuring improved efficiency and simplifying day-to-day activities for thousands of users.

“The upgrade entails that we now also have a system that fully meets the requirements made by the authorities and customers, and that offers better access control, ensuring that information is accessible only for the users who are authorised to access it,” explains Hans Sjöbom, Project Manager at GE Healthcare. “This is an important requirement particularly with respect to the American authorities, since the technologies we work with are of the same type that could be used by someone trying to produce a biological weapon, such as anthrax bacteria.”

Thanks to the long-standing cooperation between GE Healthcare and TechniaTranscat, the system upgrade has worked superbly, according to Sjöbom.

“TechniaTranscat know us well and understand our needs,” he says. “Many of the people at TechniaTranscat have previously held roles as project managers for us. When we say something is important, our message is taken seriously. And the fact that we are located close to each other geographically also facilitates our collaboration.”

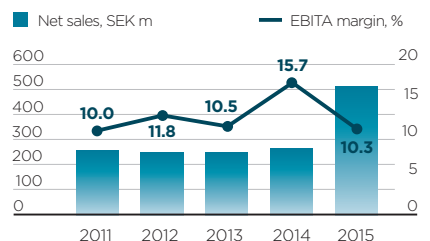
27%

SHARE OF NET SALES

27%

SHARE OF EBITA BEFORE CENTRAL COSTS

NET SALES & EBITA MARGIN



# PROCESS MANAGEMENT

The Process Management business area is a leading supplier of document and case management software and services for public sector clients in Sweden and Norway. With extensive operational expertise and a broad portfolio of products and services, we simplify processes and digitalise communication between authorities and citizens. The business area had sales of SEK 440 m in 2015.

## OFFERING

Process Management's solutions help public sector clients take advantage of the opportunities afforded by digitalisation and build up modern e-administration systems. We have a modern and broad product portfolio that has been developed over a long period of time based on the market's demands and with a focus on citizens' needs. The offering includes products and services in the following areas:

- > Document and case management
- > E-archives
- > E-services
- > Communication solutions for secure information sharing
- > Geographical information systems (GIS).

Our solutions are based on proprietary applications and platforms combined with external software. Based on customers' needs we provide software both as SaaS solutions and as local installations.

## MARKET

We have a leading position in the public sector in Sweden and a growing operation in Norway.

## CUSTOMERS

Our customers include state agencies, 270 of Sweden's 290 municipalities, and a large number of private companies in the engineering, finance and forest products industries.

Examples of customers include Alfa Laval, Apollo, the

Swedish Economic Crime Authority, the Swedish Export Credits Guarantee Board, FMV, Försäkringskassan, Halmstad Municipality, the Swedish Prison and Probation Service, Nordea Finans, the Swedish Post and Telecom Authority, SAAB, the Swedish Tax Agency, the City of Stockholm, the Swedish Transport Administration and the Swedish Prosecution Authority.

## COMPETITIVE SCENARIO

Competitive advantages include a broad product offering combined with a solid record of experience with system solutions from working with public sector clients. Owing to our operational familiarity with and knowledge of the directives, laws and regulations that our customers are subject to, we can quickly and efficiently start up projects and implement our solutions. There is currently no main competitor to the business area's aggregate offering.

Examples of competitor companies include CGI, Tieto, Esri S-Group, Evry and Formpipe.

### PROCESS MANAGEMENT IN BRIEF

**Subsidiaries:** Abou, Arkiva, Decerno, Ida Infront, Kartena, Mittbygge, Prosilia, Kompanion (partly owned), Tekis and Cartesia.

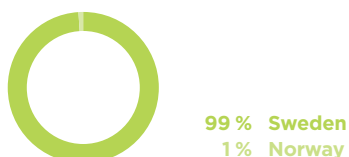
**Operations:** Sweden and Norway.

**Employees:** Approximately 280.

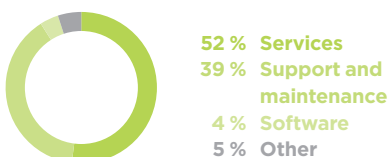
### KEY FIGURES

SEK M	2015	2014	2013
Net sales	440.3	432.6	410.3
EBITA	70.0	70.9	75.2
EBITA margin, %	15.9	16.4	18.3
Operating profit	54.4	57.5	66.6
Operating margin, %	12.4	13.3	16.2
Average number of employees	275	275	269

### NET SALES BY MARKET 2015



### NET SALES BY TYPE OF REVENUE 2015







**“IDA INFRONT MEETS THE VERY HIGH DEMANDS ON SECURITY THAT WE HAVE.”**  
Anne Kihlgren, CEO,  
Dynamic Code



## Ida Infront creates secure analyses for Dynamic Code

Dynamic Code offers tests and concepts based on modern DNA technology. When the company in 2014 needed to set up a system for laboratory data with high demands on security and traceability, it turned to Ida Infront, a subsidiary of Addnode Group and part of the Process Management business area.

Dynamic Code was founded in autumn 2000 by Anne Kihlgren and Björn Rosén, both of whom have backgrounds in biochemistry and genetic research. The company’s business concept is to use modern DNA technology to offer easy and secure health and environmental tests as well as kinship analyses for private persons, the healthcare sector, companies and authorities.

In late 2014 Dynamic Code identified a need to set up a new system for laboratory data and therefore sought out a company with good system knowledge and integration experience with demonstrated delivery reliability from previous projects. The choice fell to Ida Infront and its iipax case management system.

“For us it was important to find a supplier that could offer secure handling – that is, forensic lab routines for tests, test results and analyses,” explains Anne Kihlgren, CEO of Dynamic Code. “Among other things, we looked at other

customers that Ida Infront works with, including the National Forensic Centre within the Swedish Police. We found that Ida Infront meets the very high demands on security that we have, and we felt confident that they could deliver the service we were seeking.”

The system that Ida Infront delivered is a special configuration of iipax that acquired the name Dynamo. The system keeps track of all tests that are performed and makes certain that there is no doubt whatsoever regarding the authenticity of test results.

“The lab data system is very important for us, as it keeps track of all tests that come in for analysis,” Kihlgren says. “For example, a DNA analysis is conducted in several different steps, where certain samples can be analysed together, while others are analysed separately. This requires that we have a set structure and that we ensure traceability. It is also important that the lab data system can communicate with our web portal.”

With the help of the new system, Dynamic Code has improved the efficiency of its process while maintaining quality. In addition, it meets the tough requirements made by authorities for fast case handling. As a result, Dynamic Code today is playing a central role in the work with kinship analyses of refugees.

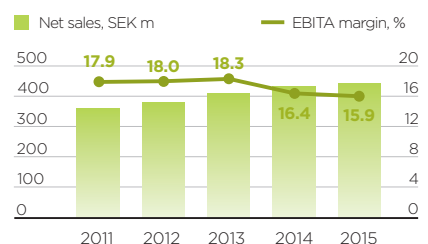
23%

SHARE OF NET SALES

36%

SHARE OF EBITA BEFORE CENTRAL COSTS

NET SALES & EBITA MARGIN



# CONTENT MANAGEMENT

The Content Management business area creates digital IT solutions for web applications and e-commerce, and provides telecom, interactive voice response and customer service solutions. With focus on user-friendliness and major industrial knowledge, we help our customers communicate both externally and internally. The business area had sales of SEK 140 m in 2015.

## OFFERING

The business area offers digital solutions for websites, intranets and e-commerce, and provides telecom IT systems, such as automated interactive voice response systems and solutions for prioritising customer service. Deliveries to customers are made both as projects and as cloud services.

The offering includes:

- > Prioritisation, administration, automation and efficiency improvement in digital and analogue customer service processes
- > Strategic digital advice regarding identification and analysis of existing business processes
- > Migration and adaptation of systems. Specialist expertise in Sitecore and EpiServer, among other applications
- > Adaptation and analysis of websites, such as through user tests and keyword optimisation
- > Concept, design and platform selection, and development of customised telephony and web solutions
- > Operation and administration.

## MARKET

The business area's home market is Sweden, but we also have customers in other countries, including Norway, Finland and Denmark.

## CUSTOMERS

Our customers are mainly in Sweden, but also in the other Nordic countries, in banking and finance, real estate, logistics, telecom, manufacturing, services and the public sector.

Customers include BlueStep, Com Hem, DnB Norge, EasyJet, the Swedish Energy Agency, IKEA, the Swedish Chemicals Agency, the Royal Swedish Opera, the Swedish Government Offices, SBAB Bank, SKF, Stena, Transcom, TV4, Viasat and Volvo Cars.

## COMPETITIVE SCENARIO

The market is fragmented, with many different actors. Examples of companies with similar offerings include Knowit, HiQ, Connecta, Valtech and Creuna.

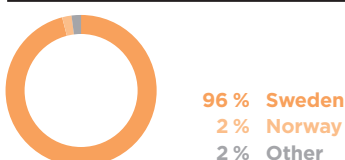
### CONTENT MANAGEMENT IN BRIEF

**Subsidiaries:** Mogul and Voice Provider.

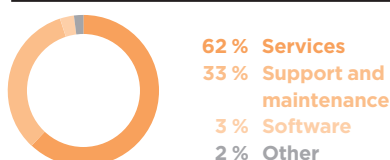
**Operations:** Sweden and Serbia.

**Employees:** Approximately 130.

### NET SALES BY MARKET 2015



### NET SALES BY TYPE OF REVENUE 2015



### KEY FIGURES

SEK M	2015	2014	2013
Net sales	139.9	142.0	152.4
EBITA	8.6	1.8	-14.3
EBITA margin, %	6.1	1.3	-9.4
Operating profit	7.4	0.3	-16.9
Operating margin, %	5.3	0.2	-11.1
Average number of employees	125	138	169



**“MOGUL HAS BEEN A PROACTIVE AND VERY COOPERATIVE PARTNER.”**  
Timo Paulsson, Director Marketing Platforms, Volvo Cars



## A global digital partner for Volvo Cars

When Volvo Cars sought a partner for the launch of new websites in 70 markets, the choice fell on Addnode Group’s subsidiary Mogul. With solid experience and the right expertise, Mogul showed major flexibility and became a strategic partner for Volvo.

Volvo Cars is a global brand with manufacturing in Sweden, Belgium and China. The company is owned by the Chinese company Zhejiang Geely Holding (Geely Holding) and sells cars in the premium segment.

Mogul has been working since 2014 on implementing Volvo Cars’ digital strategy worldwide.

Volvo Cars chose Mogul as its supplier in part because of Mogul’s solid experience with the Sitecore website platform. Initially the assignment involved taking over global operation of the new platform. However, as a result of the positive experience from the cooperation, the assignment was expanded, giving Mogul responsibility for assisting all of Volvo Cars’ markets in shifting over to the new platform. The result of this work began to show in 2015, when the new website was first launched in some 70 markets and more than 30 languages.

“Mogul had the right expertise and long experience with Sitecore, which was a requirement from our side,” says Timo Paulsson, Director Marketing Platforms, Volvo Cars. “We also had a very good dialogue with Mogul during the decision-making process on which vendor we should choose.”

The goal for Volvo Cars has been to create a total integration of all digital interfaces with customers, so that the distinction between functions in computers, mobile devices and vehicles would become more diffuse.

Mogul has also been assigned to develop new functions for the platform.

“This includes our image gallery, which makes it possible to view the cars from different perspectives,” Paulsson says. “We will also be launching an application that simulates how the instrument panel in the cars works and enables customers to experience the interface.”

Volvo Cars has expressed great satisfaction with its partnership with Mogul.

“The launch went very well,” Paulsson says. “Mogul has been a proactive and very cooperative partner in this work. They succeeded in delivering high quality to the various markets and demonstrated the exact type of flexibility we like to see in a strategic partner.”

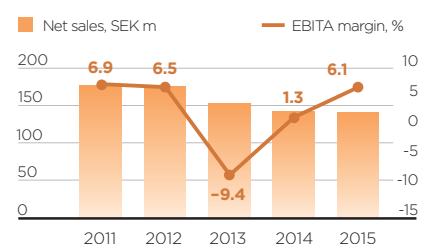
7%

SHARE OF NET SALES

4%

SHARE OF EBITA BEFORE CENTRAL COSTS

NET SALES & EBITA MARGIN



# WE CONTRIBUTE TO LONG-TERM SUSTAINABILITY IN SOCIETY

Together with our customers we are broadening the framework for how modern information technology is used to drive society forward. Our digital system solutions contribute to the realisation of innovative ideas and the creation and maintenance of effective infrastructure.

## OUR PLACE IN SOCIETY

In an ever-changing world, major demands are placed on the role that well-planned and effective infrastructure plays in building a society that is sustainable over the long term. We create opportunities for engineers around the globe in a digital world to create products that consumers use and the infrastructure that supports us. As part of this work we are digitalising administration and communication for Swedish authorities and public administrations.

For more than 20 years we have actively worked to provide our customers with IT solutions for design, product data and administration system in sectors such as manufacturing, construction, real estate, automotive, medical technology, apparel and services. These solutions have enabled them to research, develop and produce increasingly sustainable products in a transparent chain of subcontractors.

## EMPLOYEES FROM 30 COUNTRIES WITH A CUSTOMER-CENTRIC FOCUS

Addnode Group has employees with roots in more than 30 countries on several continents, which is a clear competitive advantage in our interaction with customers. Our people are the foundation of our competitive strengths, where a combination of factors such as local presence, industry expertise and systems knowledge are instrumental in our ability to continue delivering products and services that meet our customers' needs.

## OUR CORE VALUES

Addnode Group is distinguished by an entrepreneurial

spirit with short decision-making paths in a Group of independent subsidiaries, all of which work according to a shared brand platform in accordance with the Group's core values:

- > We care about our customers, employees, suppliers, partners and other stakeholders, and we take a long-term approach to our commitments.
- > We create innovative solutions for our customers' needs.
- > We create value through proactive employees who want to make a difference.

## POSITIVE LEADERSHIP BREEDS NEW THOUGHTS AND IDEAS

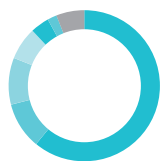
Enthusiastic leadership, high ethical standards and respect for every individual are key factors underlying our success. At Addnode Group we believe that positive leadership leads to individual engagement and personal development.

- > We are driven by leadership based on a positive view of people, whereby we instil trust and respect in every individual.
- > We believe that good and enthusiastic leadership is crucial for the development of our employees, our collective performance and our financial results.
- > We think about and take responsibility for the whole and strive to develop proprietary products, services and solutions in our teams, companies and geographical markets.
- > We adhere to high ethical standards and are honest in our dealings with customers.
- > We promote commitment, positive energy and good results.

## Employee statistics 2015

1,005

AVERAGE NUMBER OF EMPLOYEES



EMPLOYEES BY COUNTRY

61% Sweden  
10% Norway  
10% Germany  
7% Finland  
4% India  
2% UK  
6% Other



EMPLOYEES BY FUNCTION

57% Consultants  
15% Sales  
15% Maintenance and support  
13% Management and administration





## Close cooperation strengthens business

### CAROLINA RÖHL

Technical project manager  
and customer representative, Abou

Abou is part of the Process Management business area. Through the Automaten platform, the company has become a market-leading provider of e-services to Sweden's municipalities. Using these e-services, citizens and businesses can perform simple administrative procedures with authorities from a computer or smartphone.

Carolina Röhl joined Abou in 2012 and is currently a technical project manager and customer service representative. Her customer list currently includes nine municipalities with which she is engaged in a close dialogue.

"Several of our customers are drivers of product development and special solutions," Röhl says. "Through close cooperation we can meet their needs in an optimal fashion. We also hold customer get-togethers at which we share our knowledge on current issues, such as administration of building permits."

Apart from the close customer contact, her colleagues at Abou are the best part of her work, she says.

"We are a small company with a great gang who have succeeded in creating a positive and stable work environment," Röhl says. "We also have a new company president, who is exactly the right person for us. Since he took over we have been working with more standardised processes, with clear and concrete goals."

Since autumn 2015, Abou shares offices with the parent company, where several of Addnode Group's other subsidiaries also work. Röhl hopes this will lead to broader cooperation between the Group's companies.

"We are now housed together with the rest of 'the family'," she says. "I hope this will strengthen cooperation between the Group's subsidiaries so that we can tie together our various products. That would be a great achievement!"



## Every industry has its challenges

### CHRIS ATHERTON

Head of consulting services,  
Symetri

Symetri is an Autodesk Gold partner that supplies CAD software to customers in a range of industrial sectors in the UK. The company is part of the Design Management business area and has customers in a large number of industries, most notably the construction, real estate and manufacturing sectors.

Chris Atherton has been with Symetri since 2014, working with sales and job management. Applying the technical knowledge and skills that he has acquired over many years is still the most important aspect of his work.

Atherton has a degree in aviation technology, and before joining Symetri he worked as a design engineer for the elevator company KONE. His current work duties include coordinating projects, technologies, customer meetings and preparatory sales work, and making sure that his teams have the knowledge they need to address customers' questions.

"My main skill set is in work flow methodologies," Atherton says. "Customers are often searching for a solution to a specific problem, but when we say we are helping a customer with a problem, this must be put in the context of the overall workflow. When you understand this you can deliver a considerably better result."

Helping with problem-solving and achieving the best solutions for Symetri's customers are his main sources of inspiration.

"Every industry we work with has its challenges," Atherton says. "I like learning and applying the knowledge I have gained by solving customers' problems. I am constantly developing and continue to deepen my knowledge, which is incredibly rewarding for me personally."

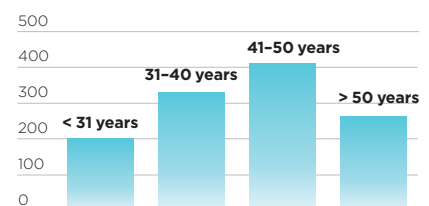
30

NATIONALITIES



77 % Men  
23 % Women

GENDER DISTRIBUTION



AGE STRUCTURE,  
NUMBER OF EMPLOYEES

# ADDNODE GROUP SHARE DATA

Addnode Group's Class B shares are listed on Nasdaq Stockholm, where they are traded under the symbol ANOD B. On 30 December 2015 the company had 4,432 shareholders, and foreign ownership in the company was 12 per cent. The share of institutional ownership was 30 per cent.

## SHARE PRICE DEVELOPMENT

At year-end 2015 Addnode Group's shares were quoted at a price of SEK 61.25 per share (46.10). The highest price paid in 2015 was SEK 64.00 (28 December), and the lowest price paid was SEK 45.10 (27 January). At year-end the company's market capitalisation was SEK 1,864 m (1,365). Trading volume in Addnode Group's shares in 2015 was 3,218,828 shares, corresponding to average daily turnover of 12,875 shares (16,400) per trading day.

## SHARE DATA

The number of registered shares in Addnode Group was 30,427,256 on 30 December 2015, including 1,053,247 Class A shares and 29,374,009 Class B shares. Each A share carries entitlement to 10 votes, each B and C share carries entitlement to one vote. Addnode Group's shares are denominated in Swedish kronor (SEK), and the share quota value is SEK 12. Class A and B shares carry entitlement to dividends. Class C shares do not carry entitlement to dividends. No Class C shares were in issue as at 30 December 2015.

## OWNERSHIP STRUCTURE

The largest shareholders in Addnode Group AB as at 30 December 2015 are shown in the table on page 28. The number of shareholders as at 30 December 2015 was 4,432.

## SHARE-SAVINGS PROGRAMME, OPTION AND CONVERTIBLE PROGRAMMES

Addnode Group does not have any outstanding share-savings programmes, nor any option or convertible programmes.

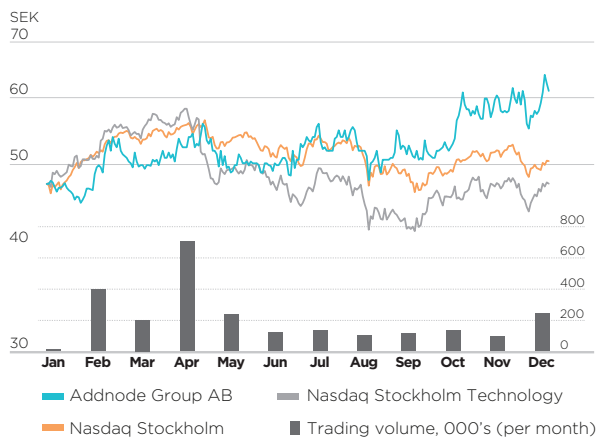
## DIVIDEND POLICY

Addnode Group's policy is that at least 50 per cent of consolidated profit shall be distributed to the shareholders, provided that the company's net cash is sufficient to operate and develop the business.

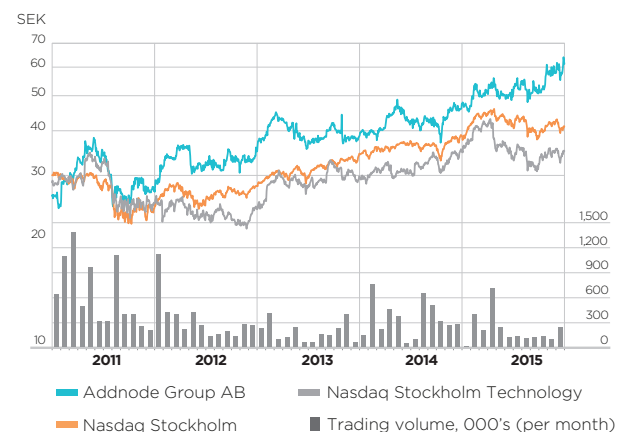
## DIVIDEND PROPOSAL

The Board of Directors proposes that the Annual General Meeting vote in favour of an unchanged dividend of SEK 2.25 per share. The proposed dividend amounts to approximately SEK 68 m. Based on an average share price of SEK 52.53 in 2015, the proposed dividend represents a dividend yield of 4.3 per cent.

## SHARE PERFORMANCE AND TRADING VOLUME 2015



## SHARE PERFORMANCE AND TRADING VOLUME 2011-2015



## Analysts: Great potential outside the Nordic region

“Addnode Group has great potential for continued growth through acquisitions, mainly in the German and UK markets,” says Kristoffer Lindström, an analyst at Redeye.



### HOW WELL DID ADDNODE GROUP MEET YOUR EXPECTATIONS IN 2015?

“Summing up 2015, we can see that both sales and EBITA were in line with our prognostications. The Design Management business area was affected by weaker economies in Norway and Finland, which had a negative impact on sales and earnings. The company’s acquisition of the German company Transcat PLM led to sharp growth and improved earnings for the PLM business area. The operating margin was affected by the acquisition, as Transcat PLM has a product mix with lower operating margins than the Group as a whole. The company reports that the acquired business is performing better than anticipated, and at year-end the PLM business area reported an EBITA margin that was higher than our forecasts.”

### WHAT ARE THE GREATEST RISK FACTORS?

“Acquisition-based growth always entails some risk. In Addnode Group’s case, acquisitions are often preceded by a long-term relationship, which reduces the operational risk. There is always some cyclical risk in a business. Right now the Norwegian market and oil price development are perhaps the greatest uncertainties. At the same time we must remember that Addnode Group has increasingly diversified business across several countries in sectors such

as construction and real estate, manufacturing, life sciences, retailing and the public sector, which reduces dependence on individual markets and sectors.

“One short-term risk which may become an advantage over the long term is in the subsidiary Cad-Q\*, whose sales of Autodesk products are changing over from a licence to a subscription model. This will result in an initial drop in sales and earnings, but over the long term it will increase the share of recurring revenue. In addition, to a greater extent than other listed companies with IT consultants, Addnode Group has own products and services, which translates to a higher share of recurring revenue.”

### WHAT OPPORTUNITIES DO YOU SEE FOR ADDNODE GROUP IN THE YEARS IMMEDIATELY AHEAD?

“We believe that Addnode Group needs to expand outside of the Nordic region to continue growing in its niche areas. We also believe that Addnode Group has opportunities for new acquisitions in both existing and new European markets. The company is financially strong and has shown that it is adept at carrying out acquisitions, which has led to the company making a name for itself in Germany and the UK.”

*\*Undergoing name change to Symetri.*

SEK 3.18

EARNINGS PER SHARE  
AFTER DILUTION 2015

SEK 2.25

BOARD OF DIRECTORS’  
PROPOSED DIVIDEND FOR 2015

33%

CHANGE IN SHARE PRICE FOR  
ADDNODE GROUP’S CLASS B  
SHARES IN 2015

**SHARE CAPITAL DEVELOPMENT - ADDNODE GROUP**

Year	Transaction	Number of shares after transaction	Total share capital after transaction, SEK
2000	New share issue - in connection with redemption of employee warrant programme	2,752,184	1,376,092
2000	Non-cash issue - for GCI Interactive Europe AB	2,823,518	1,411,759
2000	Split 5:1	14,117,590	1,411,759
2000	New and non-cash issues for the companies acquired in 2000	18,766,817	1,876,681
2000	New issue in connection with broadening of ownership	21,266,817	2,126,681
2000	Withdrawal of shares/reduction in share capital	18,365,626	1,836,562
2002	Bonus issue in connection with change of the share quota value	18,365,626	2,203,875
2003	Non-cash issue in connection with acquisition of 100% of Teknik i Media Sv AB	477,029,244	57,243,509
2003	Non-cash issue in connection with acquisition of 97% of Cartesia Info. Teknik AB	757,023,700	90,842,844
2003	Reverse split 1:100	7,570,237	90,842,844
2003	Non-cash issue in connection with acquisition of 74.85% of Mogul Holding AB	8,493,512	101,922,144
2003	Non-cash issue in connection with acquisition of 15.3% of Mogul Holding AB and 1.9% of Cartesia Informationsteknik AB	8,728,013	104,736,156
2004	Non-cash issue in connection with acquisition of 100% of Technia Holding AB	17,227,984	206,735,808
2005	Non-cash issue in connection with acquisitions of 100% of CAD-Quality i Sverige AB and CAD-Quality AS	21,227,984	254,735,808
2006	Non-cash issue in connection with acquisition of 100% of Ida Infront AB	22,427,984	269,135,808
2008	Non-cash issue as partial payment for acquisition of Strand Interconnect AB	23,550,698	282,608,376
2009	Non-cash issue as partial payment for acquisition of Strand Interconnect AB	23,645,408	283,744,896
2010	Non-cash issue as partial payment for acquisitions of 100% of Decerno AB, Tekis AB and Mittbygge AB	28,145,408	337,744,896
2011	New issue for share-savings programme	28,819,632	345,835,584
2013	Non-cash issue as partial payment for acquisition of 100% of Abou AB	28,916,740	347,000,880
2013	Non-cash issue as partial payment for 100% of Joint Collaboration AS	30,088,517	361,062,204
2015	Non-cash issue as partial payment for acquisition of 100% of Transcat GmbH	30,427,256	365,127,072

**SHAREHOLDERS AT 30 DECEMBER 2015**

Owner	No. A shares	No. B shares	Total no. of shares	No. of votes	Share of capital	Share of votes
Vidinova AB <sup>1)</sup>	361,667	7,059,783	7,421,450	10,676,453	24.4%	26.8%
Aretro Capital Group AB <sup>2)</sup>	625,332	3,154,624	3,779,956	9,407,944	12.4%	23.6%
Swedbank Robur funds	-	2,922,807	2,922,807	2,922,807	9.6%	7.3%
Lannebo funds	-	2,444,396	2,444,396	2,444,396	8.0%	6.1%
Handelsbanken funds	-	1,548,639	1,548,639	1,548,639	5.1%	3.9%
Försäkringsaktieföretaget Avanza Pension	-	1,076,852	1,076,852	1,076,852	3.5%	2.7%
Didner & Gerge Fonder Aktieföretag	-	1,001,068	1,001,068	1,001,068	3.3%	2.5%
Fjärde AP-fonden	-	813,720	813,720	813,720	2.7%	2.0%
Multiple Choice Företagsservice	66,073	-	66,073	660,730	0.2%	1.7%
E Öhman Jr Fonder AB	-	585,711	585,711	585,711	1.9%	1.5%
Other shareholders	175	8,766,409	8,766,584	8,768,159	28.9%	21.9%
<b>Total</b>	<b>1,053,247</b>	<b>29,374,009</b>	<b>30,427,256</b>	<b>39,906,479</b>	<b>100.0%</b>	<b>100.0%</b>

1) Board member Dick Hasselström is the principal owner of Vidinova AB.

2) Aretro Capital Group AB is jointly owned by Staffan Hanstorp, President and CEO of Addnode Group, and Jonas Gejer, CEO of TechniaTranscat and President of Addnode Group's business area PLM.



#### DISTRIBUTION OF SHAREHOLDINGS, 30 DECEMBER 2015

Shareholding	No. of shareholders	% of capital	% of votes
1-500	3,405	1.2%	0.9%
501-1,000	466	1.3%	1.0%
1,001-2,000	234	1.3%	1.0%
2,001-5,000	162	1.8%	1.4%
5,001-10,000	62	1.5%	1.1%
10,001-20,000	40	2.0%	1.5%
20,001-50,000	27	2.6%	2.0%
50,001-100,000	10	2.2%	3.2%
100,001-500,000	16	13.4%	10.3%
500,001-1,000,000	3	6.3%	4.8%
1,000,001-5,000,000	6	42.0%	46.1%
5,000,001-10,000,000	1	24.4%	26.8%
<b>Total, 30 December 2015</b>	<b>4,432</b>	<b>100.0%</b>	<b>100.0%</b>

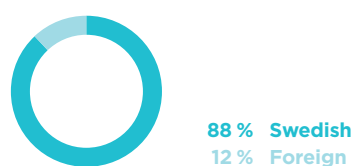
#### SWEDISH AND FOREIGN SHAREHOLDERS

	2015	2014	2013	2012	2011
Average number of shares outstanding after dilution, millions	30.0	29.6	28.8	28.3	28.1
Total number of shares outstanding, millions	30.4	29.6	29.4	28.1	28.1
Earnings per share after dilution, SEK	3.18	3.38	2.19	3.06	3.73
Equity per share, SEK	30.12	29.47	28.36	28.16	27.42
Dividend per share, SEK	2.25 <sup>1)</sup>	2.25	2.25	2.25	2.25
Share price on closing date, SEK	61.25	46.10	38.80	36.50	27.80
P/E ratio	19	14	18	12	7
Share price/shareholders' equity	2.03	1.56	1.37	1.30	1.01
Cash flow per share, SEK	4.79	5.15	4.13	4.14	5.11

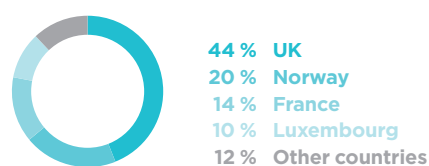
<sup>1)</sup> Board of Directors' proposal.

#### SWEDISH AND FOREIGN SHAREHOLDERS

##### 30 DECEMBER 2015



BREAKDOWN OF SWEDISH AND FOREIGN SHAREHOLDERS, NUMBER OF SHARES



BREAKDOWN BY COUNTRY, NUMBER OF SHARES (EXCL. SWEDEN)

#### ANALYSTS AND FURTHER INFORMATION

Among analysts who regularly monitor Addnode Group are Kristoffer Lindström, Redeye, and Fredrik Nilsson, Remium.

#### INVESTOR RELATIONS

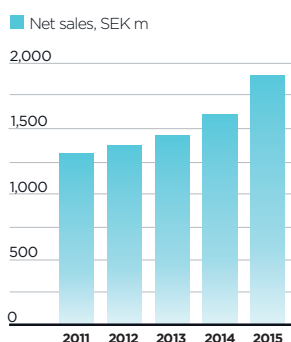
Addnode Group conducts long-term communication work in the capital market. An important part of the work is to provide shareholders, institutional investors, analysts, the media and other interested parties with transparent, reliable and accurate information about Addnode Group's activities and financial performance.

#### IF YOU HAVE ANY QUESTIONS, PLEASE CONTACT THE CFO AND IR MANAGER

Johan Andersson  
+46 (0) 8 506 66 214  
johan.andersson@addnodegroup.com

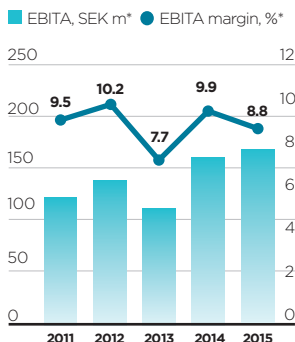
# FIVE-YEAR OVERVIEW

## NET SALES



Net sales increased during the period from SEK 1,300 m to SEK 1,901 m, corresponding to average annual growth of 12 per cent. The Group's target is to achieve annual growth of at least 10 per cent.

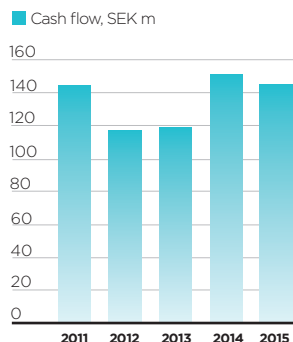
## EBITA\*



The improvement in EBITA for 2015 compared with 2014 is mainly attributable to the acquisition of Transcat PLM in the Product Lifecycle Management business area.

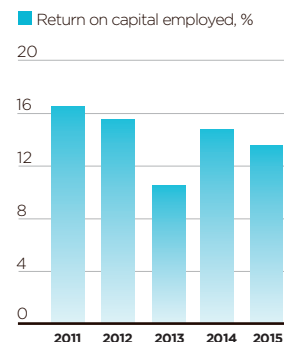
\*Excluding capital gains and revaluation of contingent consideration.

## CASH FLOW FROM OPERATING ACTIVITIES



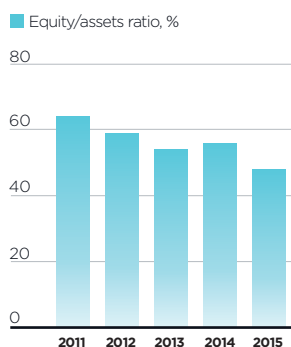
Addnode Group's business model, with a large share of prepaid support and maintenance contracts, entails that the business has a relatively small amount of tied-up capital. Historically, cash flow from operating activities has been on par with EBITA.

## RETURN ON CAPITAL EMPLOYED



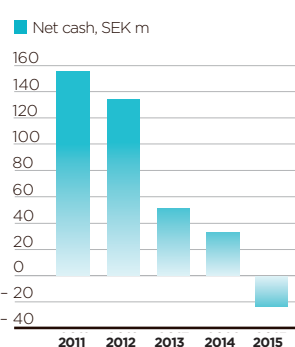
Return on capital employed was 13.5 per cent in 2015, which is down slightly from the previous year. This is mainly attributable to an increase in borrowing.

## EQUITY/ASSETS RATIO



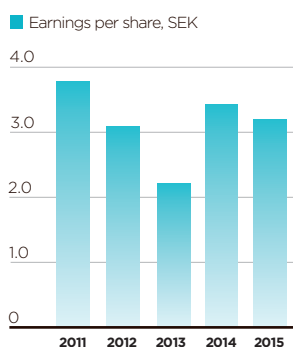
The equity/assets ratio is strong and was 48 per cent on 31 December 2015. The change between 2014 and 2015 is attributable to an increase in borrowing.

## NET CASH



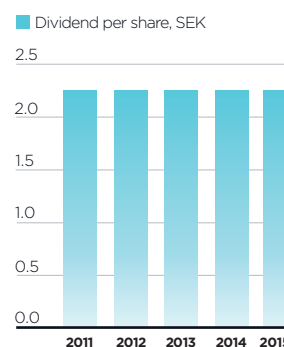
Addnode Group took on external interest-bearing debt for the first time in 2013 to finance acquisitions. As at 31 December 2015, cash and cash equivalents amounted to SEK 103 m, and interest-bearing liabilities amounted to SEK 127 m.

## EARNINGS PER SHARE



Earnings per share in 2015 were SEK 3.18.

## DIVIDEND PER SHARE



At least 50 per cent of consolidated profit after tax is to be distributed to the shareholders, provided that net cash is sufficient to operate and develop the business.

\*Proposed by the Board of Directors.

**ADDNODE GROUP**  
Five-year overview

Group	2015	2014	2013	2012	2011
<b>Income statement (SEK m)</b>					
Net sales	1,900.8	1,598.6	1,443.5	1,364.7	1,300.4
of which, outside Sweden	893.7	646.7	538.1	461.0	427.0
Operating profit before depreciation/amortisation	181.7	205.7	123.6	149.5	148.5
EBITA	168.0	193.3	110.7	137.7	137.3
Operating profit	126.0	128.5	85.9	117.7	119.6
Net financial items	-1.4	1.3	-0.2	1.5	1.4
Profit before tax	124.6	129.8	85.7	119.2	121.0
Tax	-29.1	-29.6	-22.8	-32.4	-15.1
Profit for the year	95.5	100.2	62.9	86.8	105.9
<b>Balance sheet (SEK m)</b>					
Intangible non-current assets	1,061.2	874.9	865.8	674.7	625.0
Property, plant and equipment	34.6	27.2	26.3	29.2	26.2
Financial assets	29.6	34.9	45.5	48.3	75.8
Inventories	1.2	1.0	1.2	1.2	2.0
Other receivables	661.6	546.5	489.5	450.9	324.7
Cash and cash equivalents	102.9	72.4	114.8	132.3	153.3
<b>Total assets</b>	<b>1,891.1</b>	<b>1,556.9</b>	<b>1,543.1</b>	<b>1,336.6</b>	<b>1,207.0</b>
Shareholders' equity	916.6	872.7	834.5	793.8	772.8
Provisions	53.7	5.4	63.2	25.9	19.8
Loan liabilities, interest-bearing	126.6	40.4	65.3	0.0	0.7
Other liabilities, non-interest-bearing	794.1	638.4	580.1	516.9	413.7
<b>Total shareholders' equity and liabilities</b>	<b>1,891.1</b>	<b>1,556.9</b>	<b>1,543.1</b>	<b>1,336.6</b>	<b>1,207.0</b>
<b>Cash flow</b>					
Cash flow per share, SEK	4.79	5.15	4.13	4.14	5.11
Cash flow from operating activities, SEK m	143.8	152.5	118.8	117.1	143.9
Cash flow from investing activities, SEK m	-115.1	-109.8	-126.1	-73.1	-22.7
Cash flow from financing activities, SEK m	6.7	-86.8	-6.7	-63.5	-45.0
- of which, shareholder dividend and share repurchases	-66.6	-66.2	-63.5	-63.3	-42.2
<b>Return metrics</b>					
Change in net sales, %	19	11	6	5	23
Return on capital employed, %	13.5	14.7	10.5	15.5	16.5
Return on equity, %	10.8	11.9	7.9	11.3	14.4
EBITA margin, %	8.8	12.1	7.7	10.1	10.6
Operating margin, %	6.6	8.0	6.0	8.6	9.2
Profit margin, %	6.6	8.1	5.9	8.7	9.3
<b>Financial metrics</b>					
Interest coverage multiple	50	59	57	431	440
Equity/assets ratio, %	48	56	54	59	64
Debt/equity multiple	0.19	0.09	0.12	0.04	0.04
Net debt, SEK m	23.2	-33.2	-51.3	-134.8	-155.6
Acid test ratio, %	88	98	102	114	122
Shareholders' equity, SEK m	916.6	872.7	834.5	793.8	772.8
Shareholders' equity per share, SEK	30.12	29.47	28.36	28.16	27.42
Share of risk-bearing capital, %	49	56	55	60	65
<b>Employees</b>					
Number of employees at 31 December	1,202	934	951	849	809
Average number of employees	1,005	890	859	791	758
Net sales per employee, SEK thousands	1,891	1,796	1,680	1,725	1,716

# FOCUS ON THE BUSINESS AND FINANCIAL CONTROL

In 2015 we exceeded our growth target and established operations in Germany. The Group has a stable financial position, with strong cash flow, and during the year we signed a SEK 200 m revolving credit facility for acquisitions.



**“We believe in decentralised decision-making that is close to the customers, and it is my responsibility to ensure that we have an organisation and control environment in which this is combined with the requirements for good financial control and governance.”**

JOHAN ANDERSSON, CFO, ADDNODE GROUP

## HOW WOULD YOU SUMMARISE 2015?

Addnode Group has grown from being a Nordic operation to a European operation, and during the year Germany became our second-largest geographical market after Sweden. We increased net sales by 19 per cent compared with a year ago and thereby exceeded our 10 per cent growth target. However, we did not quite reach our profitability target of a 10 per cent EBITA margin. This is mainly attributable to our acquisition in July 2015 of Transcat PLM, which has a product mix with lower margins than for the Group. The acquisition has gone well, and we have identified synergies between Transcat PLM and its sister company Technia, which over time will lead to improved margins for the PLM business area. In January 2015 we signed a SEK 200 m revolving credit facility, which will enable us to continue growing with full force and improve our profitability through acquisitions.

## HOW HAVE ADDNODE GROUP'S REVENUES CHANGED?

Over several years' time, both through our own product development and through acquisitions, we have built up a competitive product portfolio in niche areas. At the same time, we have gradually built up our recurring revenue from support and maintenance contracts and SaaS solutions, to where these now account for a full 49 per cent of net sales. Since our customers pay in advance, this recurring revenue creates predictability in our earnings and has a positive impact on our cash flow.

## WHAT ARE YOUR PRIORITIES AS CFO?

We believe in decentralised decision-making that is close to the customers, and it is my responsibility to ensure that we have an organisation and control environment in which this is combined with the requirements for good financial control and governance. I monitor developments in the market and maintain constant contact with our business area presidents. This gives me an instinctive feeling that is important in efforts to support operations and contribute to the Group's development. I keep a strong focus on continuously ensuring that we have effective acquisition processes and that we have the funding needed to be able to expand the business in accordance with our strategy and our financial targets.

Johan Andersson  
CFO



# ANNUAL REPORT 2015

The Board of Directors and President of Addnode Group AB (publ), with its registered office in Stockholm and Corporate Identity Number 556291-3185, hereby submit the Annual Report for the 2015 financial year for the Parent Company and the Group. The Annual Report covers pages 33–71, and the Corporate Governance Report and Auditors' Report cover pages 73–82. The results of the year's operations as well as the Parent Company's and the Group's financial position are presented in the Board of Directors' Report along with the accompanying income statements and balance sheets, statements of comprehensive income, statements of cash flows, specifications of changes in shareholders' equity and supplementary disclosures and notes, which comprise the comprehensive annual report.

## Board of Directors' Report

### BUSINESS FOCUS

Our business concept is to acquire, operate and develop entrepreneur-driven companies that supply software and services to markets in which we have or can achieve a leading position. We are one of Europe's leading suppliers of software and services for design, construction and product data information, and a leading supplier of document and case management systems to public sector clients in Sweden and Norway.

Operations are organised in four business areas:

- > Design Management – IT solutions for design and construction
- > Product Lifecycle Management – IT solutions for product data information
- > Process Management – IT solutions for document and case management systems for municipal administrations and authorities
- > Content Management – IT solutions for public websites, collaboration solutions and customer service.

Consolidated net sales in 2015 amounted to SEK 1,900.8 m (1,598.6), an increase of 19 per cent. The increase is mainly attributable to the acquisitions carried out in 2014 and 2015. For like-for-like units, net sales were level with the preceding year. The Group's revenue from support and maintenance agreements increased by 25 per cent from 2014 to 2015.

EBITA amounted to SEK 168.0 m (193.3), corresponding to an EBITA

margin of 8.8 per cent (12.1). Earnings for 2014 included revenue of SEK 34.3 m from the revaluation of contingent consideration. Excluding this revaluation, EBITA for 2014 was SEK 159.0 m, corresponding to an EBITA margin of 9.9 per cent. Scheduled amortisation of intangible non-current assets amounted to SEK 42.1 m (34.8), and impairment of goodwill amounted to SEK 0.0 m (30.0). Operating profit was SEK 126.0 m (128.5), corresponding to an operating margin of 6.6 per cent (8.0). Through business development and acquisitions, the share of proprietary software and applications increased in the IT solutions that the Group offers its customers. In 2015, investments in proprietary software and applications were capitalised in the amount of SEK 43.2 m (29.9).

Net sales for the Design Management business area increased, while EBITA was slightly lower than in 2014. For Product Lifecycle Management, net sales rose sharply, and EBITA improved compared with the preceding year, mainly owing to acquisitions in 2015. For the Process Management business area, net sales and EBITA were level with the preceding year. For Content Management, net sales were level with the preceding year, while EBITA improved.

Net financial items for the Group amounted to SEK –1.4 m (1.3). Tax on profit for the year was SEK –29.1 m (–29.5). Profit after tax was SEK 95.5 m (100.2).

### BUSINESS AREA PERFORMANCE

Addnode Group's operations are organised in four business areas: Design Management, Product Lifecycle Management, Process Management and Content Management.

### KEY FIGURES BY BUSINESS AREA

	Net sales		EBITA		Operating profit		Average number of employees	
	2015	2014	2015	2014	2015	2014	2015	2014
Design Management	827.7	780.5	65.8	70.3	47.0	53.6	317	306
Product Lifecycle Management	512.6	263.6	52.7	41.4	46.3	38.2	281	163
Process Management	440.3	432.6	70.0	70.9	54.4	57.5	275	275
Content Management	139.9	142.0	8.6	1.8	7.4	0.3	125	138
Central functions	10.7	9.4	–29.1	–25.4	–29.1	–25.4	7	8
Eliminations/other	–30.4	–29.5	–	34.3 <sup>1)</sup>	–	4.3 <sup>2)</sup>	–	–
<b>Addnode Group</b>	<b>1,900.8</b>	<b>1,598.6</b>	<b>168.0</b>	<b>193.3</b>	<b>126.0</b>	<b>128.5</b>	<b>1,005</b>	<b>890</b>

<sup>1)</sup> Amount pertains to the earnings effect, SEK 34.3 m, of a revaluation of contingent consideration for acquired companies.

<sup>2)</sup> Amount pertains to the earnings effect, SEK 34.3 m, of a revaluation of contingent consideration for acquired companies, and goodwill impairment of SEK –30.0 m.

### Design Management business area

The Design Management business area is one of the largest providers of services for design, construction and product data information in the Nordic region and the UK. Through close customer relationships we deliver IT solutions that shorten lead times, lower costs and support operations. Solutions are based on Autodesk software as well as proprietary products and applications. The business area's operations are conducted via the companies Cad-Q, Joint Collaboration and Symetri, and as from February 2016, 5D Systemkonsult.

Net sales in Design Management amounted to SEK 827.7 m (780.5). EBITA was SEK 65.8 m (70.3), corresponding to an EBITA margin of 7.9 per cent (9.0). The increase in net sales is mainly attributable to positive development in the Swedish construction and real estate sectors, and acquisitions in the UK in 2014. The business area won several orders in which our expertise, geographical coverage and ability to meet major customers' needs were decisive factors. Earnings in the Norwegian operation were stable, despite the effects on the market of the negative trend in oil prices. A weaker market in the UK, Finland and Denmark had a negative effect on the business area's earnings.

### Product Lifecycle Management business area

The Product Lifecycle Management business area is one of Europe's leading suppliers of PLM systems, with operations in the Nordic countries, Germany, Austria and the USA. Solutions are based primarily on Dassault Systèmes software and proprietary products. The business area's operations are conducted via the subsidiary TechniaTranscat.

Net sales in Product Lifecycle Management amounted to SEK 512.6 m (263.6). EBITA was SEK 52.7 m (41.4), corresponding to an EBITA margin of 10.3 per cent (15.7). Growth and the earnings improvement are attributable to the acquisition of Transcat in July 2015. The integration of Technia and Transcat has proceeded well, and synergies are already being achieved on the customer side, as evidenced by a greater number of spontaneous inquiries in the international market. The lower margin in 2015 is explained by a larger share of licence sales for the business area in 2014 with high margins and by the fact that the additional sales from the acquired Transcat operation have a product mix with lower margins.

### Process Management business area

The Process Management business area offers systems and software for case management, municipal administration, e-archives and geographical IT systems primarily for the public sector. Solutions are based on proprietary systems, applications and complementary products. The business area's operations are conducted in Sweden and Norway via the subsidiaries Abou, Arkiva, Decerno, Ida Infront, Kartena, Mittbygge, Prosilia, Tekis and Cartesia.

Net sales in Process Management amounted to SEK 440.3 m (432.6). EBITA was SEK 70.0 m (70.9), corresponding to an EBITA margin of 15.9 per cent (16.4). The business area had continued favourable demand for information and case management systems and has won several tenders in the Swedish public sector. Favourable capacity utilisation primarily in case management projects for government authorities and large development and administrative projects contributed to stable profitability.

### Content Management business area

The Content Management business area offers IT solutions in the form of public websites, collaboration solutions, interactive voice response services, telecom and intranet solutions, and e-commerce systems. The business area's operations are conducted via the subsidiaries Mogul and Voice Provider. Net sales in Content Management amounted to SEK 139.9 m (142.0). EBITA was SEK 8.6 m (1.8), corresponding to an EBITA margin of 6.1 per cent (1.3). The business area improved its EBITA margin, primarily through efficiency improvements and better capacity utilisation resulting from a clearer market offering.

### ACQUISITIONS IN 2015

On 1 July 2015 an agreement was signed to acquire all of the shares in the German company Transcat GmbH, with possession taking place the same day. The company's operations are conducted primarily in Germany, as well as in Austria and Slovakia via subsidiaries. The acquired operations had net sales in 2014 of approximately SEK 450 m and EBITA of approximately SEK 23 m. The companies have approximately 200 employees, based on full-time equivalents. Transcat is one of Europe's leading providers of IT solutions for product information (PLM solutions) based on Dassault Systèmes' brands, complemented by a portfolio of proprietary products. In addition, Transcat offers consulting services, advice on project design, training and user support.

Prior to this acquisition Addnode Group's Product Lifecycle Management business area was already the largest provider of customised PLM systems in the Nordic region and one of the largest in Europe. The business area's operations are conducted primarily via the subsidiary Technia. Transcat has been included in the business area since the date of possession and complements Technia both strategically and operationally. The acquisition is in line with Addnode Group's strategy to be a leading European supplier of design and PLM products and related services. The combined TechniaTranscat is a market leader in the European PLM market. The acquisition gives Addnode Group expanded expertise and synergy opportunities, and marks the Group's establishment of operations in Germany.

### EVENTS AFTER THE END OF THE FINANCIAL YEAR

On 1 February 2016 an agreement was signed to acquire all of the shares in 5D Systemkonsult AB, with possession taking place the same day. During the financial year May 2014–April 2015 the company had net sales of SEK 22 m and an operating profit of SEK 4 m. 5D Systemkonsult is a Swedish software company that offers property management systems to public and private sector customers. The company has 20 employees and will be part of the Design Management business area, which has since previously had a strong offering of systems for the construction and property sectors. The acquisition further complements and strengthens this offering.

In January 2016 an additional SEK 29.5 m was utilised of the credit facility of up to SEK 200 m that was secured in January 2015.

In other respects, no significant events have taken place after the balance sheet date.

### LIQUIDITY, CASH FLOW AND FINANCIAL POSITION

The Group's cash and cash equivalents totalled SEK 102.9 m (72.4) on 31 December 2015. Cash flow from operating activities amounted to SEK 143.8 m (152.5) in 2015. Cash flow from investing activities in 2015 included SEK 8.4 m in payments of contracted and previously expensed consideration for company acquisitions carried out in previous years, and SEK 43.2 m (29.9) in payments for proprietary software.

During the second quarter, a share dividend of SEK 66.6 m was paid out. In late June/early July a new bank loan of SEK 94.0 m was raised in connection with the acquisition of Transcat GmbH in early July. The Group's interest-bearing liabilities as at 31 December 2015 amounted to SEK 126.6 m (40.4), and the net sum of interest-bearing assets and liabilities was SEK –23.2 m (33.2). The equity/assets ratio on 31 December 2015 was 48 per cent (56). The Parent Company has an existing bank overdraft facility of SEK 100 m. In addition, in January 2015 the Parent Company signed an agreement for a credit facility of up to SEK 200 m to finance future acquisitions. The facility has a term of four years and can be drawn successively. Of the credit facility, SEK 94.0 m was drawn in June and early July 2015, of which SEK 43.4 m had a term of six months and SEK 50.6 m a term of 12 months; however, the debt amount can thereafter be re-borrowed in its entirety within the framework of the credit facility's total amount. In early January 2016 the bank loan with a term of six months was re-borrowed at an unchanged amount with a new term of six months.

## INVESTMENTS

Investments in intangible non-current assets and in property, plant and equipment amounted to SEK 61.1 m (53.9), of which SEK 43.2 m (29.9) pertains to proprietary software, SEK 0.0 m (8.2) to customer agreements, and SEK 17.2 m (13.8) to equipment.

## SOFTWARE DEVELOPMENT

Through business development and acquisitions, the share of proprietary software and applications has increased in the IT solutions that the Group offers its customers. In 2015, capital expenditures of SEK 43.2 m (29.9) in proprietary software and applications were capitalised. Expenditures for customer-financed development and certain other development work that do not meet the criteria for capitalisation were expensed in the income statement.

## GOODWILL AND OTHER INTANGIBLE ASSETS

The Group's carrying amount of goodwill on 31 December 2015 was SEK 889.2 m (738.7). Goodwill increased by SEK 169.6 m in 2015 in connection with the acquisition of Transcat GmbH. The carrying amount of trademarks with indefinite useful life was SEK 12.1 m (12.4). Other intangible assets amounted to SEK 159.9 m (123.8) and pertain primarily to customer agreements and software.

## DEFERRED TAX ASSETS

Total reported deferred tax assets amounted to SEK 12.9 m on 31 December 2015, of which SEK 8.2 m pertains to tax loss carryforwards. On 31 December 2015 the Group's accumulated tax loss carryforwards amounted to approximately SEK 49 m. Deferred tax assets attributable to loss carryforwards are reported as an asset to the extent it is likely that the loss carryforwards can be offset against surpluses in future taxation.

## SHAREHOLDERS' EQUITY

Shareholders' equity amounted to SEK 916.6 m (872.2) on 31 December 2015. During the second quarter a share dividend of SEK 66.6 m was paid out. As partial payment for the shares in Transcat GmbH, during the third quarter of 2015 a new issue of 338,739 Class B shares was carried out as a private placement to the sellers along with a transfer of 477,497 Class B treasury shares to the sellers. The decision on the new issue and transfer of Class B treasury shares was made by the Board of Directors by support of the authorisation granted to it by the Annual General Meeting on 6 May 2015. Changes in the Group's equity are shown on page 41. No share-savings, option or convertible programmes were outstanding as at 31 December 2015.

## PROVISIONS

Provisions, which are included among non-current and current liabilities on the consolidated balance sheet, amounted to SEK 53.7 m on 31 December 2015, of which SEK 45.7 m pertains to estimated contingent consideration for company acquisitions carried out. Provisions for estimated contingent consideration increased by SEK 46.3 m in connection with company acquisitions carried out in 2015. During the first half of 2015, payments of contracted and previously expensed contingent consideration totalled SEK 4.2 m.

## EMPLOYEES

The average number of employees in the Group in 2015 was 1,005 (890). At year-end the number of employees was 1,202 (934).

## ACQUISITIONS, TRANSFERS AND HOLDINGS OF TREASURY SHARES

As at 31 December 2014, Addnode Group's holding of treasury shares was 479,884 Class B shares, which corresponded to 1.6 per cent of the share capital. The holding arose in connection with a new issue and immediate buyback carried out in September 2011 to secure future delivery of Class B shares to the participants in Addnode Group's share-savings programme, which was in effect from June 2011 to August 2014. The price per share

for the new issue and buyback was SEK 12, which corresponded to the share quota price. Pursuant to a resolution by the Annual General Meeting on 7 May 2014, the remaining holding of Class B shares that were not used for delivery to participants in the share-savings programme may be used to be transferred to a third party that is listed or not listed on Nasdaq Stockholm in accordance with the authorisation for the Board to decide on acquisitions and transfers of treasury shares (see the section "Authorisations" below). The aim of the remaining holding of treasury shares was that Addnode Group would be able to transfer the shares in connection with company acquisitions or other types of strategic investments. In January 2015, 2,387 Class B shares were transferred free of charge to the participants in Addnode Group's share-savings programme, after which all obligations under this programme have been settled. In July 2015, 477,497 Class B treasury shares were transferred as partial payment for the acquisition of Transcat GmbH. The price per share corresponded to the closing price of Addnode Group's Class B shares on Nasdaq Stockholm on the transfer date. Payment for the transferred shares amounted to SEK 24.8 m. As at 31 December 2015 Addnode Group had no holdings of treasury shares.

## PARENT COMPANY

The Parent Company's operations consist of joint-Group functions for market communication, financial reporting and control, financing, tax issues, business development and company acquisitions. Net sales in 2015 amounted to SEK 7.3 m (6.6), pertaining mainly to invoicing to subsidiaries for performed services. Profit before tax was SEK 84.1 m (68.6), including dividends of SEK 55.0 m (44.2) from subsidiaries, Group contributions of SEK 71.0 m (21.4) from subsidiaries, impairment of shares in subsidiaries of SEK 25.0 m (28.2), and a reversal of previously impaired shares in subsidiaries of SEK 0.0 m (47.0).

Cash and cash equivalents on 31 December 2015 amounted to SEK 80.3 m (11.2). Investments in shares in subsidiaries amounted to SEK 173.7 m, shareholder contributions to subsidiaries amounted to SEK 199.9 m, and transfers of shares in subsidiaries to other Group companies amounted to SEK 208.9 m. No significant investments were made in intangible non-current assets or in property, plant and equipment. During the second quarter a share dividend of SEK 66.6 m was made. As partial payment for the shares in Transcat GmbH, during the third quarter of 2015 a new issue of 338,739 Class B shares was made as a private placement to the sellers. The decision on the new issue and transfer of Class B treasury shares was made by the Board of Directors with support of authorisation by the Annual General Meeting on 6 May 2015. Provisions for estimated contingent consideration increased by SEK 46.3 m in connection with company acquisitions carried out in 2015. During the first half of the year, payments of SEK 4.2 m were made of contracted and previously expensed contingent consideration. On 31 December 2015 the Parent Company's provisions for estimated contingent consideration amounted to SEK 46.3 m, which is expected to be paid out in 2016 and 2017. The Parent Company has an existing bank overdraft facility of SEK 100 m. In addition, in January 2015 the Parent Company signed an agreement for a credit facility of up to SEK 200 m, with a term of four years, to finance future acquisitions. Of the credit facility, SEK 94.0 m was drawn in June and early July 2015, and an additional SEK 29.5 m was drawn in January 2016.

## ENVIRONMENTAL IMPACT

The Group does not conduct any operations requiring permits according to applicable environmental regulations.

## SENSITIVITY ANALYSIS

The table below shows the impact that various factors have on earnings.

Impact	Change, %	Impact on earnings*, SEK
Net sales	+/- 1	0.40
Gross margin	+/- 1	0.63
Payroll costs	+/- 1	0.26
Other operating expenses	+/- 1	0.11

\* All else equal, earnings per share before tax for the 2015 financial year.

## RISKS AND UNCERTAINTIES

In general, Addnode Group's earnings capacity and financial position are affected by customer demand, the ability to retain and recruit competent employees, the integration of newly acquired companies, and risks associated with individual customers and current assignments. The Group's financial risks are primarily related to changes in customers' ability to pay, exchange rates and interest rates. The presentation below does not purport to be comprehensive, and the risks and uncertainties are not listed in any order of significance.

### Earnings capacity

#### Business cycle and external risks

Demand from customers is largely connected to their confidence in the future and their willingness to invest and may therefore change on short notice. A decline in economic growth could have a negative impact on revenue and profitability. Addnode Group addresses these risks by conducting operations in several business areas with various customer groups and technologies, which creates a diversified risk spread and security. Operations are conducted in both the private and public sectors in several countries. The Group works actively to adapt its offering and operations to prevailing demand. With several business areas, the Group's resources can be steered towards businesses and market segments with favourable conditions for long-term growth and profitability and where we see opportunities to build and retain leading market positions.

#### Customer structure, and revenue and cost structure

There is always the risk that one of Addnode Group's major customers may be affected by developments in the market and will reduce its purchasing, resulting in a short-term drop in revenue. Addnode Group has a broad customer base of approximately 4,500 customers and is not dependent on individual customers. The 20 largest customers in 2015 accounted for 17 per cent of net sales. The Group's customers are primarily in Sweden, Norway, Finland, Denmark, Germany and the UK, and work in a large number of industries including engineering, medical technology, telecom, the public sector, construction and real estate, technical consulting and media.

In recent years, the proportion of recurring revenue from software with associated support and maintenance agreements has increased, generating more stable earnings capacity. The largest expense items for Addnode Group are purchases of goods and services, and staff costs. Historically, we have largely been able to meet changed costs with more efficient deliveries and adjusted end-customer prices.

#### Competition

There are no individual competitors to Addnode Group's total offering. In the various sub-markets, Addnode Group encounters a large number of local players and a small number of national or multinational companies. Addnode Group's strategy is to be a market leader in niche areas to secure good competitiveness and a strong market position.

#### Employees and organisation

To be able to continue expanding, Addnode Group is dependent on its ability to attract, recruit and develop new employees, as well as retain existing employees and key individuals. Each company within the Group is responsible for its own competence succession. Managers are largely recruited internally or through acquisitions.

#### Products and technology

Addnode Group has a large proportion of proprietary software, SaaS services and systems in the solutions that we provide. To be able to meet evolving customer needs over time, proximity to customers and strategic collaborations with developers of IT platforms and software are an essential part of Addnode Group's growth strategy. Several of the software suppliers we work with, for example, Autodesk, Dassault Systèmes and Microsoft, are market-leading global companies in their

respective niches, and there are no indications that they will not remain competitive suppliers also in the future.

#### Integration of acquired companies

Acquisitions are a natural part of Addnode Group's operations and contribute to the Group's development and growth. To increase growth as well as recruit talented employees and managers, we continuously acquire new operations. Several company acquisitions have been carried out in recent years, and more will be made in the future. Company acquisitions are always associated with risks. Inaccurate estimations of synergies and market potential could have both positive and negative impacts on earnings.

#### Financial risks

The Group's exposure to various financial risks, including market risks (currency risks, interest rate risks and other price risks), credit risks and liquidity risks, is deemed to be relatively limited. Responsibility for the Group's financial transactions and risks is managed centrally by the Parent Company. The overall objective is to provide cost-efficient financing and to minimise negative effects on the Group's earnings and financial position arising out of market fluctuations or credit losses. See also Note 37 on pages 67–69 for a description of the financial risks identified by Addnode Group and how these are managed.

#### Other

Addnode Group is party to certain agreements containing stipulations that the agreement may be discontinued if control of Addnode Group changes as a result of a public takeover bid. However, the Board of Addnode Group has deemed that none of these agreements individually have significant bearing on Addnode Group's operations.

## ANTICIPATED FUTURE DEVELOPMENT

The Board has not changed its assessment of the future outlook compared with the publication of the 2015 year-end report. The Board provided the following future outlook in the year-end report:

In the long term, the areas in which Addnode Group is active are deemed to have a strong underlying potential. Addnode Group's growth strategy is to grow both organically and through the acquisition of new operations in order to add new, complementary offerings and additional competence. The policy of not issuing a forecast stands firm.

## ADDNODE GROUP SHARES AND OWNERSHIP STRUCTURE

Addnode Group's Class B shares have been listed on Nasdaq Stockholm since 1999. Class A shares carry ten votes each, Class B and C shares carry one vote each, and only Class B shares are listed. Class C shares do not carry entitlement to dividends. On 31 December 2015 the number of Class A shares was 1,053,247, the number of Class B shares was 29,374,009 and the number of Class C shares was 0.

The largest shareholder is Vidinova AB, with 26.8 per cent of the votes and 24.4 per cent of the share capital. The principal owner of Vidinova AB is Dick Hasselström, who is also a director of Addnode Group. The second-largest shareholder is Aretro Capital Group AB, with 23.6 per cent of the votes and 12.4 per cent of the share capital. Aretro Capital Group AB is jointly owned by Staffan Hanstorp and Jonas Gejer. Staffan Hanstorp is President and CEO of Addnode Group AB. Jonas Gejer is CEO of Technia Transcat AB och President of Product Lifecycle Management business area.

As far as the Board of Addnode Group AB is aware, there are no agreements between major shareholders that restrict the transferability of shares. Neither are there any restrictions on the transferability of shares posed by stipulations in law or the Articles of Association. There is no limitation on the number of votes each shareholder is entitled to vote for at general meetings of shareholders. According to the Articles of Association, the Board of Directors shall comprise three to eight



members, with a maximum of two deputy members. Election of board members and any deputy members is to take place at the Annual General Meeting. The Articles of Association do not contain any general stipulations concerning the appointment or dismissal of board members or amendments to the Articles of Association.

#### SHARE-SAVINGS, OPTION AND CONVERTIBLE PROGRAMMES

No share-savings, option or convertible programmes are currently in effect.

#### CORPORATE GOVERNANCE REPORT, THE WORK OF THE BOARD OF DIRECTORS, AND NOMINATION COMMITTEE

A separate corporate governance report, which includes a description of the work of the Board of Directors and Nomination Committee, has been prepared and is presented on pages 73–81 in the printed version of this document. Disclosures about the most important elements of the Group's systems of internal control and risk management in connection with the preparation of the consolidated financial statements are provided on pages 78–79 of the Corporate Governance Report.

#### AUTHORISATIONS

The 2015 AGM authorised the Board, on one or more occasions during the period until the next AGM, to decide on acquisitions of a maximum number of Class B treasury shares so that the company's holding following such acquisition does not exceed 10 per cent of all the shares in the company at any given time. The aim of any buybacks of treasury shares is primarily to enable share transfers in connection with the financing of company acquisitions and other types of strategic investments. Up until the date of publication of this annual report, no shares were acquired with the support of this authorisation. The 2015 AGM also authorised the Board, on one or more occasions prior to the next AGM, to decide on the transfer of Class B shares in the company to a third party. The number of shares transferred may not exceed the total number of treasury shares held by the company at any given time. Transfers may take place on or outside of Nasdaq Stockholm, entailing a right to deviate from shareholders' preferential rights. The reason for permitting the Board to deviate from shareholders' preferential rights is to enable financing of potential company acquisitions and other types of strategic investments in a cost-efficient manner. Up until the date of publication of this annual report, 477,497 Class B treasury shares were transferred with the support of this authorisation to the sellers of Transcat GmbH.

To finance potential company acquisitions using treasury shares, the Board received a mandate at the AGM in May 2015 for the period until the next AGM to make decisions about new share issues. Through decisions supported by this authorisation, the share capital may increase by a maximum of SEK 36 m through the issuance of a maximum of 3,000,000 shares upon full subscription. Up until the date of publication of this annual report, 338,739 new Class B shares were issued to the sellers of Transcat GmbH with the support of this authorisation.

#### GUIDELINES FOR REMUNERATION AND OTHER TERMS OF EMPLOYMENT FOR SENIOR EXECUTIVES

Guidelines for remuneration and other terms of employment for senior executives, which were adopted by the 2015 AGM, are described in Note 5 on page 53.

The 2016 Annual General Meeting will decide on guidelines for remuneration of senior executives. By senior executives is meant the President of the Parent Company, other members of Group Management, and other senior executives as described in the Corporate Governance Report on page 81. The Board of Directors' proposed guidelines ahead of the 2016 AGM are as follows:

Remuneration of the President of the Parent Company, other members of Group Management, and other senior executives shall

normally consist of a fixed salary, variable remuneration, share-based incentive programmes and other customary benefits and pensions. Fixed salary shall be competitive and ensure that Addnode Group is able to recruit competent executives. As a general rule, the fixed salary is reviewed once per year and is to take into account the individual's qualitative performance. In addition to the fixed salary, variable remuneration may be payable. Variable remuneration shall be based on results achieved and/or individually set specific targets. For the President of the Parent Company, the variable cash remuneration shall be based on earnings achieved by the Group. Variable cash remuneration is capped at 12 months' salary. For other executives in Group Management as well as other senior executives, variable cash remuneration is capped at six months' salary and shall be based primarily on the operation for which the individual is responsible. Share-based incentive programmes shall ensure long-term commitment to the Group's development and promote personal shareholdings in the company.

Pensions shall always be based on defined-contribution solutions in order to generate predictability with respect to the company's future obligations. Pension premiums are payable at a maximum amount of 30 per cent of the individual's current fixed annual salary.

Other remuneration and benefits are to be on market terms and shall support the executive's ability to perform his/her duties. Other benefits pertain primarily to company cars or mileage allowance.

Senior executives' employment contracts include stipulations on notice periods. The policy is that employment may be terminated at the request of one party with a notice period of a minimum of six and a maximum of 12 months. During the notice period, unchanged salary, remuneration and benefits shall be payable.

These guidelines shall apply for employment contracts entered into after the AGM and for any amendments to existing conditions. The Board is entitled to deviate from these guidelines only if specific reasons exist in individual cases.

#### PROPOSED DISTRIBUTION OF EARNINGS

Profit for the year, SEK 72,432,090, and other unrestricted shareholders' equity, SEK 338,556,776, totalling SEK 410,988,866, are at the disposal of the Annual General Meeting. The Board of Directors proposes that these earnings be disposed of as follows:

Dividend to the shareholders of SEK 2.25 per share	68,461,326
To be carried forward	342,527,540
<b>Total</b>	<b>410,988,866</b>

The Board's reasoned statement regarding the proposed distribution of earnings is available on the company's website: [www.addnodegroup.com](http://www.addnodegroup.com). It is also available from the company upon request.



## Consolidated income statement

SEK THOUSANDS, 1 JANUARY-31 DECEMBER	Note	2015	2014
Net sales	2, 3, 39	1,900,802	1,598,574
<b>OPERATING EXPENSES</b>			
Purchases of goods and services	39	-708,040	-515,868
Other external costs	6, 9	-236,693	-191,979
Personnel costs	4, 5	-817,610	-749,237
Capitalised work for performed by the company for its own use	16	43,243	29,927
Revaluation of contingent consideration	27	—	34,324
Depreciation/amortisation and impairment of intangible non-current assets and property, plant and equipment	16, 17	-55,710	-77,271
<b>Operating profit</b>		<b>125,992</b>	<b>128,470</b>
Financial income	10	2,522	4,169
Financial expenses	11	-3,944	-2,884
<b>Profit before tax</b>		<b>124,570</b>	<b>129,755</b>
Tax	12, 13	-29,084	-29,518
<b>PROFIT FOR THE YEAR</b>		<b>95,486</b>	<b>100,237</b>
<b>Attributable to:</b>			
Owners of the Parent Company		95,485	100,193
Non-controlling interests		1	44
<b>SHARE DATA</b>			
Earnings per share before dilution, SEK	15	3.18	3.40
Earnings per share after dilution, SEK	15	3.18	3.38
Shareholders' equity per outstanding share, SEK		30.12	29.47
Average number of shares outstanding before dilution, thousands		30,017	29,481
Average number of shares outstanding after dilution, thousands		30,017	29,609
Number of shares outstanding at year-end, thousands		30,427	29,609
Number of registered shares at year-end, thousands		30,427	30,089

## Consolidated statement of comprehensive income

SEK THOUSANDS, 1 JANUARY-31 DECEMBER	Note	2015	2014
Net profit for the year		95,486	100,237
<b>Other comprehensive income, items that will not be reclassified to profit or loss:</b>			
Actuarial gains and losses on pension obligations		-220	—
<b>Other comprehensive income, items that may be reclassified to profit or loss:</b>			
Exchange rate difference upon translation of foreign operations		-27,859	5,160
Hedge of net investments in foreign operations		811	-1,015
Cash flow hedges:			
Remeasurement transferred to income statement		—	-30
<b>Remeasurement transferred to income statement</b>	12	<b>-27,268</b>	<b>4,115</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>68,218</b>	<b>104,352</b>
<b>Attributable to:</b>			
Owners of the Parent Company		68,217	104,308
Non-controlling interests		1	44

# Consolidated balance sheet

SEK THOUSANDS, PER 31 DECEMBER	Note	2015	2014
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Intangible non-current assets	16	1,061,170	874,930
Property, plant and equipment	17	34,609	27,199
Deferred tax assets	13	12,892	21,140
Long-term securities holdings	20	9,255	6,231
Non-current receivables	21	7,427	7,489
<b>Total non-current assets</b>		<b>1,125,353</b>	<b>936,989</b>
<b>CURRENT ASSETS</b>			
Inventories		1,245	972
Accounts receivable – trade		432,110	387,975
Tax assets		13,434	11,482
Other receivables		6,145	8,535
Prepaid expenses and accrued income	22	209,944	138,541
Cash and cash equivalents	36	102,855	72,397
<b>Total non-current assets</b>		<b>765,733</b>	<b>619,902</b>
<b>TOTAL ASSETS</b>		<b>1,891,086</b>	<b>1,556,891</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
Share capital	24	365,127	361,062
Other capital contributions		214,394	200,911
Reserves		-44,201	-17,153
Profit brought forward		381,318	327,813
<b>Shareholders' equity attributable to owners of the Parent Company</b>		<b>916,638</b>	<b>872,633</b>
<b>Non-controlling interests</b>		<b>7</b>	<b>34</b>
<b>Total shareholders' equity</b>		<b>916,645</b>	<b>872,667</b>
<b>NON-CURRENT LIABILITIES</b>			
Non-current interest-bearing liabilities	25	11,911	15,501
Other non-current liabilities	26	–	1,104
Deferred tax liabilities	13	47,485	36,499
Provisions	27	42,776	341
<b>Total non-current liabilities</b>		<b>102,172</b>	<b>53,445</b>
<b>CURRENT LIABILITIES</b>			
Current interest-bearing liabilities	25, 28	114,693	24,916
Trade payables		124,466	92,474
Taxes payable		9,180	9,024
Advances from customers		12,066	40,239
Other liabilities		100,610	101,079
Accrued expenses and deferred income	29	500,281	358,023
Provisions	27	10,973	5,024
<b>Total current liabilities</b>		<b>872,269</b>	<b>630,779</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,891,086</b>	<b>1,556,891</b>

Pledged assets and contingent liabilities are reported in Note 30 and Note 31.

## Consolidated statement of cash flows

SEK THOUSANDS, 1 JANUARY-31 DECEMBER	Note	2015	2014
<b>OPERATING ACTIVITIES</b>			
Profit before tax	32	124,570	129,755
Adjustments for non-cash items	33	54,389	31,497
Income tax paid		-20,809	-12,412
<b>Cash flow from operating activities before changes in working capital</b>		<b>158,150</b>	<b>148,840</b>
Changes in working capital:			
- Decrease/increase in inventories		-98	200
- Decrease/increase in receivables		531	-50,647
- Decrease/increase in current liabilities		-14,783	54,088
<b>Total changes in working capital</b>		<b>-14,350</b>	<b>3,641</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		<b>143,800</b>	<b>152,481</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of			
- intangible non-current assets		-43,747	-35,541
- property, plant and equipment	34	-17,204	-13,817
- financial assets		-3,425	-5,500
- subsidiaries and operations	35	-53,047	-56,079
Sales of property, plant and equipment		2,316	1,183
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>-115,107</b>	<b>-109,754</b>
<b>FINANCING ACTIVITIES</b>			
Dividend paid		-66,625	-66,182
Loans raised		94,035	—
Repayment of loans		-20,667	-20,666
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>6,743</b>	<b>-86,848</b>
<b>Change in cash and cash equivalents</b>		<b>35,436</b>	<b>-44,121</b>
Cash and cash equivalents at start of year		72,397	114,772
Exchange rate difference in cash and cash equivalents		-4,978	1,746
<b>CASH AND CASH EQUIVALENTS AT YEAR-END</b>	36	<b>102,855</b>	<b>72,397</b>

# Consolidated statement of changes in shareholders' equity

SEK THOUSANDS,	Attributable to owners of the Parent Company					Non-controlling interests	Total shareholders' equity
	Share capital	Other capital contributions	Reserves <sup>1)</sup>	Profit brought forward			
<b>SHAREHOLDERS' EQUITY 1 JANUARY 2014</b>	<b>361,062</b>	<b>200,911</b>	<b>-21,268</b>	<b>293,469</b>	<b>326</b>	<b>834,500</b>	
<b>Comprehensive income</b>							
Net profit for the year	—	—	—	100,193	44	100,237	
<b>Other comprehensive income, items that may be reclassified to profit or loss:</b>							
Exchange rate differences upon translation of foreign operations	—	—	5,160	—	—	5,160	
Hedge of net investments in foreign operations	—	—	-1,015	—	—	-1,015	
Cash flow hedges:							
Remeasurement transferred to profit or loss	—	—	-30	—	—	-30	
<b>Total other comprehensive income</b>	<b>—</b>	<b>—</b>	<b>4,115</b>	<b>—</b>	<b>—</b>	<b>4,115</b>	
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>4,115</b>	<b>100,193</b>	<b>44</b>	<b>104,352</b>	
<b>Transactions with shareholders</b>							
Dividend	—	—	—	-66,182	—	-66,182	
Acquisitions from non-controlling interests	—	—	—	-534	-336	-870	
Incentive programme	—	—	—	867	—	867	
<b>Total transactions with shareholders</b>	<b>—</b>	<b>—</b>	<b>—</b>	<b>-65,849</b>	<b>-336</b>	<b>-66,185</b>	
<b>SHAREHOLDERS' EQUITY, 31 DECEMBER 2014</b>	<b>361,062</b>	<b>200,911</b>	<b>-17,153</b>	<b>327,813</b>	<b>34</b>	<b>872,667</b>	
<b>Comprehensive income</b>							
Net profit for the year	—	—	—	95,485	1	95,486	
<b>Other comprehensive income, items that will not be reclassified to profit or loss:</b>							
Actuarial gains and losses on pension obligations	—	—	—	-220	—	-220	
<b>Other comprehensive income, items that may be reclassified to profit or loss:</b>							
Exchange rate differences upon translation of foreign operations	—	—	-27,859	—	—	-27,859	
Hedge of net investments in foreign operations	—	—	811	—	—	811	
<b>Total other comprehensive income</b>	<b>—</b>	<b>—</b>	<b>-27,048</b>	<b>-220</b>	<b>—</b>	<b>-27,268</b>	
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>-27,048</b>	<b>95,265</b>	<b>1</b>	<b>68,218</b>	
<b>Transactions with shareholders</b>							
New issue in connection with company acquisition	4,065	13,549	—	—	—	17,614	
Issue costs	—	-66	—	—	—	-66	
Dividend	—	—	—	-66,625	—	-66,625	
Transfer of treasury shares	—	—	—	24,830	—	24,830	
Acquisitions from non-controlling interests	—	—	—	-38	-28	-66	
Incentive programme	—	—	—	73	—	73	
<b>Total transactions with shareholders</b>	<b>4,065</b>	<b>13,483</b>	<b>—</b>	<b>-41,760</b>	<b>-28</b>	<b>-24,240</b>	
<b>SHAREHOLDERS' EQUITY, 31 DECEMBER 2015</b>	<b>365,127</b>	<b>214,394</b>	<b>-44,201</b>	<b>381,318</b>	<b>7</b>	<b>916,645</b>	

<sup>1)</sup> Pertains to exchange rate differences upon translation of foreign operations, gains and losses attributable to hedging of net investments in foreign operations, and gains and losses attributable to non-settled cash-flow hedges (see also Note 24).

## Parent Company income statement

SEK THOUSANDS, 1 JANUARY-31 DECEMBER	Note	2015	2014
Net sales	39	7,285	6,565
<b>OPERATING EXPENSES</b>			
Other external costs	6, 39	-9,094	-9,415
Personnel costs	4	-16,592	-15,350
Depreciation of property, plant and equipment	17	-5	-5
<b>Operating profit</b>		<b>-18,406</b>	<b>-18,205</b>
<b>NET FINANCIAL ITEMS</b>			
Result from participations in Group companies	10	100,906	84,417
Interest income and similar profit/loss items	10	4,935	5,445
Interest expense and similar profit/loss items	11	-3,304	-3,089
<b>Profit before tax</b>		<b>84,131</b>	<b>68,568</b>
Tax	12, 13	-11,699	-1,045
<b>NET PROFIT FOR THE YEAR</b>		<b>72,432</b>	<b>67,523</b>

## Parent Company statement of comprehensive income

SEK THOUSANDS, JANUARY-31 DECEMBER	Note	2015	2014
Net profit for the year		72,432	67,523
<b>Total other comprehensive income for the year, net after tax</b>		<b>0</b>	<b>0</b>
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>72,432</b>	<b>67,523</b>



# Parent Company balance sheet

SEK THOUSANDS, PER 31 DECEMBER	Note	2015	2014
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
<b>Property, plant and equipment</b>			
Equipment and installations	17	11	16
<b>Total property, plant and equipment</b>		<b>11</b>	<b>16</b>
<b>Financial assets</b>			
Participations in Group companies	18	1,133,885	994,132
Other long-term securities holdings	20	7,050	5,500
Deferred tax assets	13	865	12,564
Receivables from Group companies		956	1,052
Other non-current receivables	21	369	568
<b>Total financial assets</b>		<b>1,143,125</b>	<b>1,013,816</b>
<b>Total non-current assets</b>		<b>1,143,136</b>	<b>1,013,832</b>
<b>CURRENT ASSETS</b>			
<b>Current receivables</b>			
Receivables from Group companies	23	101,408	82,927
Tax receivable		473	473
Other receivables		—	37
Prepaid expenses and accrued income	22	452	—
<b>Total current receivables</b>		<b>102,333</b>	<b>83,437</b>
<b>Cash and bank balances</b>	23	<b>80,339</b>	<b>11,226</b>
<b>Total current assets</b>		<b>182,672</b>	<b>94,663</b>
<b>TOTAL ASSETS</b>		<b>1,325,808</b>	<b>1,108,495</b>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' EQUITY</b>			
<b>Restricted shareholders' equity</b>			
Share capital	24	365,127	361,062
Statutory reserve		88,965	88,965
<b>Unrestricted shareholders' equity</b>			
Share premium reserve		125,428	111,944
Profit brought forward		213,129	187,329
Net profit for the year		72,432	67,523
<b>Total shareholders' equity</b>		<b>865,081</b>	<b>816,823</b>
<b>PROVISIONS</b>			
Other provisions	27	46,709	4,757
<b>Total provisions</b>		<b>46,709</b>	<b>4,757</b>
<b>NON-CURRENT LIABILITIES</b>			
Liabilities to credit institutions	25	—	15,501
Other non-current liabilities		5,097	—
<b>Total non-current liabilities</b>		<b>5,097</b>	<b>15,501</b>
<b>NON-CURRENT LIABILITIES</b>			
Liabilities to credit institutions	25	107,571	20,666
Other non-current liabilities		557	676
<b>Total non-current liabilities</b>	23	<b>286,324</b>	<b>237,814</b>
Other liabilities		5,941	4,910
Accrued expenses and deferred income	29	8,528	7,348
<b>Total current liabilities</b>		<b>408,921</b>	<b>271,414</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>1,325,808</b>	<b>1,108,495</b>
Pledged assets	30	5,869	6,068
Contingent liabilities	31	1,303	1,522

## Parent Company cash flow statement

SEK THOUSANDS, 1 JANUARY-31 DECEMBER	Note	2015	2014
<b>OPERATING ACTIVITIES</b>			
Profit before tax	32	84,131	68,568
Adjustments for non-cash items	33	-48,389	-43,283
<b>Cash flow from operating activities before changes in working capital</b>		<b>35,742</b>	<b>25,285</b>
Changes in working capital:			
- Change in current receivables		-415	225
- Change in current liabilities		1,245	592
<b>Total changes in working capital</b>		<b>830</b>	<b>817</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>36,572</b>	<b>26,102</b>
<b>INVESTING ACTIVITIES</b>			
Acquisitions of and investments in participations in Group companies		-277,650	-26,648
Sale of participations in Group companies		208,861	-
Liquidation of Group companies		-	2
Acquisitions of other long-term securities holdings		-1,550	-5,500
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		<b>-70,339</b>	<b>-32,146</b>
<b>FINANCING ACTIVITIES</b>			
Paid dividend		-66,625	-66,182
Loans raised		94,035	-
Repayment of loans		-20,667	-20,666
Change in intra-Group receivables and liabilities		74,717	2,137
Group contributions received		21,420	63,560
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		<b>102,880</b>	<b>-21,151</b>
<b>Change in cash and cash equivalents</b>		<b>69,113</b>	<b>-27,195</b>
Cash and cash equivalents at start of year		11,226	38,421
<b>CASH AND CASH EQUIVALENTS AT YEAR-END</b>	23	<b>80,339</b>	<b>11,226</b>

# Parent Company statement of changes in shareholders' equity

SEK THOUSANDS,	Restricted shareholders' equity		Unrestricted shareholders' equity	Total shareholders' equity
	Share capital	Statutory reserve		
<b>SHAREHOLDERS' EQUITY, 1 JANUARY 2014</b>	<b>361,062</b>	<b>88,965</b>	<b>364,588</b>	<b>814,615</b>
<b>Comprehensive income</b>				
Net profit for the year	—	—	67,523	67,523
<b>Total other comprehensive income</b>	<b>—</b>	<b>—</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>67,523</b>	<b>67,523</b>
<b>Transactions with shareholders</b>				
Dividend	—	—	-66,182	-66,182
Incentive programme	—	—	867	867
<b>Transactions with shareholders</b>	<b>—</b>	<b>—</b>	<b>-65,315</b>	<b>-65,315</b>
<b>SHAREHOLDERS' EQUITY, 31 DECEMBER 2014</b>	<b>361,062</b>	<b>88,965</b>	<b>366,796</b>	<b>816,823</b>
<b>Comprehensive income</b>				
Net profit for the year	—	—	72,432	72,432
<b>Total other comprehensive income</b>	<b>—</b>	<b>—</b>	<b>0</b>	<b>0</b>
<b>Total comprehensive income</b>	<b>—</b>	<b>—</b>	<b>72,432</b>	<b>72,432</b>
<b>Transactions with shareholders</b>				
New issue in connection with company acquisition	4,065	—	13,549	17,614
Issue costs	—	—	-66	-66
Dividend	—	—	-66,625	-66,625
Transfer of treasury shares	—	—	24,830	24,830
Incentive programme	—	—	73	73
<b>Total transactions with shareholders</b>	<b>4,065</b>	<b>—</b>	<b>-28,239</b>	<b>-24,174</b>
<b>SHAREHOLDERS' EQUITY, 31 DECEMBER 2015</b>	<b>365,127</b>	<b>88,965</b>	<b>410,989</b>	<b>865,081</b>

# Supplementary disclosures and notes

## NOTE 1 ACCOUNTING AND VALUATION POLICIES

The most important accounting policies applied when preparing these consolidated financial statements are stated below. These policies have been applied consistently for all years presented, unless otherwise indicated.

The consolidated financial statements have been prepared in accordance with the Swedish Annual Accounts Act, recommendation RFR 1 Supplementary Accounting Rules for Groups from the Swedish Financial Reporting Board, and International Financial Reporting Standards (IFRS) as endorsed by the EU. The consolidated financial statements have been prepared in accordance with the cost method, except for remeasurement of available-for-sale financial assets, and financial assets and financial liabilities (including derivative instruments) measured at fair value through profit or loss.

Preparing financial statements in conformity with IFRS requires the use of certain important accounting estimates. It also requires management to make certain assessments in applying the Group's accounting policies. The areas involving a high degree of assessment or complexity, or areas where assumptions and estimates are of significant importance for the consolidated financial statements, are addressed in Note 38.

The new standards, amendments and interpretations of existing standards that took effect in 2015 have not had any impact on the Group's financial position or financial statements.

The following standards and amendments of existing standards have been published, but have not yet been applied as of 2015.

> IFRS 9 Financial Instruments (effective as from 1 January 2018, not endorsed by the EU). IFRS 9 addresses the classification, measurement and recognition of financial assets and liabilities. The complete version of IFRS 9 was issued in July 2014 and replaces the parts of IAS 39 that pertain to classification and measurement of financial instruments. The standard retains, but simplifies, the measurement models and specifies three measurement categories for financial assets: amortised cost, fair value through other comprehensive income, and fair value through profit or loss. Classification depends on the company's business model and the characteristics of the instrument. Investments in equity instruments are to be measured at fair value through profit or loss, but there is the option to recognise the instrument's changes in value in other comprehensive income on initial recognition. No reclassification to profit or loss may then take place when the instrument is divested. IFRS 9 also introduces a new model for the calculation of a credit loss reserve based on expected credit losses.

The classification and measurement of financial liabilities is not changed, except for liabilities measured at fair value through profit or loss based on the fair value option. Changes in value attributable to changes in own credit risk are to be recognised in other comprehensive income.

IFRS 9 reduces the requirements for the application of hedge accounting by replacing the 80-125 criterion with a requirement for the economic relationship between the hedge instrument and the hedged item, and for the hedge ratio to be the same as that actually used in risk management. Hedge disclosures have also been changed slightly compared with those provided under IAS 39.

The Group has not yet evaluated the effects of introduction of the standard.

> IFRS 15 Revenue from Contracts with Customers (effective from 1 January 2018, not endorsed by the EU). IFRS 15 is the new standard for revenue recognition and replaces IAS 18 Revenue and IAS 11 Construction Contracts and all associated interpretations

(IFRIC and SIC). Revenue is to be recognised when control of the goods or service is passed to the customer; this replaces the previous policy of recognising revenue when the risks and benefits have been passed to the customer. A customer has control of a good or service when it can direct the use of the asset and obtain benefits from it. The core principle of IFRS 15 is that companies recognise revenue that best depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. A five-step model framework provides guidance for recognition:

Step 1: Identify the contract with the customer

Step 2: Identify the performance obligations in the contract

Step 3: Determine the transaction price

Step 4: Allocate the transaction price to the performance obligations in the contract

Step 5: Recognise revenue when the entity satisfies a performance obligation

IFRS 15 contains significantly expanded disclosure requirements. The disclosure objective is to disclose sufficient information to enable users of financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The Group has not yet evaluated the effects of introduction of the standard.

> IFRS 16 Leases (effective as from 1 January 2019, not endorsed by the EU). IFRS 16 was published in January 2016 and replaces IAS 17 Leases and related interpretations. The greatest effect for lessees is that there will no longer be any difference between operating and finance leases. All lease contracts, including rents of premises, are to be recognised on the balance sheet with the exception of short-term leases and leases of low value. Recognition is based on the view that the lessee has a right to use an asset during a specific period of time and at the same time has an obligation to pay for this right. A lessee shall therefore recognise a leasing asset and a financial liability on the balance sheet. In the income statement, the linear operating lease cost is replaced by a cost for depreciating the leased assets and an interest cost for the financial liability. At present, lessees do not recognise operating leases on the balance sheet.

The Group has not yet evaluated the effects of introduction of the standard.

Other published new and amended standards and interpretations of existing standards that have not yet come into effect in 2015 are not expected to have any material impact on the consolidated financial statements.

## CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements cover the Parent Company and the companies over which the Parent Company, directly or indirectly, has control. The Parent Company has control of an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its influence over the entity.

The consolidated financial statements have been prepared in accordance with the acquisition method, which entails that the shareholders' equity of subsidiaries on acquisition, determined as the difference between the fair value of the assets and the liabilities, is eliminated in its entirety. Only the part of the subsidiaries' shareholders' equity that accrued after the acquisition is included in consolidated shareholders' equity.

The purchase consideration transferred for the acquisition of a subsidiary consists of the fair value of the assets transferred to the former owners of the acquired company, the liabilities incurred

to the former owners, and the new shares issued by the Group. The consideration transferred includes the fair value of assets or liabilities resulting from a contingent consideration arrangement. Subsequent changes in the fair value of contingent consideration are recognised through profit or loss. Transaction costs in conjunction with acquisitions are expensed in the consolidated income statement when they arise.

Companies acquired during the year are included in the consolidated financial statements in amounts pertaining to the period after the acquisition. Profit from companies sold during the year is included in the consolidated income statement for the period until the divestment date.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The Swedish krona (SEK), which is the Parent Company's functional currency and presentation currency, is utilised in the consolidated financial statements. All foreign subsidiaries are translated to SEK by applying the current method. This means that all of the assets and liabilities of foreign subsidiaries are translated at the exchange rate in effect on the balance sheet date. All items in the income statements are translated at the average rate for the year. Translation differences are recognised in the consolidated statement of comprehensive income.

Intra-Group transactions and balance sheet items, as well as unrealised gains on transactions between Group companies, are eliminated in their entirety. Unrealised losses are also eliminated, unless the transaction provides evidence of impairment of the transferred asset. Where necessary, the accounting policies for subsidiaries have been adjusted to guarantee consistent application of the Group's policies.

The consolidated income statement includes non-controlling interests (previously termed "minority shares") under net profit for the year. In the consolidated balance sheet, non-controlling interests are recognised as a separate item under the Group's shareholders' equity.

In connection with each individual company acquisition, the Group determines whether all non-controlling interests are to be measured at either fair value or at the proportionate share of net assets of the acquired company. Transactions with non-controlling interests that do not result in a change in control are recognised in shareholders' equity. When the Group no longer has control, each remaining holding is measured at fair value at the date on which control ceased. Changes in carrying amounts are then recognised in the consolidated income statement. The fair value subsequently constitutes the basis of future recognition of the remaining holding as an associated company, joint venture or financial asset.

## REVENUE RECOGNITION

Service assignments performed on a current account basis are recognised in revenue at the same rate as the services are performed, i.e., both revenue and expenses are recognised in the period in which they are earned and consumed, respectively. Fees earned as at the balance sheet date that have not been invoiced are recognised as accrued revenue. When the outcome of a fixed-price assignment can be reliably calculated, income and expenses attributable to the assignment are recognised as revenue and expenses in proportion to the degree of completion on the balance sheet date (percentage of completion). The degree of completion is primarily determined based on the number of hours as at the balance sheet date in proportion to the estimated total number of hours for the assignment. If it is difficult to calculate the earnings of an assignment, yet nevertheless probable that costs incurred will be covered by the customer, revenue is recognised on the balance sheet date at an amount corresponding to the costs incurred for the assignment. Accordingly, no profit is recognised.

When the outcome of an assignment cannot be reliably calculated, only the costs that the client is expected to pay are recognised as revenue. No revenue is recognised if it is probable that costs incurred will not be paid by the client. An expected loss is immediately recognised as an expense to the extent that it can be calculated.

Fixed-price assignments currently make up a small portion of the Group's net sales. Invoiced fees for fixed-price service assignments that have not been performed are recognised as advances from customers.

Revenue for sales of goods is recognised on complete delivery to the customer, and revenue for data operation services is recognised in pace with the services being performed. Licence fees for software and program service agreements for which companies in the Group do not have any commitments to customers are recognised as revenue on the delivery date. Revenue from support and maintenance agreements for which the companies in the Group have a commitment to customers is allocated over the period of agreement.

## INCOME TAXES

Reported income taxes comprise tax to be paid or received for the current year, adjustments of current tax for previous years and changes in deferred tax.

Measurement of all tax liabilities/assets is done at nominal amounts in accordance with the tax regulations and tax rates that have been decided on or announced, and which are likely to be adopted.

Tax is recognised through profit or loss, except when the tax pertains to items recognised in other comprehensive income or directly in shareholders' equity. In such cases, tax is also recognised in other comprehensive income or shareholders' equity.

Deferred tax is calculated using the balance sheet method on all temporary differences arising between the recognised and tax values of assets and liabilities. Deferred tax assets pertaining to tax loss carryforwards or other future tax deductions are recognised to the extent that it is likely that the deductions can be offset against surpluses in connection with future taxation.

## RECEIVABLES, AND RECEIVABLES AND LIABILITIES IN FOREIGN CURRENCY

Loan receivables and trade accounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted on an active market. These items are distinguished by the fact that they arise when the Group provides funds, goods or services directly to a customer without intending to trade in the receivable. These amounts are included under current assets, with the exception of items falling due more than 12 months after the balance sheet date, which are classified as non-current assets. Loan receivables and trade accounts receivable are initially measured at fair value and subsequently at amortised cost by applying the effective interest method, less any provisions for impairment. A reserve is established for impairment when the amount that is expected to be paid following an individual assessment is less than the carrying amount of the asset.

Receivables and liabilities in foreign currency are measured at the exchange rate in effect on the balance sheet date. In cases where currency hedges have been applied, for example forward cover, both the hedged item and the hedging instrument are measured at fair value. Transactions in foreign currency are translated at the spot rate on the transaction date. Exchange rate differences pertaining to operating receivables and liabilities are recognised in operating profit, while exchange rate differences pertaining to cash and cash equivalents and loans are recognised as financial income and expenses in the income statement. Restatement of liabilities at the exchange rate in effect on the balance sheet date for consideration paid and provisions for estimated contingent consideration in



foreign currency is recognised in the consolidated statement of comprehensive income if the requirements for hedge accounting of net investments in foreign operations are met.

### NON-CURRENT ASSETS

Non-current assets are measured at cost less accumulated depreciation and any impairment.

If there is an indication that an asset has declined in value, the recoverable amount of the asset is calculated. If the asset's carrying amount exceeds the recoverable amount, the asset is immediately written down to its recoverable amount.

### INTANGIBLE NON-CURRENT ASSETS

#### Costs for software development

Software development is conducted mainly within the framework of customer assignments.

Costs that are directly related to identifiable and unique software that is controlled by the Group are recognised as intangible non-current assets if there is a clearly defined development project with specific plans for how and when the asset is to be used in the operations, the cost can be calculated reliably, and the asset is expected to generate future financial benefits. In addition, it should also be technically possible to carry out the project, and the resources required to complete development must be available. Other development costs that do not meet these criteria are expensed as incurred. Development costs that were previously expensed are not recognised as an asset in subsequent periods.

The cost of the intangible asset includes direct costs for, for example, consultants and personnel developing proprietary software, and a reasonable share of relevant indirect costs. Scheduled amortisation is done on straight line over the estimated useful life, which is a maximum of five years for operational central software. Amortisation is recognised from the date on which the software is operational.

#### Goodwill and intangible assets with indefinite useful life

Goodwill consists of the amount by which the cost for acquisition of companies or operations exceeds the fair value of the acquired identifiable net assets on the acquisition date. In the purchase price allocation, acquired intangible assets, such as customer relationships and trademarks, are recognised at market value before the remainder is attributed to goodwill.

Goodwill and other intangible assets with indefinite useful life, such as certain trademarks, are measured at cost less any impairment. Scheduled amortisation is not conducted; instead, the need to recognise impairment is tested yearly or more often if there is an indication of a decline in value.

#### Other intangible assets

Other intangible assets pertain mainly to customer agreements, acquired software and certain trademarks. These assets are recognised at cost less scheduled amortisation. Amortisation is done on a straight-line basis over the estimated useful life, which is normally between three and ten years. Ten-year amortisation schedules are applied for long-term agreements with companies with a strong market position and very long-term customer relationships.

### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognised at cost less depreciation. Costs for repairs and maintenance are expensed.

Property, plant and equipment are depreciated on straight-line basis over the estimated useful life of the assets. The asset's residual value is taken into account when determining the depreciable amount of the asset. Equipment and installations are depreciated over a period of three to five years. Depreciation of buildings is done at 4 per cent per year.

### FINANCE LEASES

When a lease entails that the Group, in its capacity as lessee, essentially enjoys the economic benefits and bears the financial risks attributable to the leased asset, then the asset is recognised as a non-current asset on the consolidated balance sheet. A corresponding obligation to pay future leasing fees is recognised as a liability. Each lease payment is divided into amortisation of the liability and financial expenses to determine a fixed interest rate for the liability recognised in each respective period. The Group did not have any finance leases in 2014 or 2015.

### OPERATING LEASES

Leases under which a significant portion of the risks and benefits associated with ownership are retained by the lessor are classified as operating leases. Leasing fees for operating leases are expensed in the income statement on a straight-line basis over the term of the lease.

### FINANCIAL INSTRUMENTS

Financial instruments include cash and cash equivalents, securities holdings, receivables, operating liabilities, liabilities under finance leases, borrowings and any derivative instruments. Purchases and sales of securities and derivative instruments are recognised on the trade date, meaning the date on which a binding purchase or sale contract was signed.

Securities intended to be held in the long term are attributed to the measurement categories of either available-for-sale financial assets, which are measured at fair value, or financial assets at fair value through profit or loss. Holdings of short-term investments are attributed to the measurement categories of either held-to-maturity investments, which are measured at amortised cost, or financial assets at fair value through profit or loss. The measurement category is determined separately for each holding of securities based on nature and the purpose of the holding.

For the financial assets at fair value through profit or loss category, changes in fair value are recognised as financial income and financial expenses, respectively, in profit or loss. However, changes in value regarding forward exchange contracts are recognised in operating profit (see below). For the financial liabilities at fair value through profit or loss category (primarily provisions for estimated contingent consideration), changes in value are recognised in operating profit. Changes in fair value for the available-for-sale financial assets category are recognised in the consolidated statement of comprehensive income over the holding period, and accumulated changes in value in conjunction with sales are recognised as financial income and financial expenses, respectively, in profit or loss. For the latter category, if objective evidence exists to recognise impairment, such as a significant or prolonged decline in fair value, the impairment is recognised as a financial expense in profit or loss. The fair value of market-listed securities is based on the buying price on the balance sheet date.

Outstanding forward exchange contracts are measured at fair value. Forward exchange contracts pertain to hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedges). Hedge accounting according to IAS 39 is applied for certain forward exchange contracts. This means that unrealised changes in value are recognised in the consolidated statement of comprehensive income until the hedged item is to be recognised in the consolidated income statement, at which point the profit or loss for the corresponding foreign exchange forward contract is recognised in the consolidated income statement. When the formal conditions for hedge accounting are not met, outstanding forward exchange contracts are measured as independent financial instruments on their respective balance sheet dates, for which both realised and unrealised changes in value are recognised in operating profit. As at 31 December 2015 there

were no outstanding forward exchange contracts (see also Note 7).

Other financial liabilities are recognised at amortised cost. However, liabilities attributable to future minimum leasing fees under finance leases are recognised at present value.

### INVENTORIES

Inventories are measured at the lower of cost or net realisable value. Cost is calculated through application of the first-in, first-out (FIFO) principle. Net realisable value consists of the sales price in the operating activities less the estimated selling costs.

### SHAREHOLDERS' EQUITY

Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issuance of new shares are recognised, net after tax, in shareholders' equity as a deduction from the issue proceeds.

When any Group company purchases Parent Company shares (buyback of treasury shares), the purchase price paid, including any directly attributable transaction costs (net after tax), reduces the profit brought forward until the shares are cancelled or sold. If these shares are subsequently sold, the amount received for them (net after any transaction costs and tax effects) is recognised in profit brought forward.

### SHARE-BASED PAYMENTS

On 4 May 2011 the Annual General Meeting resolved to implement a share-savings programme, entailing that the Group's companies received services from employees in exchange for remuneration in the form of future grants of shares in the Parent Company. The share-savings programme was in effect from June 2011 through August 2014. No other share-based incentive programmes exist within the Group.

The Group's costs for the share-savings programme are recognised in accordance with IFRS 2 Share-based Payment. The total personnel costs were allocated over the vesting period of June 2011–July 2014 and were based on a calculation of the fair value of the granted shares at the start of the vesting period as well as certain assumptions for calculating the number of granted shares in August 2014. There were no market-related vesting conditions. At the end of each reporting period, the Group reassessed its calculations of the number of shares that were expected to be granted, and any changes compared with previous assessments were recognised through profit or loss and the corresponding adjustments were made in shareholders' equity. The reserve for social security costs that arose in connection with the share-savings programme was recognised continuously based on the share price trend during the vesting period. Further details about the share-savings programme are provided in Note 4.

### PROVISIONS

Provisions are defined as obligations that are attributable to the financial year or previous financial years and that are certain or likely to arise as at the balance sheet date, but for which the amount and the date on which the obligations are to be realised are uncertain. Provisions for estimated contingent consideration for acquisitions of operations and for restructuring measures that have been decided on are recognised on the balance sheet. A provision for restructuring costs is recognised when a detailed plan for the implementation of the measures exists and when this plan has been communicated to those affected.

### PENSIONS

The Group's pension plans are administered almost exclusively by various insurance institutions. The Group primarily has defined contribution pension plans, although defined benefit pension plans do exist to a certain extent. The Group's payments toward defined contribution plans are recognised as personnel costs in the income

statement during the period in which the employee performed the services and that the contributions pertain to.

The defined benefit plans pertain in all essential respects to obligations for retirement pensions and family pensions for salaried employees in Sweden, which are secured through insurance with the pensions institution Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10, this is classified a defined benefit multi-employer plan. For the 2015 financial year, the Group did not have access to the type of information required for recognising these plans as defined benefit plans. As a result, the ITP (individual supplementary pension) plans that are secured through insurance with Alecta are recognised as defined contribution plans. Contributions are recognised as personnel costs in profit or loss when they fall due for payment. Fees for pension insurance taken out with Alecta in 2015 amounted to SEK 5,348 thousand (4,907 thousand) and are expected to be roughly the same in 2016. Alecta's surplus can be distributed to the policyholders and/or insureds. At year-end, the pensions institution's surplus in the form of its collective funding ratio was 153 per cent (143). The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its insurance obligations calculated using Alecta's actuarial assumptions, which are not compatible with IAS 19

The German company Transcat PLM GmbH acquired in 2015 (name subsequently changed to TechniaTranscat GmbH) has defined benefit pension obligations for five employees. The provision recognised on the balance sheet for these pension obligations corresponds to the present value of the obligations on the balance sheet date and has been calculated in accordance with IAS 19 by an independent actuary. The provision as at 31 December 2015 amounted to SEK 5,867 thousand (see Note 27). Actuarial gains and losses are recognised in the consolidated statement of comprehensive income in the periods in which they arise.

### BORROWINGS

Borrowings are initially measured at fair value, net after transaction costs. Borrowings are subsequently recognised at amortised cost, and any difference between the amount received (net after transaction costs) and the repayment amount is recognised through profit or loss, distributed over the term of the loan, using the effective interest method.

Borrowings are classified as current liabilities, unless the Group has an unconditional right to defer payment of the liability for at least 12 months after the balance sheet date.

### ACCOUNTS PAYABLE - TRADE

Trade payables are commitments to pay for goods or services acquired in operating activities from suppliers. Trade payables are classified as current liabilities if they fall due within one year after the balance sheet date; otherwise they are classified as non-current liabilities. Trade payables are initially measured at fair value and thereafter at amortised cost by applying the effective interest method.

### IMPAIRMENT

Assets with indefinite useful life, such as goodwill, are not amortised but are tested at least annually for impairment. When impairment tests are performed, goodwill is distributed between the cash-generating units or groups of cash-generating units, determined in accordance with the Group's operating segments that are expected to benefit from the business combination in which the goodwill item arose.

Depreciated/amortised assets are assessed with regard to any impairment in value whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling costs and its value in use.

**REPORTING FOR OPERATING SEGMENTS**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function that is responsible for allocating resources and assessing the performance of the operating segments. For the Group, this function has been identified as the President of the Parent Company.

**DISCONTINUED OPERATIONS**

When an independent line of business or a significant operation that is conducted in a geographical area is discontinued, all of the revenues and expenses, including capital gains/losses, of the discontinued line of business or operation are recognised as profit from discontinued operations on a separate line in the consolidated income statement, in accordance with IFRS 5. A split is also made in the statement of cash flows between continuing and discontinued operations.

**STATEMENT OF CASH FLOWS,  
AND CASH AND CASH EQUIVALENTS**

The statement of cash flows is prepared in accordance with the indirect method. The reported cash flows include only transactions that involve cash inflows and outflows.

Cash and cash equivalents include cash, bank balances and short-term investments with a remaining term of less than three months from the acquisition date.

**PARENT COMPANY**

The Parent Company's accounts are prepared in accordance with the Swedish Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities from the Swedish Financial Reporting

Board (RFR). The recommendation entails that legal entities whose securities are listed on a Swedish stock exchange on the balance sheet date are, as a main rule, to apply the IFRSs used in the consolidated financial statements along with certain exemptions and additions stated in the recommendation.

The accounting policies and calculation methods for the Parent Company are unchanged compared with the preceding year.

Financial instruments, such as long-term securities holdings, are measured at fair value. Changes in fair value are recognised in accordance with the same principles as for the Group (see the description above). Participations in Group companies are recognised at cost less any impairment. The cost of participations in Group companies includes transaction costs that arose in conjunction with the acquisition. Contingent consideration is recognised as a part of cost if it is probable that such consideration will be paid. Any revaluations of estimated contingent consideration in subsequent periods is recognised as a change in the cost of participations in Group companies. Provisions for estimated contingent consideration in foreign currency may in certain cases be treated in the accounts as a hedge of net investments in foreign operations. The Parent Company then recognises the provisions at the exchange rate in effect on the acquisition date until they are settled, at which point realised exchange rate differences are recognised as a change in the cost of participations in Group companies. Other assets and liabilities are recognised at historical cost less depreciation/amortisation and any impairment. Dividends received and Group contributions received are recognised as financial income.

All leases, irrespective of whether they are operating or finance leases, are recognised in the Parent Company as rental agreements (operating leases).

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**NOTE 2 OPERATING SEGMENTS**

The Group's operations are organised and governed based on the business areas Design Management, Product Lifecycle Management (PLM), Process Management and Content Management, which make up the Group's operating segments. The segment breakdown is based on the Group's products and services. No changes were made in the segment breakdown or calculation of segment results in 2015.

Company management used revenue, EBITA and operating profit to make decisions on the allocation of resources, performance analyses and assessments of the performance of the segments. Financial income, financial expenses and income tax are handled at the Group level. Segments are reported according to the same accounting policies as the Group. The difference between the amount of the segment's operating profit and consolidated profit before tax, except for items in the column "Elimination/other" above, pertains to financial income SEK 2.5 m (4.2) and financial expenses of SEK -3.9 m (-2.9).

Design Management sells IT solutions for design and construction. Product Lifecycle Management offers IT solutions for product information. The operations of Process Management

are focused on IT solutions for document and case management in municipal administrations and authorities. Content Management offers IT solutions for public websites, collaboration solutions and customer service. Central work pertains to market communication, financial reporting and control, financing, tax issues, business development and company acquisitions.

A breakdown of the Group's net sales by the various types of revenue is provided in Note 3. All of the business areas receive revenue from consulting services, licences, software, and support and maintenance services, although the share of revenue from each type of revenue varies between the business areas. Design Management and Product Lifecycle Management receive revenue primarily from support and maintenance services. For Process Management and Content Management, consulting services are the primary revenue stream. Revenue for central units primarily pertains to invoicing to subsidiaries for services performed. Transactions between business areas are normally conducted in accordance with normal commercial terms, which also apply for external parties.

SEK M	Design Mgt		PLM		Process Mgt		Content Mgt		Central		Eliminations/ Other <sup>1)</sup>		Group	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
<b>REVENUE AND EARNINGS</b>														
Revenue from external customers	824.0	778.6	512.6	263.6	438.9	429.4	124.7	126.9	0.6	0.1	—	—	1,900.8	1,598.6
Transactions between segments	3.7	1.9	—	—	1.4	3.2	15.2	15.1	10.1	9.3	-30.4	-29.5	0.0	0.0
<b>Total revenue</b>	<b>827.7</b>	<b>780.5</b>	<b>512.6</b>	<b>263.6</b>	<b>440.3</b>	<b>432.6</b>	<b>139.9</b>	<b>142.0</b>	<b>10.7</b>	<b>9.4</b>	<b>-30.4</b>	<b>-29.5</b>	<b>1,900.8</b>	<b>1,598.6</b>
EBITA	65.8	70.3	52.7	41.4	70.0	70.9	8.6	1.8	-29.1	-25.4	—	34.3	168.0	193.3
Operating profit/loss	47.0	53.6	46.3	38.2	54.4	57.5	7.4	0.3	-29.1	-25.4	—	4.3	126.0	128.5
<b>OTHER DISCLOSURES</b>														
Total assets	853.3	778.0	491.8	232.5	611.7	597.9	170.3	224.0	250.9	115.3	-486.9	-390.8	1,891.1	1,556.9
Investments in intangible non-current assets and in property, plant and equipment	26.3	23.3	14.9	4.7	19.0	24.7	0.9	1.2	—	—	—	—	61.1	53.9
Depreciation/amortisation and impairment of intangible non-current assets and of property, plant and equipment	-23.1	-21.0	-10.6	-4.9	-19.4	-17.2	-2.6	-4.2	—	—	—	-30.0	-55.7	-77.3
Average number of employees	317	306	281	163	275	275	125	138	7	8	—	—	1,005	890

<sup>1)</sup> In the column "Eliminations/other" for 2014 above, EBITA was affected by SEK 34.3 m due to the revaluation of contingent consideration for acquired companies. In the same column, operating profit for 2014 was also affected by SEK -30.0 m due to goodwill impairment. The impairment loss is also shown on the line "Depreciation/amortisation and impairment of intangible non-current assets and of property, plant and equipment."

## GEOGRAPHICAL INFORMATION

The Group conducts operations primarily in the Nordic countries, the UK and the USA, and starting on 1 July 2015 also in Germany. Most of the Group's operations are in Sweden, where all of the business areas conduct operations. Operations in Norway are mainly conducted by Design Management, but also Product Lifecycle Management and Process Management. Operations in Finland are conducted by Design Management and Product Lifecycle Management. Operations in Denmark and the UK are conducted by Design Management, and operations in Germany and the USA are conducted by Product Lifecycle Management.

The information below regarding revenue from external customers is based on where the customers are domiciled.

SEK M	Revenue from external customers		Intangible non-current assets and property, plant and equipment	
	2015	2014	2015	2014
Sweden	1,007.1	951.9	590.0	585.3
Norway	266.4	301.2	190.6	211.2
Finland	170.8	179.1	45.2	48.8
Denmark	48.9	50.5	19.0	21.0
Germany	247.1	3.4	212.1	—
UK	78.0	44.8	31.1	29.0
USA	37.8	32.5	—	—
Other countries	44.7	35.2	7.8	6.8
<b>Group</b>	<b>1,900.8</b>	<b>1,598.6</b>	<b>1,095.8</b>	<b>902.1</b>

**NOTE 3 REVENUE DISTRIBUTION**

Net sales consist of:

	Group		Parent Company	
	2015	2014	2015	2014
Consulting services	633,449	583,330	—	—
Licences and software	297,365	233,603	—	—
Support and maintenance	926,688	739,251	—	—
Other	43,300	42,390	7,285	6,565
<b>Total</b>	<b>1,900,802</b>	<b>1,598,574</b>	<b>7,285</b>	<b>6,565</b>

**NOTE 4 SALARIES, OTHER REMUNERATION AND SOCIAL SECURITY COSTS**

	Group		Parent Company	
	2015	2014	2015	2014
Salaries and other remuneration for:				
- boards of directors, presidents and senior executives	96,854	85,835	8,563	8,511
- other employees	480,671	436,765	3,658	2,965
Pension costs for:				
- boards of directors, presidents and senior executives	12,442	10,951	1,231	1,218
- other employees	45,243	45,631	493	487
Other social security costs	149,593	137,661	4,103	3,420
<b>Total</b>	<b>784,803</b>	<b>716,843</b>	<b>18,048</b>	<b>16,601</b>
Salaries and other remuneration for boards of directors, presidents and senior executives above include bonuses and similar, totalling	15,421	12,337	2,356	2,175
Number of persons included in the category of boards of directors, presidents and senior executives above	92	87	9	10

**SHARE-SAVINGS PROGRAMME**

The Annual General Meeting on 4 May 2011 resolved, in accordance with the Board's proposal, to implement a share-savings programme for all employees of Addnode Group, which was in effect from June 2011 to August 2014. The Group does not have any other share-based incentive programmes.

**Terms in summary**

In brief, the programme entailed that in August 2014, participating employees, on condition that they had made their own personal investments in Addnode Group shares through successive purchases during the period June 2011–April 2012, could be granted additional Class B Addnode shares free of charge, consisting partly of matching shares and partly of performance shares. A requirement for participants to be entitled to receive matching shares was continued employment in the Group and that their investment

in Addnode Group shares had remained intact up to the date of grant of the shares. In addition, grants of performance shares were conditional upon the Group achieving certain financial targets for the EBITA margin (earnings before amortisation and impairment of intangible assets in relation to net sales) for the years 2011, 2012 and 2013. According to the AGM's resolutions, the share-savings programme could result in a maximum grant of 674,224 Class B shares in Addnode Group.

**Participation, calculations and future grants, and actual grants**

At the end of the registration period in May 2011, a total of 303 employees had registered for the share-savings programme. Based on initial participation and the share price at the start of the vesting period, it was calculated in June 2011 that the future grant could amount to a maximum of 253,232 Class B shares. Through 31 December 2011 the estimated maximum number had decreased by 49,852 Class B shares to 203,380 Class B shares, mainly because no performance shares were granted for 2013. In 2014 this maximum number of shares decreased by 9,040 Class B shares due to initial participants either ending their employment or reducing their holdings of Addnode Group shares. The share-savings programme was concluded in August 2014 through grants of a total of 194,340 Class B shares, free of charge, to the programme's 254 participants. In January 2015 an additional 2,387 Class B shares were granted to one participant in the share-savings programme, after which all obligations under this programme have been settled.

**Calculation of market value**

Addnode Group used generally accepted valuation principles in its calculation of the market value of the share-savings programme. The calculated market value at the beginning of the vesting period in June 2011 was SEK 30.60 per share, mainly based on the listed share price over the last five trading days in May 2011 and the present value calculation of Addnode Group's assumptions regarding future dividends during the vesting period.

**Total cost for the year and total cost for the years 2011–2015 in accordance with IFRS 2**

The Group's costs for the share-savings programme are reported in accordance with IFRS 2 Share-based Payment (see Note 1 on page 49). The Group's personnel costs for the share-savings programme in 2015 amounted to SEK 73 thousand (2014: 1,172 thousand), of which SEK 73 thousand (867) was recognised against shareholders' equity and SEK – (305 thousand) pertained to social security costs. The Group's total personnel cost for the share-savings programme for the years 2011–2015 was SEK 8,304 thousand, of which SEK 2,284 thousand pertained to social security costs.



**NOTE 5 REMUNERATION OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES****REMUNERATION AND OTHER BENEFITS IN 2015**

	Base salary/ fee	Variable remuneration	Other benefits	Pension costs	Share-based payment	Total 2015
Sigrun Hjelmquist, Chairman of the Board	395	—	—	—	—	395
Jan Andersson, director	227	—	—	—	—	227
Kristofer Arwin, director	207	—	—	—	—	207
Dick Hasselström, director	188	—	—	—	—	188
Annika Viklund, director	173	—	—	—	—	173
Thord Wilkne, director	173	—	—	—	—	173
Staffan Hanstorp, director	1,972	1,530	119	587	—	4,208
Other senior executives (6 persons)	7,531	2,435	242	1,710	—	11,918
<b>Total</b>	<b>10,866</b>	<b>3,965</b>	<b>361</b>	<b>2,297</b>	<b>0</b>	<b>17,489</b>

**REMUNERATION AND OTHER BENEFITS IN 2014**

	Base salary/ fee	Variable remuneration	Other benefits	Pension costs	Share-based payment <sup>1)</sup>	Total 2014
Sigrun Hjelmquist, Chairman of the Board	385	—	—	—	—	385
Jan Andersson, director	213	—	—	—	—	213
Kristofer Arwin, director	190	—	—	—	—	190
Dick Hasselström, director	185	—	—	—	—	185
Annika Viklund, director	114	—	—	—	—	114
Thord Wilkne, director	170	—	—	—	—	170
Eva Listi, former board member	70	—	—	—	—	70
Staffan Hanstorp, President	1,959	1,540	112	568	-1	4,178
Other senior executives (7 persons)	8,897	2,304	349	1,839	-10	13,379 <sup>2)</sup>
<b>Total</b>	<b>12,183</b>	<b>3,844</b>	<b>461</b>	<b>2,407</b>	<b>-11</b>	<b>18,884</b>

<sup>1)</sup> Pertains to the year's cost for share-based payment under the share-savings programme approved by the Annual General Meeting held on 4 May 2011. The programme is reported in accordance with IFRS 2. The share-savings programme expired in 2014, when it was concluded that the cost for the senior executives was negative in 2014 due to the recognition of slightly excessive costs in previous years. See also the heading "Share-based payment" in Note 1 on page 49 and Note 4 on page 52.

<sup>2)</sup> The amount for 2014 includes salaries, other remuneration and pension costs during notice periods without a work obligation, totalling SEK 806 thousand.

**GUIDELINES APPROVED BY THE AGM IN MAY 2015**

By senior executives is meant the President of the Parent Company, other members of Group Management, and other senior executives according to the description in the Corporate Governance Report on page 81. The following guidelines for remuneration and other terms of employment for senior executives were approved by the AGM in May 2015:

Remuneration of the President of the Parent Company, other members of Group Management, and other senior executives shall normally consist of a fixed salary, variable remuneration, share-based incentive programmes and other customary benefits and pensions. Fixed salary shall be competitive and ensure that Addnode Group is able to recruit competent executives. As a general rule, the fixed salary is reviewed once per year and is to take into account the individual's qualitative performance. In addition to the fixed salary, variable remuneration may be payable. Variable remuneration shall be based on results achieved and/or individually set specific targets. For the President of the Parent Company, the variable cash remuneration shall be based on earnings achieved by the Group. Variable cash remuneration is capped at 12 months' salary. For other executives in Group Management as well as other senior executives, variable cash remuneration is capped

at six months' salary and shall be based primarily on the operation for which the individual is responsible. Share-based incentive programmes shall ensure long-term commitment to the Group's development and promote personal shareholdings in the company.

Pensions shall always be based on defined-contribution solutions in order to generate predictability with respect to the company's future obligations. Pension premiums are payable at a maximum amount of 30 per cent of the individual's current fixed annual salary.

Other remuneration and benefits are to be on market terms and shall support the executive's ability to perform his/her duties. Other benefits pertain primarily to company cars or mileage allowance.

Senior executives' employment contracts include stipulations on notice periods. The policy is that employment may be terminated at the request of one party with a notice period of a minimum of six and a maximum of 12 months. During the notice period, unchanged salary, remuneration and benefits shall be payable.

These guidelines shall apply for employment contracts entered into after the AGM and for any amendments to existing conditions. The Board is entitled to deviate from these guidelines only if specific reasons exist in individual cases.

## REMUNERATION AND BENEFITS FOR THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES IN 2015

### Parent Company Board of Directors

For the time between the 2015 and 2016 Annual General Meetings, a fixed fee of SEK 350 thousand is payable to the Chairman of the Board and SEK 175 thousand to each of the other board members. A fee of SEK 55 thousand is payable to the Audit Committee chair, and a fee of SEK 35 thousand is payable to each of the two other members of the Audit Committee. A fee of SEK 15 thousand is payable to each of the two members of the Board's Remuneration Committee. No other fees were paid in 2015 for work in addition to board assignments or work on the Audit or Remuneration Committees. No agreements exist regarding pensions, severance pay or other benefits for board members.

### Subsidiary boards of directors

No special fee is generally paid to board members of the Group's subsidiaries, nor any pension benefits or other benefits.

### President of the Parent Company

The President, Staffan Hanstorp, is employed in the Parent Company. Under his employment contract, remuneration is paid in the form of base salary of SEK 163 thousand per month, variable remuneration, other benefits and occupational pension premiums. Variable remuneration for the 2015 financial year pertains to an expensed bonus that will be paid out in 2016. Variable remuneration is based on the Group's earnings after amortisation of intangible assets. Variable salary is capped at 12 months' fixed salary. Other benefits consist primarily of mileage allowance. Pension costs pertain to the cost that affected net profit for the year. Occupational pension premiums are paid in an amount corresponding to 30 per cent of fixed salary. The level of share-based payment for 2014 in the table above pertains to the cost of the share-savings programme that affected net profit for the year according to IFRS 2.

The President's employment contract has a mutual notice period of six months with a continued obligation to work. In the event the company serves notice, severance pay equivalent to six months' fixed salary and other benefits will be payable for the same period.

Remuneration of the President of the Parent Company is addressed and set by the Board's Remuneration Committee.

### Other senior executives

The category "other senior executives" in the table above for 2015 includes Group Management, in addition to the President of the Parent Company, as well as other senior executives according to the description in the Corporate Governance Report on page 81. Remuneration of other senior executives consists of a base salary, variable remuneration, other benefits and occupational pension premiums. Variable remuneration for the 2015 financial year pertains to expensed bonuses that will be paid out in 2016. Variable remuneration is largely based on operating profit for the year for the executive's area of responsibility before, or for certain executives after, amortisation of intangible assets. Variable salary is capped in an amount that normally corresponds to six months' fixed salary. The level of other benefits in the table above mainly pertains to company cars or mileage allowance. Pension costs pertain to the costs that affected net profit for the year. Occupational pension premiums are paid in an amount corresponding to a maximum of approximately 30 per cent of fixed salary. The level of share-based remuneration in the table above refers to the cost of the share-savings programme that affected net profit for the year according to IFRS 2.

The employment contracts have a mutual notice period of six months with a continued obligation to work.

Remuneration of other senior executives in the Group is addressed and set by the President of the Parent Company following consultation with the Board's Remuneration Committee.

## NOTE 6 AUDITORS' FEES

	Group		Parent Company	
	2015	2014	2015	2014
<b>AUDIT ASSIGNMENT</b>				
PricewaterhouseCoopers	1,885	1,588	436	397
Other auditors	846	790	—	—
<b>AUDITING ACTIVITIES IN ADDITION TO THE AUDIT ASSIGNMENT</b>				
PricewaterhouseCoopers	418	173	320	100
Other auditors	17	13	—	—
<b>TAX CONSULTING</b>				
PricewaterhouseCoopers	41	282	4	144
Other auditors	29	65	—	—
<b>OTHER SERVICES</b>				
PricewaterhouseCoopers	10	34	10	34
Other auditors	188	107	—	—
<b>Total</b>	<b>3,434</b>	<b>3,052</b>	<b>770</b>	<b>675</b>

Fees for auditing activities in addition to the audit assignment include reviews of the interim reports for both 2015 and 2014. For 2015 the figure also includes fees for reviewing opening balance sheets of acquired companies and fees for statements in connection with non-cash issues.

Of the total amounts in the table for the Parent Company in 2015 above, SEK 194 thousand has been capitalised as a cost for acquired subsidiaries. There is no corresponding amount for 2014.

## NOTE 7 EXCHANGE RATE DIFFERENCES

Consolidated operating profit includes exchange rate differences attributable to operating receivables and operating liabilities in a net amount of SEK -695 thousand (-7 thousand). Forward exchange contracts are used to a certain extent to secure amounts for future payment flows in foreign currencies. Outstanding forward exchange contracts are measured at fair value. Forward exchange contracts pertain to hedges of a particular risk associated with a reported asset or liability or a highly probable forecast transaction (cash flow hedges). Hedge accounting according to IAS 39 is applied for certain forward exchange contracts. This means that unrealised changes in value are recognised in the consolidated statement of comprehensive income until the hedged item is to be recognised in the consolidated income statement, at which point the gain or loss for the corresponding forward exchange contract is recognised in the consolidated income statement (see also Note 24). The purpose of hedge accounting is thus for the gain/loss for the hedged item and the corresponding forward exchange contract to be recognised through profit or loss during the same period. Both realised and unrealised changes in value of forward exchange contracts, for which the formal conditions for hedge accounting are not met, are recognised in operating profit.

No forward exchange contracts were outstanding as at 31 December 2015 or 31 December 2014.

Further information on the company's currency hedging policy is provided in Note 37, Financial risks and risk management.

**NOTE 8 RESEARCH AND DEVELOPMENT**

Research and development costs for the year amounted to SEK 20,005 thousand (12,908 thousand). Cost for investments in proprietary software and applications were capitalised in 2015 in the amount of SEK 43,243 thousand (29,927 thousand) (see Note 16). Amortisation in 2015 of capitalised amounts for proprietary software and applications for the year and previous years amounted to SEK 19,822 thousand (13,838 thousand).

**NOTE 9 OPERATING LEASES**

The nominal value of future, minimum lease payments for non-cancellable leases is broken down by maturities as follows:

	Group	
	2015	2014
Due for payment within one year	47,583	39,164
Due for payment after more than one year but within five years	58,847	59,860
Due for payment after more than five years	3,701	7,148
<b>Total</b>	<b>110,131</b>	<b>106,172</b>

Leasing costs for operating leases amounted to the following during the year:

	Group	
	2015	2014
Rental and leasing costs	47,572	42,127
<b>Total</b>	<b>47,572</b>	<b>42,127</b>

The operating leases pertain primarily to rents of premises.

**NOTE 10 FINANCIAL INCOME**

	Group	
	2015	2014
Interest income	597	1,053
Exchange rate differences	1,873	3,116
Other financial income	52	—
<b>Total</b>	<b>2,522</b>	<b>4,169</b>

	Parent Company	
	2015	2014
<b>Result from participations in Group companies</b>		
Share dividends	54,964	44,195
Group contributions received	70,975	21,420
Capital gains/losses	-53	2
Impairment losses	-24,980	-28,200
Reversal of previous impairment losses	—	47,000
<b>Total</b>	<b>100,906</b>	<b>84,417</b>

	Group	
	2015	2014
<b>Interest income and similar profit/loss items</b>		
External interest income	157	244
Interest income from Group companies	1,632	1,701
Exchange rate differences	3,146	3,500
<b>Total</b>	<b>4,935</b>	<b>5,445</b>

**NOTE 11 FINANCIAL EXPENSES**

	Group	
	2015	2014
Interest expense	-2,546	-2,257
Exchange rate differences	—	-310
Other financial expenses	-1,398	-317
<b>Total</b>	<b>-3,944</b>	<b>-2,884</b>

	Parent Company	
	2015	2014
<b>Interest expense and similar profit/loss items</b>		
External interest expense	-1,734	-2,085
Interest expense to Group companies	-228	-754
Other financial expenses	-1,342	-250
<b>Total</b>	<b>-3,304</b>	<b>-3,089</b>

**NOTE 12 TAX**

	Group		Parent Company	
	2015	2014	2015	2014
Current tax on profit for the year	-18,790	-15,784	—	—
Adjustments pertaining to previous years	-7	893	—	—
Deferred tax	-10,287	-14,627	-11,699	-1,045
<b>(see Note 13)</b>	<b>-29,084</b>	<b>-29,518</b>	<b>-11,699</b>	<b>-1,045</b>
<b>Total</b>				

Tax attributable to the subcomponents of other comprehensive income for the Group in 2015 totalled SEK 91 thousand and pertained solely to actuarial gains and losses on pension obligations. Tax attributable to the subcomponents of other comprehensive income for the Group in 2014 totalled SEK 9 thousand and pertained solely to cash flow hedges, of which SEK 0 pertained to remeasurement to fair value and SEK 9 thousand pertained to revaluation transferred to profit or loss.

The difference between tax calculated at the nominal Swedish tax rate on profit after tax and effective tax according to the income statement is as follows:

	Group		Parent Company	
	2015	2014	2015	2014
<b>Profit before tax</b>	<b>124,570</b>	<b>129,755</b>	<b>84,131</b>	<b>68,568</b>
Tax calculated according to nominal Swedish tax rate of 22% (22)	-27,405	-28,546	-18,509	-15,085
Non-deductible expenses	-2,010	-8,117	-5,665	-6,303
Dividends from Group companies	—	—	12,092	9,723
Other tax-exempt income	449	8,063	380	10,397
Utilisation of loss carryforwards and temporary differences for which deferred tax assets were previously capitalised	140	618	3	223
Increase in deferred tax assets for loss carryforwards	2,926	—	—	—
Increase in loss carryforwards and temporary differences for which no deferred tax assets were capitalised	-820	-1,016	—	—
Revaluation of deferred tax assets and deferred tax liabilities due to changes in foreign tax rates	-31	116	—	—
Effect of foreign tax rates	-2,326	-1,529	—	—
Adjustments pertaining to previous years	-7	893	—	—
<b>Tax according to income statement</b>	<b>-29,084</b>	<b>-29,518</b>	<b>-11,699</b>	<b>-1,045</b>

A determination of the future opportunities to utilise tax loss carryforwards against taxable surpluses is made in connection with every year-end book-closing. The determination in connection with the book-closing as at 31 December 2015 entailed the recognition of a deferred tax recoverable pertaining to loss carryforwards in the amount of approximately SEK 2.9 m in the consolidated income statement for 2015 (see also Note 13). Non-deductible expenses for the Group in 2014 included goodwill impairment, and tax-exempt revenue included revaluations of contingent consideration for acquired companies reported in the consolidated income statement.

Non-deductible expenses for the Parent Company include impairment of the value of participations in Group companies for both 2015 and 2014, and tax-exempt revenue in 2014 included a reversal of previous impairment of the value of participations in Group companies.

**NOTE 13 DEFERRED TAX**

Deferred tax assets and deferred tax liabilities pertain to temporary differences and tax loss carryforwards. Temporary differences exist for cases in which the carrying amount and tax values of the assets and liabilities are different. Deferred tax assets pertaining to tax loss carryforwards or other tax deductions are recognised only to the extent that it is likely that the deductions can be offset against surpluses in conjunction with future taxation.

Deferred tax assets and deferred tax liabilities pertain to temporary difference and tax loss carryforwards on the respective balance sheet dates as follows:

	Group		Parent Company	
	2015	2014	2015	2014
<b>DEFERRED TAX ASSETS</b>				
Intangible non-current assets	2,768	4,583	—	—
Property, plant and equipment	708	601	—	—
Temporary differences in receivables and liabilities	1,169	417	44	79
Loss carryforwards	8,247	15,539	821	12,485
<b>Total deferred tax assets</b>	<b>12,892</b>	<b>21,140</b>	<b>865</b>	<b>12,564</b>
<b>DEFERRED TAX LIABILITIES</b>				
Capitalised costs for development work	8,420	5,558	—	—
Trademarks, customer agreements, software, etc.	31,622	24,320	—	—
Untaxed reserves	7,443	6,621	—	—
<b>Total deferred tax liabilities</b>	<b>47,485</b>	<b>36,499</b>	<b>—</b>	<b>—</b>
<b>Deferred tax assets and deferred tax liabilities, net</b>	<b>-34,593</b>	<b>-15,359</b>	<b>865</b>	<b>12,564</b>

The net amount of deferred tax assets and deferred tax liabilities changed during the year as follows:

	Group		Parent Company	
	2015	2014	2015	2014
Opening balance	-15,359	-937	12,564	13,609
Acquired Group companies (see Note 12)	-10,042	—	—	—
Recognised in income statement	-10,287	-14,627	-11,699	-1,045
Recognised in other comprehensive income (see Note 12)	91	9	—	—
Translation difference	1,004	196	—	—
<b>Closing balance</b>	<b>-34,593</b>	<b>-15,359</b>	<b>865</b>	<b>12,564</b>

The amounts recognised on the balance sheet include the following:

	Group	
	2015	2014
Deferred tax assets that can be utilised after 12 months at the earliest	4,567	4,974
Deferred tax liability that must be paid after 12 months at the earliest	-39,392	-31,860

#### DEFERRED TAX ASSETS NOT RECOGNISED AS ASSETS

The Group's total tax loss carryforwards amounted to approximately SEK 49 m on 31 December 2015. Deferred tax assets are recognised in the amount of SEK 8.2 m on the consolidated balance sheet as the value of these loss carryforwards. The deferred tax assets attributable to loss carryforwards are recognised as assets to the extent it is likely that the loss carryforwards may be deducted against surpluses in future taxation. The Group's total tax loss carryforwards are partly attributable to foreign companies, where the opportunities for utilisation may be limited since the Group does not currently conduct any operations in the countries in which these loss carryforwards exist. Deferred tax assets that have not been recognised as assets amounted to approximately SEK 4 m (5) on 31 December 2015. There are no established maturity dates for the tax loss carryforwards that the Group had on 31 December 2015.

#### NOTE 14 DIVIDEND PER SHARE

A dividend of SEK 2.25 per share will be proposed to the Annual General Meeting on 28 April 2016. A dividend of SEK 2.25 per share was paid in 2015.

#### NOTE 15 EARNINGS PER SHARE

	Group	
	2015	2014
<b>EARNINGS PER SHARE BEFORE DILUTION</b>		
Reported profit attributable to owners of the Parent Company	95,485	100,193
Profit for calculation of earnings per share	95,485	100,193
Average number of shares outstanding before dilution, thousands	30,017	29,481
<b>Earnings per share before dilution, SEK</b>	<b>3.18</b>	<b>3.40</b>
<b>EARNINGS PER SHARE AFTER DILUTIONS</b>		
Reported profit attributable to owners of the Parent Company	95,485	100,193
Profit for calculation of earnings per share	95,485	100,193
Average number of shares outstanding after dilution, thousands	30,017	29,609
<b>Earnings per share after dilution, SEK</b>	<b>3.18</b>	<b>3.38</b>

The difference between the average number of shares outstanding before and after dilution pertains to the share-savings programme that was approved by the AGM on 4 May 2011 (see Note 4).



**NOTE 16** INTANGIBLE NON-CURRENT ASSETS

	Goodwill	Trademarks <sup>1)</sup>	Customer agreements and similar rights	Costs for software development	Total
<b>AS AT 1 JANUARY 2014</b>					
Cost	739,875	12,470	117,301	119,916	989,562
Accumulated amortisation and impairment losses	—	—	-91,067	-32,677	-123,744
<b>Carrying amount</b>	<b>739,875</b>	<b>12,470</b>	<b>26,234</b>	<b>87,239</b>	<b>865,818</b>
<b>1 January–31 December 2014</b>					
Opening carrying amount	739,875	12,470	26,234	87,239	865,818
Acquisitions for the year <sup>2)</sup>	24,158	—	14,737	29,927	68,822
Amortisation and impairment during the year	-30,000	—	-11,597	-23,204	-64,801
Translation difference	4,641	-24	616	-142	5,091
<b>Closing carrying amount</b>	<b>738,674</b>	<b>12,446</b>	<b>29,990</b>	<b>93,820</b>	<b>874,930</b>
<b>AS AT 31 DECEMBER 2014</b>					
Cost	768,674	12,446	132,654	149,701	1,063,475
Accumulated amortisation and impairment losses	-30,000	—	-102,664	-55,881	-188,545
<b>Carrying amount</b>	<b>738,674</b>	<b>12,446</b>	<b>29,990</b>	<b>93,820</b>	<b>874,930</b>
<b>1 January–31 December 2015</b>					
Opening carrying amount	738,674	12,446	29,990	93,820	874,930
Addition from acquired companies	—	—	1,852	39	1,891
Acquisitions for the year <sup>2)</sup>	170,195	—	37,074	43,243	250,512
Amortisation during the year	—	—	-13,424	-28,630	-42,054
Translation difference	-19,690	-365	-437	-3,617	-24,109
<b>Closing carrying amount</b>	<b>889,179</b>	<b>12,081</b>	<b>55,055</b>	<b>104,855</b>	<b>1,061,170</b>
<b>AS AT 31 DECEMBER 2015</b>					
Cost	919,179	12,081	171,143	189,366	1,291,769
Accumulated amortisation and impairment losses	-30,000	—	-116,088	-84,511	-230,599
<b>Carrying amount</b>	<b>889,179</b>	<b>12,081</b>	<b>55,055</b>	<b>104,855</b>	<b>1,061,170</b>

<sup>1)</sup> Pertains to trademarks with indefinite useful life, which are not amortised continuously; instead, they are tested for impairment yearly or more frequently if there is an indication of a decline in value

<sup>2)</sup> Through business development and acquisitions, the proportion of proprietary software and applications rose in the IT solutions that the Group offers to customers. In 2015, costs for investments and applications in proprietary software and applications that meet the criteria for capitalisation amounted to SEK 43,243 thousand (29,927 thousand).

**IMPAIRMENT TESTING OF GOODWILL AND OTHER INTANGIBLE ASSETS WITH INDEFINITE USEFUL LIFE**

Goodwill is distributed among the Group's cash-generating units identified by operating segments.

A summary of the distribution of goodwill at the operating segment level is provided in the following tables:

	Design Mgt	PLM Mgt	Process Mgt	Content Mgt	Total		Design Mgt	PLM Mgt	Process Mgt	Content Mgt	Total
<b>AS AT 31 DECEMBER 2015</b>						<b>AS AT 31 DECEMBER 2014</b>					
Sweden	86,748	70,146	237,720	88,994	483,608	Sweden	86,742	70,146	237,087	88,994	482,969
Norway	147,887	—	—	—	147,887	Norway	162,742	—	—	—	162,742
Finland	18,894	23,752	—	—	42,646	Finland	19,685	24,741	—	—	44,426
Denmark	18,649	—	—	—	18,649	Denmark	19,469	—	—	—	19,469
Germany	—	167,015	—	—	167,015	UK	24,449	—	—	—	24,449
UK	24,932	—	—	—	24,932	Serbia	—	—	—	4,619	4,619
Serbia	—	—	—	4,442	4,442	<b>Total</b>	<b>313,087</b>	<b>94,887</b>	<b>237,087</b>	<b>93,613</b>	<b>738,674</b>
<b>Total</b>	<b>297,110</b>	<b>260,913</b>	<b>237,720</b>	<b>93,436</b>	<b>889,179</b>						

Impairment testing of goodwill and other intangible assets with indefinite useful life is conducted yearly or more often if there is an indication of a decline in value.

The recoverable amount for a cash-generating unit is determined based on calculations of value in use. These calculations use pre-tax cash flow projections based on financial budgets and forecasts approved by company management and covering a five-year period. The cash flow forecasts are based on an assessment of the anticipated growth rate and development of the EBITA margin (operating margin before amortisation and impairment of intangible assets), starting from the budget for the next year, forecasts for the next four years, management's long-term expectations on the operations, and the historical trend. The calculated value in use is most sensitive to changes in the assumption about the growth rate, EBITA margin and discount rates. Applied assumptions are based on previous experience and the market trend. The cash flow forecasts for years two to five are based on an annual growth rate of 4 (4) per cent for Product Lifecycle Management and Process Management and 4 (2) per cent for Content Management.

For Design Management, against the background of the changed business model for Autodesk products, the assumption is that net sales will decrease by 4 per cent from 2016 to 2017 and thereafter increase in the years immediately following by 5 per cent,

6 per cent and 5 per cent, respectively. In previous years the cash flow forecasts for Design Management were based on an annual growth rate of 4 per cent for years two to five. Cash flow beyond the five-year period is extrapolated using an estimated long-term growth rate of 2 per cent (2) for all cash-generating units. The growth rate does not exceed the long-term average growth rate according to industrial reports for the markets in which each cash-generating unit operates. The discount rate used in calculating the recoverable amount is 13 per cent (13) before tax. The required rate of return has been established based on the Group's current capital structure and reflects the risks that apply for the various operating segments.

Based on the impairment testing carried out to date, there is no need to recognise impairment for goodwill or other intangible assets with indefinite useful life at 31 December 2015. In 2014, goodwill decreased by SEK 30 m through recognition of an impairment loss in the Content Management business area as a result of weak earnings performance during the year up through 2014.

An increase of the discount rate by 2 percentage points, a decrease in the operating margin before amortisation and impairment of intangible assets (the EBITA margin) by 2 percentage points, or a reduction in the assumed long-term growth rate by 2 percentage points would each not result in any need to recognise impairment as at 31 December 2015.

## NOTE 17 PROPERTY, PLANT AND EQUIPMENT

Equipment and installations	Group		Parent Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Opening cost	79,235	71,641	202	202
Addition from acquired companies	6,358	—	—	—
Purchases during the year	17,213	14,336	—	—
Sales/disposals	-11,780	-7,238	—	—
Translation difference	-614	496	—	—
<b>Closing accumulated cost</b>	<b>90,412</b>	<b>79,235</b>	<b>202</b>	<b>202</b>
Opening depreciation	-52,340	-45,790	-186	-180
Sales/disposals	9,908	6,144	—	—
Translation difference	-19	-349	—	—
Depreciation for the year	-13,531	-12,345	-5	-6
<b>Closing accumulated depreciation</b>	<b>-55,982</b>	<b>-52,340</b>	<b>-191</b>	<b>-186</b>
<b>Closing planned residual value</b>	<b>34,430</b>	<b>26,895</b>	<b>11</b>	<b>16</b>

### Group

Land and buildings	31/12/2015	31/12/2014
Opening cost	814	814
<b>Closing accumulated cost</b>	<b>814</b>	<b>814</b>
Opening depreciation	-510	-385
Depreciation for the year	-125	-125
<b>Closing accumulated depreciation</b>	<b>-635</b>	<b>-510</b>
<b>Closing planned residual value</b>	<b>179</b>	<b>304</b>

Land and buildings pertain to assets in Sweden.

## NOTE 18 PARTICIPATIONS IN GROUP COMPANIES

	Parent Company	
	31/12/2015	31/12/2014
Opening cost	1,094,962	1,124,817
Investments in subsidiaries during the year <sup>1)</sup>	173,751	870
Capital contributions to subsidiaries	199,896	3,195
Sales of subsidiaries <sup>2)</sup>	-208,914	—
Increase in contingent consideration	—	404
Decrease in contingent consideration	—	-34,324
<b>Closing accumulated cost</b>	<b>1,259,695</b>	<b>1,094,962</b>
Opening impairment	-100,830	-119,630
Impairment losses recognised during the year	-24,980	-28,200
Reversal of impairment losses from previous years	—	47,000
<b>Closing accumulated impairment losses</b>	<b>-125,810</b>	<b>-100,830</b>
<b>Closing carrying amount</b>	<b>1,133,885</b>	<b>994,132</b>

<sup>1)</sup> The year's investments in subsidiaries include estimated contingent consideration (earn-out payments) totalling SEK 46,340 thousand. The outcome is dependent on the revenue and earnings performance of the acquired companies.

<sup>2)</sup> The sales in 2015 were made to other Group companies

## ANNUAL REPORT

## Notes

Company	Corp. ID. no.	Registered office	No. shares	Share of capital/ votes, %	Carrying amount 31/12/2015	Carrying amount 31/12/2014
Cartesia GIS AB	556522-5678	Lycksele	5,000	100	21,250	21,250
ChartIKS AB	556751-4749	Lycksele	1,320	100	—	—
Cartesia Oy	1617126-9	Helsinki, Finland	500	100	54	54
Mogul Holding AB	556300-0073	Stockholm	10,275,103	100	62,140	62,140
Mogul AB	556531-1890	Stockholm	20,000	100	—	—
Mogul Services AB	556557-7599	Stockholm	20,000	100	—	—
Mogul Göteborg AB	556633-3877	Gothenburg	100,000	100	—	—
Joint Collaboration Sverige AB	556565-2590	Stockholm	500,000	100	—	—
Clockwork Group AB	556535-3918	Stockholm	4,586,000	100	—	—
Mogul Balkan d.o.o	17598732	Belgrade, Serbia	1	100	—	—
Symetri Ltd	3239798	Newcastle, UK	500,000	100	—	—
Optosof GmbH	HRB 27754	Wiesbaden, Germany	3	100	—	—
Technia Holding AB	556516-7367	Stockholm	4,533,500	100	136,624	136,624
TechniaTranscat AB	556481-3193	Stockholm	5,000	100	—	—
Addnode India Private Limited <sup>1)</sup>	U72200MH2012FTC229607	Thane, India	100	100	—	—
TechniaTranscat AS	880 823 582	Moss, Norway	250	100	—	—
Technia PLM Oy	0755401-4	Tammerfors, Finland	77	100	—	—
Cad-Quality Europe AB	556524-6989	Borlänge	1,000	100	—	—
Mogul Sweden AB	556511-2975	Stockholm	1,000	100	—	—
Addnode Inc	75-3269017	Naperville, IL, USA	100	100	—	—
Infuseit AS	998 653 886	Oslo, Norway	100	100	137	137
Addnode Germany GmbH	HRB 27745	Wiesbaden, Germany	1	100	194,387	—
Transcat GmbH	HRB 110416	Karlsruhe, Germany	25,000	100	—	—
TechniaTranscat GmbH	HRB 109117	Karlsruhe, Germany	1	100	—	—
TechniaTranscat s.r.o	34196/B	Bratislava, Slovakia	1	100	—	—
TechniaTranscat GmbH	FN 399981 h	Linz, Austria	1	100	—	—
Cad-Quality i Sverige AB	556359-5429	Borlänge	10,000	100	93,399	93,399
Cad Quality AS	957 168 868	Oslo, Norway	200	100	70,896	70,896
Cad-Quality Finland Oy	1058681-8	Helsinki, Finland	3,000	100	36,986	36,986
Cad Quality A/S	13 737 436	Copenhagen, Denmark	60	100	893	14,184
Joint Collaboration AS	983 443 117	Oslo, Norway	3,644	100	155,359	155,359
Ida Infront AB	556316-2469	Linköping	5,894,650	100	119,577	119,577
Ida Infront AS	988 393 568	Oslo, Norway	100	100	692	692
Prosilia Software AB	556325-7913	Stockholm	1,000	100	19,417	19,417
Decerno AB	556498-5025	Täby	10,000	100	43,352	43,352
Tekis AB	556550-6309	Köping	5,000	100	100,874	100,874
Arkiva AB	556313-5952	Västerås	1,000	100	—	—
Mittbygge AB	556586-1555	Växjö	1,000	100	4,000	4,000
Kartena AB	556564-9885	Gothenburg	27,990,434	99.97	16,489	16,422
Abou AB	556786-8046	Stockholm	1,000	100	20,456	20,456
Voice Provider Sweden AB	556598-3276	Stockholm	215,960	100	36,903	36,903
Merged direct holdings in 2015:						
Mogul Strand AB <sup>2)</sup>	556537-5606	Stockholm	62,815,985	100	—	41,410
<b>Total carrying amount</b>					<b>1,133,885</b>	<b>994,132</b>

<sup>1)</sup> The company is 99 per cent-owned by TechniaTranscat AB and 1 per cent-owned by Technia PLM Oy.

<sup>2)</sup> In 2015 Mogul Strand AB was merged with Mogul Holding AB.

All Group companies are consolidated in the consolidated financial statements. The non-controlling interest in Kartena AB amounted to 0.03 per cent on 31 December 2015 and is not significant. The operations of Group companies are conducted primarily in the countries in which they are registered. There are no significant restrictions to gaining access to the assets of the Group companies and settling the Group's liabilities.

## NOTE 19 DISCLOSURES OF FINANCIAL INSTRUMENTS

The carrying amount of the Group's financial instruments, distributed among measurement categories according to IAS 39, is summarised in the table below. No financial assets or liabilities are recognised at a value that considerably deviates from the fair value. A more detailed description of certain items is provided in separate notes according to the instructions below. Financial risks and risk management are described in Note 37.

Assets	Note	Group	
		31/12/2015	31/12/2014
<b>Loans and trade accounts receivable</b>			
Non-current receivables	21	7,427	7,489
Accounts receivable - trade		432,110	387,975
Other receivables		6,145	8,535
<b>Available-for-sale financial assets</b>			
Long-term securities holdings <sup>1)</sup>	20	9,255	6,231
<b>Cash and cash equivalents</b>	36	102,855	72,397
<b>Liabilities</b>			
<b>Financial assets at fair value through profit or loss</b>			
Provisions for estimated contingent consideration <sup>2)</sup>	27	45,675	4,189
<b>Other financial liabilities</b>			
Non-current and current interest-bearing liabilities	25	126,604	40,417
Other non-current and current liabilities	26	1,104	1,104
Accounts payable - trade		124,466	92,474

<sup>1)</sup> Long-term securities holdings pertain to unlisted shares and participations and are attributable to level 3 in the fair value hierarchy according to IFRS 13. Level 3 entails that the fair value measurement is not based on observable market data. The opening carrying amount for the year of unlisted shares and participations was SEK 6,231 thousand (731 thousand), the year's investments amounted to SEK 3,425 thousand (5,500 thousand), the year's reclassifications amounted to SEK -401 thousand (-), and the year's closing carrying amount amounted to SEK 9,255 thousand (6,231 thousand) (see Note 20). No result has been recognised in the income statements for 2015 or 2014 from unlisted shares and participations. For shareholdings and participations remaining at 31 December 2015, no gains or losses have been recognised in the income statement or in other comprehensive income for 2015 or prior years. The carrying amounts for the unlisted shareholdings and participations as at 31 December 2015 correspond to the cost for the respective holdings. Reasonable possible alternative assumptions in the measurement of the fair value would not result in any significant impact on the Group's accounting.

<sup>2)</sup> Provisions for estimated contingent consideration for acquisitions are attributable to level 3 in the fair value hierarchy according to

IFRS 13. The provisions have been measured at fair value based on an assessment of future earnings and to a certain extent on future revenue in the acquired companies or businesses. The opening carrying amount of provisions for contingent consideration for the year was SEK 4,189 thousand (55,054 thousand), additional provisions during the year for acquisitions amounted to SEK 46,340 thousand (-), revaluations for the year amounted to - (-34,324 thousand), contingent consideration paid during the year amounted to SEK -4,175 thousand (-18,031), exchange rate differences for the year amounted to SEK -679 thousand (1,490 thousand), and the closing carrying amount for the year was SEK 45,675 thousand (4,189 thousand). The total result recognised in the 2015 income statement of revaluation of contingent consideration was - (SEK 34,324 thousand), which pertained to unrealised gains. In addition, an exchange rate gain of SEK 14 thousand (-475 thousand) was recognised in the income statement, of which - (SEK -71 thousand) pertained to unrealised gains/losses. Unrealised exchange rate gains/losses of SEK 665 thousand (-1,015) pertaining to contingent consideration which constitute a hedge of a net investment in foreign operations were recognised in other comprehensive income. Further information about contingent consideration and its measurement is provided in Notes 27 and 35.

During 2015 and 2014 no transfers were made between the levels in the fair value hierarchy according to IFRS 13. The tables below show revenue, expenses, gains and losses attributable to financial instruments, broken down by measurement categories according to IAS 39.

	Group 2015			Group 2014		
	Gain/loss	Interest income	Interest expense	Gain/loss	Interest income	Interest expense
<b>Loans and trade accounts receivable</b>						
Non-current receivables and other current receivables	—	307	—	—	472	—
<b>Financial assets at fair value through profit or loss</b>						
Forward exchange contracts (see Note 7) <sup>3)</sup>	—	—	—	-166	—	—
<b>Cash and cash equivalents</b>	—	290	—	—	581	—
<b>Financial liabilities at fair value through profit or loss</b>						
Revaluation of contingent consideration (see Note 27)	—	—	—	34,324	—	—
<b>Other financial liabilities</b>						
Interest expense on liabilities to credit institutions	—	—	-1,706	—	—	-1,833
Other interest expense	—	—	-840	—	—	-424
<b>Earnings effect</b>	<b>0</b>	<b>597</b>	<b>-2,546</b>	<b>34,158</b>	<b>1,053</b>	<b>-2,257</b>

<sup>3)</sup> Pertains to amounts recognised through profit or loss, i.e., amounts recognised in other comprehensive income.

## NOTE 20 LONG-TERM SECURITIES HOLDINGS

	Group		Parent Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Opening cost	6,231	731	5,500	0
Investments during the year	3,425	5,500	1,550	5,500
Reclassification to participations in Group companies	-400	—	—	—
Other reclassifications	-1	—	—	—
<b>Closing accumulated cost</b>	<b>9,255</b>	<b>6,231</b>	<b>7,050</b>	<b>5,500</b>
<b>Closing carrying amount</b>	<b>9,255</b>	<b>6,231</b>	<b>7,050</b>	<b>5,500</b>

Company	Corporate ID no.	Registered office	Number of shares	Share of capital/ votes %	Carrying amount at 31/12/2015	Carrying amount at 31/12/2014
Projektstyrning Prima AB	556710-4244	Gothenburg	68,800	37.03	5,500	5,500
Walter IT Solutions d.o.o	65-01-0103-11	Sarajevo, Bosnia-Herzegovina		30.00	1,550	—
<b>Total holding in Parent Company</b>					<b>7,050</b>	<b>5,500</b>
<b>Additions in the Group:</b>						
ChartIKS AB <sup>1)</sup>	556751-4749	Lycksele	260	19.70	—	400
HSB:s Brf Ingeborg i Borlänge	716456-4408	Borlänge			330	330
Optimdata SAS	809 999 188	Bois-Colombes, France	2,000	40.00	1,875	—
Other					—	1
<b>Closing carrying amount</b>					<b>9,255</b>	<b>6,231</b>

<sup>1)</sup> The company is a wholly owned subsidiary as from 2015.

The Group's securities holdings are recognised at fair value, which corresponds to the cost of each holding at 31 December 2015. The equity method is not applied for these holdings, since the effects on the Group's accounting would be insignificant. Information about the company's and association's earnings and shareholders' equity is of minor significance taking into account the requirement for a true and fair view.

All the Group's securities holdings as at 31 December 2015 and 31 December 2014 are attributable to the measurement category "available-for-sale financial assets" according to IAS 39 (see also Note 19).

## NOTE 21 OTHER NON-CURRENT RECEIVABLES

	Group		Parent Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Opening cost	7,489	8,230	568	801
Additions from acquired companies	1,613	—	—	—
Loans provided	334	115	—	—
Endowment insurance (see Notes 27 and 30)	-199	-233	-199	-233
Amortisation and repayment	-1,300	-633	—	—
Exchange rate difference	-510	10	—	—
<b>Closing accumulated cost</b>	<b>7,427</b>	<b>7,489</b>	<b>369</b>	<b>568</b>
<b>Closing carrying amount</b>	<b>7,427</b>	<b>7,489</b>	<b>369</b>	<b>568</b>

Of the non-current receivables in the Group at 31 December 2015, SEK 561 thousand (1,225 thousand) carries an interest rate of 5 per cent. Of these receivables, no part (-) falls due for payment later than five years after the balance sheet date.

## NOTE 22 PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Prepaid rents and leasing fees	8,043	7,908	—	—
Prepaid licences and service agreements	135,974	64,051	—	—
Other prepayments	51,929	41,113	450	—
Accrued income	13,998	25,469	2	—
<b>Closing balance</b>	<b>209,944</b>	<b>138,541</b>	<b>452</b>	<b>0</b>



**NOTE 23 CASH AND CASH EQUIVALENTS  
IN GROUP ACCOUNT**

	Parent Company	
	31/12/2015	31/12/2014
Cash and cash equivalents in Group account	80,338	11,225

Cash and cash equivalents on the Group account consist of cash and cash equivalents invested through the Parent Company in a bank account for a joint-Group joint central account system. The funds are available on demand.

Current receivables in Group companies include SEK 31,821 thousand (45,425 thousand) attributable to the Group account, of which SEK 9,269 thousand (3,195 thousand) has been offset against the Parent Company's liabilities to the same Group companies. Current liabilities to Group companies include SEK 335,093 thousand (259,110 thousand) attributable to the Group account, of which SEK 51,101 thousand (21,395 thousand) has been offset against the Parent Company's receivables from the same Group companies.

**NOTE 24 SHAREHOLDERS' EQUITY**

A specification of changes in shareholders' equity is provided in the consolidated and Parent Company statements of changes in shareholders' equity (see pages 41 and 45). Changes in the number of registered shares are stated in the following table:

	A shares	B shares	C shares	Total no. of shares
<b>Number on 31/12/2013</b>	<b>1,053,247</b>	<b>28,361,046</b>	<b>674,224</b>	<b>30,088,517</b>
Conversion of C shares to B shares	—	674,224	-674,224	0
<b>Number on 31/12/2014</b>	<b>1,053,247</b>	<b>29,035,270</b>	<b>0</b>	<b>30,088,517</b>
New issue in connection with company acquisition	—	338,739	—	338,739
<b>Number on 31/12/2015</b>	<b>1,053,247</b>	<b>29,374,009</b>	<b>0</b>	<b>30,427,256</b>

The share quota value is SEK 12. Class A shares each carry ten votes, and Class B and C shares each carry one vote. Class C shares carry entitlement to dividends. All shares have been fully paid for.

Exchange rate differences in shareholders' equity	Group	
	31/12/2015	31/12/2014
Opening balance	-17,153	-22,313
Change in the year's translation of foreign subsidiaries	-27,859	5,160
<b>Closing balance</b>	<b>-45,012</b>	<b>-17,153</b>

Hedge of net investments in foreign operations recognised in shareholders' equity	Group	
	31/12/2015	31/12/2014
Opening balance	0	1,015
Remeasurement at fair value	811	-1,015
<b>Closing balance</b>	<b>811</b>	<b>0</b>

Cash flow hedges recognised in shareholders' equity	Group	
	31/12/2015	31/12/2014
Opening balance	0	30
Remeasurement transferred to income statement	—	-30
<b>Closing balance</b>	<b>0</b>	<b>0</b>

Reporting of cash flow hedges is described also in Note 7.

**DISCLOSURES ABOUT CAPITAL**

Total capital is calculated as shareholders' equity on the consolidated balance sheet. The Group's equity/assets ratio, defined as total shareholders' equity in relation to the balance sheet total, was 48 per cent (56) on 31 December 2015. The Group's dividend policy is described on page 26.

**ACQUISITIONS, TRANSFERS AND HOLDINGS OF TREASURY SHARES**

Addnode Group's holdings of treasury shares totalled 674,224 Class C shares at 31 December 2013. The purpose of this holding was to secure future delivery of Class B shares to employees who participated in Addnode Group's share-savings programme (see description in Note 4). During the third quarter of 2014, all Class C shares were converted to Class B shares, after which 194,340 Class B shares were transferred to the participants of the share-savings programme. On 31 December 2014 Addnode Group's holdings of treasury shares totalled 479,884 Class B shares. Pursuant to a resolution by the Annual General Meeting on 7 May 2014, the remaining holding of Class B shares may be used to be transferred to a third party listed or unlisted on Nasdaq Stockholm in accordance with the authorisation for the Board of Directors to make decisions about acquisitions and transfers of treasury shares (see the description in the Board of Directors' report). The purpose of the remaining holding of treasury shares is to enable Addnode Group to transfer shares in connection with the financing of company acquisitions and other types of strategic investments. During the first quarter of 2015, 2,387 Class B shares were transferred to the participants in Addnode Group's share-savings programme, which expired in August 2014, after which all obligations under this programme have been settled. In July 2015, 338,739 new Class B shares were issued, and 477,497 Class B shares were transferred as partial payment for the acquisition of Transcat GmbH. As at 31 December 2015, Addnode Group had no holdings of treasury shares. The number of shares outstanding was 29,608,633 on 31 December 2014 and 30,427,256 on 31 December 2015.

**TRANSACTIONS WITH NON-CONTROLLING INTERESTS**

The carrying amount for the non-controlling interests pertains to the subsidiary Kartena AB. In 2015 the Parent Company acquired an additional 38,264 shares, and its share of ownership was 99.97 per cent on 31 December 2015.

**NOTE 25 INTEREST-BEARING LIABILITIES**

	Group	
	31/12/2015	31/12/2014
<b>NON-CURRENT INTEREST-BEARING LIABILITIES</b>		
Due to credit institutions	6,888	15,501
Other non-current interest-bearing liabilities	5,023	—
<b>Total non-current interest-bearing liabilities</b>	<b>11,911</b>	<b>15,501</b>
<b>CURRENT INTEREST-BEARING LIABILITIES</b>		
Due to credit institutions	109,669	20,666
Other current interest-bearing liabilities	5,024	4,250
<b>Total current interest-bearing liabilities</b>	<b>114,693</b>	<b>24,916</b>
<b>Total interest-bearing liabilities</b>	<b>126,604</b>	<b>40,417</b>

**DUE TO CREDIT INSTITUTIONS**

In January 2015 the Parent Company signed an agreement with Nordea for a credit facility of up to SEK 200 m to finance future

acquisitions. The facility has a term of four years and can be drawn successively. In late June and early July 2015, SEK 94.0 m was drawn from the facility, of which SEK 43.4 m had a term of six months and SEK 50.6 m a term of 12 months; however, the debt amount can thereafter be re-borrowed in its entirety within the framework of the credit facility's total amount. In early January 2016 the bank loan with a term of six months was re-borrowed at an unchanged amount with a new term of six months. At the end of January 2016, an additional SEK 29.5 m of the facility was drawn, with a term of 12 months.

Of amounts due to credit institutions on 31 December 2015, SEK 66,103 thousand was denominated in SEK, SEK 41,468 thousand was denominated in GBP, and SEK 8,986 thousand was denominated in USD. Of the SEK-denominated liabilities, SEK 15,501 thousand carries variable interest corresponding to the 3-month Stibor rate plus 1.5 percentage points with a quarterly interest rate adjustment, and SEK 50,602 thousand carries a fixed interest rate of 1.2 per cent. The debt in GBP carries fixed interest at approximately 1.9 per cent, and the debt in USD carries fixed interest at a rate of 4.5 per cent.

#### OTHER INTEREST-BEARING LIABILITIES

The other non-current and current interest-bearing liabilities pertain to liabilities for consideration for company acquisitions. The liabilities as at 31 December 2015 carry 2 per cent interest and are denominated in EUR. The liabilities as at 31 December 2014 carried 5 per cent interest and were denominated in SEK.

The non-current liabilities fall due for payment as follows:

	Group	
	31/12/2015	31/12/2014
Between one and two years after the balance sheet date	7,217	15,501
Between two and five years after the balance sheet date	4,694	—
<b>Total</b>	<b>11,911</b>	<b>15,501</b>

#### FAIR VALUE

The carrying amount of interest-bearing liabilities represents a good approximation of the fair value of the liabilities.

### NOTE 26 OTHER NON-CURRENT LIABILITIES

Other non-current liabilities as at 31 December 2014 arose in connection with acquisitions in 2014 and will be paid in 2016. The amount has therefore been reclassified to current liabilities as at 31 December 2015. The carrying amount represents a good approximation of the fair value of the liabilities.

### NOTE 27 PROVISIONS

	Group		Parent Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Estimated contingent consideration for acquisitions	45,675	4,189	46,340	4,189
Approved restructuring measures	1,838	608	—	—
Pension obligations (see below)	6,236	568	369	568
<b>Total</b>	<b>53,749</b>	<b>5,365</b>	<b>46,709</b>	<b>4,757</b>
<b>Of which, to be settled within 12 months</b>	<b>10,973</b>	<b>5,024</b>	<b>9,268</b>	<b>4,416</b>
<b>Of which, expected to be settled after more than 12 months</b>	<b>42,776</b>	<b>341</b>	<b>37,441</b>	<b>341</b>

	Group		Parent Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Opening provisions	5,365	63,171	4,757	55,621
Provisions during the period for restructuring measures	1,838	944	—	—
Utilised during the period	-608	-5,673	—	—
Estimated contingent consideration for acquisitions	46,340	—	46,340	—
Revaluation of contingent consideration	—	-34,324	—	-34,324
Contingent consideration paid	-4,175	-18,031	-4,175	-16,676
Acquired provisions for pension obligations (see below)	5,498	—	—	—
Change in provisions for pension obligations	260	-233	-199	-233
Social security costs for incentive programme	—	-1,979	—	-107
Exchange rate differences	-769	1,490	-14	476
<b>Total</b>	<b>53,749</b>	<b>5,365</b>	<b>46,709</b>	<b>4,757</b>

#### ESTIMATED CONTINGENT CONSIDERATION FOR ACQUISITIONS

The increase in estimated contingent consideration in 2015 pertains to the acquisition of Transcat GmbH (see Note 35). The final consideration that corresponds to the provisions as at 31 December 2015 is mainly dependent on the earnings performance and to some extent on the revenue performance of the acquired companies. The payments are expected to be made in 2016 and 2017.

#### PROVISIONS FOR RESTRUCTURING MEASURES DURING THE PERIOD AND AMOUNT UTILISED DURING THE PERIOD

The amount of provisions during the period and the amount utilised during the period pertain to costs for personnel.

#### PENSION OBLIGATIONS

The acquired German company Transcat PLM GmbH (name now changed to TechniaTranscat GmbH) has pension obligations under defined benefit pension plans for five employees. The provision for these pension obligations amounted to SEK 5,867 thousand as at 31 December 2015 and was calculated in accordance with IAS 19 by an independent actuary through application of the Projected Unit Credit Method and using a discount rate of 2.25 per cent. The provision for pension obligations as at 31 December 2015 also includes SEK 369 thousand pertaining to the Parent Company's obligation to pay pension to a former employee. The obligation corresponds to the exact value of a pledged, company-owned endowment insurance policy (see Note 21).

### NOTE 28 BANK OVERDRAFT FACILITIES

At 31 December 2015 the Group's companies had committed overdraft facilities worth SEK 103,197 thousand (100,000 thousand), of which SEK 100,000 thousand (100,000 thousand) pertains to the Parent Company. The Parent Company has a contracted overdraft facility from previous years of SEK 100,000 thousand with Nordea. The overdraft facilities were unutilised at both 31 December 2015 and 31 December 2014.

**NOTE 29 ACCRUED EXPENSES AND DEFERRED INCOME**

	Group		Parent Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Personnel-related costs	117,181	111,015	4,724	4,148
Other accrued expenses	39,291	26,177	3,804	3,200
Prepaid income	343,809	220,831	—	—
<b>Closing balance</b>	<b>500,281</b>	<b>358,023</b>	<b>8,528</b>	<b>7,348</b>

**NOTE 30 PLEDGED ASSETS**

	Group		Parent Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
For rental contracts				
- Bank funds in blocked accounts	—	31	—	—
- Non-current receivables	6,103	5,695	—	—
- Current receivables	784	802	—	—
For fulfilment of obligations under agreements				
- Long-term securities holdings	5,500	5,500	5,500	5,500
For pension liabilities (see Notes 21 and 27)				
- Non-current receivables	369	568	369	568
<b>Total</b>	<b>12,756</b>	<b>12,596</b>	<b>5,869</b>	<b>6,068</b>

**NOTE 31 CONTINGENT LIABILITIES**

	Group		Parent Company	
	2015-12-31	2014-12-31	2015-12-31	2014-12-31
Payment guarantees for leases	1,039	1,432	1,039	1,432
Payment guarantees for trade accounts payable	—	—	—	90
Sureties for bank guarantees	264	—	264	—
Conditional government support	450	850	—	—
<b>Total</b>	<b>1,753</b>	<b>2,282</b>	<b>1,303</b>	<b>1,522</b>

**NOTE 32 INTEREST AND DIVIDENDS RECEIVED, AND INTEREST PAID**

	Group		Parent Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Interest received	597	1,053	1,789	1,945
Dividends received	—	—	54,964	44,195
Interest paid	-2,044	-2,684	-1,311	-3,016
<b>Total</b>	<b>-1,447</b>	<b>-1,631</b>	<b>55,442</b>	<b>43,124</b>

**NOTE 33 ADJUSTMENTS FOR NON-CASH ITEMS**

	Group		Parent Company	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Depreciation/amortisation and impairment	55,710	77,271	24,985	28,205
Reversal of impairment losses from previous years	—	—	—	-47,000
Capital gains/losses	-441	-88	53	-2
Unrealised exchange rate differences	-2,323	-7,805	-2,452	-3,154
Revaluation of contingent consideration	—	-34,324	—	—
Personnel costs for incentive programme	73	1,172	—	88
Changes in provisions	1,370	-4,729	—	—
Recognised Group contributions	—	—	-70,975	-21,420
<b>Total</b>	<b>54,389</b>	<b>31,497</b>	<b>-48,389</b>	<b>-43,283</b>

**NOTE 34 ACQUISITIONS OF PROPERTY, PLANT AND EQUIPMENT**

	Group	
	31/12/2015	31/12/2014
Investments during the year	-17,204	-14,336
Of which, acquired through asset transfer acquisition of operations	—	519
<b>Cash flow from acquisitions of property, plant and equipment</b>	<b>-17,204</b>	<b>-13,817</b>

**NOTE 35 ACQUISITIONS OF SUBSIDIARIES AND OPERATIONS****ACQUISITIONS IN 2015**

Company/operation	Business	Acquisition date	Share of capital/votes, %
Transcat GmbH with subsidiaries	IT solutions for product information (PLM solutions)	1 July 2015	100

The following tables provide information on purchase consideration, identifiable net assets and goodwill.

	Total acquisitions in 2015		
	Transcat	Other acquisitions	Total
<b>Total purchase consideration</b>	<b>170,429</b>	<b>759</b>	<b>171,188</b>
Identifiable net assets (see below)	-867	-126	-993
<b>Goodwill</b>	<b>169,562</b>	<b>633</b>	<b>170,195</b>

The acquired companies are knowledge companies, and goodwill is therefore attributable to the worked-up expertise of the staff and the employees' collective knowledge about the respective software and IT systems, as well as synergy effects to a certain extent. The fair value of issued shares has been based on the closing quoted price paid for Addnode Group's Class B shares on Nasdaq Stockholm on 1 July 2015. The issue costs of SEK 0.1 m reduced the contributed capital. Calculation of the fair value of the transferred treasury shares was based on the closing quoted price paid for Addnode Group's Class B shares on Nasdaq Stockholm on the respective transfer dates.

The fair value of the identifiable assets and liabilities included in the acquisition was as follows:

	Transcat	Other acquisitions	Total acquisitions in 2015
Customer agreements and software	36,470	—	36,470
Other intangible non-current assets	1,891	—	1,891
Property, plant and equipment	6,358	—	6,358
Financial assets	1,613	—	1,613
Inventories	176	—	176
Receivables <sup>1)</sup>	67,963	165	68,128
Cash and cash equivalents	26,924	331	27,255
Non-current liabilities	-5,498	—	-5,498
Current liabilities	-124,988	-370	-125,358
Deferred tax, net	-10,042	—	-10,042
<b>Identifiable net assets</b>	<b>867</b>	<b>126</b>	<b>993</b>

<sup>1)</sup> Contractual gross amounts correspond, in all material respects, to the above-stated fair values of the acquired receivables.

On 1 July 2015 an agreement was signed to acquire all of the shares in the German company Transcat GmbH, with possession taking place the same day. The company's operations are conducted primarily in Germany, as well as in Austria and Slovakia via subsidiaries. The acquired operations had net sales in 2014 of approximately SEK 450 m and EBITA of approximately SEK 23 m. The companies have approximately 200 employees, based on full-time equivalents. Transcat is one of Europe's leading providers of IT solutions for product information (PLM solutions) based on Dassault Systèmes' brands, complemented by a portfolio of proprietary products. In addition, Transcat offers consulting services, advice on project design, training and user support.

Addnode Group's Product Lifecycle Management business area, prior to this acquisition, was already the largest provider of customised PLM systems in the Nordic region and one of the largest in Europe. The business area's operations are conducted primarily via the subsidiary Technia. Transcat has been included in the business area since the date of possession and complements Technia both strategically and operationally. The acquisition is in line with Addnode Group's strategy to be a leading European supplier of design and PLM products and related services. The combined TechniaTranscat will be a market leader in the European PLM market. The acquisition gives Addnode Group expanded expertise and synergy opportunities, and marks the Group's establishment of operations in Germany.

The purchase price paid on the date of possession consisted of cash payment of SEK 55.4 m, which was financed through existing credit facilities, vendor loan notes extended by Addnode Group corresponding to SEK 10.2 m, and newly issued Class B shares in Addnode Group worth SEK 42.4 m. The new issue and transfer of Class B shares were carried out with the support of the authorisation granted by the Annual General Meeting on 6 May 2015. During the fourth quarter of 2015, SEK 16.0 m was paid out in cash to the sellers as settlement for the actual level of net cash and working capital in Transcat on the date of acquisition. Depending on the actual outcome of the acquired companies' earnings

during the period 2015–2016, a contingent cash earn-out payment within the interval of zero up to a maximum undiscounted amount of EUR 5 m (corresponding to approximately SEK 46 m) may be paid. According to the purchase price allocation, the identified acquisition-related intangible assets amount to SEK 36 m, which gives rise to a deferred tax liability of SEK 11 m. Goodwill amounts to SEK 170 m, and the provision for contingent consideration amounts to a maximum sum of approximately SEK 46 m, which is recognised on the consolidated balance sheet as at 31 December 2015. Other acquired assets and liabilities pertain primarily to trade receivables, prepaid expenses, cash and cash equivalents, and deferred income.

In 2015 the acquisition contributed net sales of approximately SEK 264 m to the Group and had a positive impact of approximately SEK 14 m on consolidated profit after tax. If the acquisition had been carried out on 1 January 2015, consolidated net sales for 2015 would have amounted to approximately SEK 2,128 m, and profit after tax would have been approximately SEK 98 m. Costs of SEK 3.3 m for carrying out the acquisition are included in the Group's other external costs for 2015.

#### ACQUISITIONS IN 2014

Company/operation	Business	Acquisition date
Symetri Ltd (asset transfer acquisition)	IT solutions including software for design and construction	2 June 2014

On 1 April 2014 an agreement was signed to acquire the UK operation Symetri through an asset-transfer acquisition. The acquisition was contingent upon the transfer of certain rental contracts and customer-related contracts. After fulfilment of these conditions, possession of the operations was transferred on 2 June 2014. The operation focuses on IT solutions including software for design and engineering along with associated consulting and training services. Symetri is the largest Autodesk distributor to the manufacturing, oil and gas industries in the UK. Annual net sales at the time of acquisition were expected to amount to approximately SEK 80 m, and the operation had 23 employees.

Addnode Group is already the largest supplier of operation-critical support systems to design and engineering operations in the Nordic region and has established operations in the UK through the acquisition of Symetri. The acquisition also gave Addnode Group greater expertise and the potential for synergy effects. Symetri has been included in the Design Management business area since June 2014.

The purchase price amounted to SEK 28 m and was paid in cash in connection with possession. According to the purchase price analysis, goodwill amounted to approximately SEK 23 m, and other acquisition-related intangible assets that arose in connection with the acquisition amounted to approximately SEK 6 m, for a total of approximately SEK 29 m, which has been deemed to be tax-deductible. The goodwill amount is attributable to the worked-up expertise of the staff and the employees' collective knowledge about software and IT systems, as well as synergy effects to a certain extent. Other acquired assets and liabilities pertain primarily to equipment and deferred income. During 2014 Symetri contributed net sales of approximately SEK 44 m to the Group, and had a positive impact on profit after tax of approximately SEK 2 m. If the acquisition had been carried out on 1 January 2014, consolidated net sales for 2014 would have amounted to approximately SEK 1,632 m, and profit after tax would have been approximately SEK 103 m. Costs of SEK 1.3 m for carrying out the acquisition are included in the Group's other external costs for 2014.

#### CASH FLOW FROM ACQUISITIONS OF SUBSIDIARIES AND OPERATIONS

	Group	
	31/12/2015	31/12/2014
Cash consideration paid	-80,302	-56,079
Cash and cash equivalents in acquired subsidiaries	27,255	—
<b>Change in the Group's cash and cash equivalents upon acquisition</b>	<b>-53,047</b>	<b>-56,079</b>

Cash consideration paid in 2015 included payments of contracted and previously expensed contingent consideration totalling SEK 8,425 thousand (26,686 thousand) for company acquisitions carried out in previous years, and payments of SEK 67 thousand (870 thousand) in connection with the acquisition of additional shares in Kartena AB.

### NOTE 36 CASH AND CASH EQUIVALENTS, AND SHORT-TERM INVESTMENTS

Cash and cash equivalents in the Group and Parent Company included no holdings of short-term investments at 31 December 2015 or 31 December 2014.

Cash and cash equivalents in blocked accounts in the Group amounted to SEK – (31 thousand) at 31 December 2015. The Parent Company had no cash and cash equivalents in blocked bank accounts at 31 December 2015 or 31 December 2014.

### NOTE 37 FINANCIAL RISKS AND RISK MANAGEMENT

#### FINANCIAL RISKS

In the course of its operations Addnode Group is exposed to various financial risks, market risks (including currency risks, interest rate risks and other price risks), credit risks and liquidity risks. Management of these risks is regulated in the finance policy established by the Board of Directors. The Parent Company has overall responsibility for the Group's financial risk management. The overall objective is to provide cost-efficient financing and to minimise negative effects on the Group's earnings and position caused by market fluctuations or credit losses. All in all, the Group's total exposure to various financial risks is deemed to be relatively limited. No changes have been made in this assessment since publication of the preceding annual report, nor have any significant changes been made in the Group's targets, policies or methods for managing financial risks. If the Group's risk exposure were to increase, such as through acquisitions or other events, the Board will make a new assessment of the Group's risk situation as well as of its targets, policies and methods for risk management.

#### MARKET RISKS

##### Currency risk

Changes in exchange rates affect the Group's earnings and shareholders' equity in various ways:

- Earnings are affected when sales and purchases are made in different currencies (transaction exposure)
- Earnings are affected when assets and liabilities are in different currencies (translation exposure)
- Earnings are affected when the income statements of foreign subsidiaries are translated to SEK (translation exposure)
- Shareholders' equity is affected when the net assets of foreign subsidiaries are translated to SEK (translation exposure on the balance sheet)

The Group's currency risk is relatively low, since Group companies mainly operate in their local markets and therefore have both revenue and costs in the same currency. The Group's finance policy provides the opportunity to hedge net currency flows through external financial contracts if this is possible at a reasonable cost. A large share of the Group's operations are conducted in Sweden.

##### Transaction exposure

The most significant currencies in terms of transaction exposure are EUR and USD. Certain Group companies' sales in EUR and USD are offset to a certain extent by other Group companies' purchases in the

same currencies. If the average exchange rate of EUR vs. SEK had been 10 per cent higher/lower compared with the average exchange rate in 2015, with all other variables constant, consolidated profit after tax for 2015 would have been positively/negatively impacted by approximately SEK 6.0 m. If the average exchange rate of USD vs. SEK had been 10 per cent higher/lower compared with the average exchange rate in 2015, with all other variables constant, consolidated profit after tax for 2015 would have been positively/negatively impacted by approximately SEK 0.6 m. The effects of changed exchange rates were largely offset by adjusted end-customer prices. This means that the sensitivity to currency movements has been historically lower than these stated amount levels.

During 2015 and most of 2014, no transaction flows in foreign currency were hedged through forward exchange contracts (see also Note 7). If the transaction volumes in foreign currency were to increase, the Board intends to make a new assessment of the need for currency hedges.

##### Translation exposure

The average exchange rate has been used for translation of foreign subsidiaries' income statements. The most significant currency in this context is the euro (EUR). Of the consolidated profit after tax in 2015, approximately SEK 21.7 m is attributable to Finnish and German companies. If the average exchange rate for EUR vs. SEK had been 10 per cent higher/lower compared with the average exchange rate in 2015, with all other variables constant, consolidated profit after tax for 2015 would have been positively/negatively impacted by approximately SEK 2.2 m upon translation of the income statements of the foreign companies.

The Group's cash and cash equivalents, trade receivables and trade payables are to a great extent in the respective companies' local currencies, which means that the translation exposure to changed exchange rates will not have any significant impact on the Group's earnings. The table below shows the Group companies' cash and cash equivalents, trade receivables and trade payables that are denominated in a currency other than the Group company's local currency, i.e., the amount levels that are exposed to translation exposure.

Amounts in SEK m	31/12/2015	31/12/2014
<b>Cash and cash equivalents</b>		
EUR	-17.5	19.6
USD	2.6	5.7
<b>Trade receivables</b>		
EUR	17.8	11.1
USD	4.5	4.4
<b>Trade payables</b>		
EUR	-64.0	-28.0
USD	-2.7	-1.0
<b>Net amount of items above</b>		
EUR	-63.7	2.7
USD	4.4	9.1

If the average exchange rate of EUR had been 10 per cent higher/lower compared with the exchange rate on 31 December 2015, consolidated profit before tax for 2015 would have been positively/negatively impacted by approximately SEK 6.4 m (0.3). The corresponding positive/negative earnings effect for a 10 per cent higher/lower exchange rate for USD would have been approximately SEK 0.4 m (0.9). The table also shows that the translation exposure for cash and cash equivalents, trade receivables and trade payables is on the whole higher at 31 December 2015 compared with at 31 December 2014, and that the earnings effect at relatively large currency movements is not significant.



### Translation exposure on the balance sheet

The Group's net assets are largely in SEK. Of the net assets in foreign currencies on the balance sheet date of 31 December 2015, approximately SEK 220.4 m are attributable to Norwegian kronor (NOK) and SEK 305.4 M to EUR. If the Norwegian krona were to strengthen/weaken by 10 per cent against SEK, the Group's total shareholders' equity would increase/decrease by approximately SEK 22.0 m. If the euro were to strengthen/weaken by 10 per cent against SEK, the Group's total shareholders' equity would increase/decrease by approximately SEK 30.5 m. At present no currency hedges have been contracted for net assets in the foreign subsidiaries.

### Interest rate risk

Interest rate risk pertains to the risk that changes in the market interest rates will have a negative effect on the Group's net interest income. The Group's total interest rate risk is low due to its low level of borrowing. According to the Group's finance policy, derivative instruments may not be used to manage interest rate risks.

The Group's interest income and interest expenses are in all material respects dependent on changes in Swedish and Norwegian market interest rates. For most of the Group's operations, a joint Group account exists for management of the Group's liquidity. The Group's interest-bearing liabilities at 31 December 2015 amounted to SEK 126.6 m (40.4) (see Note 25).

The table below shows the Group's interest-bearing net assets on the respective balance sheet dates. If the market level of interest rates for 2015 had been 1 percentage point higher/lower, the Group's net interest income would have been approximately SEK 0.1 m higher/lower.

Interest-bearing net assets (SEK m)	Group	
	31/12/2015	31/12/2014
Cash and cash equivalents	102.9	72.4
Interest-bearing receivables	0.5	1.2
Interest-bearing liabilities	-126.6	-40.4
<b>Total</b>	<b>-23.2</b>	<b>33.2</b>

### Other price risks

At 31 December 2015 there were no significant assets or liabilities with exposure to other price risks.

### CREDIT RISK

The Group's operations may give rise to credit risks. Credit risk pertains to the risk of loss as a result of the failure of a counterparty to fulfil its obligations. Addnode Group's credit risk is considered to be low in general. The maximum credit risk is associated with the carrying amount of financial assets on the consolidated balance sheet.

Addnode Group's credit risk is primarily attributable to trade receivables, which are distributed among a large number of counterparties. Of total trade receivables at 31 December 2015, 61 per cent (68) were for amounts of less than SEK 1 m per customer. The Group has established guidelines to ensure that sales are made to customers with suitable credit backgrounds. Historically the Group has had very low costs for bad debts. The provision for bad debts amounted to SEK 1.5 m (2.0) on 31 December 2015, corresponding to 0.3 per cent (0.5) of total trade receivables. Earnings for 2015 were positively affected by SEK 0.1 m (-1.5) through the reversal of previous provisions for bad debts

Concentration of trade receivables (SEK m)	Group			
	31/12/2015		31/12/2014	
	Amount	Share	Amount	Share
Trade receivables < SEK 1 m per customer	263.7	61%	264.9	68%
Trade receivables SEK 1-5 m per customer	100.1	23%	73.4	19%
Trade receivables > SEK 5 m per customer	68.3	16%	49.7	13%
<b>Total</b>	<b>432.1</b>	<b>100%</b>	<b>388.0</b>	<b>100%</b>

The following table shows the age structure of the trade accounts receivable that were past due on the balance sheet date, but for which no need to recognise impairment was identified:

Past due trade receivables (SEK m)	Group	
	31/12/2015	31/12/2014
Trade receivables past due 1-29 days	56.6	69.4
Trade receivables past due 30-59 days	7.8	7.3
Trade receivables past due 60-89 days	2.4	1.5
Trade receivables past due 90 days or more	3.3	8.3
<b>Total</b>	<b>70.1</b>	<b>86.5</b>

### LIQUIDITY RISK

Liquidity risk pertains to the risk that costs will be higher and financing opportunities limited when loans are to be renegotiated, and that payment obligations cannot be fulfilled due to insufficient liquidity or difficulties in obtaining financing. The Group's liquidity risk is considered to be relatively limited. Liquidity risk is managed by the Group having sufficient cash and cash equivalents and short-term investments in a liquid market to cover future payments and access to financing through committed overdraft facilities when this is deemed necessary.

At year-end 2015 the Group's cash and cash equivalents amounted to SEK 102.9 m (72.4). The Group's interest-bearing liabilities on 31 December 2015 amounted to SEK 126.6 m (40.4). In January 2015 the Parent Company signed an agreement with Nordea for a credit facility of up to SEK 200 m to be used to finance future acquisitions. During the year, SEK 94.0 m of this facility was used, and on the respective due dates the amounts may be re-borrowed in their entirety within the framework of the credit facility's total amount (see Note 25). The credit facility may also be used to pay contingent consideration. The Parent Company has an existing agreement with Nordea for a SEK 100 m bank overdraft facility. Addnode Group has positive cash flow from operating activities, and the Group's cash and cash equivalents on 31 December 2015 as well as the contracted credit facility and bank overdraft facility exceed future payments pertaining to reported provisions and financial liabilities according to the table below, which shows undiscounted future cash flows (the differences compared with the amounts reported on the consolidated balance sheet for interest-bearing liabilities pertain to the discount effect).

Provisions and financial liabilities at 31 December 2015 (SEK m)	Falls due for payment			
	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After more than 5 years
Provisions for contingent consideration	9.1	36.6	—	—
Provisions for approved restructuring measures	1.8	—	—	—
Other provisions	—	0.3	—	5.9
Interest-bearing liabilities	116.3	7.7	4.9	—
Liabilities for consideration, noninterest-bearing	0.4	—	—	—
Trade payables and other financial liabilities	125.2	—	—	—
<b>Total</b>	<b>252.8</b>	<b>44.6</b>	<b>4.9</b>	<b>5.9</b>

Provisions and financial liabilities at 31 December 2014 (SEK m)	Falls due for payment			
	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	After more than 5 years
Provisions for contingent consideration	4.2	—	—	—
Provisions for approved restructuring measures	0.6	—	—	—
Other provisions	0.2	0.1	0.3	—
Interest-bearing liabilities	24.9	15.5	—	—
Liabilities for consideration, noninterest-bearing	0.4	0.4	—	—
Trade payables and other financial liabilities	92.5	0.7	—	—
<b>Total</b>	<b>122.8</b>	<b>16.7</b>	<b>0.3</b>	<b>0.0</b>

## DERIVATIVE INSTRUMENTS

The Group had no outstanding forward exchange contracts or other held or issued derivative instruments on 31 December 2015 or 31 December 2014.

## MEASUREMENT OF FAIR VALUE

No financial assets or liabilities are recognised at a value that considerably deviates from their fair value.

## NOTE 38 IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

Carrying amounts are based partly on assessments and estimates. This applies mainly to the regular impairment testing of goodwill and other acquisition-related intangible assets (see Note 16). The carrying amounts of these assets are affected by changes in applied discount rates as well as by assessments of future trends in prices, costs and demand for the products and services that form the basis of the cash flow prognostications.

For certain company acquisitions, contingent consideration (earn-out payments) may account for a large portion of the total consideration for the acquired company and may also amount to considerable sums. Contingent consideration is normally dependent on the future earnings performance and/or the revenue performance for the acquired company. At the time of acquisition, provisions for estimated contingent consideration are recognised based on forecasts on the future revenue and earnings performance of the acquired companies (see Notes 27 and 35). According to IFRS 3, subsequent revaluations of provisions for contingent consideration

and the differences between the reported provision and the actual outcome are to be recognised in the consolidated income statement. This means that future revaluations of reported provisions may significantly affect consolidated earnings, both positively and negatively, in coming years.

The carrying amount of deferred tax assets pertaining to tax loss carryforwards is based on an assessment of the opportunities to settle the loss carryforward against taxable surpluses in future taxation (see Note 13). In order to utilise the loss carryforwards, taxable surpluses must arise in future years and the tax code must permit offsetting of loss carryforwards against taxable surpluses. In Sweden, there is currently no time limitation for when loss carryforwards may be utilised. If the legal opportunities to offset loss carryforwards against taxable surplus were to change in the future, it could impact the value of deferred tax assets pertaining to loss carryforwards.

## NOTE 39 RELATED PARTY DISCLOSURES

On 31 December 2015, Vidinova AB's ownership amounted to 24.4 per cent (25.0) of the share capital and 26.8 per cent (27.2) of the votes in Addnode Group AB (publ). The principal owner of Vidinova AB is Dick Hasselström, who is also a director on Addnode Group's board. In 2015 and 2014, Vidinova AB leased a workplace at a subsidiary of Addnode Group AB and paid rent of SEK 48 thousand (48) per year. The subsidiary also re-invoiced a cost of SEK 16 thousand (15) to Vidinova AB. Other than this, no transactions were made between companies in the Group in which Vidinova AB is the Parent Company and the companies in the Group in which Addnode Group AB (publ) is the Parent Company.

On 31 December 2015, Aretro Capital Group AB's ownership amounted to 12.4 per cent (12.9) of the share capital and 23.6 per cent (24.0) of the votes in Addnode Group AB (publ). Aretro Capital Group AB is jointly owned by Staffan Hanstorp and Jonas Gejer. Staffan Hanstorp is President and CEO of Addnode Group AB. Jonas Gejer is CEO of TechniaTranscat AB och President of Product Lifecycle Management business area. No transactions have been made between Aretro Capital Group AB and companies in the Group in which Addnode Group AB (publ) is the Parent Company.

Remuneration of the Board of Directors and senior executives:	Group	
	2015	2014
Salaries and other short-term employment benefits (see also description in Note 5)	17,489	18,884
<b>Total</b>	<b>17,489</b>	<b>18,884</b>

## SALES TO AND PURCHASES FROM OTHER COMPANIES IN ADDNODE GROUP

For the Parent Company Addnode Group AB (publ), 100 per cent (100) of the net sales for the year and 23 per cent (22) of purchases for the year pertained to own subsidiaries. For sales and purchases between Group companies, the same policies apply for pricing as in transactions with external parties.

**NOTE 40** AVERAGE NUMBER OF EMPLOYEES, ETC.

AVERAGE NUMBER OF EMPLOYEES	2015		2014	
	Average number of employees	Of whom, men	Average number of employees	Of whom, men
Parent Company	7	6	8	6
<b>SUBSIDIARIES</b>				
- Sweden	595	451	597	462
- Denmark	20	15	24	18
- Finland	73	64	81	70
- Norway	104	78	108	79
- UK	22	17	13	11
- Germany	102	75	—	—
- Serbia	23	18	21	15
- Slovakia	11	10	—	—
- Austria	2	2	—	—
- USA	10	8	11	9
- India	36	28	27	22
<b>Total, subsidiaries</b>	<b>998</b>	<b>766</b>	<b>882</b>	<b>686</b>
<b>Group total</b>	<b>1,005</b>	<b>772</b>	<b>890</b>	<b>692</b>

BOARD MEMBERS AND SENIOR EXECUTIVES	2015		2014	
	Number on balance sheet date	Of whom, men	Number on balance sheet date	Of whom, men
<b>GROUP</b>				
Board members	125	107	116	94
Presidents and other senior executives	105	93	92	80
<b>PARENT COMPANY</b>				
Board members	6	4	6	4
Presidents and other senior executives	3	3	3	3

**NOTE 41** EVENTS AFTER THE BALANCE SHEET DATE

On 1 February 2016 an agreement was signed to acquire all of the shares in 5D Systemkonsult AB, with possession taking place the same day. During the financial year May 2014–April 2015 the company had net sales of SEK 22 m and an operating profit of SEK 4 m. 5D Systemkonsult is a Swedish software company that offers property management systems to public and private sector customers. The company has 20 employees and will be part of the Design Management business area, which has since previously had a strong offering of systems for the construction and property sectors. The acquisition further complements and strengthens this offering.

In January 2016 an additional SEK 29.5 m was utilised of the credit facility of up to SEK 200 m that was secured in January 2015 (see Note 25).

In other respects, no significant events have taken place after the balance sheet date.

**NOTE 42** INFORMATION ABOUT ADDNODE GROUP AB (PUBL)

Addnode Group AB (publ) has its registered office in Stockholm, Sweden, and the address of the company's head office is Hudiksvallsgatan 4B, SE-113 30 Stockholm. The Parent Company's Class B shares re listed on Nasdaq Stockholm.

This Annual Report and consolidated financial statements were approved for publication by the Board of Directors on 22 March 2016.

The income statements and balance sheets for the Parent Company and the Group will be presented for adoption at the Annual General Meeting on 28 April 2016.

# Annual Report signatures

The Board of Directors and President affirm that the consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU, and that they provide a true and fair view of the Group's financial position and results of operations. The Annual Report was prepared in accordance with generally accepted accounting practice and provides a fair and accurate view of the financial position and earnings of the Parent Company.

The Board of Directors' report for both the Group and the Parent Company accurately reflects the Group's and the Parent Company's operations, financial position and earnings, and describes the significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Stockholm, 22 March 2016

**Sigrun Hjelmquist**  
Chairman

**Jan Andersson**  
Board member

**Kristofer Arwin**  
Board member

**Dick Hasselström**  
Board member

**Annika Viklund**  
Board member

**Thord Wilkne**  
Board member

**Staffan Hanstorp**  
President

Our audit report was submitted on 5 April 2016.  
PricewaterhouseCoopers AB

**Magnus Brändström**  
Authorised Public Accountant  
Auditor-in-charge

# GROWTH SUPPORTED BY AN ENGAGED BOARD

Competence succession in a competitive industry, growth and a dynamic, decisive board are key issues for Sigrun Hjelmquist, Chairman of the Board of Addnode Group.



**“Continued growth and internationalisation will be at the top of the agenda.”**

SIGRUN HJELMQUIST, CHAIRMAN OF THE BOARD,  
ADDNODE GROUP

## WHAT ISSUES WERE AT THE TOP OF THE BOARD'S AGENDA IN 2015?

“Just as in previous years, we have given priority to strategic growth issues – both organic and through acquisitions. When I first joined the Board, we were a Nordic group. After the acquisition of the British company Symetri in 2014 and the German company Transcat PLM in 2015, we are now a European company with operations in a large number of countries. Our geographical expansion has put greater demands on the Board to ensure that we have a company management and organisation that can handle an international operation, which I feel we have.

“Another priority issue is the Group's competence succession. Addnode Group is a knowledge company, and our success depends on our ability to attract and retain the best talent. This competence issue itself is not unique for Addnode Group alone, but rather underscores the importance that we maintain a prominent position as an attractive employer.”

## WHAT IS YOUR VIEW OF THE BOARD'S WORK?

“What is fundamental for a good board is that it is composed of people who have the time, enthusiasm and ability to contribute to the company's development. While individual board members may have diverging opinions, there must be an understanding that the board makes decisions as a whole. I feel that we have a good mix of competencies and experience, which results in dynamic discussions before we make a decision. Together we have a broad base of expertise and experience from such areas as growth companies, IT and international business.”

## WHAT WILL BE THE MOST IMPORTANT ISSUES FOR THE BOARD IN 2016?

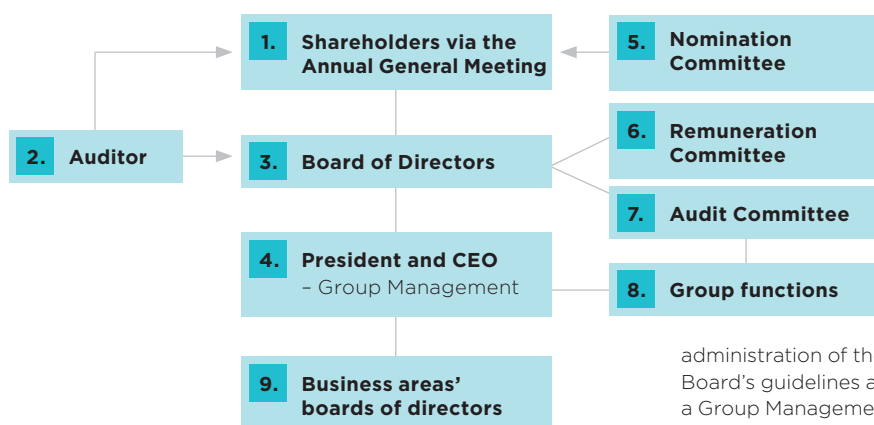
“Continued growth and managing the challenges that come with increasingly international business will be at the top of the agenda. A fundamental feature of Addnode Group's management culture is that a lot of the decision-making is done close to customers, and we will work further with the positive aspects of this. We could see in 2015 that in certain parts of the business, the business models will be changing, and we will be working proactively on monitoring the effects of these changes.”

# CORPORATE GOVERNANCE REPORT 2015

The Parent Company of the Group is the Swedish limited liability company Addnode Group AB, whose shares are listed on Nasdaq Stockholm. The Board's responsibility for internal governance and control is regulated by the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code (the Code), as well as other applicable Swedish and international laws and regulations.

This corporate governance report has been prepared as part of the Addnode Group's application of the Swedish Corporate Governance Code. The Code is based on the "comply or explain" principle, which means that a company that applies the Code may depart from individual rules, but must in such case provide an explanation for the departure. Addnode Group's auditors have reviewed the statutory information of the corporate governance report to ensure that it is consistent with the other parts of the annual report and consolidated accounts.

- 1. The Annual General Meeting (AGM)** is Addnode Group's highest decision-making body and passes resolutions on principles for appointing the Nomination Committee, election of board members, election of auditors, directors' and auditors' fees, guidelines for remuneration of Group Management and other senior executives, adoption of the annual report, dividends and other important matters.
- 2. The auditor** reports yearly to the owners by issuing an audit report for Addnode Group AB, for the consolidated financial statements and for the Board of Directors' and President's administration of Addnode Group AB. The auditor also reviews the nine-month interim report.



- 3. The Board's** main duty is to administrate the Group's operations in a long-term and value-creating way and thereby promote the shareholders' interests in the best possible way. This work includes adopting guidelines for the company's conduct in society, overarching goals and strategies, and conducting a yearly evaluation of the President's performance.

- 4. President and CEO.** The President is responsible for the day-to-day

administration of the Group's operations in accordance with the Board's guidelines and instructions. The President has appointed a Group Management team to assist him in this work.

- 5. The Nomination Committee** is tasked with safeguarding the shareholders' interests by submitting recommendations to the Annual General Meeting on the following matters: appointment of a chairman to preside over the Annual General Meeting, board members, the Chairman of the Board, the auditor, directors' fees, fees for board members' work on committees, and auditors' fees.

- 6. The Remuneration Committee** is tasked primarily with representing the Board on matters pertaining to remuneration and terms of employment for the President and other senior executives.

- 7. The Audit Committee** is tasked primarily with monitoring the processes for Addnode Group's financial reporting and internal control in order to ensure the quality of external reporting.

- 8. Group functions.** Addnode Group AB has Group functions for accounting, communication and business development.

- 9. Business area boards.** The business area presidents are responsible for the operations of their respective business area and report to Addnode Group's President and CEO. Overall governance of the business areas is conducted by the business area boards of directors.

## IMPORTANT EVENTS 2015

> Andreas Wikholm appointed as President of Process Management business area.

## FOR MORE INFORMATION

> Nasdaq Stockholm, [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com)

> Swedish Corporate Governance Code, [www.bolagsstyrning.se](http://www.bolagsstyrning.se)

> Addnode Group's website, [www.addnodegroup.com](http://www.addnodegroup.com)



## OWNERSHIP STRUCTURE AND VOTING RIGHTS

Addnode Group's shares are serviced by Euroclear Sweden AB. This means that no share certificates are issued and that Euroclear Sweden maintains a shareholder register of owners and administrators in the company. Addnode Group's share capital is made up of Class A, Class B and Class C shares. Each A share carries entitlement to ten votes, and each B and C share carries entitlement to one vote. Class A and B shares carry entitlement to dividends. Class C shares do not carry entitlement to dividends.

All shares carry equal entitlement to the Company's assets. However, Class C shares are limited and are not entitled to a larger share of the company's assets than what corresponds to the share quota value calculated as at the date of distribution, with an interest-rate factor of one month STIBOR plus 4 percentage points calculated from the date of payment of subscription settlement. Class C shares are redeemable at the company's request. At the request of a shareholder, Class A shares can be converted to Class B shares, and Class C shares can be converted to Class B shares by the Board of Directors.

On 30 December 2015, the number of shareholders was 4,432, and the proportion of foreign-owned shares was 12 per cent. The proportion of institutional owners including mutual funds was 30 per cent. Vidinova AB is the largest shareholder, with 24.4 per cent of the share capital and 26.8 per cent of the votes. Aretro Capital Group AB is the second-largest shareholder, with 12.4 per cent of the share capital and 23.6 per cent of the votes. Vidinova AB is controlled by Dick Hasselström, and Aretro Capital Group AB is controlled by Staffan Hanstorp and Jonas Gejer.

## NOMINATION COMMITTEE

The 2015 Annual General Meeting resolved to task the Chairman of the Board to contact the three largest owner-registered shareholders (in terms of votes) in Euroclear Sweden's shareholder register as at 31 August 2015, to each appoint a representative who is not a member of the company's board, to form the Nomination Committee along with the Chairman of the Board ahead of the 2016 Annual General Meeting. In addition, the Chairman of the Board was tasked to appoint a representative on the Nomination Committee for the smaller shareholders and a representative for the institutional owners. The representative of the largest shareholder in terms of votes is to serve as chair of the Nomination Committee. The Nomination Committee is tasked with submitting recommendations to the next year's Annual General Meeting on the following:

- > A chairman to preside over the Annual General Meeting
- > Board members
- > The Chairman of the Board
- > Fees for each of the board members
- > Fees for committee work
- > Nomination Committee for the following year
- > Auditors and auditors' fees

The Board's audit committee assists the Nomination Committee in the work on submitting recommendations for the election of auditors and the auditors' fees. The Audit Committee evaluates the work of the auditors and informs the Nomination Committee about the results of its evaluation.

## Nomination Committee ahead of the 2016 AGM

The composition of the Nomination Committee was announced on Addnode Group's website and via a press release published on 5 November 2015.

The Nomination Committee was composed of the following members:

- > Wilhelm Arnör, representing Vidinova AB (committee chair)
- > Jonas Gejer, representing Aretro Capital Group AB
- > Håkan Berg, representing Swedbank Robur Fonder
- > Charlotta Karlander, representing the smaller shareholders
- > Richard Hellekant, representing PSG Capital and the institutional owners
- > Sigrun Hjelmquist, Chairman of the Board

The Nomination Committee held three meetings prior to the 2016 AGM.

The Nomination Committee represented approximately 58 per cent of the shareholders' votes as at 30 December 2015. As the basis for the Nomination Committee's work, company management shared information about the company's operations and strategic focus. In addition, the Chairman of the Board presented the annual evaluation of the board members' performance. The Chairman of the Board also provided information about the Board's work during the year. All board members, in addition to Jonas Gejer and Wilhelm Arnör, are independent in relation to the company, company management and the company's largest shareholders. Wilhelm Arnör is a major shareholder indirectly through his ownership in Vidinova AB. Jonas Gejer is CEO of TechniaTranscat AB and President of Product Lifecycle Management business area, and a major shareholder through his part-ownership in Aretro Capital Group AB.

## ANNUAL GENERAL MEETING

The shareholders' right to make decisions on Addnode Group's affairs is exercised at Annual General Meetings or, where applicable, at extraordinary general meetings, which are Addnode Group's highest decision-making body. The AGM is normally held in April or May. The AGM passes resolutions regarding the following:

- > Adoption of the annual report
- > The dividend
- > Election of board members and auditors
- > Directors' and auditors' fees
- > Guidelines for remuneration of Group Management
- > The Nomination Committee
- > Other important matters

An extraordinary general meeting may be held if the Board deems it necessary or if requested by Addnode Group's auditors or owners with at least 10 per cent of the shares.

## Annual General Meeting 2015

The 2015 AGM was held on 6 May 2015. The Chairman of the Board, Sigrun Hjelmquist, was elected as Chairman of the Annual General Meeting, in accordance with the Nomination Committee's recommendation.

The minutes from the AGM are available on Addnode Group's website. The Annual General Meeting resolved in favour of the Board's proposal to pay a dividend of SEK 2.25 per share for the 2014 financial year. Sigrun Hjelmquist was re-elected as Chairman of the Board, and Jan Andersson, Kristofer Arwin, Dick Hasselström, Annika Viklund and Thord Wilkne were re-elected as board members in accordance with the Nomination Committee's proposal. The AGM approved the Nomination Committee's proposal for directors' fees, as well as the Board's proposed guidelines for remuneration and terms of employment for the President and other senior executives.

## Authorisations granted by the AGM

The 2015 AGM authorised the Board, on one or more occasions during the period until the next AGM, to decide on acquisitions of a maximum number of Class B treasury shares so that the company's holding

following such acquisition does not exceed 10 per cent of all the shares in the company at any given time. Furthermore, the 2015 AGM also authorised the Board, on one or more occasions prior to the next AGM, to decide on the transfer of Class B shares in the company to a third party. The number of shares transferred may not exceed the total number of treasury shares held by the company at any given time. The reason for permitting the Board to deviate from shareholders' preferential rights is to enable financing of potential company acquisitions and other types of strategic investments in a cost-efficient manner. Up until the date of publication of this annual report, 477,497 Class B treasury shares were transferred with the support of this authorisation. To finance potential company acquisitions using treasury shares, the Board received a mandate at the AGM in May 2015 for the period until the next AGM to make decisions about new share issues. Through decisions supported by this authorisation, the share capital may increase by a maximum of SEK 36 m through the issuance of a maximum of 3,000,000 shares upon full subscription. Up until the date of publication of this annual report, 338,739 new Class B shares were issued with the support of this authorisation.

## BOARD OF DIRECTORS

The Board of Directors has overarching responsibility for Addnode Group's organisation and administration.

### Composition of the Board

According to the Articles of Association, Addnode Group AB's board of directors shall consist of three to eight members elected by the AGM for a term through the end of the next AGM. The Articles of Association allow the election of deputy board members; however, there are currently no deputy members elected by the AGM. The Articles of Association contain no general stipulations about the appointment or dismissal of board members. The Board of Directors consists of six members. For further information about the board members, see page 80.

### Directors' independence

The Board's assessment of the directors' independence in relation to the company and the shareholders, which is shared by the Nomination Committee, is shown in the table "Board composition and attendance 2015" on page 77. As shown in the table, Addnode Group fulfils the requirements of the listing agreement and the Swedish Corporate Governance Code that a majority of the AGM-elected board members are to be independent in relation to the company and company management, and that at least two of the independent members are also to be independent in relation to major shareholders of the company.

### The Board's duties

The Board of Directors' main task is to administrate the Group's operations on behalf of the owners in a way that safeguards the owners' interests in obtaining a favourable long-term return on capital. The Board's work is regulated by – among other things – the Swedish Companies Act, other laws and ordinances, applicable rules for listed companies, including the Swedish Corporate Governance Code, the Articles of Association, and the Board's and its committees' internal rules of procedure.

The Board handles and decides on Group-wide matters, including:

- > Short- and long-term targets
- > Strategic direction
- > Significant matters such as funding, investments, acquisitions and divestments
- > Follow-up and control of information and organisational matters, including evaluation of the Group's organisation and operational management
- > Appointment and, where necessary, dismissal of the company's president

- > Overarching responsibility for establishment of effective systems for internal control and risk management
- > Important policies.

### The Board's rules of procedure and board meetings

Each year the Board adopts written rules of procedure that lay out the Board's responsibilities and regulate the Board's and its committees' internal delegation of duties, including the Chairman's role, the Board's decision-making processes, summonses to board meetings, agendas and minutes, and the Board's work with accounting and audit issues and the financial reporting. Decisions on changes to the instructions may be made at board meetings during the course of the financial year if the Board deems it necessary.

According to the rules of procedure, that Chairman shall:

- > Consult with the President on strategic issues and, through regular and frequent contacts with the President, closely monitor Addnode Group's performance
- > Lead the Board's work and ensure that board members continuously receive the information required to monitor the business performance
- > Consult with the President regarding the agenda for board meetings
- > Ensure that matters are dealt with in a manner that is not in conflict with the Companies Act, other laws and ordinances or the Articles of Association
- > Serve as chair of the Remuneration Committee

The rules of procedure also include detailed instructions for the President and other company functions concerning issues that require the Board's approval. The instructions stipulate the maximum amount that the various decision-making bodies in the Group are authorised to approve in terms of agreements, credits, investments and other expenditures. According to the rules of procedure, a statutory board meeting is to be held immediately after the AGM. At this meeting, decisions are made about who is authorised to sign for Addnode Group and which board members are to serve on the remuneration and audit committees. According to the rules of procedure, the Board shall meet at least four times per year and when necessary.

### The Board's work in 2015

During the year, the Board held 12 meetings, including two by circulation. All board meetings during the year followed an approved agenda, which together with documentation for each item on the agenda, was provided to the board members prior to the respective meetings. Meetings normally take half a day, while the Board's annual strategic meeting is held over a full day to allow time for longer discussions. The President participates at board meetings in a reporting role. The CFO serves as company secretary. Other Group employees attend board meetings to present reports on specific issues when the Board deems it necessary.

At regular board meetings, the President gives an account of the Group's earnings and financial position, as well as an outlook for the coming quarter. In addition, risks in ongoing projects, investments, employee development, establishment of new operations, and acquisitions and divestments are also addressed. The business area presidents are invited to board meetings on a regular basis to make presentations on their respective operations.

### Ensuring the quality of financial reporting

The rules of procedure adopted each year by the Board include detailed instructions about which financial reports and financial information are to be provided to the Board. In addition to the year-end report, interim reports and the annual report, the Board reviews and evaluates extensive financial information pertaining to the Group as a whole and the various units included in the Group. The Board also addresses information about risk assessments, disputes and any improprieties that

may impact the Addnode Group's financial position. The Board also reviews, primarily through the Audit Committee, the most significant accounting policies applied in the Group pertaining to the financial reporting, as well as significant changes in the policies. The task of the Audit Committee includes reviewing reports about internal control and the processes for financial reporting.

The Group's auditors report to the Board when necessary, and at least twice per year. At least one of these reports is presented without the presence of the President or any other member of Group Management. The Group's auditors also participate in Audit Committee meetings when necessary. The Audit Committee reports to the Board after each meeting. All Audit Committee meetings are documented by minutes, which are available for all board members and the auditors.

### Evaluation of the Board of Directors

The Board performs an annual evaluation of its own work. The evaluation pertains to work methods and work climate, the focus of the Board's work, as well as access to and the need for specific expertise on the Board, in accordance with the requirements for diversity and breadth laid out by the Swedish Corporate Governance Code. The evaluation is used as a tool to develop the Board's work and is also used as documentation for nomination work by the Nomination Committee.

### Directors' fees

Fees paid to the AGM-elected board members are set by the AGM based on the recommendation of the Nomination Committee. For the period between the 2015 and 2016 Annual General Meetings, a set fee of SEK 350 thousand (340 thousand) is payable to the Chairman of the Board, and SEK 175 thousand (170 thousand) is payable to each of the other board members. In addition, a fee may be payable on account for special initiatives (consulting services, etc.) by board members within their respective competency areas, provided that such initiatives are approved in advance by the Chairman of the Board or by two board members. A fee of SEK 35 thousand (30 thousand) is payable to each of the two regular members of the Board's Audit Committee, and a fee of SEK 55 thousand (50 thousand) is payable to the Audit Committee chair. A fee of SEK 15 thousand (15 thousand) is payable to the members of the Remuneration Committee. A board member may be given the opportunity to invoice the director's fee provided that it is cost-neutral for the company and in accordance with applicable legal rules and recommendations. No other fees for work other than board assignments were paid in 2015. There are no agreements concerning pensions, severance pay or other benefits for board members.

### COMMITTEES

The Board has established a Remuneration Committee and an Audit Committee. The work of the committees is mainly of a preparatory and advisory nature, but the Board may delegate decision-making authority to the committees in special cases. Committee members and the committee chairs are appointed at each year's statutory board meeting.

#### Audit Committee

The Audit Committee's main task is to monitor the processes for Addnode Group's financial reporting and internal control in order to ensure the quality of external reporting. The Audit Committee's members are Jan Andersson (committee chair), Sigrun Hjelmquist and Kristofer Arwin.

The Committee's work includes:

- > Reviewing the financial statements and addressing accounting issues that impact the quality of the company's financial reporting
- > Monitoring the efficiency of internal control, including risk management, over financial reporting
- > Monitoring the audit and evaluating the work of the auditors
- > Evaluating the auditors' objectivity and independence
- > Assisting the Nomination Committee in making recommendations for auditors and auditors' fees.

#### Remuneration Committee

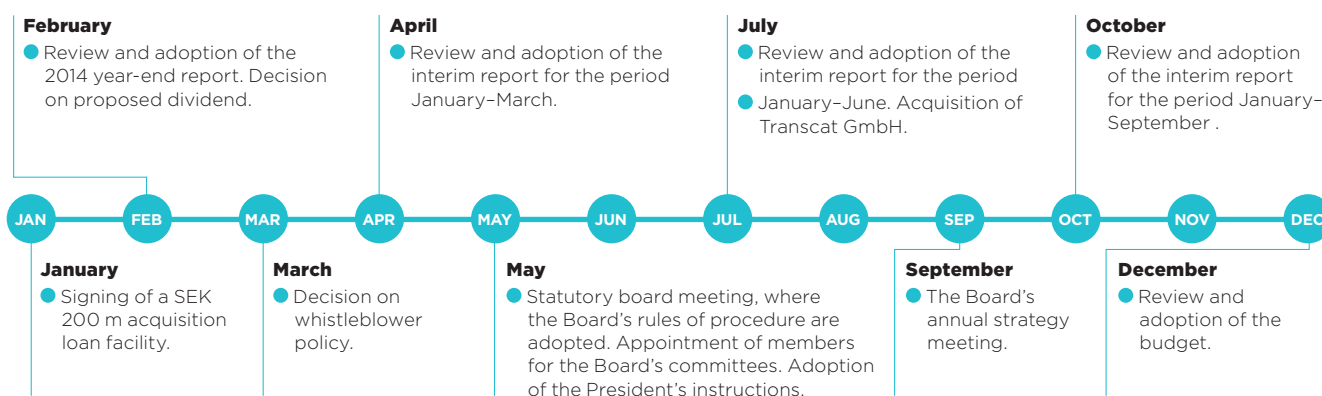
The Remuneration Committee's main task is to represent the Board on matters pertaining to remuneration and terms of employment for the President and other senior executives based on the guidelines for remuneration and terms of employment for the President and other senior executives adopted by the AGM. The Committee reports on its work to the Board on a regular basis.

The Remuneration Committee's members are Sigrun Hjelmquist, Chairman of the Board (committee chair), and board member Dick Hasselström.

### AUDITORS

At the 2015 Annual General Meeting, the chartered auditing firm PricewaterhouseCoopers AB (PwC) was re-elected, with Authorised Public Accountant Magnus Brändström as auditor-in-charge. Magnus Brändström has been an Authorised Public Accountant since 1995. To ensure fulfilment of the information and control requirements placed on the Board, the auditors report to the Audit Committee on a regular basis about all material accounting issues, as well as about any errors

### MAIN ITEMS OF BUSINESS FOR THE BOARD IN 2015:



## BOARD COMPOSITION AND MEETING ATTENDANCE 2015

Director	Function	Independent in relation to the company and company management/owners	Class A shares	Class B shares	Year elected to the Board	Attendance at board meetings
Sigrun Hjelmquist <sup>1</sup>	Chairman	No/No	—	2,000	2009	12/12
Jan Andersson	Member	No/No	—	15,000	2012	12/12
Kristofer Arwin	Member	No/No	—	2,180	2012	12/12
Dick Hasselström <sup>2</sup>	Member	No/Yes	361,667	7,695,164	2010	12/12
Annika Viklund	Member	No/No	—	1,000	2014	12/12
Thord Wilkne <sup>3</sup>	Member	No/No	—	435,000	2008	12/12
<b>Total</b>			<b>361,667</b>	<b>8,150,344</b>		

1) Including spouse's holding of 1,000 shares.

2) Via the company Vidinova AB and a privately owned endowment insurance policy.

3) Including spouse's holding of 35,000 shares.

All board members' holdings are reported as at 31 December 2015.

or irregularities. In addition, the auditors are invited at least twice per year, and when necessary, to participate in and report at board meetings. PwC submits an audit report for Addnode Group AB, for the consolidated financial statements and for the Board of Directors' and President's administration of Addnode Group AB. The auditors also review Addnode Group's nine-month interim report.

The fees paid by Addnode Group to the auditors, for both audit-related and other non-audit-related assignments, are specified in the annual report, Note 6, Auditors' fees.

### GROUP MANAGEMENT

#### President

The President is responsible for the day-to-day administration of the Group's operations in accordance with the Board's guidelines and instructions.

#### Group Management

The President has appointed a Group Management team as assistance, which in addition to the President comprises the CFO and head of the Design Management business area. The members of Group Management are responsible for implementing the Group's strategy in their respective areas and also have overarching responsibility for Addnode Group with respect to long-term and strategic matters, such as the Group's organisation, acquisitions, trademarks, investments and financing.

Every month a full-day meeting is held in which the agenda consists of discussions and decisions about the month's results, Group-wide projects and updates of forecasts and the business situation, development projects, acquisition candidates and other Group-wide strategic matters. In addition to these regular meetings, Group Management also regularly reviews matters as necessary. The President and other members of Group Management are presented on page 81.

#### Presidents

The four business areas Design Management, Product Lifecycle Management, Process Management and Content Management make up Addnode Group's operational structure. In accordance with adopted strategies, the presidents are responsible for the operations of their respective business areas and report to Addnode Group's President and CEO. The overarching management of the Design Management, Product Lifecycle Management and Process Management business areas is conducted by the respective boards of the business areas, which meet each quarter. The respective

business areas' boards include the President and CEO (Chairman), the CFO and the business area head. The business area's controller is permanently co-opted to the business area's board meetings, and other members of the business area's management participate when necessary. Management of the Content Management business areas is conducted via company boards, where either the President and CEO or the CFO serve as chairman.

### Remuneration of Group Management and other senior executives

Guidelines for remuneration of Group Management and other senior executives are decided by the AGM based on a recommendation by the Board of Directors. Remuneration of the President of the Parent Company is addressed and set by the Board's Remuneration Committee. Remuneration of other senior executives in the Group is addressed and set by the President of the Parent Company after consultation with the Board's Remuneration Committee. Share-based incentive programmes are decided on by the Annual General Meeting. The 2011 Annual General Meeting resolved to implement a share-savings programme for the Group's employees, which is presented below. Remuneration of the President and other senior executives is detailed in Note 5 of the 2015 Annual Report.

### SHARE-SAVINGS PROGRAMME

The Annual General Meeting on 4 May 2011 resolved to implement a share-savings programme for all employees of Addnode Group.

In brief, the programme entailed that in August 2014, participating employees, on condition that they had made their own personal investments in Addnode Group shares, could be granted Class B Addnode shares free of charge, consisting partly of matching shares and partly of performance shares. A requirement for participants to be entitled to receive matching shares was continued employment in the Group and that their investment in Addnode Group shares had remained intact up to the date of grant of the shares. In addition, grants of performance shares were conditional upon the Group achieving certain financial targets for the years 2011, 2012 and 2013. The financial targets for maximum grant of performance shares for 2011 and 2012 were achieved, but not for 2013. At the end of the enrolment period, a total of 303 employees had enrolled in the share-savings programme. During 2014, a total of 194,340 Class B shares were granted to employees in accordance with the share-savings programme. In January 2015 an additional 2,387 Class B shares were granted to participants in the share-savings programme, after which all obligations under this programme have been settled.

## Internal control over financial reporting

The Board of Directors has overarching responsibility for internal control over financial reporting. The Board has established an audit committee tasked with preparing the Board's work with control over the company's financial reporting. The following description has been prepared in accordance with the Swedish Corporate Governance Code and constitutes the Board's description of the company's system for internal control and risk management with respect to financial reporting.

### ADDNODE GROUP'S CONTROL ENVIRONMENT

Addnode Group's control environment includes the values and ethics that the Board, the President and Group Management communicate and work according to, as well as the Group's organisational structure, leadership, decision-making channels, authorisations and responsibilities, and the employees' expertise. The Board works continuously with risk assessment and risk management. Addnode Group's board has chosen to not establish a designated audit function for internal control. The Board is of the opinion that the existing organisation and existing control structures in Addnode Group enable effective operations, identify risks in the financial reporting and ensure compliance with applicable laws and regulations. The presidents and controllers regularly monitor compliance with the governance and control systems established by the company.

Responsibilities and authorisations are defined in instructions for authorisation rights, manuals, policies, routines and codes. A few examples include the Articles of Association, the Board's rules of procedure, the instructions for the division of duties between the President and the Board, the instructions for financial reporting, the finance policy, the information policy and the financial manual including its accompanying accounting manual.

These guidelines, together with laws and external rules and regulations, make up the control environment. All employees are required to follow these guidelines. The Board tests the relevance and pertinence of these instructions on a regular basis. Responsibility for continuously maintaining an effective control environment and the day-to-day work with internal control over financial reporting is delegated to the President. The Group's corporate governance is described on pages 73–77. Group Management and other senior executives have responsibility for internal control within their respective areas of responsibility.

### RISK ASSESSMENT

The Audit Committee continuously assesses the Group's risks and reports to the Board when necessary. The aim is to identify events in the market or in the Group's operations that could result in changes in the value of assets and liabilities. Another important part of risk assessment

involves staying abreast of changes in accounting rules and ensuring that any changes are correctly reflected in the financial reporting. The CFO is responsible for the preparatory work behind the Audit Committee's assessments and for operational monitoring of identified risks. A key aspect of risk assessment is the company's monthly financial reporting and the management reports that are submitted monthly by each business area president and their directly subordinate managers.

### CONTROL STRUCTURES

The company's control structures have been designed to manage the risks that the Board and management deem as being the most significant for the operations and the financial reporting. Addnode Group's control structures consist in part of an organisation with clear roles that facilitate an effective and suitable division of duties and responsibilities, and in part of instructions and specific control activities aimed at detecting or preventing risks for errors in the reporting in a timely fashion.

Examples of control activities include:

- > Clear decision-making processes and authorisation instructions for important decisions (e.g., purchases, investments, agreements, and acquisitions and divestments)
- > Monthly performance analyses with deviation monitoring against budgets and forecasts
- > Monthly risk assessments of all fixed-price assignments in excess of SEK 100,000
- > Monthly risk assessments of past due accounts receivable
- > Automatic controls in IT systems that are essential for the financial reporting and other analytical follow-ups and reconciliations

### MONITORING

Monitoring and testing of control activities are performed on a continuous basis to ensure that risks have been identified and addressed in a satisfactory manner. Monitoring is conducted both informally and formally, and involves reconciliation of monthly financial reports against budgets, forecasts and other set targets. Monitoring to ensure the effectiveness of internal control over financial reporting is conducted by the Board, the President, Group Management, the CFO and individuals in the Group's business areas and companies who are responsible for operations. The Audit Committee reviews reports on internal control as well as the financial reporting processes and analyses by the CFO. The auditors report to the Audit Committee in connection with their review of the nine-month interim report, the year-end report and the annual report. In addition, the Audit Committee and the auditors maintain regular contact.



## INFORMATION AND COMMUNICATION

Guidelines for the financial reporting are communicated to employees through targeted communication initiatives, regular information meetings with the Group's controllers and financial managers, and manuals, Group-wide policies and codes that are published on the Group's intranet. Such information includes methodologies, instructions and practical checklists, descriptions of roles and responsibilities, and overarching timetables for, e.g., budgets, forecasts, monthly reports, quarterly book-closings and work with the annual report. The CFO is responsible for ensuring that information and training activities are conducted on an ongoing basis with the heads of finance/accounting and administration in the various business areas. The effectiveness of this communication is followed up on a regular basis to ensure receipt of information. In addition, formal and informal channels are in place for employees to communicate important information with relevant recipients – ultimately the Board of Directors where necessary. For communication with external parties, an information policy lays out guidelines for how this communication may take place. The aim of the policy is to ensure correct and thorough compliance with all information obligations.

## FINANCIAL REPORTING AND INFORMATION

Addnode Group's routines and systems for the issuance of information aim to provide the market with relevant, reliable, correct and current information about the Group's performance and financial position.

Financial information is provided on a regular basis in the following ways:

- > Year-end and interim reports, which are published via press releases
- > Annual reports
- > Press releases on important news that could have a significant impact on the company's share price
- > Presentations for financial analysts, investors and the media on the same day that year-end and interim reports are published as well as in connection with the publication of other important information
- > Meetings with financial analysts and investors.

The Board monitors and ensures the quality of the financial reporting through instructions governing the division of duties between the President and the Board, instructions for financial reporting to the Board, and through the information policy. The Audit Committee is responsible for conducting preparatory work for the Board's work with control over the company's financial reporting. In addition, the Board ensures the quality of the financial reporting by thoroughly reviewing interim reports, the year-end report and the annual report at board meetings. The Board also reviews information about risk assessment, disputes and any irregularities. The Board has delegated responsibility to the executive management for ensuring the quality of press releases with financial content as well as presentation material in connection with meetings the media, owners and financial institutions.

Stockholm, 22 March 2016

**Sigrun Hjelmquist**  
Chairman of the Board

**Jan Andersson**  
Director

**Kristofer Arwin**  
Director

**Dick Hasselström**  
Director

**Annika Viklund**  
Director

**Thord Wilkne**  
Director

# BOARD OF DIRECTORS



**SIGRUN HJELMQUIST**

Täby, born 1956. Chairman of the Board, Remuneration Committee chair, member of Audit Committee.

**Education and experience:** Civil engineer, M. Sc. Engineering Physics from KTH Royal Institute of Technology. Active within the Ericsson Group 1979–2000, most recently as President of Ericsson Components AB. Investment manager at BrainHeart Capital 2000–2005. Currently executive partner at Facesso AB.

**Current assignments:** Chairman of Almi Invest Östra Mellansverige AB, Almi Invest Stockholm AB and Fouriertransform AB; Director of Eolus Vind AB, Ragnsellsföretagen AB, Technical University of Denmark and Nordic Iron Ore AB.

**Shareholding in Addnode Group:** 1,000 B shares, plus 1,000 B shares owned by spouse.



**JAN ANDERSSON**

Viken, born 1959. Director, Audit Committee chair.

**Education and experience:** Civil engineer with specialisation in computer technology. Co-founder of Readsoft and President 1991–2011.

**Current assignments:** Chairman of MilDef AB and Fast2 AB, director of Olivetree AB, TimeZynk AB and Bioactive Polymers AB, among other companies.

**Shareholding in Addnode Group:** 15,000 B shares.



**KRISTOFER ARWIN**

Sollentuna, born 1970. Director, member of Audit Committee.

**Education and experience:** B. Sc. Business Administration, Finance, Stockholm University. Co-founder of TestFreaks, a company that provides product ratings and review solutions to e-commerce customers in 10 international markets. CEO of TestFreaks 2006–2013, Chairman of TestFreaks since 2013. Founded the price comparison company Pricerunner in 1999 and served as the company's CEO until 2005, when the company was sold to the Nasdaq-listed company ValueClick.

**Current assignments:** Director of the listed company Unibet Group plc since 2008 and of Alertsec AB since 2007.

**Previous assignments:** Director of the listed company Tradedoubler AB 2007–2013.

**Shareholding in Addnode Group:** 2,180 B shares.



**DICK HASSELSTRÖM**

Stockholm, born 1949. Director and member of Remuneration Committee.

**Education and experience:** Civil engineer and D. Econ. Co-founder of Decerno and President 1984–2003. CEO of Decerno 2004–2010.

**Current assignments:** Director and Chairman of Z-City AB, directors of Vidinova AB and Verg AB.

**Shareholding in Addnode Group:** Via Vidinova AB 361,667 A shares and 7,059,783 B shares. Personal holding of 635,381 B shares.



**ANNIKA VIKLUND**

Stockholm, born 1967. Director.

**Education and experience:** MBA, Henley Business School; previously employed by IBM for 20 years in various positions.

**Current assignments:** Senior Vice President, Vattenfall, Distribution Business Area; Chairman and director of several Vattenfall subsidiaries.

**Shareholding in Addnode Group:** 1,000 B shares.



**THORD WILKNE**

Stockholm, born 1943. Director.

**Education and experience:** Secondary school economics degree. Co-founder of WM-data and CEO 1970–1997, Chairman 1998–2004.

**Current assignments:** Director of Rejlers AB and Temagruppen Sverige AB, among other companies.

**Shareholding in Addnode Group:** 400,000 B shares, plus 35,000 B shares owned by spouse.

**AUDITORS** At the 2015 Annual General Meeting, the chartered auditing firm PricewaterhouseCoopers AB (PwC) was re-elected, with Authorised Public Accountant Magnus Brändström as Auditor-in-Charge.

# GROUP MANAGEMENT AND OTHER SENIOR EXECUTIVES



## GROUP MANAGEMENT

### JOHAN ANDERSSON

Born 1974. CFO, head of business development and investor relations.

**Education and experience:** M.Sc. Econ., Uppsala University. Executive Management Programme, IFL/Stockholm School of Economics. Active in the Group since 2006, 15 years of experience in the IT industry, including financing and accounting, company transactions, capital markets and communication.

**Current assignments outside the Group:** Chairman of Teknik i Media Datacenter Stockholm AB.

**Shareholding in Addnode Group:** 55,973 B shares.

### STAFFAN HANSTORP

Born 1957. President and CEO of Addnode Group AB.

**Education and experience:** Civil engineer, KTH Royal Institute of Technology. Active in the Group since 2004, more than 30 years of experience as sales manager, marketing manager and CEO in IT sector. Founded Technia in 1994, which was acquired by Addnode Group in 2004.

**Current assignments outside the Group:** Chairman of Byggnadsfirman Viktor Hansson AB and of IT & telecom companies in Almega; director of the Confederation of Swedish Enterprise.

**Shareholding in Addnode Group:** Staffan Hanstorp owns 50 per cent of Aretro Capital Group AB, which owns 625,332 A shares and 3,154,624 B shares. Personal holding of 3,973 B shares.

### ROLF KJÆRNSLI

Born 1958. Head of Design Management business area.

**Education and experience:** M. Sc., civil engineer, Norwegian Institute of Technology. Active in the Group since 2005, more than 25 years of experience as head of R&D and as CEO in the IT industry.

**Current assignments outside the Group:** Chairman of WK Entreprenør AS.

**Shareholding in Addnode Group:** 79,498 B shares via companies.

## OTHER SENIOR EXECUTIVES

### JONAS GEJER

Born 1963, CEO of TechniaTranscat AB, President of Product Lifecycle Management business area.

**Shareholding in Addnode Group:** Jonas Gejer owns 50 per cent of Aretro Capital Group AB, which owns 625,332 A shares and 3,154,624 B shares. Personal holding of 3,973 B shares.

### ANDREAS WIKHOLM

Born 1974, President of Process Management business area.

**Shareholding in Addnode Group:** 13,459 B shares.

### RONNY GUSTAVSSON

Born 1960, Senior Group Controller.

**Shareholding in Addnode Group:** 5,973 B shares.

# AUDITORS' REPORT

To the Annual General Meeting of Addnode Group AB (publ),  
corporate identity number 556291-3185

## REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

We have audited the annual accounts and consolidated accounts of Addnode Group AB (publ) for the year 2015, except for the corporate governance statement on pages 73–81. The annual accounts and consolidated accounts of the company are included in the printed version of this document on pages 33–71.

### Responsibilities of the Board of Directors and the President for the annual accounts and consolidated accounts

The Board of Directors and the President are responsible for the preparation and fair presentation of these annual accounts and consolidated accounts in accordance with International Financial Reporting Standards, as adopted by the EU, and the Annual Accounts Act, and for such internal control as the Board of Directors and the President determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

### Auditor's responsibility

Our responsibility is to express an opinion on these annual accounts and consolidated accounts based on our audit. We conducted our audit in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the annual accounts and consolidated accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the annual accounts and consolidated accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation and fair presentation of the annual accounts and consolidated accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and the President, as well as evaluating the overall presentation of the annual accounts and consolidated accounts.

### Opinions

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company as of 31 December 2015, and of its financial performance and cash flows for the year then ended, in accordance with the Annual Accounts Act, and the consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the group as of 31 December 2015, and of its financial performance and cash flows for the year then ended, in accordance with IFRS, as adopted by the EU, and the Annual Accounts Act. Our opinions do not cover the corporate governance statement on pages 73–81. The statutory administration report is consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the annual meeting of shareholders adopt the income statements and balance sheet for the parent company and the group.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the proposed appropriations of the company's profit or loss and the administration of the Board of Directors and the President of Addnode Group AB (publ) for the year 2015. We have also conducted a statutory examination of the corporate governance statement.

### Responsibilities of the Board of Directors and the President

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss, and the Board of Directors and the President are responsible for administration under the Companies Act and for ensuring that the corporate governance statement on pages 73–81 has been prepared in accordance with the Annual Accounts Act.

### Auditor's responsibility

Our responsibility is to express an opinion with reasonable assurance on the proposed appropriations of the company's profit or loss and on the administration based on our audit. We conducted the audit in accordance with generally accepted auditing standards in Sweden. As a basis for our opinion on the Board of Directors' proposed appropriations of the company's profit or loss, we examined the Board of Directors' reasoned statement and a selection of supporting evidence in order to assess whether the proposal is in accordance with the Companies Act.

As a basis for our opinion concerning discharge from liability, in addition to our audit of the annual accounts and consolidated accounts, we examined significant decisions, actions taken and circumstances of the company in order to determine whether any member of the Board of Directors or the President is liable to the company. We also examined whether any member of the Board of Directors or the President has, in any other way, acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Furthermore, we have read the corporate governance statement and based on that reading and our knowledge of the company and the group we believe that we have a sufficient basis for our opinions. This means that our statutory examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden.

### Opinions

We recommend to the annual meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Directors and the President be discharged from liability for the financial year.

A corporate governance statement has been prepared, and its statutory content is consistent with the other parts of the annual accounts and consolidated accounts.

Stockholm, 5 April 2016  
PricewaterhouseCoopers AB

**Magnus Brändström**  
Authorised Public Accountant  
Auditor-in-Charge



# DEFINITIONS

## **AVERAGE NUMBER OF EMPLOYEES**

Average number of full-time employees during the period.

## **SHAREHOLDERS' EQUITY**

Reported shareholders' equity plus untaxed reserves less deferred tax at the current tax rate.

## **CAPITAL EMPLOYED**

Total assets less noninterest-bearing liabilities and noninterest-bearing provisions including deferred tax liabilities.

## **NET SALES PER EMPLOYEE**

Net sales/average number of full-time employees.

## **EBITA**

Earnings before amortisation and impairment of intangible non-current assets.

## **EBITA MARGIN**

EBITA as a percentage of net sales.

## **OPERATING MARGIN**

Operating profit as a percentage of net sales.

## **PROFIT MARGIN**

Profit before tax as a percentage of net sales.

## **RETURN ON EQUITY**

Net profit for the period attributable to owners of the Parent Company as a percentage of average shareholders' equity attributable to owners of the Parent Company.

## **RETURN ON CAPITAL EMPLOYED**

Profit before tax plus financial expenses as a percentage of the average capital employed.

## **EQUITY/ASSETS RATIO**

Shareholders' equity (including shareholders' equity attributable to non-controlling interests) as a percentage of total assets.

## **ACID TEST RATIO**

Current assets excluding inventories as a percentage of current liabilities.

## **NET DEBT**

Interest-bearing liabilities less cash and cash equivalents and other interest-bearing receivables. According to this definition, a negative level of net debt means that cash and cash equivalents and other interest-bearing financial assets exceed interest-bearing liabilities.

## **DEBT/EQUITY RATIO**

The sum of interest-bearing current and non-current liabilities, as well as deferred tax liabilities in relation to shareholders' equity.

## **INTEREST COVERAGE RATIO**

Profit before tax plus interest expenses as a percentage of interest expenses.

## **SHARE OF RISK-BEARING CAPITAL**

Reported shareholders' equity (including shareholders' equity attributable to non-controlling interests) and deferred tax liabilities in untaxed reserves as a percentage of total assets.

## **EARNINGS PER SHARE**

Net profit for the period attributable to owners of the Parent Company/average number of shares outstanding.

## **SHAREHOLDERS' EQUITY PER SHARE**

Shareholders' equity attributable to owners of the Parent Company shareholders/total number of shares outstanding.

## **P/E MULTIPLE**

Share price in relation to earnings per share.

## **SHARE PRICE/SHAREHOLDERS' EQUITY**

Share price in relation to shareholders' equity per share.

## **CASH FLOW PER SHARE**

Cash flow from operating activities/average number of shares outstanding.



# GLOSSARY OF INDUSTRIAL TERMS

## **BIM - BUILDING INFORMATION MODELLING**

IT systems for 3D digital representation and information processing in, e.g., buildings and facilities.

## **CAD - COMPUTER AIDED DESIGN**

IT systems for design and construction of products, buildings and facilities.

Using a CAD system, designers can visualise their designs, ensure defect-free construction and improve documentation for all aspects of the manufacturing process.

## **CONTENT MANAGEMENT**

One of our business areas. Provides websites, collaboration tools for companies and organisations, and contact and prioritisation solutions for customer service.

## **DESIGN MANAGEMENT**

One of our business areas. Provides software and services for design and construction for the construction and property sectors, infrastructure society, manufacturing industries and the marine sector. One of northern Europe's leading providers of such solutions.

## **ECM - ENTERPRISE CONTENT MANAGEMENT**

Business systems for processing the type of information associated with a company's processes. Examples of processes and systems include document and case management, e-archives, geographical information systems and web solutions.

## **FM - FACILITY MANAGEMENT**

A collective name for spaces, infrastructure and people within an organisation, and often associated with administration of properties, office buildings and hotels.

## **GIS - GEOGRAPHICAL INFORMATION SYSTEMS**

IT systems for geographical information that analyse and present the results with map data as a foundation. The term GIS is not to be interchanged with "geographical information", such as a map symbol or line representing a road. GISs are used to create, edit and research land area.

## **OPEN SOURCE**

Open source, or open software, is a computer program in which the source code is freely accessible for anyone to use, read, modify or further distribute.

## **PDM - PRODUCT DATA MANAGEMENT**

A tool for tracing and controlling components and data about a given product. Used mainly to ensure that the technical specifications during an entire development and manufacturing process are the same for all people working with the project. PDM is commonly used in conjunction with PLM systems.

## **PLM - PRODUCT LIFECYCLE ANAGEMENT**

One of our business areas. Provider of software and services for product data information. One of Europe's leading providers.

The PLM market can be divided into three different segments:

- > Tools for creating, analysing, visualising, modelling and documenting information about products, buildings and facilities. CAD programs are one of the most commonly used tools in this work.
- > Tools for capturing, managing, sharing, visualising and enabling collaboration. PLM systems are one of the most commonly used tools in this work.
- > Tools for planning processes, resources, production layout, and for analysis and simulation of production processes.

## **PROCESS MANAGEMENT**

One of our business areas. Provider of IT systems for document and case management. One of Sweden's and Norway's leading providers to municipal administrations and authorities.

## **SAAS - SOFTWARE AS A SERVICE**

A model for offering software as a service, where users gain access to the applications via the Internet, i.e., without themselves having the system, service or program installed on their own computers or servers.

# ADDRESSES

## ADDNODE GROUP

Hudiksvallsgatan 4 B  
SE-113 30 Stockholm  
Tel: +46 8 506 66 210  
www.addnodegroup.com

### Business area: Design Management

5D Systemkonsult AB  
Bruksgatan 17  
SE-632 20 Eskilstuna  
Tel: +46 16 13 55 00  
www.5d.se

CAD-Q AB  
Korta Gatan 7  
SE-171 54 Solna  
Tel: +46 8 704 22 00  
www.cad-q.se

CAD-Q A/S  
Robert Jacobsens Vej 70  
DK-2300 Copenhagen  
Denmark  
Tel: +45 5577 8383  
www.cad-q.dk

CAD-Q OY  
Äyritie 8 B  
FI-01510 Vantaa  
Finland  
Tel: +358 9 5422 6500  
www.cad-q.fi

CAD-Q AS  
Forskningsparken Hus 5  
Gaustadalléen 21  
NO-0349 Oslo  
Norway  
Tel: +47 22 02 07 00  
www.cad-q.no

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Norway  
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Regent Centre  
Gosforth  
Newcastle Upon Tyne  
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United Kingdom  
Tel: +44 191 223 3400  
www.symetri.co.uk

### Business area: Product Lifecycle Management

TECHNIA TRANSCAT AB  
Isafjordsgatan 15  
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750  
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www.techniatranscat.com

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Tel: +49 72197043-0  
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www.techniatranscat.com

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Zámocká 30  
81101 Bratislava  
Slovakia  
Tel: +421 4151392-00  
www.techniatranscat.com

### Business area: Process Management

ABOU AB  
Hudiksvallsgatan 4 B  
SE-113 30 Stockholm  
Tel: +46 8 737 05 70  
www.abou.se

ARKIVA AB  
Brandthovdagatan 9  
Box 217  
SE-721 06 Västerås  
Tel: +46 21 18 70 10  
www.arkiva.se

CARTESIA AB  
Storgatan 28  
SE-921 31 Lycksele  
Tel: +46 950 120 05  
www.cartesia.se

DECERNO AB  
Electrum 234  
SE-164 40 Kista  
Tel: +46 8 630 75 00  
www.decerno.se

IDA INFRONT AB  
S:t Larsgatan 18  
Box 576  
SE-581 07 Linköping  
Tel: +46 13 37 37 00  
www.idainfront.se

KARTENA AB  
Vasagatan 45  
SE-411 37 Göteborg  
Tel: +46 31 777 77 90  
www.kartena.se

MITTBYGGE AB  
Storgatan 26  
SE-352 31 Växjö  
www.mittbygge.se

PROSILIA AB  
Hudiksvallsgatan 4 B  
SE-113 30 Stockholm  
Tel: +46 8 20 29 50  
www.prosilia.se

TEKIS AB  
Box 315  
SE-731 27 Köping  
Tel: +46 221 168 70  
www.tekis.se

### Business area: Content Management

MOGUL AB  
Hudiksvallsgatan 4 B  
SE-113 30 Stockholm  
Tel: +46 8 506 66 100  
www.mogul.com

MOGUL GÖTEBORG AB  
Vasagatan 45  
SE-411 37 Göteborg  
Tel: +46 31 339 34 50  
www.mogul.com

VOICE PROVIDER AB  
Hudiksvallsgatan 4 B  
SE-113 30 Stockholm  
Tel: +46 8 525 080 00  
www.voiceprovider.se

For other local  
addresses, please refer  
to each company's  
website.

# INFORMATION FOR ADDNODE GROUP'S SHAREHOLDERS

## Annual General Meeting

The Annual General Meeting of Addnode Group AB (publ) will be held on Thursday, 28 April 2016, at 6:00 p.m. (CET), at the Bonnier Conference Centre, Torsgatan 21, Stockholm. The doors will open at 5:00 p.m.

Shareholders who wish to participate must be listed in the shareholder register kept by Euroclear Sweden AB not later than Friday, 22 April 2016.

## Notification

Notification must be made to the company not later than Friday, 22 April 2016.

Notification should include the shareholder's name, personal identity number or corporate identity number, address, telephone number, as well as the name(s) of any accompanying assistants (maximum of two). Representatives and proxies for legal entities are requested to present authorisation documentation prior to the AGM. Power of attorney forms are available from Addnode Group's website: [www.addnodegroup.com](http://www.addnodegroup.com).

## Notification to attend Addnode Group's Annual General Meeting may be made in any of the following ways:

### By letter sent by post to:

Addnode Group AB  
Hudiksvallsgatan 4B  
SE-113 30 Stockholm

### By telephone:

+46 (0) 8 506 66 210

### By e-mail:

[lena.ottesen@addnodegroup.com](mailto:lena.ottesen@addnodegroup.com).

## Trustee-registered shares

To be able to participate at the AGM, shareholders whose shares are trustee-registered through a securities institution or other trustee must temporarily re-register their shares in their own name in the shareholder register kept by Euroclear Sweden AB. Such re-registration, so-called voting registration, must be executed not later than Friday, 22 April 2016, which means that shareholders must inform the trustee of their voting registration in ample time prior to this date.

## Dividend

The Board of Directors proposes that the Annual General Meeting approve a dividend of SEK 2.25 per share.

## Financial information

Interim reports, annual reports and Addnode Group's press releases are available at [www.addnodegroup.com](http://www.addnodegroup.com). To request printed versions, please contact:

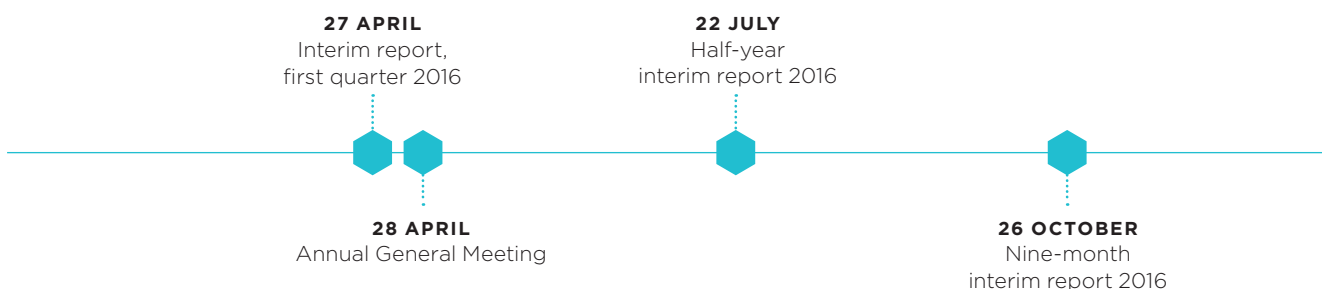
Addnode Group AB  
Investor Relations  
Hudiksvallsgatan 4 B  
SE-113 30 Stockholm  
Sweden

## SHAREHOLDER CONTACTS

Please contact us if you have questions or views.

CFO and IR Manager, Johan Andersson  
Direct: +46 (0)8 506 66 214  
Mobile: +46 (0)704 20 58 31  
[johan.andersson@addnodegroup.com](mailto:johan.andersson@addnodegroup.com)

## Financial calendar 2016



# ADDNODE GROUP

5D SYSTEM

ADDNODE GROUP

ABOU

ADDNODE GROUP

ARKIVA

ADDNODE GROUP

CARTESIA

ADDNODE GROUP

DECERNO

ADDNODE GROUP

IDA INFRONT

ADDNODE GROUP

INFUSEIT

ADDNODE GROUP

JOINT COLLABORATION

ADDNODE GROUP

KARTENA

ADDNODE GROUP

MITTBYGGE

ADDNODE GROUP

MOGUL

ADDNODE GROUP

PROSILIA

ADDNODE GROUP

SYMETRI

ADDNODE GROUP

TECHNIA TRANSCAT

ADDNODE GROUP

TEKIS

ADDNODE GROUP

VOICE PROVIDER

ADDNODE GROUP



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