

ADDNODE  
IT SOLUTIONS  
ENABLING  
YOUR BUSINESS  
TO GROW



EXTRACT FROM  
ANNUAL REPORT 2009

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This document is a short version of Addnode's Annual Report 2009, and is a translation of parts of the Swedish original version. In the event of any discrepancy between this translation and the Swedish original version, the Swedish version shall prevail. For the complete Annual Report 2009, please refer to the Swedish original version.



**Entrepreneurship** and Addnode go hand in hand. Our flair for **business** and **feel for building long-term relationships** sets us apart.



### ANNUAL GENERAL MEETING

The annual general meeting (AGM) for Addnode AB (publ) will be held on Tuesday April 27, 2010 at 1:30 PM at the Bonnier Conference Center, Torsgatan 21, Stockholm, Sweden. Doors open at 1 PM. Shareholders that wish to participate in the AGM must be registered in the Euroclear Sweden AB (formerly VPC AB) share register by Wednesday April 21, 2010.

### REGISTRATION

Notification of attendance must be made no later than Wednesday April 21, 2010 by one of the following:  
Telephone: +46 8 506 66 210  
E-mail: lena.ottesen@addnode.com  
Postal mail: Addnode, "AGM", Hudiksvallsgatan 4, 113 30 Stockholm, Sweden.

The notification should include the shareholder's name, civil registration number or corporate ID, address, telephone number, and number of assistants (maximum two). Proxies and representatives of legal entities are requested to submit proof of registration or other authorization documentation in advance. Proxy forms are available via Addnode's website at [www.addnode.com](http://www.addnode.com).

### NOMINEE-REGISTERED SHARES

To be entitled to participate in the AGM, shareholders whose shares are nominee-registered through a securities institution or other nominee must temporarily register their shares in the Euroclear share register in their own name. This procedure, voting rights registration, must be effected no later than Wednesday April 21, 2010; nominees should be well informed before this date.

### DIVIDEND

At the AGM, the Board will propose a dividend of SEK 1.50 per share for 2009.

### FINANCIAL INFORMATION

Interim reports, financial statements and press releases from Addnode are available at [www.addnode.com](http://www.addnode.com) and can be ordered from Addnode AB, Investor Relations, Hudiksvallsgatan 4, 113 30 Stockholm, Sweden. The Annual Report in print is sent on request and is always available at [www.addnode.com](http://www.addnode.com).

### SHAREHOLDER CONTACTS

Please contact us if you have any questions or comments.

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investor relations manager  
Phone: +46 (0)8 506 66 214  
Mobile: +46 (0)704 20 58 31  
[johan.andersson@addnode.com](mailto:johan.andersson@addnode.com)

### UPCOMING DATES

- **Annual General Meeting 2010, April 27, 2010**
- **Interim report Q1 2010, April 22, 2010**
- **Interim report Q2 2010, July 20, 2010**
- **Interim report Q3 2010, October 22, 2010**

For Addnode, 2009 was a challenging year. In a difficult market situation, we increased sales of services. We helped our customers become more efficient and reduce their costs. We also adjusted our own costs and staffing. After two tough quarters, we ended 2009 with a Q4 EBITA margin of 9.6%. The market continues to be tough, but we receive continuous recognition for our solutions and know-how.

## 2009 in brief

- **Net sales amounted to SEK 989.4 million (1,025.1).**
- **EBITA amounted to SEK 65.7 million (113.4), an EBITA margin of 6.6% (11.1).**
- **Earnings per share after tax amounted to SEK 1.81 (4.18).**
- **Equity per share amounted to SEK 25.40 (24.98).**
- **Cash flow from operating activities amounted to SEK 65.5 million (115.9).**
- **Net cash amounted to SEK 103.8 million (101.1).**
- **The board proposes that the AGM approve a dividend of SEK 1.50 per share (1.50).**

SEK million unless otherwise specified	2009	2008	2007
Net sales	989.4	1,025.1	795.0
EBITA	65.7	113.4	86.5
EBITA-margin, %	6.6	11.1	10.9
Operating profit	48.7	98.2	73.6
Operating margin, %	4.9	9.6	9.3
Tax <sup>1</sup>	-2.0	-11.9	-1.9
Profit before tax	42.8	92.0	45.5
Cash flow from operating activities	65.5	115.9	106.5
Earnings per share, SEK	1.81	4.18	2.03
Dividend per share, SEK	1.50 <sup>2</sup>	1.50	1.35
Equity per share, SEK	25.40	24.98	22.50
Net cash	103.8	101.1	136.7
Equity/assets ratio, %	66	60	59
Debt/equity ratio, times	0.05	0.05	0.06
Average no. of employees	643	565	463
Total employees at period's end	646	733	532

<sup>1</sup> Addnode has a low effective tax rate because operating profits can be offset against loss carry-forwards.

<sup>2</sup> The board's proposal to the AGM.

Addnode is a Nordic IT Group and market leader in its targeted market segments. We are a thinking company that encourages and rewards entrepreneurship and creativity. As a result, we have created an expanding Group that has proven its ability to develop new business and operations.

# We build and manage IT solutions

Addnode is a Nordic IT Group that develops and manages IT solutions.

Our solutions are based on proprietary platforms and software applications, and platforms from other well-known market leading suppliers.

Our strategy is to focus on our target segments and become the market leader. Our four business divisions work with such individually recognized brands as Cad-Q, Technia, Ida Infront and Mogul.

### Nordic operation with recurring customers

The Addnode Group operates mainly in Sweden, Norway and Finland. In 2009, the Group ran customer projects in thirty countries. Customers are from private and public sectors, and some major customers include Ericsson, Nokia Siemens, Scania, Skanska, SKF, Sony Ericsson, Sweco, the Swedish

Armed Forces, the Swedish National Police Board and the Swedish Television Company (SVT).

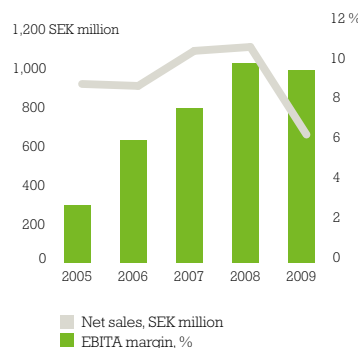
### Efficient acquisition process

Acquisitions are important to Addnode's development. In 2003–2009, about 20 completed acquisitions had a positive impact on Group growth. The process Addnode uses to analyze, implement and integrate acquisitions is well tested. The aim is to structure the acquisition process and ensure high quality in completed acquisitions.

### Financial objectives

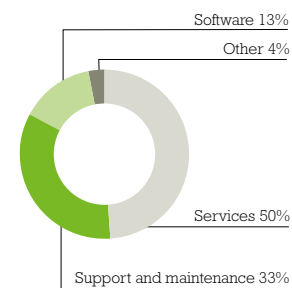
Operating margin before depreciation, amortization and impairment loss of intangible assets (EBITA margin) should total 7–10% over a business cycle. The EBITA margin for fiscal year 2009 amounted to 6.6 (11.1)%.

### From SEK 295 million to SEK 989 million



During 2005–2009, net sales increased by 234% from SEK 295 million to SEK 989 million. This advance represents an average annual growth of 35%. The sharp global economic slowdown and measures to restore profitability affected outcome in 2009.

### Business model with recurring revenue streams



Addnode's business model comprises services in the form of projects, a high proportion of license revenue, and recurring revenue from support and maintenance contracts.

## Leading positions in four business divisions



### **Design Management**

Design Management supplies IT solutions for creation and management of digital models and drawings. The solutions are based on products from world-leading Autodesk as well as Addnode's proprietary products and systems. Customers are active in the manufacturing, construction and real estate industries and in the public sector.

Share of Group net sales in 2009.

**34%**



### **Product Lifecycle Management**

Product Lifecycle Management supplies platforms for planning and management of product information throughout a product's lifecycle. The solutions are based on software from Dassault Systemes and components developed in-house. Most customers operate global in industries such as telecom, manufacturing, medical technology, consumer products, retail and construction.

Share of Group EBITA before corporate expenses in 2009.

**35%**



### **Process Management**

Process Management develops business-critical case management systems and security solutions. Solutions are based largely on the iipax™ product family that offers advanced features for long-term electronic archives, document and case management, advanced e-services and secure information transfers. Customers operate mainly in the public sector, and the defense, banking and finance industries.

**12%**

**34%**



### **Content Management**

Content Management develops non-industry-specific online solutions to boost sales, improve customer service and streamline internal efficiency. Customer deliveries are usually solutions such as public websites, intranet portals, extranets, and e-commerce and business support. The assignments generally include integration with back-end systems as well as operation and maintenance.

**26%**

**13%**

“ Our shareholders should not have to wait eight more years for the next billion.





# An updated, smarter ensemble

I might as well say it first as last. 2010 will be tough. But compared to a year ago, we have a broader, well-polished offer and a slimmer organization. And that is an important difference. Opportunities for growth and to take new market share could not really be better.

## **Crisis demonstrates the strength of our business model**

With many customers in the export-dependent industrial sector, it's no wonder that Addnode was also affected by the intensely impaired business climates of 2008 and 2009. We met the declining market primarily in two ways. We helped our customers become more efficient and streamline their costs. We also adjusted our own costs and staff. It was rarely as important to put the concept into action of being close to the customer as it was in 2009, and seldom has the strength of Addnode's business model with long customer relationships and many support and maintenance agreements been so clear. Despite entering 2010 with a clear increase in customer activity compared to 2009, we are careful not to get ahead of ourselves. It's too early to say that the danger is over. But our customers are beginning to discuss more offensive initiatives.

## **More efficient with a broader offering**

Addnode entered the recession at full speed and managed the adjustment well because of it. Even though in retrospect we could have adjusted operations even earlier, I am proud of the work we've done at Addnode and the way we met the new market situation. Our efforts may not have been especially noticeable from the outside, but they were decisive in putting us in the position we occupy today. We are a more efficient organization with a broader offer and lower cost position.

## **Acquisition window opening wider**

Addnode is financially strong, which offers many possibilities in our ambition to grow through acquisitions. We know what we want to buy, and I am convinced that we will sit down at the bargaining table with several interesting companies in the near future. Addnode has a lot of experience with acquisitions and has an ability to generate new energy and momentum in our acquired companies.

## **From zero to a billion in eight years**

Addnode has had very good growth during its eight-year history. We did the right things and had a clear-cut

plan for growth where the expansion of our business areas has been a natural catalyst. But despite good growth, there is still a lot to do, especially in the neighboring Nordic countries. Today, the Swedish market constitutes 72% of our sales. We are convinced that there is great potential for Addnode in the Nordics, and in the future, outside the Nordics. Addnode has gone from zero to a billion in sales in eight years. Our shareholders should not have to wait eight more years for the next billion.

## **A year of self-awareness**

For Addnode, 2009 was a year in which we looked inward and outward. We made changes in the operations that needed it, and we made the right changes. It may sound like a cliché, but I believe we learned a lot in 2009. We performed the necessary analyses on operations to bring up our efficiency in everything we do. As we enter 2010, we do it with greater knowledge of what we are good at, where our customers are, and what remains to be done. We are now focusing our efforts entirely outward to the market and will work even harder for what is and will always be the foundation of Addnode's success: building solutions that provide a clear business advantage to our customers.

STAFFAN HANSTORP  
President and CEO

Entrepreneurship is a distinct Addnode characteristic. Our goal is to be one of the leading IT companies in the Nordics. A clear-cut strategy, cutting-edge solutions and a business model that provides recurring streams of revenue have made us into a profitable company with growth potential.

# We know where we're going and how to get there

## BUSINESS CONCEPT

Addnode's business concept is to build a Nordic IT company with a leading position in selected market segments. We create added value for customers, employees and shareholders by building and administering IT solutions that realize business opportunities and streamline operations. A leading position, the right expertise and technical platforms create conditions for sustained profitability and growth through hard, continuous work with the most demanding customers.

## STRATEGIES

### **Leading position in selected market segments**

We are convinced that a leading position in selected market segments creates conditions for sustained profitability and growth. As segment leader, our work is with the most demanding customers, we attract qualified employees, and external platform and product owners consider us desirable partners.

### **Balance**

Addnode strives for balance between customers, industries and geographic areas. Customers are in the public sector and industries such as telecom, banking and finance, medical technology, construction and property management, technical consultants, media, manufacturing industries and consumer products. In 2009, Addnode's 20 biggest customers comprised 28% of Group net sales.

### **Business model with recurring revenue**

Addnode sells, builds, delivers and administers IT solutions. We have a business model with services in the form of projects with a large amount of licensing revenue along with recurring revenue in the form of support and maintenance agreements. The IT solutions we build and administrate are based on platforms developed by us or by other market leaders.

### **Multi-brand strategy**

We approach the market through several well-known brands on each submarket. Examples are Cad-Q, Technia, Ida Infront and Mogul.

### **Decentralized, dynamic organization**

Addnode has a decentralized organization with innovative employees. Efficient procedures for integrating new operations into the Group are an important aspect of our organization. Where it is commercially justified, we create synergies and partnerships within the organization. We continuously monitor the organization and take advantage of perceived growth potential by breaking up or merging entire operations or parts of operations.

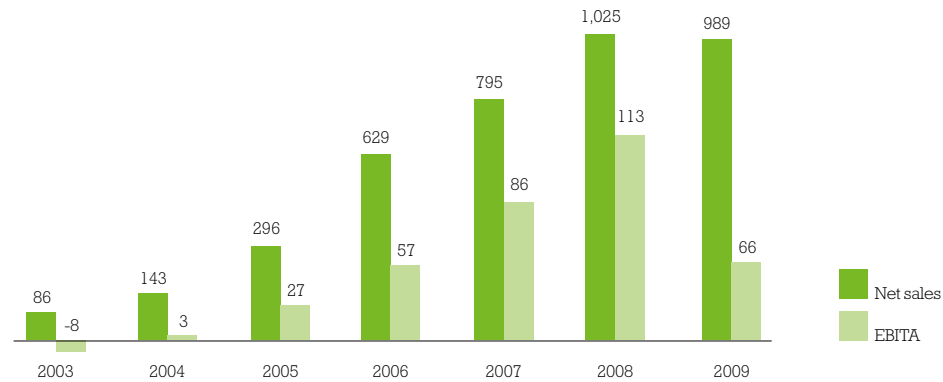
### **Profitable growth**

Addnode is a growth company with the aim to grow while sustaining profitability. Net sales increased from SEK 86.4 million in 2003 to SEK 989.4 million in 2009—on average, an annual growth of 50%.

# +900

Net sales increased by SEK 900 million between 2003 and 2009.

Financial growth 2003–2009, SEK million



**Acquisitions**

Addnode develops its operations and reinforces its existing positions via acquisitions. Ever-increasing demands for streamlining mean that customers search for suppliers who, through their range of services and size, can help customers realize business opportunities and streamline operations. So, acquisitions play a central role in Addnode's growth. Between 2003 and 2009, Addnode made more than 20 acquisitions, which contributed positively to Group growth.

**Efficiency**

Efficiency in everything we do is a requirement for a leading IT company that strives to drive advancement. At Addnode, efficiency means continuously improving our procedures and methods in all areas, such as sales, development, delivery, accounting and administration. This makes our position stronger and improves our competitiveness.

**Leading market positions in four areas**



**Design Management**



**Product Lifecycle Management**



**Process Management**



**Content Management**

**Financial goals**

Over a business cycle, our goal is an operating margin before depreciation and impairment of intangible assets (EBITA margin) of 7%–10%. EBITA margin in fiscal 2009 was 6.6% (11.1).

**Dividend policy**

Addnode's dividend policy is that 50% of consolidated earnings after tax should be distributed to shareholders, provided that net cash is sufficient for running and developing the operation. The board's proposal to the 2010 AGM is that SEK 1.50 per share be distributed.

Acquisitions are a key part of Addnode's development. The majority of the acquisitions have been from entrepreneurs who have subsequently remained active in the Group. We use a tried and tested process to analyze, implement, and integrate corporate acquisitions.

# A finely tuned six-step acquisition process

01

## IDENTIFICATION

The Addnode Group has a well-established network of customers, technology platform owners, competitors, advisers and other market players. This provides a good platform for identification of potential acquisitions. Small acquisitions are often identified at the business area level, while the Group president and the business development manager focus on identifying candidates for larger strategic acquisitions.

02

## ANALYSIS

Potential acquisitions are analyzed on the basis of several established parameters. These include business model, market position, customers, competitors, strategic and technical direction of the operations, repetitive elements in the product range, financial position, history, and the continued commitment of key personnel. The analysis aims to minimize the operational and financial risk associated with an acquisition.

03

## DISCUSSION

Addnode continually conducts discussions with a large number of acquisition candidates.

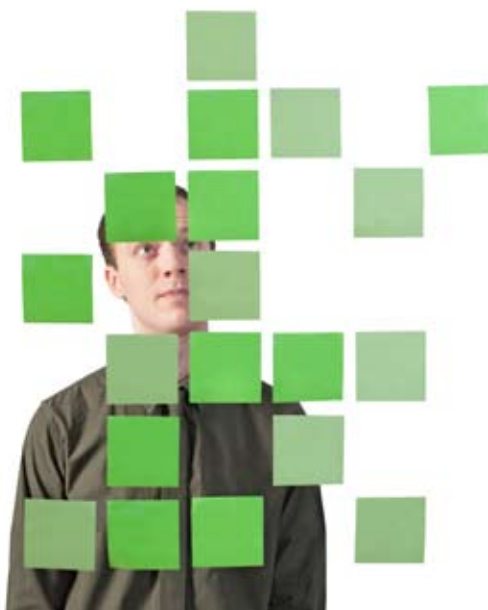
A successful acquisition is based on mutual respect between the buyer and seller, which takes a long time to build up — sometimes several years. The foundation for an acquisition that is a success for all parties involved is laid in these discussions.

04

## NEGOTIATION

The primary aims of the negotiation phase are to ensure:

- That the acquisition can be implemented according to a transaction model and at a price that makes the acquisition a value-creating deal.
- The continued commitment of key personnel after the acquisition. In cases where these key staff are partners in the company being purchased, an acquisition structure involving an additional purchase price is generally used. Key employees are therefore given incentives to continue working in the Group to contribute to further value creation.



“ Addnode has extensive experience of acquisitions through its purchase of about 15 companies since 2005. These acquisitions account for a large proportion of the Group’s growth.

05

## VERIFICATION

Due diligence, a structured verification of the assumptions on which the decision to intend to acquire the company is based, is carried out in conjunction with the negotiation.

06

## INTEGRATION

An acquisition is not complete when the agreement is signed—Addnode’s previous acquisitions show that a clear plan for necessary post-acquisition work is one of the crucial factors for a successful acquisition. Openness and transparency towards the acquired organization, starting in the discussion phase, are prerequisites for success.

## EXAMPLES OF ACQUISITIONS

### Technia

Addnode acquired Technia in 2004. At the time of acquisition, the operation had sales of SEK 125 million and 90 employees, compared to SEK 279 million in sales and 167 employees in 2009. Growth has taken place organically and through additional acquisitions. Technia is the hub of the Product Lifecycle Management business area.

### Cad-Q

Addnode acquired Cad-Q in 2005. At the time of acquisition, the business had sales of SEK 240 million and 110 employees, compared to SEK 335 million in sales and 133 employees in 2009. The company’s growth has largely taken place organically, but also via small acquisitions. Cad-Q is the hub of the Design Management business area.

### Ida Infront

Addnode acquired Ida Infront in 2006. At the time of acquisition, the business had sales of SEK 60 million and 53 employees, compared to SEK 115 million in sales and 74 employees in 2009. Growth has taken place organically and through a small acquisition. Ida Infront is the hub of the Process Management business area. affärsområde Process Management.

Addnode offers IT solutions in four business divisions with good opportunities for growth. Our IT solutions aid customers in streamlining internal processes, developing operations, and increasing sales.

# Our offers are becoming increasingly business-critical

## EFFECTIVE IT SOLUTIONS

Addnode is an IT group that helps organizations, authorities, and companies in a variety of industries to boost the efficiency of their internal processes, develop operations, and increase sales. Addnode's main geographic market is the Nordics; the company uses a project-oriented working method. Addnode offers IT solutions based on its own platforms as well as on software and platforms developed by other well-known market leaders.

Our strategy is to become a market leader by focusing on selected segments. We are organized in four business divisions with individually recognized brands such as Cad-Q, Technia, Ida Infront, and Mogul.

## UNDERLYING TRENDS FUEL GROWTH

### Design Management

Customer demand is driven by a greater awareness of the significance of design for how well consumers and professional users receive a product. Product models and drawings must be reusable to achieve a cost-effective product development process. This requires new technologies and linked technology concepts that support the creation, management and archiving of models and drawings—technologies and concepts that Addnode can deliver.

### Product Lifecycle Management

Globalization entails a greater physical distance between the parties involved in developing new products. Two tools for tackling these challenges successfully are a structured development process and the possibility to cooperate and share product data within an organization and with sub-contractors. This makes completely new demands for working methods and powerful IT support that can manage and structure information and processes over a product's lifecycle.

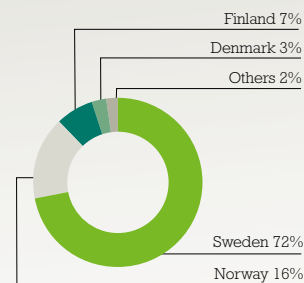
### Process Management

With limited resources, the private and public sectors are trying to improve service to customers and citizens. This requires automation of manual routine tasks to free up resources. Investments in powerful IT support are necessary to achieve this. The development of digital management and growth of web solutions give central and local government the substantial challenge of combining the principle of public access to official records with information security. That's why efforts are prioritized that can contribute to better general conditions for information security, which is one of our knowledge areas.

### Content Management

Demand is principally driven by our customers' desire to increase internal and external access to products, services, and information using modern web applications. Today the internet is more than just an information channel: it is also a key component in the processes of companies and organizations. In the Group we have detailed knowledge of how to utilize the full potential of web technology to both realize business and operation processes and strengthen brands on the web.

## Net sales per market in 2009



## BROAD CUSTOMER BASE

Addnode has a broad customer base from the private and public sectors. Its 20 largest customers accounted for 28% of net sales in 2009. The Group's major customers include Ericsson, Nokia Siemens, Scania, Skanska, SKF, Sony Ericsson, Sveriges Television (public service company), Sweco, the Swedish Armed Forces, and the Swedish National Police Board.

“ We are convinced that a leading position in selected market segments creates conditions for sustainable profitability and development.

**Leading positions on major markets**



BUSINESS AREA	<b>Design Management</b>	<b>Product Lifecycle Management</b>	<b>Process Management</b>	<b>Content Management</b>
BRANDS	Cad-Q	Technia	Ida Infront	Mogul och Cartesia
SALES IN 2009, SEK MILLION	335	279	115	269
MARKET POSITION	The Nordic region's largest and leading supplier of IT solutions for creating and managing digital models and drawings.	The Nordic region's and one of Europe's leading suppliers of platform solutions for creating and managing all product information throughout a product's lifecycle.	Case management systems and security solutions that are critical to operations and are designed for the public sector.	One of Sweden's leading suppliers of industry-independent solutions on the internet for improving sales, customer service, and internal efficiency.
CUSTOMER INDUSTRIES	Manufacturing industry, building and construction, real estate management, and public sector.	Telecom, manufacturing industry, medical technology, retail, and consumer products.	Public sector, the armed forces, and the banking and financial sector.	Media, telecom, banking and financial services, public sector, forest industry and manufacturing industry, transport, and credit information companies.
EXAMPLES OF CUSTOMERS	AB Volvo, ABB Fastigheter, Akademiska hus, Aker, Asplan Viak, Dark, Ericsson, Euromaint, Lundbergs, National Oilwell Varco, Ramböll, Sandvik, Skanska, SSAB, Statoil, Sweco, Tengbom, the University of Gothenburg, Vital Eiendom, WSP, and ÅF	Akva Group, Ericsson, ESAB, GAP, GE Healthcare, Haglöfs, Kalmar industries, Mölnlycke Health Care, Nokia, OKG, Oticon, Quicksilver, Seco Tools, Skanska, Sony Ericsson, SSAB, Telenor Cinclus, and Vattenfall.	Alecta, AMF Pension, Collectum, Danica, Nordea, Nutek, the Prosecutor-General, the Swedish National Agency for Higher Education, the Swedish National Courts Administration, the Swedish National Police Board, the Swedish Social Insurance Agency, and the Swedish Tax Agency.	Bisnode Informatics, DinDel, Eniro, Familjebostäder, Nordnet, Rörviks Timber, SCA, Skandiabanken, SKF, Stena, Stora Enso, SvD, Svensk Byggtjänst, SVT, Tele2, the Swedish Transport Administration (formerly the Swedish Road Administration), and Viking Line.
COMPETITORS	Small local retailers of software from Autodesk, as well as retailers of other software platforms such as Siemens and Dassault Systèmes.	Platform developers such as Siemens, SAP, and PTC, as well as local service providers and software and platform retailers.	Program suppliers such as Formpipe and Software Innovation, as well as larger IT companies including Accenture, Logica, and EDB.	Small local IT consultants and web agencies and larger IT consultancies, for instance, Know IT, Valtech, and HiQ.

At Addnode, decision-making paths are short. We are close to our customers, so the business-critical decisions that we make are based on good knowledge of our customers' requirements — synergies, knowledge and experience, all benefit our customers.

# Ambitious plans require clear-cut roles

## **An organization for growth**

Entrepreneurship is a defining characteristic at Addnode. We create synergies and cooperation among the Group's various divisions where such is justified from a business aspect. The strategy is to keep Group operations separate from each other to enable entrepreneurship and decision-making where it is needed—but also to integrate at a level that allows us to take advantage of Group size and strength in our development of client relations and employee growth. This has created an organization with short decision-making paths that allows us

to make business-critical resolutions close to our customers and the market.

## **Operational management**

The CEO is responsible for the Group's long-term development and ongoing administration. The president has appointed a group management team to assist the CEO. The CEO and members of group management are presented on page 49. Group management handles ongoing matters such as the Group's financial trends, development projects, acquisition candidates, leadership and skills

maintenance, and other strategic questions. The parent company has operational managers for Group-wide issues such as business development, company acquisitions and disposals, skills enhancement and recruitment, financial reporting and control, taxes, financing, and finance-market communication.

Division managers are responsible for their areas. Marketing, sales, deliveries, management and control with full performance responsibility are driven by each division according to the established business plan.

## **BRIEF SUMMARY**

The Addnode Group is based on a number of underlying values that embody the Group's operations. The values inspire and challenge Addnode's employees in their aspiration to build a successful company that creates added-value. These values include:

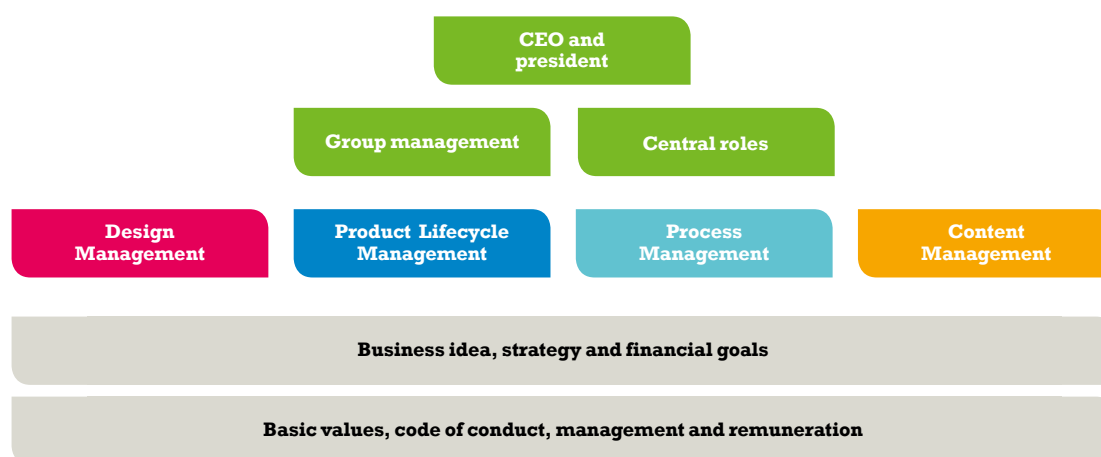
- Knowledge of customers' sectors, operations and processes—as important, or more so, than technical expertise.
- A long-term approach—essential for commitment.
- Inquisitive, committed and creative employees—we find solutions.
- Employees who are happy and constantly develop—add value for customers and company.

## **HOW WE DO BUSINESS**

Our guiding principle is to always act in a manner that is in the long-term interests of our primary contacts: customers, employees, owners and partners.



“ The Addnode organization has short decision-making paths with business-critical decisions close to customers and the market. We create synergies among Group operations where such is justified from a business aspect.



## HOW WE BEHAVE AND ACT

### Business principles

- We act within the framework of laws and international conventions. We respect and observe competition rules, environmental legislation, labor-market laws, agreements and safety requirements, and other regulations that set frameworks for our operations. Should the principles in this code of conduct be in conflict with applicable law, the prevailing legislation shall apply.

- We shall always maintain high business morals and observe good business practice in all questions. This includes that adopted undertakings shall be realized – and that undertakings that cannot be realized shall not be made. Bribes or other remuneration that could influence objectivity in business decisions are not acceptable.
- We handle confidential and sensitive information from customers and partners with the highest ethical demands, and shall never use such information for gain, either privately or for closely affiliated parties.

- The Addnode Group's financial transactions shall always be reported in accordance with generally accepted accounting principles, and such reporting shall disclose each transaction's nature and character in a correct and non-misleading manner. Addnode's accounts shall be open, truthful, relevant, and intelligible and issued at the requisite date.

### Human rights and working conditions

- We work actively for multiplicity and equality with regard to gender, ethnic origin, age, outlook on life, and lifestyle, while competence, character and performance shall be decisive for recruitment and promotion.
- We do not accept any form of mental or physical punishment, threat of punishment, discrimination in recruitment or work, bullying at the workplace, or sexual or other forms of harassment.

Addnode employees have a clear **flair for business** and a great **feeling for order**.  
But we wouldn't be where we are today without a bit of **madness**.



Addnode is a knowledge-intensive and innovative group whose success is based on its employees' commitment, skills and experience. Addnode employees develop by working with the latest technology in challenging and interesting projects for demanding customers. One explanation of our success is that our employees choose to stay with us and continue to develop within the Group.

# Employees

## Employee statistics 2009

- Average number of employees: 643 persons (565)
- Total number of employees on December 31: 646 persons (733)
- Gender spread: 18% women, 82% men (18/82)
- Educational level: 83% post-secondary education, 66% university-college education
- Average length of employment: 7 years
- Total personnel costs: SEK 478 million (428)

## Natural knowledge transfer

Most skills enhancement at Addnode occurs in the workplace. Employees with different skill sets meet regularly

to exchange knowledge and experiences. The proximity to colleagues with other proficiencies, contacts and experiences contributes to each person's own development and creates added-value in their daily work—a value enhancement that benefits the individual, the company, and the client.

## Will, ambition and drive

When Addnode recruits, the most important personal qualities are will, ambition and drive. At the same time, it is important to maintain a good balance in age and experience. So we recruit the best newly qualified graduate engineers and systems scientists while we embrace experienced employees. In a nutshell, we endeavor

to recruit the best people, make them even better, and then ensure that they are happy and stay with us.

## Loyal employees

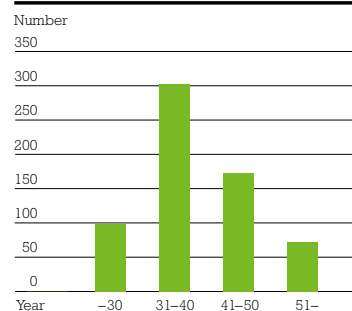
One explanation of our success is that our employees choose to stay with us and continue to develop within the Group. We offer our employees exacting tasks with the latest technology, progressive projects, and exciting and demanding customers. We work actively with career and leadership development, and prioritize internal recruitment of managers. But career planning is not only about leadership. It is also important to offer employees development opportunities and new challenges. Our size makes it pos-

sible for us to give our employees the opportunity to work in challenging projects within different market segments and technology areas.

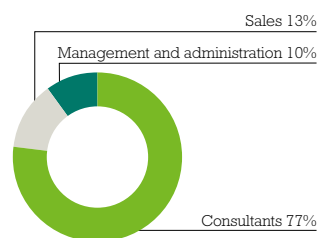
## Our customers praise us

The best reward from a client is their renewed trust and confidence. But a client's confidence must be constantly earned. We believe that it is important to measure and evaluate everyone's performance in everything we do, partly to involve all employees and partly to develop an understanding of what is to be achieved and of our ability to fulfill our goals—or even exceed expectations.

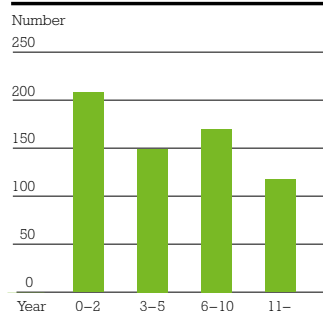
## Age spread 2009



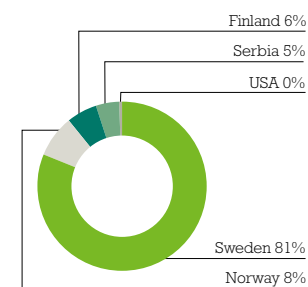
## Employees by category 2009



## Length of service 2009



## Employees by country 2009



**The Addnode share** Addnode's Class B share is listed on NASDAQ OMX Nordic Small Cap, where it trades under the symbol ANOD B. On December 31, 2009, there were 6,207 shareholders, and the proportion of foreign-owned shares was 7.7%. Institutional ownership accounted for 24.3%, of which equity funds represented 19.9%.

**Price movements**

At year-end 2009, the Addnode share was listed at SEK 23.80—a rise of 13% for the year. The highest price paid in 2009 was SEK 26.50 (April 17, 2009) and the lowest was SEK 19.20 (July 28, 2009). Market capitalization at year-end amounted to SEK 563 million, compared with SEK 495 million at year-end 2008. In 2009, there were 11,028,908 shares traded—an average daily turnover per trading day of 43,940 shares.

**Share data**

The number of registered shares in Addnode on December 31, 2009 was 23,645,408 of which 1,053,247 were Class A shares and 22,592,161 were

Class B shares. Each Class A share carries the right to 10 votes and each Class B share, 1 vote. Addnode's shares are denominated in SEK, and the nominal value per share is SEK 12. All shares are fully paid. All shares carry the same right to a part of the Company's earnings and assets.

**Ownership structure**

The adjoining table lists the largest shareholders in Addnode AB on December 31, 2009, on which date there were 6,207 shareholders.

**Incentive programs**

Addnode has no share-based incentive programs.

**Dividend policy**

Addnode's policy is to distribute 50% of Group profit after tax, provided that net cash resources are sufficient to operate and develop business activities.

**Proposed dividend**

The Board of Directors proposes that the 2010 AGM resolve to pay a dividend of SEK 1.50 per share. The proposed dividend totals approximately SEK 35 million. Based on the average stock-market price in 2009 of SEK 22.90, the proposed dividend represents a direct return of 6.6%.

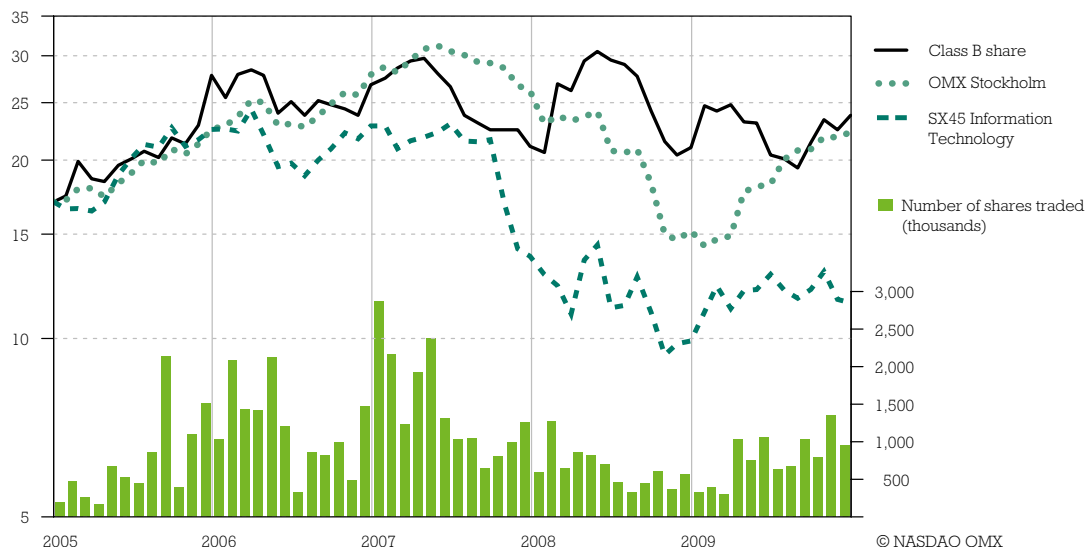
**Analysts and further information**

Analysts who regularly monitor Addnode include Erik Kramming, Redeye; Johan Edberg, Remium; and David Jacobsson, Öhman.

**Investor relations**

Addnode pursues a long-term strategy in its communication toward the capital market. One important aspect is providing shareholders, institutional investors, analysts, media and other interested parties with open, reliable and correct information about Addnode's activities and financial development. Any queries or thoughts should be addressed to our IR manager, Johan Andersson, by phone at +46 (0)8 506 66 214 or via [ir@addnode.com](mailto:ir@addnode.com). Tools for processing key figures, interviews, analyses and other financial information about Addnode are available at [www.introduce.se](http://www.introduce.se).

**Share-price trends and share turnover**



**Shareholders**
**December 31, 2009**

Owner	No. of Class A shares	No. of Class B shares	% of capital	% of votes
Aretro Capital AB <sup>1</sup>	425,332	3,289,624	15.7	22.8
Decernogruppen	231,667	2,624,783	12.1	14.9
Staffan Johansson	110,000	376,123	2.1	4.5
Robur Fonder	0	1,448,542	6.1	4.4
Magnus Fredlund	110,000	349,000	1.9	4.4
Mats Åkesson	110,000	176,123	1.2	3.9
Länsförsäkringar Småbolagsfond	0	1,103,717	4.7	3.3
Multiple Choice Företagsservice	66,073	150,412	0.9	2.4
Försäkringsaktiebolaget Avanza Pension	0	743,270	3.1	2.2
Johan Petrini	0	735,239	3.1	2.2
Other shareholders	175	11,595,328	49.0	35.0
<b>Total</b>	<b>1,053,247</b>	<b>22,592,161</b>	<b>100.0</b>	<b>100.0</b>

<sup>1</sup> Jointly owned by Staffan Hanstorp and Jonas Gejer

**Distribution of shareholdings on December 31, 2009**

Holding	No. of shareholders	% of capital	% of votes
1–500	4,675	2.2	1.6
501–1 000	688	2.6	1.8
1 001–2 000	338	2.4	1.7
2 001–5 000	245	3.5	2.5
5 001–10 000	113	3.6	2.6
10 001–20 000	55	3.6	2.5
20 001–50 000	54	6.9	4.9
50 001–100 000	14	3.9	2.8
100 001–500 000	16	19.1	24.4
500 001–1 000 000	5	13.6	9.7
1 000 000 –	4	38.6	45.4
<b>Total</b>	<b>6,207</b>	<b>100.0</b>	<b>100.0</b>

**Share data**

	2009	2008	2007	2006	2005
Average number of outstanding shares, millions <sup>1</sup>	23.6	22.0	22.4	21.6	17.6
Total number of shares, millions <sup>1</sup>	23.6	23.6	22.4	22.4	21.2
Earnings per share from remaining operations, SEK	1.81	4.18	3.28	1.96	1.14
Earnings per share from discontinued operations, SEK	–	–	–1.25	2.78	1.30
Total earnings per share, SEK	1.81	4.18	2.03	4.74	2.44
Equity per share, SEK	25.40	24.98	22.50	23.45	18.56
Dividend per share, SEK	1.50 <sup>2</sup>	1.50	1.35 <sup>4</sup>	3.30 <sup>4</sup>	–
Share price at year-end, SEK	23.80	21.00	21.10	26.80	27.80
P/E	13	5	10	6	11
Share price/equity	0.94	0.84	0.94	1.14	1.50
Cash flow per share	2.77	5.26	4.75	2.23	2.28 <sup>3</sup>

**Addnode's share capital history**

Year	Transaction	No. of shares after transaction	Total share capital after transaction, SEK
2000	New share issue—upon redemption of employee options program	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 share issue—for the companies acquired in 2000	18,766,817	1,876,681
2000	New share issue—in conjunction with the broadening of ownership	21,266,817	2,126,681
2000	Withdrawal of shares/reduction of share capital	18,365,626	1,836,562
2002	Stock dividend issue—in conjunction with the change in nominal share value	18,365,626	2,203,875
2003	Non-cash share issue—acquisition of 100% of Teknik i Media Sv AB	477,029,244	57,243,509
2003	Non-cash share issue—acquisition of 97% of Cartesia Informations-teknik AB	757,023,700	90,842,844
2003	Reverse split of shares 1:100	7,570,237	90,842,844
2003	Non-cash share issue—acquisition of 74.85% of Mogul Holding AB	8,493,512	101,922,144
2003	Non-cash share issue—acquisition of 15.3% of Mogul Holding AB and 1.9% of Cartesia Informations-teknik AB	8,728,013	104,736,156
2004	Non-cash share issue—acquisition of 100% of Technia Holding AB	17,227,984	206,735,808
2005	Non-cash share issue—acquisition of 100% of Cad-Quality i Sverige AB and Cad-Quality AS	21,227,984	254,735,808
2006	Non-cash share issue—acquisition of 100% of Ida Infront AB	22,427,984	269,135,808
2008	Non-cash share issue—partial payment on acquisition of Strand Interconnect AB	23,550,698	282,608,376
2009	Non-cash share issue—partial payment on acquisition of Strand Interconnect AB	23,645,408	283,744,896

<sup>1</sup> There are no outstanding option or convertible programs that entail dilution.

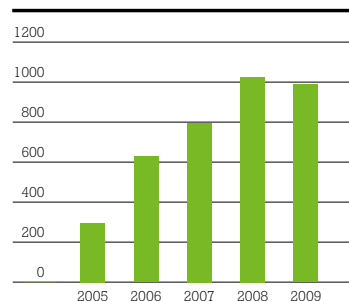
<sup>2</sup> Per the proposal of the Board of Directors.

<sup>3</sup> The year 2005 also includes discontinued operations.

<sup>4</sup> In 2007, the ordinary dividend was SEK 1.00 per share, and SEK 0.35 per share was distributed as additional dividend. In 2006, the ordinary dividend was SEK 0.90 per share, and SEK 2.40 per share was distributed as additional dividend in conjunction with the sale of the Financial business division.

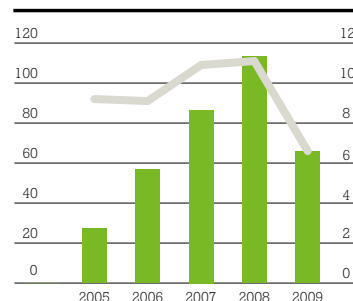
# Five-year overview

## Net sales SEK million



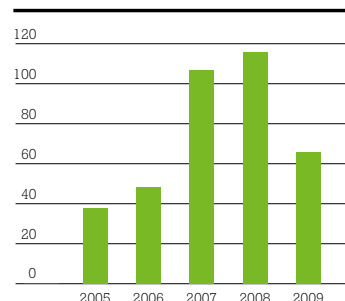
Net sales rose by 234% during the five-year period, from SEK 295 million in 2005 to SEK 989 million in 2009. This trend corresponds to average annual growth of 35%.

## EBITA SEK million %



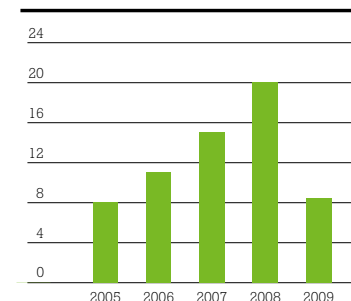
The EBITA margin improved each year between 2005 and 2008. A poorer economic climate and measures to restore profitability affected earnings in 2009. The Group's goal is an EBITA margin of 7–10% over a business cycle.

## Cash flow from operating activities SEK million



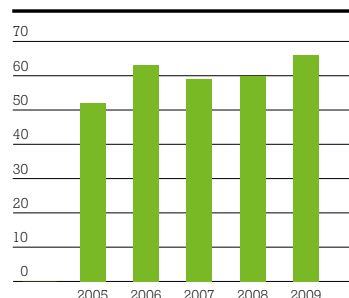
Addnode's business model with support and maintenance contracts means that the operating activities tie up relatively little capital. Historically, cash flow from operating activities has been on a par with EBITA.

## Return on capital employed %



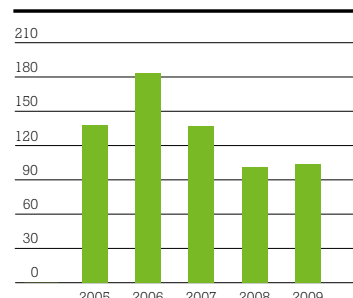
Return on capital employed increased from 8 to 20% in 2005–2008; in 2009 lower profitability affected the return.

## Equity/assets ratio %



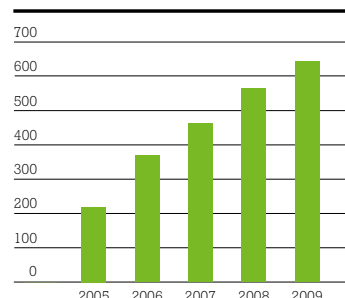
The Group's equity/assets ratio is good and has not been below 50% during any year.

## Net cash SEK million



Addnode has no interest-bearing liabilities. The decline in net cash in 2007 and 2008 is attributable to acquisitions paid in cash, dividends, and buy-backs of own shares.

## Average number of employees SEK million



The number of employees has increased as a result of the powerful expansion.

## Acquisitions

The Group has mainly grown organically, but also through the acquisition of new companies adding competence and skilled employees. Addnode made about 15 acquisitions during the period. The major acquisitions include Cad-Q (2005), Ida Infront (2006), and Strand Interconnect (2008).

## Discontinued operations

Disposals took place during the period, aiming to streamline and focus the operation:

- Addnode disposed of the Danish operation in the former Financial business area in 2005 and disposed of the rest of the business area in 2006.
- Addnode disposed of and phased out operations in the former Media business area in 2007, which largely comprised operation, support, and training. Net profit/loss from the discontinued operations' operating profit/loss to the date of disposal and capital gains or losses on their disposal, is recognized as "Profit/loss from discontinued operations".

<b>Group, continuing operations</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>
<b>Income statement (SEK million)</b>					
Net sales	295.6	628.7	795.0	1,025.1	989.4
of which outside Sweden	68.5	158.0	191.0	268.9	278.5
Operating profit before depreciation/amortization	30.0	64.2	96.1	126.6	78.7
EBITA	27.1	56.9	86.5	113.4	65.7
Operating profit	23.0	48.4	73.6	98.2	48.7
Net financial items	0.5	0.3	1.8	5.8	-3.9
Profit before tax	23.5	48.8	75.4	104.0	44.8
Tax	-2.8	-6.5	-1.9	-11.9	-2.0
Profit/loss from discontinued operations	23.8	61.9	-28.0	-	-
Profit for the year	44.5	104.2	45.5	92.0	42.8
<b>Balance sheet (SEK million)</b>					
Intangible non-current assets	363.9	345.4	388.3	461.5	452.1
Property, plant, and equipment	24.4	20.3	27.2	28.5	19.8
Non-current financial assets	30.0	81.3	80.3	63.3	74.6
Inventories	3.7	6.3	1.8	1.2	0.8
Other receivables	188.2	271.0	252.0	316.9	259.7
Cash and bank balances	151.4	116.7	110.6	101.5	103.8
Total assets	761.6	841.0	860.0	972.8	910.9
Equity	397.6	525.9	504.7	588.4	600.6
Provisions	83.6	69.7	73.3	26.4	7.9
Borrowings, interest-bearing	15.0	10.2	7.3	3.2	1.0
Other liabilities, non-interest-bearing	265.4	235.2	274.7	354.8	301.4
Total equity and liabilities	761.6	841.0	860.0	972.8	910.9
<b>Cash flow</b>					
Cash flow per share, SEK	2.3	2.2	4.8	5.3	2.8
Cash flow from operating activities	37.5	48.3	106.5	115.9	65.5
Cash flow from investing activities	3.8	-53.3	-22.6	-58.7	-26.7
Cash flow from financing activities	-43.1	-4.7	-77.2	-67.2	-37.7
<b>Yield indicators</b>					
Change in net sales, %	107	113	26	29	-3
Return on capital employed, %	7.7	11.0	14.8	19.9	8.4
Return on equity, %	14.8	23.8	9.1	17.8	7.3
EBITA margin, %	9.2	9.1	10.9	11.1	6.6
Operating margin, %	7.8	7.7	9.3	9.6	4.9
Profit margin, %	7.9	7.8	9.5	10.1	4.5
<b>Financial indicators</b>					
Interest coverage ratio, times	22.8	71.0	162.2	103.3	139.1
Equity/assets ratio, %	52	63	59	60	66
Debt/equity ratio, times	0.13	0.07	0.06	0.05	0.05
Net debt, SEK million	-138.0	-183.1	-136.7	-101.1	-103.8
Acid test ratio, %	122	161	118	119	132
Equity, SEK million	397.6	525.9	504.7	588.4	600.6
Equity per share, SEK	18.6	23.5	22.5	25.0	25.4
Proportion of risk-bearing capital, %	54	64	60	62	68
<b>Personnel</b>					
Number of employees on 31 December	326	424	532	733	646
Average no. of employees	219	369	463	565	643
Net sales per employee, SEK thousand	1,350	1,704	1,717	1,814	1,539





Leading positions in  
four business divisions



Business division Design Management



# Design

IT solutions for the creation and management  
of digital models and drawings



### Operations and offering

In the Design Management Division, operations are conducted under the Cad-Q brand with offices in Sweden and Norway. Cad-Q is the largest Nordic actor in its field and one of the largest in Europe. The offering includes development of working and design methods, software deployment, training, support and IT support.

Cad-Q services are often business-critical for customers and mainly concern design, product development, manufacturing, technical documentation and efficient publication of drawing-related information.

Solutions are based on the Autodesk platform, proprietary applications and systems, and other related products. Design Management's offering targets three market segments: manufacturing, construction and civil engineering, and property management.

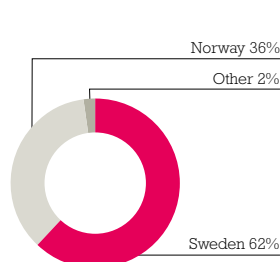
### Manufacturing

Addnode's Design Management Division offers manufacturing customers modern modeling and production tools that support design, product development, production and technical documentation.

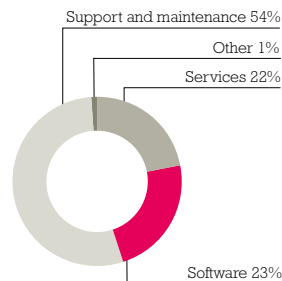
Design Management staff has the expertise to provide total solutions covering the entire chain from customer communication and planning to design and efficient production.

*Construction and civil engineering*  
Design Management's offering to construction and civil engineering customers includes IT support for the entire building process. Services on offer optimize planning, visualization and communication. Efficient modeling tools provide customers with support during all phases of planning, design and documentation, and manage all information through a common construction model.

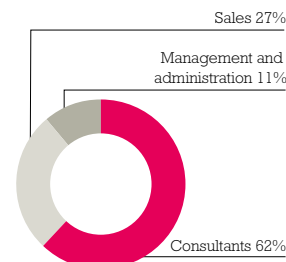
Net sales by market, 2009



Net sales by revenue type, 2009



Employees by function, 2009



Key figures

Amounts in SEK million	2009	2008	2007
Net sales	335.2	358.6	294.1
EBITA	28.1	31.3	21.8
EBITA margin, %	8.4	8.7	7.4
Operating profit	27.1	30.3	21.6
Operating margin, %	8.1	8.4	7.3
Average number of employees	133	129	114



“ Behind customer demand is greater customer awareness of the significance of design for a product’s success

*Property management*

Based on staff expertise in property lifecycles, Design Management delivers support systems from early phases—such as planning—to operation and management. A turnkey project for property owners includes everything from design support, templates and project hubs, to complete management of digital drawing archives.

**Market and customers**

The Design Management Division conducts operations in Sweden and Norway. The customer list holds about 2,000 active customers, including a long list of leading Nordic companies. Some examples include AB Volvo, ABB Fastigheter, Akademiska hus, Aker, Asplan Viak, Dark, Ericsson, Euromaint, Finndomo, Graflunds, University of Gothenburg, Lundbergs, Multiconsult,

National Oilwell Varco, Ramböll, Sandvik, Skanska, SSAB, Statoil, Sweco, Tengbom, Vital Eiendom, WSP and ÅF.

**Design and reusability support growth**

Customer demand for IT systems that support design and planning are driven by a greater awareness of the significance of design for a product’s success among consumers and professional users. Today’s customers design everything from cars, forklifts, clothing and vacuum cleaners to houses, highways and bridges. Cost-effective product development requires reuse of product models and drawings. This necessitates new technologies and interrelated technology concepts that support modeling and reuse of previous experiences, which Design Management at Addnode can deliver.

**Success factors**

- Long experience and solid knowledge of customers’ industries.
- Keenly aware, innovative employees who understand design, planning and production.
- Broad, competitive product portfolio.
- Large customer base with good reference projects
- One of the largest CAD system suppliers in the Nordic region and Europe



**Micasa Fastigheter owns and manages assisted living housing for the City of Stockholm. The company manages 130 buildings, most of which are custom built, with a total area of about 1,000,000 square meters. When Micasa Fastigheter was founded in 1999, the buildings were scattered among several municipal companies. It was difficult to get a good overview of the property portfolio.**

## Space is important for Micasa Fastigheter

Micasa Fastigheter engaged Cad-Q to create a solution that collected all building plans. Cad-Q began by gathering and organizing the large quantity of drawings and other documents related to the buildings. The material was classified and organized in a digital archive that was made easily accessible via a web interface.

### Good foundation for continued development

The archive of gathered, standardized drawings created new opportunities to actively work with analysis and development of building premises. Digitizing the drawings made the archive extremely useful. For example, exact calculations could be made directly on the drawings. This capability made large efficiency gains possible.

"We can now get information about our buildings quickly," says Stina Karlemyr, technical manager at Micasa Fastigheter. "For example, we can break out and compare various types of key figures, which is helpful in our efforts to improve efficiency of building management. We also save money, since much of the work can be done in front of the computer."

### Both internal and external access

The drawing archive can be accessed from any computer through a web interface. Consequently all information about the buildings, such as function descriptions for installations and clas-

sification of various types of surfaces in the premises, is easily accessible to anyone who needs the information, whether within Micasa Fastigheter or among external consultants and contractors.

"Accessibility is a plus; it is tremendously helpful that people who need to access the drawing archive can do so. Everything is right at your fingertips since you see it directly on the drawings."

The extensive project has been relatively complex, with high quality standards.

"There have been many challenges, especially because of the large quantity of data. But through good communication and involvement from Cad-Q, we've been able to achieve our target for the project."

### Integration with Projektnavet

In addition to the drawing archive, Micasa Fastigheter is working with Projektnavet, Cad-Q's tool for management of the building process. Using some unique solutions, Cad-Q integrated Projektnavet with the digital drawing archive. Extensive discussions between Micasa Fastigheter and Cad-Q during the project influenced development of the Projektnavet tool.

"We felt that we had much to contribute to the development of Projektnavet, and Cad-Q has been responsive to our ideas, which naturally leaves a favorable impression," concludes Stina Karlemyr.





# PLM

Platform solutions for the creation and management of all product information throughout the lifecycle of a product.



**Operations and offering**

In the Product Lifecycle Management (PLM) Division, operations are conducted under the Technia brand with offices in Sweden, Finland, Norway and the United States. Technia is currently one of the leading suppliers of PLM solutions and strategic partner to several global leaders. The offering includes the entire PLM strategy implementation process—from analysis of business processes, problem analysis, and preparation and training of the organization to system implementation, startup and maintenance.

The solutions are largely based on Dassault Systemes’ platform and proprietary plug-in components.

**PLM—a strategy for success**

A well-supported and implemented PLM strategy enables recycling, collaboration and traceability. The foundation is a PLM solution in which information about a product and/or facility is gathered in one place so the information can be used throughout the organization, from development to production, sales, delivery, after-sales support, and where applicable, disposal. The effect is shortened lead times for product launches, improved materials for decision-making for efficient purchasing, and in the

final analysis, improved profitability. Depending on the user’s needs, pertinent product-related information is presented via various interfaces. Some examples:

- Product developers and designers can use a CAD interface to visualize and alter the design and construction of a product.
- Project managers can set up project plans and follow a project’s development through various milestones, resource needs and identified risks.
- Purchasers gain access to information that supports an efficient procurement process.
- Sales and marketing staff can

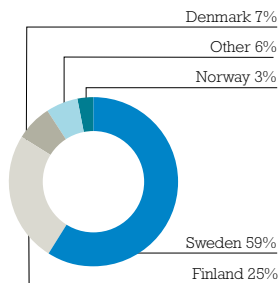
retrieve updated product specifications and images, which can be used to produce marketing materials.

- External partners and suppliers can be given access to the PLM system, which is important since companies often lack in-house production knowledge.

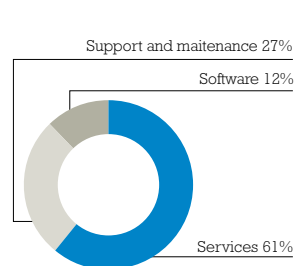
**Market and customers**

Customers in the PLM Division mainly include Nordic companies with global operations to which we provide total PLM

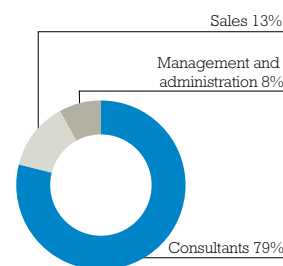
**Net sales by market, 2009**



**Net sales by revenue type, 2009**



**Employees by function, 2009**



**Key figures**

Amounts in SEK million	2009	2008	2007
Net sales	278.7	299.7	206.8
EBITA	14.8	39.2	31.0
EBITA margin, %	5.3	13.1	15.0
Operating profit	10.5	35.7	29.0
Operating margin, %	3.8	11.9	14.0
Average number of employees	167	163	116



“ Meeting globalization challenges requires a structured development process and the opportunity to collaborate and exchange product data.

solutions, as well as a growing number of companies based in Europe and the United States, to which we primarily deliver our Technia Value Components (TVC). We provide PLM solutions to the telecom, manufacturing, automotive, life science, consumer products, retail trade, building and power production industries. During the 2009 financial year we were engaged in projects in about 30 countries. The customer base consists of about 200 active customers, including Akva Group, Ericsson, ESAB, GAP, GE Healthcare, Haglöfs, Kalmar Industries, Metso Mineral, Metso Paper, Mölnlycke Health Care, Nokia Siemens Networks, OKG, Oticon, Quicksilver, Sectra Mamea, Skanska, Sony Ericsson, SSAB, Vattenfall and the Swedish National Road and Transport Research Institute.

**New playing rules give rise to new demands**

Globalization and the new competitive environment have given rise to new playing rules. Global communication and interaction is now a strategic requirement. Regardless of whether a new product is being taken to market or a facility is being maintained, the right support system is crucial—a missed market window could entail considerable loss of profit, erroneous production instructions for a component could lead to expensive recalls, a t-shirt that proves to contain banned environmental toxins can result in long-term damage to the brand. And the list goes on. PLM is a key component in a successful company’s strategy. That is where Technia comes into the picture.

**Success factors**

- Expertise related to customers’ activities and processes.
- Large number of delivered systems and reference customers.
- Broad, competitive service and product portfolio.
- Focus on creating value through enhanced quality, reduced lead times and cost savings.
- Modern project methods and bundled solutions for quick, cost-effective projects.





**Elekta is one of the world's leading companies in image-guided radiation therapy and stereotactic radiosurgery. As a global medical device company, Elekta must comply with a number of regulations and stringent reporting requirements. The company must manage large quantities of data and be able to quickly produce correct information about its products. Technia has been Elekta's official PLM partner since 2006 and is tasked with improving management of Elekta's production documentation and product manuals.**

One use of Elekta's technology is to treat tumors with high precision, without injuring adjacent healthy tissue. The technology is used at over 5,000 hospitals worldwide; each day, more than 100,000 patients come into contact with Elekta's technology.

#### **Robust PLM solution crucial**

Elekta installed the ENOVIA system in cooperation with Technia. ENOVIA provides Elekta with a broad, flexible solution that covers all parts of product development, including administration, safety, security, work flow and integration. Most importantly, ENOVIA makes it possible to consolidate all technical data and processes over a product's lifecycle.

"We need ENOVIA and are expanding its use within the Group," says Bo Nilsson, system owner at Elekta. "An efficient company requires a robust PLM system."

#### **Proactive partnership**

Technia—Elekta's official PLM partner since 2006—assists with everything from strategy and advisory services to

installation and maintenance. The goal is to simplify management of product documentation while providing quality assurance.

"Technia is a proactive and valuable partner that provides optimal support and service, while challenging our approach to PLM," says Bo Nilsson.

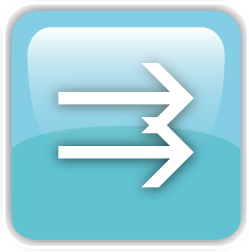
#### **PLM accompanies Elekta into the future**

The process to upgrade to ENOVIA V6—which allows system expansion, more users, faster operation and connection to more servers—has now begun. Technia is in charge of the upgrade and will be an important strategic resource for Elekta for some time to come.

"ENOVIA has saved us much time," says Bo Nilsson. "It's now considerably easier to find a specific document or a plan than it was before. We're looking forward to the next version and further efficiency gains, with a faster system, larger capacity, better maintenance and a solution tailored to our needs."

## From idea to action in less time





# Procede

Business-critical case management systems and security solutions for the public sector.



**Operations and offering**

In the Process Management Division, operations are conducted under the Ida Infront brand with offices in Sweden and Norway. The offering includes development of processes and working methods as well as implementation and support of case management systems, security solutions and e-archives. Supplied solutions are based largely on the ipax™ product family—an in-house developed product—with advanced functions for long-term e-archives, document and case management, advanced e-services, and secure information transmission.

*Case management*

Process Management employees

possess extensive experience in building efficient case management systems that are process oriented and rule driven. The solutions manage business-critical information with a high degree of computerization. Although they are usually based on a proprietary product—depending on the situation and customer requests—standardized technologies can also be used in solution design.

*Secure information transmission*

An important component of the offering is to provide regulatory authorities, companies and organizations with the opportunity to send and retrieve information online, risk-free. The solutions ensure that information reaches

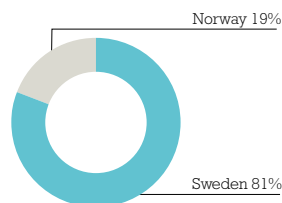
the right recipient and that the recipient can be sure that the sender is whoever the person claims to be. Senders and recipients exchange certificates so that only agreed information is exchanged. The solutions and the products support several industry-specific transmission methods, such as the insurance industry (SSEK), communication with authorities (SHS) and patient information (RIV).

*e-archives*

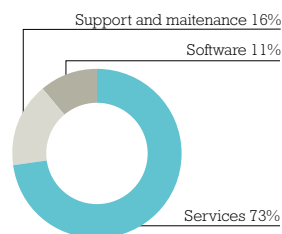
The constantly growing quantity of electronic information underscores the importance of being able to archive electronic material.

The archive solutions that the Process Management Division

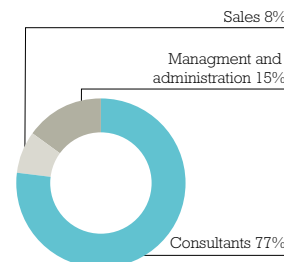
**Net sales by market, 2009**



**Net sales by revenue type, 2009**



**Employees by function, 2009**



**Key figures**

Amounts in SEK million	2009	2008	2007
Net sales	115.2	117.3	102.0
EBITA	27.7	29.0	19.2
EBITA margin, %	24.0	24.7	18.8
Operating profit	22.8	24.0	14.3
Operating margin, %	19.8	20.5	14.0
Average number of employees	74	73	65



“Public and private sectors both aspire —with limited resources—to expand services to customers and citizens.

offers are designed for large, well-structured and searchable archives. One example is the City Planning Administration in the City of Stockholm, with an e-archive of over five million documents, drawings and charts. Besides the administrators at the City Planning Administration, the public has access to the digital archive, which is part of the City of Stockholm's e-services initiative.

#### **Market and customers**

Process Management holds a strong position in the public sector in Sweden and has also delivered many solutions to the banking and insurance sector. The division has established operations in Norway, where it will carry out additional initiatives. All in all, the solutions designed in this business division manage hundreds of millions of cases for authorities such as the Swedish Tax Agency, the Swedish National Police Board, the Swedish National Heritage Board, the Swedish Social Insurance Agency, the Swedish National Agency for Higher Education, the Swedish Armed Forces and the Swedish Agency for Economic and Regional Growth.

Examples of customers in the public sector that installed our solutions for secure information transmission include the Swedish Tax Agency, the Office of the Public Prosecutor, the Swedish National Courts Administration and the Swedish Social Insurance Agency. Examples of customers outside the public sector include Alecta, AMF Pension, Collettum, Danica and Nordea.

#### **Demographics and technology development support growth**

Public and private sectors both aspire—with limited resources—to expand services to customers and citizens; this requires that routine manual cases be computerized to free up resources. Public sector expenditure is expected to rise as demands for service and care increase, which will make continued investments in IT support necessary. With the development of digital archives and the growth of web solutions, national and local authorities face a significant challenge in combining the principle of public access with information security. Initiatives that contribute to better general conditions for information security will therefore be given priority.

#### **Success factors**

- Knowledge and understanding of the laws and regulations that govern operations within the public sector.
- Experience in handling, organizing and streamlining enormous flows of information.
- Expertise in case management and secure communication.
- Organization of knowledge for reuse in new projects and solutions—the iipax product family.



**The Swedish Environmental Protection Agency's information flow is large and steadily growing. In an effort to improve its efficiency and quality, the Agency decided to modernize its case management system. Ida Infront won the bid and is now working closely with the Agency to deliver the best possible product. The system will be implemented in phases during 2010 and will enable the Swedish Environmental Protection Agency to meet government requirements for modern e-administration.**

The Swedish Environmental Protection Agency's mandate is to ensure implementation of environmental policy decisions. Because Agency work must meet high standards and the issues are complex and of major significance, a modern, efficient management system is essential.

#### **Digital needs**

The Swedish Environmental Protection Agency has previously not had a digitized case management system. As long as the quantity of information was manageable, the old system sufficed, but over the years, inadequacies became apparent. When the decision to purchase a new case management system was made, Ida Infront won the bid.

"Ida Infront was the supplier that best met our need for a turnkey solution for products, functions and services," says Martin Eriksson, steering committee chair for this project at the Swedish Environmental Protection Agency. "It was also important that they had done this before with good results."

#### **Comprehensive system and pilot processes**

The new system comprises different parts: (i) to improve digital information management, an e-archive for case and document management will be installed and used throughout the Agency and (ii) in areas with

particularly large needs, various pilot processes have been initiated. One such area involves cross-border waste transport. Each transport must be reported to the Environmental Protection Agency, which each year receives thousands of reports that require extensive administration.

The purpose of the pilot process is to simplify administration through digital entry and report storage, thereby improving efficiency and simplifying the reporting process. Another pilot process involves procurement processes. Numerous forms and complicated manuals are currently used. Implementing a digital system, which above all facilitates comparisons with previous procurement processes, will simplify the process and produce higher quality results.

#### **Good communication is essential**

All projects have evolved in close collaboration with Ida Infront. Communication between the two parties is crucial to the process. And that is also the aspect that Martin Eriksson from the Environmental Protection Agency highlights when describing their work together:

"Everything has worked very well. Communication in particular has been great. In a project like this, there is always some problem to be solved. Small changes are needed all the time. Good communication is really important."

## Toward modern e-administration in leaps and bounds





# Conte

Industry-independent online solutions for increased sales, improved customer service and enhanced internal efficiency.



**Operations and offering**

In the Content Management Division, operations are conducted under the Mogul and Cartesia brands, with several offices in Sweden and a production unit in Serbia. The offering entails development of customer-specific IT solutions and services. Customer assignments include turnkey solutions comprising concept and design, system development and integration with backend systems, and operation and management.

*Enterprise Content Management*

Delivery to customers, which usually involves public websites, intranet solutions, extranet, and e-commerce systems, is based on

market leading platforms from companies such as EPiServer, Escenic, Polopoly, Microsoft and IBM. In addition to the platforms offered by our partners, Content Management also develops solutions based on selected open source platforms. Increasingly, assignments include administrative responsibility for the solution delivered to the customer.

*Application development and system integration*

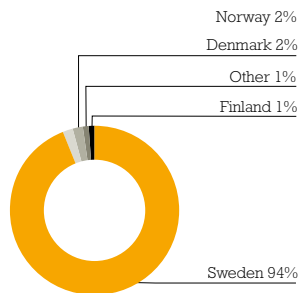
The offering extends from the analysis and architecture phase through actual implementation to subsequent administration and support of the completed IT solutions. The combination of new technologies, tested platforms

and best practices constitutes an efficient development process. Extensive experience of system integration has laid the foundation for broad cutting edge expertise in diverse fields. Personnel in this business division possess expertise in Java, .Net, web services, search technologies and service-oriented architecture (SOA). They have extensive experience working with open source platforms and products such as Apache, Redhat and Sun (Oracle).

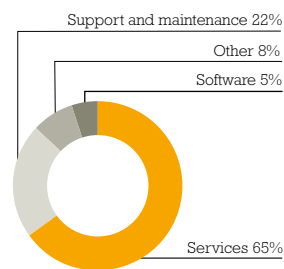
*Geographic information and positioning technology (GIS)*

We offer IT solutions and services based on geographic information and positioning technology.

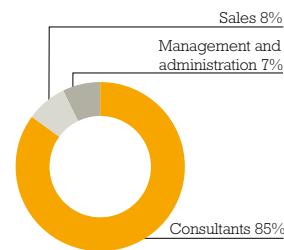
**Net sales by market, 2009**



**Net sales by revenue type, 2009**



**Employees by function, 2009**



**Key figures**

Amounts in SEK million	2009	2008	2007
Net sales	269,3	253,4	191,9
EBITA	10,1	31,5	29,1
EBITA margin, %	3,8	12,4	15,2
Operating profit	3,3	25,8	23,3
Operating margin, %	1,2	10,2	12,1
Average number of employees	264	195	164



“ Demand is driven primarily by our customers’ desire to grow sales and improve service.

Our offering includes sophisticated communication, GPS, GIS, and database technology, as well as wireless distribution of dynamic maps to handheld computers. GIS solutions and products are based on software from market-leading participants such as MapInfo and ESRI, as well as open source-based solutions. Several of our customers use GIS solutions as applications in existing systems to optimize resources and visualize information that has a geographic location.

#### **Market and customers**

The Content Management Division is one of Sweden’s leading suppliers of web-based information management solutions. Customers can be found in industries such as the media, telecom, banking, the public sector, forest products, manufacturing, logistics and credit rating companies. Customers include Bisnode Informatics, DinDel, Eniro, Familjebostäder, Nordnet,

Rörviks Timber, SCA, Skandia-banken, SKF, Stena, Stora Enso, SvD, Svensk Byggtjänst, SVT, TV4, Tele2, Viking Line and The Swedish Transport Administration.

#### **Technology development supports growth**

Demand is mainly driven by customers’ desire to increase external and internal availability of goods, services and information using modern web applications. Today the internet is not just an information channel; it is also an important part of companies’ business processes. The web is increasingly becoming a priority sales channel and a tool to measure and follow up business development. Content Management employees are knowledgeable about how to fully harness web technology’s potential for implementing business and operational processes and strengthening brands.

#### **Success factors**

- Knowledge of customers’ businesses and processes.
- Extensive knowledge of how to fully harness web technologies’ potential to implement business and operational processes and strengthen brands.
- Knowledge and experience of user interfaces that capture and engage the user
- Superior quality deliveries and realization of the customer’s business requirements





**A simple yet sophisticated method leads users to the right content with the “Fornsök” e-service, a major step in fulfilling the vision of the Swedish National Heritage Board to make it easier to share collective knowledge about ancient monuments in Sweden. The Fornsök search engine was developed by Mogul in close collaboration with the National Heritage Board. In 2009 Fornsök garnered the Guldlänken [Golden Link] award.**

The National Heritage Board’s Fornsök e-service has quickly become a concept for both professional archeologists and the general public with an interest in Sweden’s cultural heritage. In Fornsök the user can find information on all known historic landmarks in Sweden on land and in water—over 1.7 million cultural landmarks—including rune stones, rock carvings, graves and shipwrecks, from the greater part of Swedish history.

#### **Two target groups—same basic information**

Fornsök is available in two versions—one with an interface for the public and one for professional users—but sharing the same basic data.

“With Fornsök we make the basic data accessible—in other words, our cultural heritage—in a brand new way and for a much larger group of people,” says Rolf Källman, information officer at the National Heritage Board. “Fornsök is an important milestone in our long-term IT strategy.”

#### **Shared vision**

The project was carried out in close collaboration between the National Heritage Board and Mogul. According to Rolf Källman, the success of the project was due to the clear division of

roles, the close collaboration between business developers, and most of all, the shared vision about the development of Fornsök.

“One success factor has of course been good cooperation between us and Mogul. We have extensive experience together, which has meant that we have been able to make quick decisions and create an efficient method of working in the project. But most of all, I believe that much of the success is due to our common vision of how Fornsök should develop.”

#### **Award acknowledges success**

In 2009 Fornsök garnered the Guldlänken award for its “creative and innovative efforts in an active collaborative effort involving several participants that rejuvenated the most traditional of all fields in an exciting, open, profitable and well-implemented manner.”

“The award is an acknowledgment of our success with Fornsök” says Rolf Källman. “Confirmation of this is also seen in the steadily growing website traffic. We set high goals for Fornsök. That’s why it feels so great to see that interest in Fornsök exceeds our initial expectations.”

Read more and try it out on the web: [www.fmis.raa.se](http://www.fmis.raa.se)

## Pros and public meet on a prize-winning site



# Board

## Per Hallerby

Stockholm, Sweden. Born in 1946. Board member and board chairman since 2003. Degree in business administration. Has worked with strategy and growth issues with small companies and groups, all at management level. Is currently board chairman of Addnode AB, XtraCom Consulting AB and Augusta AB. Board member of Middagsfrid AB, Hölländska Ostar AB, Nordreklam AB, Membit AB, ComAround AB, Xtranet AB and Micasa Fastigheter AB. Also serves as board vice chairman of Gotland University and board member of the Stockholm Police District Supervisory Board.

**Holdings:** 15,000 Class B shares.

## Lars Save

Stockholm, Sweden. Born in 1954. Board member since 2005. Founded Addnode and served as president and CEO 2003–2005. Engineering degree and more than 25 years of practical experience with IT, databases and digital business information. Founder, president and CEO of Bisnode AB 1991–2007. Now an independent investor and IT/digital media consultant. Partner and board member of several companies in these and other sectors, including Samnode AB, Alfnode AB, King in West AB, Stacke Metall AB, Empir AB, Technode AB, Altitude Ventures AB and Membit AB, along with various small businesses.

**Holdings:** 230,000 Class B shares via companies.

## Jonas Fredriksson

Stockholm, Sweden. Born in 1965. Board member since 2008. Computer science degree. Asset manager at Öhman Fonder AB, responsible for Öhman's IT fund (which owns 620,000 Class B Addnode shares). Has previous board experience in rapidly growing IT companies like WM-data and Protect Data. Currently a member on several boards, including Cybernetics AB, System Verification AB, Carmenta AB, XLENT AB, Neqst Partner AB and Neqst 1 AB.

**Holdings:** 0.

## Thord Wilkne

Stockholm, Sweden. Born in 1943. Board member since 2008. Business degree. One of WM-data's founders. Member on several boards, including NeoNet AB, Intellecta AB, Rejlerkoncernen AB, Grant Thornton Sweden AB and Temagruppen Sverige AB.

**Holdings:** 325,000 Class B shares. Spouse owns 25,000 Class B shares.

## Gunnar Hesse

Täby, Sweden. Born in 1946. Board member since 2009. Engineering degree from the Royal Institute of Technology in Stockholm. Currently works in his own consultancy and has extensive experience in the IT industry, internationally and in Sweden. CEO of Unisys Sweden 1996–2007 and CEO of Unisys Norden 2001–2007. Board member of the American Chamber of Commerce in Sweden, Institutet för informationsteknologi AB and Steam Consulting AB.

**Holdings:** 2,000 Class B shares.

## Sigrun Hjelmquist

Djursholm, Sweden. Born in 1956. Board member since 2009. Degrees in engineering and technical physics from the Royal Institute of Technology. Worked in the Ericsson Group 1979–2000, most recently as CEO of Ericsson Components AB. Investment manager at BrainHeart Capital 2000–2005. Currently chairman of Almi Invest Östra Mellansverige and Stockholm. Board member of Silex AB, RAE Systems Inc, Bluetest AB and Atea ASA.

**Holdings:** 0.

## Christina Lindstedt

Stockholm, Sweden. Born in 1968. Board member since 2009. Degree in international economics and business administration from the University of Gothenburg School of Business, Economics and Law, 1994. Currently works as general manager for new business areas at AB Electrolux and has held various executive positions in international operations in the Electrolux Group the last 12 years, focusing on business development, innovation and branding.

**Holdings:** 1,000 Class B shares.

From left:  
Sigrun Hjelmquist  
Thord Wilkne  
Christina Lindstedt  
Per Hallerby  
Jonas Fredriksson  
Gunnar Hesse  
Lars Save



# Corporate management

## Urban Näsman

Born in 1959. Business area manager, Content Management.

**Education and experience:** Marketing degree, RMI Berghs (Berghs School of Communication). Advanced Management Program, Stockholm School of Economics. Has worked in the Group since 2003 and has 20 years of experience in the IT industry. Has been employed by the Mogul Group since 1999 and is now CEO of Mogul AB.

**Current appointments outside the Group:** None.

**Holdings:** 13,000 Class B shares.

## Rolf Kjaernsli

Born in 1958. Business area manager, Design Management.

**Education and experience:** Engineering degree from Norwegian University of Science and Technology.

Has worked in the Group since 2005 and has more than 15 years of experience in the IT industry. Has been employed by CAD-Q since 2000 and is now CEO of CAD-Q companies in Sweden and Norway.

**Current appointments outside the Group:** Board Chairman of Wegger & Kvalsvik AS.

**Holdings:** 17,000 Class B shares via companies and 22,498 personal Class B shares.

## Staffan Hanstorp

Born in 1957. President and CEO of Addnode.

**Education and experience:** Engineering degree from the Royal Institute of Technology.

Has worked in the Group since 2004 and has more than 25 years of experience leading sales and marketing departments and as a CEO in the IT sector. Founded Technia in 1994, which Addnode acquired in 2004, and was its CEO through 2007.

**Current appointments outside the Group:** Board Chairman of construction company Viktor Hansson AB, board member of the Confederation of Swedish Enterprise and of IT and telecom companies within Almega.

**Holdings:** Owns 50% of Aretro Capital AB, which holds 425,332 Class A shares and 3,289,624 Class B shares.

## Johan Andersson

Born in 1974. Head of business development and corporate communication

**Education and experience:** Business degree from Uppsala University. Executive Management Program, IFL/ Stockholm School of Economics.

Has worked in the Group since 2006 and has 10 years of experience with business

operations, strategic development, capital market issues and communication.

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

**Holdings:** 2,000 Class B shares.

## Ylva Berg

Born in 1965. Business area manager, Product Lifecycle Management.

**Education and experience:** MBA from Stockholm School of Economics. Has more than 15 years of experience in sales and marketing in the United States, the Nordic region and other areas. Board member of Addnode AB from 2006 to 2009 and now CEO of Technia AB.

**Current appointments outside the Group:** None.

**Holdings:** 0.

## Bengt Sandlund

Born in 1951. Business area manager, Process Management.

**Education and experience:** Engineering degree.

Has worked in the Group since 2006 and has more than 25 years of industry experience. Founded Ida Infront AB in 1984, which Addnode acquired in 2006.

## Current appointments outside the Group:

Board member of St. Anna IT Research Institute AB, Fodina Language Technology AB and M&B Sandlund AB.

**Holdings:** 352,649 Class B shares.

## Ronny Gustavsson

Born in 1960. Group controller.

**Education and experience:** Studied economics at Umeå University. Has worked in the Group since 2003 and has 20 years of experience with financial and corporate management.

**Current appointments outside the Group:** None.

**Holdings:** 2,000 Class B shares.

## Bo Löwstedt

Born in 1958. Head of HR.

**Education and experience:** Engineering diploma with complementary studies in HR.

Has worked in the Group since 2004 and has 30 years of experience in the IT industry, of which 20 in executive positions. Was employed by Technia as Director of Employee Success 1996–2009.

**Current appointments outside the Group:** None.

**Holdings:** 70,244 Class B shares.

From left:  
Urban Näsman  
Bengt Sandlund  
Bo Löwstedt  
Staffan Hanstorp  
Ylva Berg  
Johan Andersson  
Rolf Kjaernsli  
Ronny Gustavsson



## Consolidated income statement

SEK thousand, January 1–December 31	Note	2009	2008
Net sales	2, 3, 39	989,409	1,025,137
<b>OPERATING COSTS</b>			
Purchase of goods and services	39	–315,757	–350,525
Other external costs	6, 9	–116,582	–119,859
Personnel costs	4, 5	–478,324	–428,136
Depreciation, amortization and impairment of intangible non-current assets and property, plant and equipment	16, 17	–30,088	–28,440
<b>Operating profit</b>		<b>48,658</b>	<b>98,177</b>
Finance income	10	1,093	7,138
Finance costs	11	–4,997	–1,331
<b>Profit before tax</b>		<b>44,754</b>	<b>103,984</b>
Tax	12, 13	–2,003	–11,944
<b>Profit for the year</b>		<b>42,751</b>	<b>92,040</b>
<b>Attributable to:</b>			
Parent company shareholders		42,751	92,040
<b>SHARE INFORMATION</b>			
Earnings per share, SEK	15	1.81	4.18
Equity per share, SEK		25.40	24.98
Number of shares at period's end, thousands		23,645	23,551
Average number of shares outstanding, thousands		23,643	22,033

There are no outstanding share option or convertibles programs that would result in dilution.

## Statement of consolidated comprehensive income

SEK thousand, January 1–December 31	Note	2009	2008
Profit for the year		42,751	92,040
<b>Other comprehensive income:</b>			
Exchange differences related to translation of foreign operations		2,967	2,230
Financial assets available for sale:			
Revaluation of non-current financial assets to fair value		–166	–4,903
Revaluation recognized in income statement related to			
sale of non-current financial assets		166	521
impairment of non-current financial assets			1,647
<b>Total other comprehensive income after tax for the year</b>	12	<b>2,967</b>	<b>–505</b>
<b>Comprehensive income for the year</b>		<b>45,718</b>	<b>91,535</b>
<b>Attributable to:</b>			
Parent company shareholders		45,718	91,535

## Consolidated balance sheet

SEK thousand as of December 31	Note	2009	2008
<b>ASSETS</b>			
<b>Non-current assets</b>			
Intangible non-current assets	16	452,078	461,497
Property, plant and equipment	17, 18	19,838	28,528
Deferred tax assets	13	70,743	56,727
Investments held as fixed assets	21	2,304	3,748
Long-term receivables	22	1,570	2,793
<b>Total non-current assets</b>		<b>546,533</b>	<b>553,293</b>
<b>Current assets</b>			
Inventories		810	1,150
Trade receivables		197,902	222,320
Tax assets		8,965	9,282
Other receivables		1,398	2,399
Prepayments and accrued income	23	51,400	82,850
Cash and cash equivalents	36	103,846	101,476
<b>Total current assets</b>		<b>364,321</b>	<b>419,477</b>
<b>Total assets</b>		<b>910,854</b>	<b>972,770</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	25	283,745	282,608
Other capital contributions		115,056	114,251
Reserves		6,156	3,189
Profit brought forward		195,604	188,321
<b>Total equity</b>		<b>600,561</b>	<b>588,369</b>
<b>Non-current liabilities</b>			
Non-current interest-bearing liabilities	27	223	222
Other non-current liabilities		487	514
Deferred tax liabilities	13	29,954	27,143
Provisions	26	4,513	3,774
<b>Total non-current liabilities</b>		<b>35,177</b>	<b>31,653</b>
<b>Current liabilities</b>			
Current interest-bearing liabilities	27, 28	742	3,019
Trade payables		60,248	60,112
Tax liabilities		5,151	17,683
Advance payments from customers		13,293	4,661
Other liabilities		44,383	60,516
Accruals and deferred income	29	147,947	184,102
Provisions	26	3,352	22,655
<b>Total current liabilities</b>		<b>275,116</b>	<b>352,748</b>
<b>Total equity and liabilities</b>		<b>910,854</b>	<b>972,770</b>

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

## Consolidated cash flow statement

SEK thousand, January 1–December 31	Note	2009	2008
<b>OPERATING ACTIVITIES</b>			
Earnings before tax	32	44,754	103,984
Adjustments for items not included in cash flow	33	26,187	31,725
Income tax paid		-25,794	-7,767
<b>Cash flow from operating activities before changes in working capital</b>		<b>45,147</b>	<b>127,942</b>
Changes in working capital			
– Decrease in inventories		340	697
– Decrease/increase in receivables		59,577	-49,370
– Decrease/increase in current liabilities		-39,566	36,617
<b>Total changes in working capital</b>		<b>20,351</b>	<b>-12,056</b>
<b>Cash flow from operating activities</b>		<b>65,498</b>	<b>115,886</b>
<b>INVESTING ACTIVITIES</b>			
Acquisition of			
– intangible non-current assets		-239	-4,112
– property, plant and equipment	34	-5,817	-12,643
– non-current financial assets		-300	-2,880
– subsidiaries and operations	35	-24,995	-86,557
Sale of property, plant and equipment		1,556	1,582
Sale of non-current financial assets		1,552	14,369
Repayment of receivables		1,518	31,540
<b>Cash flow from investing activities</b>		<b>-26,725</b>	<b>-58,701</b>
<b>FINANCING ACTIVITIES</b>			
Dividend paid		-35,468	-29,271
Share buyback			-19,002
Amortization of debts		-2,276	-18,919
<b>Cash flow from financing activities</b>		<b>-37,744</b>	<b>-67,192</b>
<b>Change in cash and cash equivalents</b>		<b>1,029</b>	<b>-10,007</b>
Cash and cash equivalents at year's start		101,476	110,554
Exchange-rate difference, cash and cash equivalents		1,341	929
<b>Cash and cash equivalents at year's end</b>	36	<b>103,846</b>	<b>101,476</b>

## Consolidated statement of changes in equity

SEK thousand	Attributable to parent company shareholders				Total equity
	Share capital	Other capital contributions	Reserves <sup>1</sup>	Profit brought forward	
<b>Equity on Jan 1, 2008</b>	<b>269,136</b>	<b>104,805</b>	<b>3,694</b>	<b>127,066</b>	<b>504,701</b>
<b>Comprehensive income</b>					
Profit for the year				92,040	92,040
<b>Other comprehensive income</b>					
Exchange differences related to translation of foreign operations			2,230		2,230
Financial assets available for sale:					
Revaluation of non-current financial assets to fair value			-4,903		-4,903
Revaluation recognized in income statement related to					
sale of non-current financial assets			521		521
impairment of non-current financial assets			1,647		1,647
<b>Total other comprehensive income</b>			<b>-505</b>		<b>-505</b>
<b>Total comprehensive income</b>			<b>-505</b>	<b>92,040</b>	<b>91,535</b>
<b>Transactions with shareholders</b>					
New share issue resulting from acquisition	13,472	9,543			23,015
Issue expenses		-97			-97
Dividend				-29,271	-29,271
Share buyback				-19,002	-19,002
Assignment of shares				17,488	17,488
<b>Total transactions with shareholders</b>	<b>13,472</b>	<b>9,446</b>		<b>-30,785</b>	<b>-7,867</b>
<b>Equity on Dec 31, 2008</b>	<b>282,608</b>	<b>114,251</b>	<b>3,189</b>	<b>188,321</b>	<b>588,369</b>
<b>Comprehensive income</b>					
Profit for the year				42,751	42,751
<b>Other comprehensive income</b>					
Exchange differences related to translation of foreign operations			2,967		2,967
Financial assets available for sale:					
Revaluation of non-current financial assets to fair value			-166		-166
Revaluation recognized in income statement resulting from sale of non-current financial assets			166		166
<b>Total other comprehensive income</b>			<b>2,967</b>		<b>2,967</b>
<b>Total comprehensive income</b>			<b>2,967</b>	<b>42,751</b>	<b>45,718</b>
<b>Transactions with shareholders</b>					
New share issue resulting from acquisition	1,137	805			1,942
Dividend				-35,468	-35,468
<b>Total transactions with shareholders</b>	<b>1,137</b>	<b>805</b>		<b>-35,468</b>	<b>-33,526</b>
<b>Equity on Dec 31, 2009</b>	<b>283,745</b>	<b>115,056</b>	<b>6,156</b>	<b>195,604</b>	<b>600,561</b>

<sup>1</sup> Relates to exchange differences resulting from translation of foreign operations and revaluation of non-current financial assets to fair value.

# Definitions

**Acid test ratio**

Current assets excluding inventory as a ratio of current liabilities.

**Average number of employees**

Average number of full-time employees during the period.

**Capital employed**

Total assets less non-interest-bearing liabilities and non-interest-bearing provisions including deferred tax liabilities.

**Cash flow per share**

Cash flow from ongoing operations divided by average number of outstanding shares.

**Debt/equity ratio**

Total amount of interest-bearing long-term and current liabilities and deferred tax liability in relation to equity.

**Earnings per share (EPS)**

Net profit for the period (excluding minority share) divided by the average number of shares outstanding.

**EBITA**

Earnings before deduction of interest, tax and amortization expenses.

**EBITA margin**

EBITA as a percentage of net sales.

**Equity**

Reported equity plus untaxed reserves less deferred tax at current tax rate.

**Equity per share**

Equity (excluding minority share) divided by number of outstanding shares.

**Equity/assets ratio**

Equity (including minority share) as a percentage of total assets.

**Interest coverage ratio**

Profit before tax plus interest expenses as a percentage of interest expense.

**Net liabilities**

Interest-bearing liabilities less cash and cash equivalents and other interest-bearing receivables. A negative net liability, according to this definition, means that cash and cash equivalents and other interest-bearing financial assets exceed interest-bearing liabilities.

**Net sales per employee**

Net sales divided by the average number of full-time employees.

**Operating margin**

Operating profit as a percentage of net sales.

**P/E**

Share price in relation to profit per share.

**Percentage of risk-bearing capital**

Reported equity (including minority share) and deferred tax liability in untaxed reserves as a percentage of total assets.

**Profit margin**

Profit before tax as a percentage of net sales.

**Return on capital employed (ROCE)**

Profit before tax plus financial expenses as a percentage of average capital employed.

**Return on equity (ROE)**

Net profit for the period (excluding minority share) as a percentage of average equity (excluding minority share).

**Share price/equity**

Share price in relation to equity per share.

# Glossary

**CAD**

Computer-aided design (CAD) is the use of digital technology for the design and creation of technical drawings used in engineering and architecture.

**ECM**

Enterprise content management (ECM) refers to solutions for management of a company or organization's unstructured information. The concept is an umbrella term referring to the technologies used to capture, manage, store, preserve and deliver content related to an organization.

**GIS**

A Geographic Information System (GIS) is a computer system that captures, stores, analyzes and presents data linked to location. GIS should not be confused with "geographic information" such as a map symbol or line representing a road. GIS are used to create, edit and explore spatial information.

**Open Source**

Open source code or open source software is software in which the source code is available to run, view, modify and redistribute by anyone. This allows users to modify code for their own needs. Such modifications are usually offered back to the originator, who may choose to make them a part of the official version.

**PLM**

Product Lifecycle Management (PLM) is the process of managing a product and its associated information throughout the lifecycle of a product. A well-supported and implemented PLM strategy enables recycling, collaboration, and traceability. The foundation is a PLM solution in which information about a product and/or facility is gathered in one place for the information to then be used throughout the organization, from development through production, sales, delivery, after-sales support, and where applicable, disposal. The result is reduced lead times for product launches, improved information for efficient purchasing decisions, and improved profitability.

**PDM**

Product Data Management (PDM) is the creation and tracking of all data related to a product so that it can easily be located and used by a company. PDM systems are often used to conveniently store all product data.



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