

ADDNODE
IT SOLUTIONS
ENABLING
YOUR BUSINESS
TO GROW



ANNUAL REPORT 2010

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Addnode is an IT Group. By offering solutions based on our knowledge of customers' businesses, operations, and markets, we have taken leading positions in three areas:

- We are the largest Nordic company for IT solutions for the design, development, and handling of product information.
- We are a leader in case management systems for the public sector. We are the largest in Sweden in system and case management solutions for technical administration in municipalities.
- We have a multi-sector web offering that assists our clients in extracting maximum value from digital channels.





Addnode has 800 employees in the Nordic region. Their backgrounds vary, but they have the same goal: To help our customers become more efficient and competitive.

Sofi Elfving, Business Development Manager. "A lot of what we do is about helping our customers become more productive. Our customers are often in very competitive situations, so our solutions are an even more important part of our clients' success. This is both a challenge and a great responsibility."



Our business

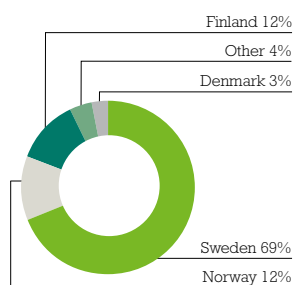
Addnode's operations are organised into four business areas.

	Share of net sales	Share of EBITA results before centralised costs	Read more on page
 Design Management IT solutions for creating and managing digital models and drawings.	38%	38%	14
 Product Lifecycle Management IT solutions for product information during a product lifecycle.	27%	28%	18
 Process Management IT solutions for case management, municipal administration, e-archives, and geographical data.	18%	35%	22
 Content Management Web-based IT solutions for information management and e-commerce.	17%	-1%	26

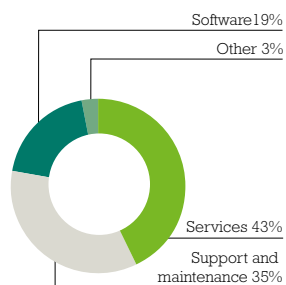
Footprint

Country	Number of employees
SWEDEN	611
FINLAND	60
NORWAY	47
SERBIA	32
DENMARK	18
USA	7

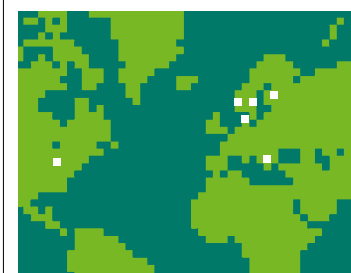
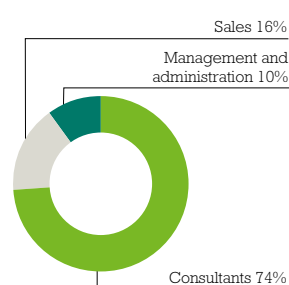
Net sales per market 2010



Net sales per revenue type 2010



Employees per function 2010



Our business concept

At Addnode, we put solutions at the center. Our offerings stem from our knowledge of our clients' businesses and operations. We supply turnkey solutions complete with software, systems, and related services. We are good at many things, but not best at everything. We focus on selected niches to become a market leader.

Financial objectives

50%

Dividend policy
– profit after tax

20%

Growth targets
– annual growth

10%

Earnings targets
– EBITA margin

Financial growth 2004–2010



Magnus Olsson, sales.
"As a salesperson, enjoying meeting people is important. Often, my challenge is to help customers identify the root of their issues. When we know that we share the perspective on the core problem, the benefit in our solutions often becomes obvious."



“Despite a rough start in 2010, we ended the year with strong growth and improved earnings in the fourth quarter.”



We have gained momentum

Despite a rough start in 2010, we ended the year with strong growth and improved earnings in the fourth quarter. We are seeing increased demand from our customers and interest in our products is greater than ever. During the year we strengthened our positions in all business areas and made some interesting acquisitions in Sweden, Finland, and Denmark. Overall, this means that we closed 2010 with confidence and have good momentum going into 2011.

Proximity to customers is everything

Proximity to and familiarity with our customers, their businesses, and the challenges they face will always be Addnode cornerstones. In tough times, this becomes even clearer. It is easy to believe that customers are only interested in saving money. But offensive efforts often go hand in hand with the defensive. Our IT solutions are often close to or part of the customer's core business. This allows us to stand together with our customers in good times and bad, whether they want to accelerate or slow down.

Stronger on all fronts

One of Addnode's strengths is that we have a broad customer base and work closely with clients in both the private and public sectors. In 2010, partnerships intensified with many of our key customers and we have secured several new strategically interesting projects.

Among other things, we have contracted for several e-archives with various administrative departments and for delivery of PLM and CAD systems to customers in what are for us new industries. We won a strategically important master agreement for e-government support services to municipal, county, and federal authorities for which the potential scope is in the SEK billions.

Developments by country

The Swedish operation is by far Addnode's largest. Fortunately, it is also the one that has been strongest during the year. The Norwegian organization also demonstrated stable growth and exhibited good profitability in 2010. The acquisition of CADi strengthens our position in the Finnish market. Finland has gen-

erally had it rough economically, and we still have a ways to go to reach our profitability target. Through the acquisitions of Fæster SCi A/S and Athena BSD, we continue our expansion into the Danish market. We remain on the path toward a more Nordic Addnode

A good acquisition year

For Addnode, 2010 was a good year for acquisitions. We completed nine acquisitions in Sweden, Denmark, and Finland that complement our Design Management and Process Management business areas. We strengthened our position as the leading provider of design systems in the Nordics and established ourselves as one of Sweden's largest providers of business-critical support systems to the public sector. The acquisitions brought annual sales of more than SEK 300 million to Addnode, increased the proportion of recurring support and maintenance contract revenues, and supplemented our solution portfolio with services and products.

I think one of our strengths when making acquisitions is that we

are good at understanding how entrepreneurs think because we are also entrepreneurs. This knowledge, together with a clear model for the acquisition and integration process, convinces me that we are perceived as a safe haven to the acquisition candidates we call on.

Focus on 2011

Our customers clearly believe in the future and are willing to do new things. I believe in a steadily improving demand within our niche areas. We have set new financial targets with annual growth of at least 20 percent and an EBITA margin of at least 10 percent, which reflects that we see a positive future ahead of us. Of course there is much left to do, so in 2011 we will focus on improving profitability throughout Addnode. We are working to integrate the new acquisitions and capitalize on the new opportunities for synergies and cross-fertilization that we know will ensue. We continue to build on our strategic plan through 2013, and we will remain active on the acquisition front. Addnode has momentum now. We will do everything we can to keep it going.

STAFFAN HANSTORP
President and CEO

Core values

Addnode is rooted in a few underlying values that embody the Group's operations.

We stand out through our knowledge of our clients' businesses.

We take a long-term approach.

Value is created by employees who enjoy their roles and dare to be creative.

We find solutions.

Our business concept

At Addnode, we put solutions at the center. Our offerings stem from our knowledge of our clients' businesses and operations. We supply full solutions complete with software, systems, and related services. We are good at many things, but not best at everything. We focus on selected niches to become a market leader.

Operational objectives

Addnode's overall objectives are to create ongoing additional value for customers, employees, shareholders and other interested parties by profitable growth. We develop leading positions in the areas in which our knowledge of customer operations and processes make our offering unique and more cost efficient than generalized IT solutions. We achieve this by having a key role in our customers success, providing efficient, business-critical solutions, and taking clear responsibility for our contribution to customer achievements.

Financial objectives

Addnode has set financial objectives to create shareholder value. These financial objectives are:

- Annual growth of 20% or more.
- An operating margin before depreciation, amortization and impairment loss of intangible assets (EBITA margin) of at least 10%.
- At least 50% of consolidated earnings after tax will be distributed to shareholders, provided that net cash is sufficient for running and developing the operation.

Growth strategy

Our strategy to build a Nordic IT Group with a leading position in targeted market niches:

+ Analyze

- Define the new operational areas.
- Analyze markets.

+ Establish

- Establish new operations:
 - Organically
 - Through acquisitions

+ Organic growth

- Broaden offering with new products and skills.
- Develop additional components for third-party products.
- Extend existing operations to all Nordic (and near-Nordic) countries.
- Test operations with international potential outside the Nordic countries.

+ Acquisitions

- Faster route to become a leader in market segments and regions.
- More than 30 acquisitions completed since 2003, including 9 in 2010.
- Criteria for acquisition include:
 - Operations in or near existing Group niches.
 - Confidence in expertise of employees and executive management.
 - Structural capital in the form of products.
 - Clear offering and market position.
 - Operationally and financially healthy.
 - Attractive value for both parties.



Johan Andersson, Head of Business development, "Addnode has declared a strategy of growth through corporate and operational acquisitions. In 2010, we completed nine acquisitions that contributed just over SEK 300 million to our annual sales. In several of these acquisitions, the entrepreneur is active in operations after the acquisition."

BUSINESS CONCEPT, OBJECTIVES AND STRATEGIES

Leading positions

Growth

Strategy



We focus on selected niches to become a market leader.

As segment leader, our work is with the most demanding customers, we attract qualified employees, and software and product owners consider us desirable partners.

Addnode shall grow at least 20% annually. This growth will be accomplished organically and through acquisitions in existing and new complementary areas.

20%

Achieved 2010



Strengthened position as the largest supplier of design and construction systems to the Nordic market.

Established the Group as one of Sweden's largest suppliers of case management solutions for technical municipal administration.

Increase in Group net sales by 7%, for a total of SEK 1,060 million.

Acquisitions in 2010 have added annual sales of SEK 310 million; the majority of these acquisitions were completed during the second half of 2010.

Focus 2011



Cement our leading positions and develop new in all business areas.

Expand existing and develop new operations and acquire supplementary operations.

Ellinor Sjöqvist, project manager. "The online world has never been more interesting. Today, the solutions we deliver are more public and business-critical than ever before. And requirements are higher in an area which is also our strength – to understand our clients' operations and business."



BUSINESS CONCEPT, OBJECTIVES AND STRATEGIES

Business model with steady revenue

Addnode has a revenue model with services in the form of projects with a large amount of licensing revenue along with steady revenue in the form of support and maintenance agreements.

Decentralized organisation

Addnode's decentralized organization aims 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.

Balance

Addnode strives for balance between customers, industries and geographic areas. By maintaining a good operational spread, we can take advantage of new opportunities while ensuring stable revenues for the Group.

Profitability

Addnode has a profitability target of a Group EBITA margin not less than 10 percent. The EBITA margin may vary between business areas, however, depending on market conditions.

10%

Group net sales in 2010 were divided as follows:

- Services, 43%
- Licenses, 19%
- Support and maintenance, 35%
- Other, 3%

Number of employees rose by 129. At the same time, we reduced the number of offices so staff would have more opportunities to take advantage of one another's skills, both within and between business areas.

129

PERSONS

In 2010, Addnode's 20 biggest customers comprised 25% (28) of Group net sales.

The acquisition of DecernoGruppen's operations increased the portion of operations geared toward the public sector.

Sales in Finland more than doubled with the acquisition of CADi, and the acquisitions of Fæster and Athena BSD resulted in stronger operations in Denmark.

In 2010, EBITA margin was 6.4%.

Raise the proportion of in-house software and applications supplied in customer solutions, increasing the share of licensing, support, and maintenance revenue.

Work according to the existing organizational model. Take advantage of synergies and enrichments in the Group.

Increase the revenue shares from the public sector and outside of Sweden.

Restore profitability in the Content Management business area and improve margins in other business areas. Integrate the new acquisitions and take advantage of opportunities for synergies and internal enrichment.

In 2010, Addnode completed nine acquisitions in Sweden, Denmark, and Finland that complement the Design Management and Process Management business areas. The acquired businesses bring annual sales of just over SEK 300 million. We strengthened our position as the leading provider of design systems in the Nordics and established ourselves as one of Sweden's largest providers of business-critical support systems to the public sector.

Nine acquisitions were completed during the year



Design Management

During the second half of 2010, we acquired CADi Oy in Finland and Fæster SCI A/S in Denmark, which in turn took over operations in Athena BSD through an assets deal. The acquired businesses had 2010 net sales of just over SEK 120 million.

Background and rationale

The acquisition for the Design Management business area means that Addnode strengthens its position as the largest provider of design systems in the Nordics. There are major synergies with existing operations in the Design Management business area concerning product and service offerings. We became the largest provider of IT solutions based on the Autodesk platform in the Nordics and one of the largest in the world. Our offer is strengthened and we can provide customers that have Nordic operations with additional expertise and a Nordic delivery organization. The acquired businesses were integrated into the Design Management business area under the names Cad-Q Finland and Cad-Q Denmark.

CADi Oy – Finland's largest distributor of solutions based on the Autodesk platform. The offer constitutes software sales, development of working and planning methods, implementation, training, and support. The company's customer base is broad and includes ABB, Andritz, Cargotec, Elisa, Finnair, Fortum, Kone, Pöyry, Rejlers, Sweco, Skanska, and YTT.

Had 2010 sales of SEK 94 million, and the number of employees at acquisition was 26.

FÆSTER SCI a/s – Danish distributor of solutions based on the Autodesk platform and proprietary applications for property management. Its customer base is broad and is found in the private and public sectors.

Had 2010 sales of SEK 18 million, and the number of employees at acquisition was 6.

ATHENA BSD – Danish company with an offering consisting of services and software from Autodesk and Cyco and internally developed simulation software for engineers. Its client base includes more than 1,200 architects, engineers, and construction companies.

Had 2010 sales of SEK 11 million, and the number of employees at acquisition was 8.



Process Management

MapFactory was acquired in early 2010, and in the fourth quarter of 2010 Decerno Group's operating companies were acquired, including Decerno AB, Tekis AB and its subsidiary Arkiva AB, Mittbygge AB, and about 40 percent of shares in Kartena AB. Subsequently, an additional 19 percent of Kartena was acquired. These businesses had 2010 net sales of SEK 190 million with EBITA of SEK 25 million.

Background and rationale

The acquisitions for the Process Management business area mean that Addnode becomes one of the largest providers of business-critical support systems to the public sector in Sweden. The Group's offers to and proceeds from the public sector will increase significantly as will the proportion of recurring product maintenance revenue. The acquired businesses complement existing operations and strengthen our offer to the public sector. After the acquisition, Addnode had 270 of Sweden's 290 municipalities as customers. To take advantage of synergies with existing operations, the Cartesia subsidiary, with its geographic information system (GIS) expertise and a large number of municipalities as customers, was moved to the Process Management business area.

DECERNO AB – A consultancy that works with systems and operations development. Its customers include major companies and public administration. Clients include Fastighetsbyrå, The Swedish Prosecution Authority, DeLaval, Sollentuna Municipality, and the Stockholm County Council. Decerno was founded in 1984.

Had 2010 sales of SEK 64 million, and the number of employees at acquisition was 35.

TEKIS AB – A product company that delivers modern operational systems to municipalities for reliable, efficient public services. Tekis has more than 270 of Sweden's 290 municipalities as customers. Tekis' solutions are based on platforms that manage roads, property, and buildings with the support of maps.

Had 2010 sales of SEK 97 million, and the number of employees at acquisition was 65

ARKIVA AB – Offers document weeding, scanning, and filming along with registration and archiving of information for retrieval and statistics. Municipal building permit archives are a major customer group, but the company also works with other types of archives.

Had 2010 sales of SEK 13 million, and the number of employees at acquisition was 12.

MITTBYGGE AB – Web portal with associated e-services, including applying for a building permit or planning permission. Customers are primarily Swedish municipalities. They are offered information combined with subscription services.

Had 2010 sales of SEK 1 million.

KARTENA AB – Develops services and solutions for GIS systems and positioning. The company's product range includes systems for optimizing, positioning, and web-based GIS systems. Customers are in a broad spectrum of industries in which transportation, logistics, infrastructure, and retail are the most dominant.

Had 2010 sales of SEK 14 million, and the number of employees at acquisition was 12. Addnode owned 59 percent of the company as of December 31, 2010.

MAPFACTORY – Engages in the development, refinement, and sale of solutions based on GPS data and digital map data. Customers are primarily in the forestry sector.

Had 2010 sales of SEK 6 million, and the number of employees at acquisition was 3.

Dick Hasselström, founder of Decerno Group: "Addnode had the same values and type of operation, which made it feel quite right to sell and become part of a publicly traded corporation."





Strong
positions
in two
areas

Design Management Product Lifecycle Management

Together, the Design Management and PLM business areas are biggest in the Nordic countries in IT solutions for design, construction, and management of product information.

MARKET

The market in which the Design Management and PLM business areas work is called the PLM market by research firm CIMdata. Turnover in the global PLM market in 2009 amounted to SEK 165 billion, and sales are expected to reach SEK 242 billion by 2014, which is annual average growth of eight percent.¹

The global PLM market is dominated by four software providers: Dassault Systemes, Autodesk, Siemens, and PTC. They all have the same origin as developers of various CAD tools and have developed their offerings in stages to include solutions that can manage product information throughout the entire product lifecycle. ERP vendors like SAP, Oracle, and IFS also offer products that cover some parts of the PLM market. The solutions the Addnode Group offers are based on platforms from Autodesk and Dassault—proprietary applications and systems along with other complementary products.

The PLM market for independent integrators, distributors, and solution providers had worldwide sales of SEK 29.5 billion in 2009. Major competitors consist of software companies that have built their own service organizations but also companies like IBM and Accenture. There are many smaller local competitors who are distributors for software companies as well. Our size in relation to local competition provides a clear competitive advantage, since we can develop and invest in the development of new service concepts and add-on applications, which is well received by customers.

CUSTOMERS

Customers are in industries where design, product development, manufacturing, technical documentation, and effective publishing and storage of drawing related information are important parts of the business. Examples are manufacturing, construction and civil engineering, telecom facilities management, pharmaceuticals, medical technology, consumer products, retail, and electricity generating companies. A large customer group is technical consultants and architects.

THE MARKET'S DRIVING FORCES

Customer demand is driven by an increased focus on the importance of design and the desire to quickly reach the market with finished products. Achieving a cost-effective product development process requires that information and product models can be used efficiently. This requires new technologies and linked technology concepts that support the creation, management, and archiving of models and drawings.

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 of cooperating and sharing product data within an organization and with subcontractors. This puts new demands on working methods and powerful IT tools and solutions that can manage and structure information and processes over a product's entire lifecycle.

Andrea Kösa,
consultant manager: "We work closely with our customers. We're involved in the entire chain, from inquiry to installation. It has made us an increasingly important cog in our customers' organizations."



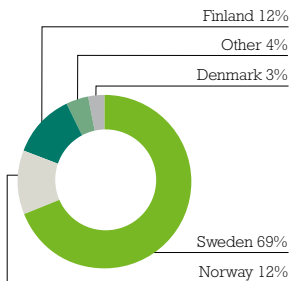
¹ CIMdata PLM Market analysis 2010 Report "Actuals through 2009 and Forecasts through 2014", July 2010.



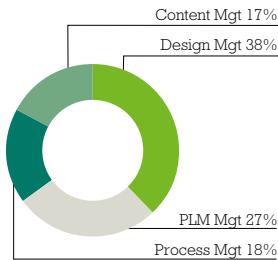
GROUP SALES

The graphs show Group net sales by country, business area, and customer.

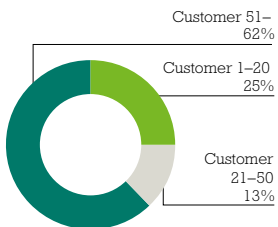
2010 net sales by country



2010 net sales by business area



2010 net sales by customer



Process Management Content Management

Together, the Process Management and Content Management business areas hold a leading position in Sweden in public sector transaction processing systems and cross-sector web offerings. We are the largest supplier of system support to technical administration departments in municipalities.

MARKET

The market in which the Process Management and Content Management business areas operate is usually referred to as enterprise content management (ECM). It includes tools and processes for managing and streamlining processes for unstructured content using such things as document management, transaction processing, email archiving, GIS, and various web portals.

According to analyst Exido, the Swedish ECM market will grow six percent in 2010, with sales of SEK 4.7 billion in 2011.

The ECM market is fragmented, and there are global product vendors such as Microsoft, IBM, Open Text,

Oracle, and EMC as well as local product suppliers Formpipe and Software Innovation. Examples of IT consultants operating on the Nordic ECM market with a broader offering are Accenture, Logica, EDB, Visma Sirius, and Know IT. Besides these, there are many local competitors in each country. In the GIS market and the municipal sector, we encounter competitors like ESRI S Group, Powel, and Sweco Position.

Expertise in public administration, a strong service offering, and a broad product portfolio have placed the Addnode Group in a strong position in the Swedish public sector.

CUSTOMERS

Customers are found in the national and municipal government sectors as well as in the private sector. Every year, the solutions we build handle several hundred million transactions at Swedish municipalities and government agencies. Of 290 municipalities in Sweden, 270 are Addnode customers. Our offerings are cross-sector in the areas of portals, e-commerce solutions, and GIS.

THE MARKET'S DRIVING FORCES

Demand in the private and public sectors is driven by a desire to, with limited resources, increase service to customers and citizens, requiring the automation of manual routine tasks to free up resources. This is made possible by powerful IT support. The development of digital administration and the emergence of e-services represent a significant challenge for federal and local governments in combining the principle of public access to information with information security. Initiatives that contribute to better general conditions for information security are therefore given priority.

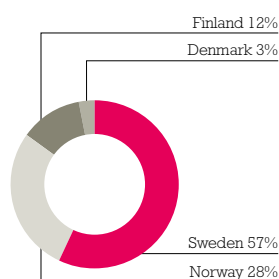
Today the internet is more than just an information channel; it is also a key component of business and organizational processes. As technology advances, there are new opportunities to increase accessibility, externally and internally, to goods, services, and information using modern web applications. There is detailed knowledge within the Group on how to utilize the full potential of web technology to realize business and operational processes and to strengthen brands on the web.



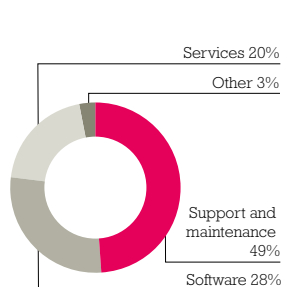
Design Management

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

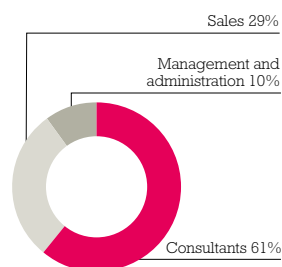
Net sales per market 2010



Net sales per revenue type 2010



Employees per function 2010



Key figures

Amounts in SEK million	2010	2009	2008
Net sales	401.5	335.3	358.6
EBITA	33.4	28.1	31.3
EBITA margin, %	8.3	8.4	8.7
Operating profit	30.9	27.1	30.3
Operating margin, %	7.7	8.1	8.4
Average no. of employees	152	133	129

Operations and offering

The business area offers IT solutions for the creation and management of digital models and drawings. Key elements of the offering are development of working and design methods, software and IT systems, deployment, training, support, and IT support. The solutions we offer are based on the Autodesk platform, proprietary applications and systems, and other related products.

Operations are conducted under the Cad-Q brand from offices in Sweden, Norway, Finland, and Denmark. Cad-Q is the largest supplier to the Nordic market in its field and one of the largest in Europe.

Market and customers

Design Management's offering primarily targets three market segments: manufacturing, construction and civil engineering, and property management. Customers are companies and organizations selling products, working with infrastructure projects, building and managing properties and facilities, and the consultants that our customers retain. The client list contains about 2,000 active clients. These include a wide range of leading Nordic companies.

Manufacturing

Manufacturing customers are offered modern modeling and production tools that support the design, product development, production, and technical documentation processes.

We deliver comprehensive solutions that encompass the entire chain, from customer communication and design to construction 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 with services that optimize planning, visualization, and communication. Efficient modeling tools provide customers with support during all phases of design, construction, and documentation, and can manage all information in a common construction model.

Property management

Based on knowledge of a property's life cycle, the business area provides system support to property managers. A turnkey project for property owners includes everything from planning support, such as templates and project hubs, to complete management of digital drawing archives.

Competitive edge

The business area employs 170 keen, innovative individuals who understand design, construction, production, maintenance, and management processes. This, together with a broad and competitive product portfolio and a large customer base with good reference projects, means that we are one of the largest CAD and design system companies in Europe and the biggest one in the Nordics.

2010 projects

1 More effective planning of the new Karolinska

Need The White Tengbom Team wanted to ensure efficient planning of the new Karolinska Hospital. The project is expected to take seven years.

Solution By working with the building information modeling (BIM) methodology, a project management platform for 120 users was created. The platform consists of Revit Architecture, which is Autodesk's BIM tool, complemented by Cad-Q's operationally developed CQ Tools.

2 PDM solution for APL

Need APL was in need of a comprehensive structure for all customer project documents and information, along with global product development.

Solution By implementing a PDM solution, APL got a start-to-finish digital workflow that saves time and money.

3 CAD solution for Sandvik MT

Need Sandvik wanted to ensure continuous updates to its CAD and PDM solutions.

Solution Operation of the system was outsourced to CAD-Q, which used its proprietary software for implementation and management of the CAD and PDM solutions. Sandvik reduced its own workload while ensuring professional, secure operation, meaning that it always works with optimized software.



Modeling tools help architects think outside the box.

“We are changing the construction industry”

“Our BIM-oriented concepts and working methods make it possible to model the entire project, laying the groundwork for profitability at every stage,” says Mats Persson, Cad-Q’s construction segment director. “BIM is an industry concept and a method of relating to digital information. And this increases the construction industry’s interest in this transparent approach.”

Addnode’s Design Management business area consists of Cad-Q, the leading provider of modeling- and drawing-related IT in the Nordics. The company works with implementing software, training, support, and IT support of CAD-related systems in the construction, real estate, and industrial sectors.

BIM as a working method will revolutionize the construction industry

What’s the secret of your success?

“We focus mainly on delivering business critical solutions that cover much of the information process, from concept to management. Revit, a 3D CAD tool, fully supports BIM,” says Persson. “Documentation for all kinds of reports is retrieved from a common data base. The architect, designer, and cost accountant each enter their components into the system, whether it be 3D, architec-

tural features, or metadata to be forwarded for economic calculation. Every change in the database can be tracked and assessed.”

How are your solutions used?

“The system’s 3D visualizations and detailed item reports make for much better communication possibilities than before throughout the project. This prevents misunderstandings, errors, and serious cost increases long before they might actually occur. For decision-makers with lay backgrounds, such as municipal politicians and tenants, this can be invaluable. The system also provides professional administrators, contractors, and consultants with access to a new approach that has potential for big savings.”

What are your views about the future of the Design Management area?

“BIM as a working method will revolutionize the construction industry through its cost reduction possibilities in design and production. This is a way to strongly improve the current construction and management process. As far as we’re concerned, the positive trend will continue.”

“We are in at the early stages and are doing increasingly more advanced integrations. When administrators also realize the potential in this method of working, demand will increase. Using our system can make you more money. Growing concern for the environment and energy efficiency will also generate a greater need for detailed knowledge and security.”



Mats Persson
Director of
Construction
Segment,
Cad-Q

Business area
Design Management

Addnode company
Cad-Q

Examples of customers
Volvo and Skanska

Focus
Implementation of software, training, support, and IT support of CAD-related systems.



From idea to product

We are biggest in
the Nordics in IT
solutions for design
and construction

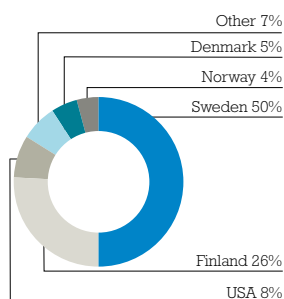




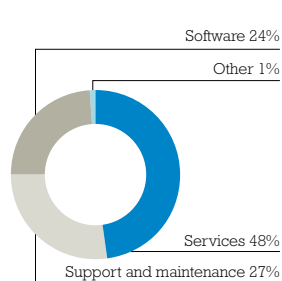
Product Lifecycle Management

IT solutions for creating and managing all product information throughout a product's lifecycle.

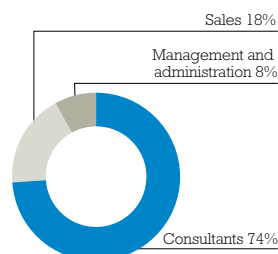
Net sales per market 2010



Net sales per revenue type 2010



Employees per function 2010



Key figures

Amounts in SEK million	2010	2009	2008
Net sales	285.8	278.7	299.7
EBITA	24.7	14.8	39.2
EBITA margin, %	8.6	5.3	13.1
Operating profit	21.8	10.5	35.7
Operating margin, %	7.6	3.8	11.9
Average no. of employees	150	167	163

PRODUCT LIFECYCLE MANAGEMENT BUSINESS AREA

Operations and offering

The business area's offering consists of PLM solutions for generating and managing product information throughout its lifecycle.

A PLM solution is an IT system in which information about a product and/or facility is gathered in one place so the information can then be presented and used throughout the entire organization, from development through production, sales, delivery, after-sales support, and where applicable, disposal.

- 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.
- Sellers and marketers can retrieve updated specifications and pictures of the product.
- External partners and suppliers can be given access to the PLM system, which is important since companies often lack internal production knowledge.

The offering includes the entire PLM strategy implementation process – from review of business processes, problem analysis, and preparation and training of the organization to system implementation, startup, and maintenance. The solutions we offer in the business area are based on the

Dassault Systemes software platform, proprietary applications and systems, and other related products.

Operations are conducted under the Technia and Sovelia brands from offices in Sweden, Finland, Norway, and the United States. Technia is the leading supplier of PLM solutions in the Nordics and is also a leading European supplier.

Market and customers

The business area's customers are primarily Nordic companies with global operations and a growing number of companies based in Europe and the US.

We offer PLM solutions to the telecom, manufacturing, automotive, life sciences, consumer products, retail trade, construction, and energy production industries. During the 2010

financial year we were engaged in projects in some 30 countries. The client base consists of about 100 active customers and includes leading companies in the Nordics and around the world.

Competitive edge

We have 160 focused employees in the PLM area. By building a strong service offering, developing our own add-on applications, and delivering them as a solution to customers, the Addnode Group managed to become the largest PLM provider in the Nordics. Customers choose to work with us because we understand their businesses and are focused on creating value through improved quality, shortened lead times, and cost savings.

2010 projects

1 Process support for Ericsson's R&D

Need Ericsson was in need of a requirement and test management system to ensure that its global R&D projects delivered the right results with high quality.

Solution A new process and system support for managing requirements and tests was introduced, and the delivery flow of commercial software was streamlined.

2 Global system for Outotec

Need Outotec requested a global system to efficiently manage product data and documentation.

Solution The implemented system will help improve the efficiency and quality of product development with shorter lead times thanks to better control over more readily accessible product documentation.

3 More effective tools for Lexmark

Need Lexmark wanted a global system to improve quality and usability for end-users.

Solution By implementing a global system containing Technia's Value Components, end users now have a much more effective tool with which to work. The time required to download drawing specifications was also reduced for vendors. Lexmark has seen an increase in user satisfaction levels of more than 20%.



More and more industries are seeing the benefits of a PLM system.

“We take the winning work practices of world leaders to a larger market”

Applied IT in innovation and production processes can translate into big savings. The constant development of our system solutions is based on concrete experiences gained from collaborating with several of the world's leading companies. “For our customers, it means automatic benchmarking against the most effective solutions to industrial problems that exist right now,” says Jonas Gejer, director of the life sciences and consumer product segments at Technia.

Technia is part of Addnode's PLM business area, offering IT solutions for product information throughout a product's lifecycle.

The major benefit is gaining control of the management of a product's lifecycle

What's the secret of your success?

“Many global companies in the last 15-20 years have invested heavily in efficiency through enterprise resource planning (ERP) to control their operations' transaction processes,” says Gejer. “Focus has shifted from ERP to PLM, which controls and streamlines the innovation and product processes. The major benefit is gaining control of the management of a product's entire lifecycle.

Legal requirements for things such as traceability and reduced environmental impact are growing all the time. Increasing awareness of the value of working with brand-enhancing corporate social responsibility brings new incentives for investment in secure production and product flows.”

How are your solutions used?

“Large companies work hard on streamlining and shortening lead times, which is facilitated by access to shared information databases and coordination of shared and often global resources. Using our standard solutions in ready-made modules, common platforms are created that could lower the cost of direct materials. We are really good at consolidation – reducing the number of articles in a company – which in many cases lowers product costs dramatically.”

What are your views about the future of the PLM area?

“The trend is toward greater standardization, which increases the speed of solution implementation. Five years ago, projects generally lasted over a year and now we are down to three to six months. We want to sell solutions that rapidly generate customer value.”

“We achieve this with pre-configured packages that require a minimum of time for customization. We're practical; we create tangible solutions rather than reports on what can be done. We deliver a tool-supported process that makes customers more efficient, improves quality, lowers costs, and reduces their time to market.”



Jonas Gejer
Director of
Life Sciences
and Consumer
Products
Segment,
Technia

Business area
Product Lifecycle
Management

Addnode company
Technia

Examples of customers
GE Healthcare and Preem

Focus
IT solutions for product
information throughout a
product's lifecycle.

From experts to a team
Our IT solutions make
Nordic industry more
competitive

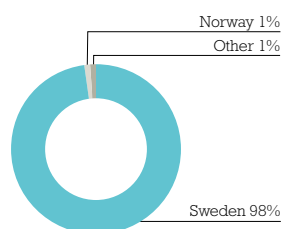




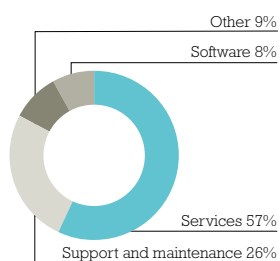
Process Management

Mission-critical systems for case management, municipal administration, e-archives and GIS.

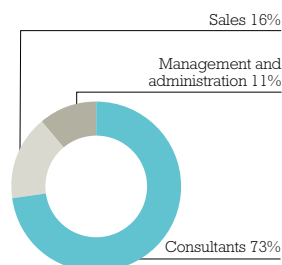
Net sales per market 2010



Net sales per revenue type 2010



Employees per function 2010



Key figures

Amounts in MSEK million	2010	2009	2008
Net sales	193.2	171.9	177.9
EBITA	30.5	34.8	36.8
EBITA margin, %	15.8	20.2	20.7
Operating profit	25.4	29.8	31.6
Operating margin, %	13.1	17.3	17.8
Average no. of employees	122	112	110

Operations and offering

The business area's offering consists of systems and software for case management, municipal administration, e-archives, and GIS. We offer solutions based on proprietary applications and systems combined with related products. We also build solutions based on open source frameworks and standard technologies. Key elements of the offering are working methods and systems development, software, and deployment, support, and maintenance of systems and software.

The business area conducts operations in Sweden and Norway under the brands Ida Infront, Prosilia, Decerno, Tekis, Arkiva, Mitthygge, Kartena, and Cartesia.

Market and customers

The business area's offering is aimed primarily toward the public sector where the handling of various transactions is business critical. We hold a strong position in the public and municipal sectors in Sweden and have delivered many systems and solutions to the private sector. The operation is located in Norway.

Transaction processing

Several hundred million transactions for Swedish municipalities and federal agencies are processed with the solutions built by the business area. Examples of customers outside the public sector are several insurance companies, Alfa Laval, Viking Line, and Fastighetsbyrån.

Municipal administration

Our solutions are used by administrators in 270 Swedish municipalities in their daily work to manage and administer such things as roads, property, buildings, snow plowing, and school buses. Through smart e-services, municipal citizens can easily and interactively communicate with their municipal officials.

E-archive

The offer covers the entire process, from scanning paper documents to digital storage and construction of archival databases to integration with the client's transaction processing system, intranet, and external web portals. Examples of customers who chose our e-archive solutions are the cities of Borås and Stockholm.

Geographic information system

GIS solutions and products are based on software from market leaders, 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. Customers are in the private and government sectors.

Competitive edge

We have extensive knowledge and understanding of the laws and regulations that govern operations within the public sector. A conscious investment in our own products has facilitated a build-up of knowledge that can be reused in new projects and solutions. We have extensive experience in handling, organizing, and streamlining enormous flows of information.

2010 projects

1 Better decision-making for the City of Stockholm

Need The City of Stockholm pursued a common reference system for its road network and all road infrastructure related information and a functional exchange with NVDB, the national road database.

Solution By making existing data available to everyone concerned, the City of Stockholm has access to structured information in its daily work and better documentation on which to base decisions.

2 Management controls reduce claims costs

Need The Swedish Post and Telecom Agency wanted a system that anyone could turn to when they needed information about the location of underground cables. The service was to be available around the clock and allow cable owners to provide up-to-date information.

Solution The Ledningskollen portal reduced the number of interruptions caused by excavation, resulting in sharp drops in damage costs. Crisis management was improved and critical infrastructure was strengthened.

3 Automated transaction processing for the Swedish Legal, Financial and Administrative Services Agency

Need The Swedish Legal, Financial and Administrative Services Agency wanted to automate its transaction processing. The goal was to increase quality and accessibility.

Solution Initiate support for electronic document and transaction processing that also comprises document registration and archiving. With iipax™ as its IT support, the staff can work in a single system, regardless of process or device, without sacrificing their unique requirements.



We have worked with the police since 1988.

“We are just at the beginning of the digital revolution”

“Society’s shift toward a more paperless government requires storage methods that allow archiving of electronic documents and messages for 5, 10, 15 years or forever.”

Ida Infront is part of Addnode’s Process Management business area. The company develops and sells the *ipax*™ product family, which offers advanced functions for long-term electronic archives, document and transaction processing, advanced e-services, and secure information transfers. On the Swedish market, Ida Infront holds a strong position and has also had an office in Norway for several years.

More and more items are digitized for practical reasons and are born digital

What’s the secret of your success?

“From our beginnings in 1984 we have gradually edged closer to a market-leading position,” says Hans Jönsson, director of marketing. “The most recent proof of that is from last fall with the framework agreement for e-government support services with the Legal, Financial and Administrative Services Agency for municipal, county, and federal agencies. This contract means that we remain one

of the largest suppliers to Swedish authorities. The total potential order value for the six selected suppliers over the course of the four-year contract is in the billions.”

How are your solutions used?

“The common denominator is that the systems must cope with large transaction flows while following legal and regulatory requirements like the Personal Data Act, traceability, accessibility, and security.”

“The public sector is using our transaction processing solutions more and more to do things like meeting e-government expectations. One application is the ability of individuals to log on and follow their transaction any time of day or night. In the federal government sector, we have several successful examples of our innovations.”

“Among those customers are the National Agency for Higher Education and the National Laboratory of Forensic Science.”

What are your views about the future of the Process Management area?

“More and more items are digitized for practical reasons and are born digital. Constant widening of the digital highways, faster computers, and the shift to smartphones and tablets will open up for further efficiency improvements in the public and private sectors.”

“Whether you choose to store information on your own servers or use cloud services, management of digital archives is a business-critical factor.”



Hans Jönsson
marketing
director, Ida
Infront

Business area
Process Management

Addnode company
Ida Infront

Examples of customers
Swedish National Agency for Higher Education and Swedish National Laboratory of Forensic Science.

Projects
Transaction processing solutions for the public sector.

From chaos to order

We help the Swedish public sector provide citizens with the right service

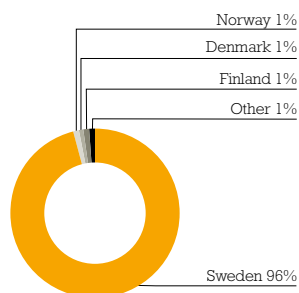




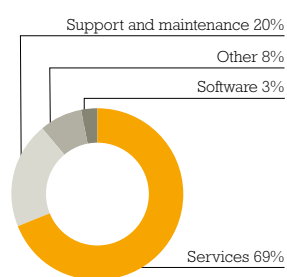
Content Management

Web-based IT solutions for information management and e-commerce.

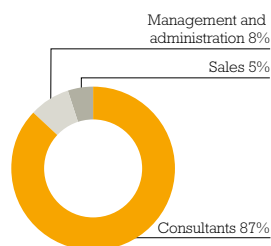
Net sales per market 2010



Net sales per type 2010



Employees per function 2010



Key figures

Amounts in MSEK million	2010	2009	2008
Net sales	184.7	212.6	192.8
EBITA	-0.8	3.0	23.7
EBITA margin, %	-0.4	1.4	12.3
Operational profit	-5.7	-3.7	18.2
Operational margin, %	-3.1	-1.7	9.4
Average no. of employees	198	226	158

Operations and offering

The business area's offering consists of web-based IT solutions for information management and e-commerce. Customer assignments include turnkey solutions comprising strategy, design, system development and integration with backend systems, along with operation and management.

We deliver public websites, collaboration and intranet solutions, and e-commerce systems. We take administrative responsibility for the delivered solution in many assignments.

We are experts in enterprise content management (ECM) and market-leading platforms such as EPiServer, Escenic, SiteVision, Microsoft, SiteCore, and IBM, along with solutions based on selected open source frameworks and standard technologies. Operations are conducted under the Mogul brand from offices in Stockholm, Uppsala, Gothenburg, Malmö, and Belgrade.

Public web communication

Mogul delivers user-friendly, stylish solutions that include giving our customers better positioning and dialogues with their customers. Through our knowledge and experience we have the right skills in engineering, design, and communication to provide our clients with successful internet ventures.

Collaboration and intranet solutions

By combining our expertise with leading collaboration platforms and social media, we enable streamlining of business processes, collaboration, and knowledge sharing within and between organizations.

E-commerce

We offer new and existing e-retailers all they need for an e-commerce venture to be successful and increase sales: development of

channel strategy, process mapping, platform selection, design, and development of e-commerce solutions, including integration with business systems.

Application development and system integration

We have specialist skills in Java, .NET, web services, search technologies, and service-oriented architectures. We also work with open source platforms and products such as Apache, RedHat, and Oracle.

Ready-made solutions and services

We offer cost-effective, robust cloud services (software as a service and infrastructure) within our application areas as well as telecom, mobility, customer relationship management, and logistics systems for e-commerce.

Market and customers

Our focused offer makes us an attractive partner to our customers, who are in industries such as media, telecom, banking and finance, the public sector, manufacturing, logistics, and information companies.

Competitive edge

The business area has in-depth knowledge of how to fully harness the potential of web technology for implementing business and operational processes and strengthening brands on the web.

We have knowledge of and experience with user interfaces that capture and engage the user. We are also platform-independent, so we can always offer the customer an optimal solution.

2010 projects

1 Updated e-commerce solution for Liber

Need Liber wanted to improve its web and e-commerce solution without tearing down or rebuilding their existing solution. It should also be easier for visitors to search and find the right literature.

Solution The solution was to integrate with and utilize existing information from their business system. With EPiServer, you can add editorial text and images. With the new search function, users can easily find what they need through a categorization of search results.

2 Corporate intranet for Stena Line

Need Stena Line needed a common intranet where each company within the Group could work together and manage their documents.

Solution By developing a common platform built on SharePoint, 15 companies in 12 countries can now work together through their own individual home pages in the common portal.

3 Europark reduces problems with parking meters

Need Europark needed to reduce parking meter downtime and provide motorists with safe parking and parking attendants with a tool for managing regulatory compliance.

Solution EA solution with several elements was created in which errors are reported by motorists to a voicemail service. Europark's itinerant service technicians retrieve this information online, rectify the situation, and then close the transaction. Parking attendants can validate service requests and codes through an online interface.



Behind the successful Liber e-commerce project is a team from Liber and Mogul.

“We provide the necessary infrastructure for external communication”

“We help companies create a structure for their users in the tremendous volume of data they have at their disposal,” says Felix Tunbjer, CTO of Mogul AB.

Mogul is part of Addnode's Content Management business area. The company works with everything from the development of communicative and selling web solutions to intranets and systems integrations. Customer value consists of industry-independent solutions for increased sales, improved customer service, and enhanced internal efficiency.

The customer's business and users drive development

What's the secret of your success?

“Mogul turned ten in 2010, but the foundations of the business were laid much earlier,” says Tunbjer. “Many of those who drove the IT development were extremely intelligent and forward-thinking; that's where our roots are. What distinguishes us today is access to a strong network and the ability to combine expertise and platforms into unique customer value. People come here with high expectations and we pride ourselves in exceeding them.”

How are your solutions created?

“The customer's business and users drive development today. We help them develop business plans with the help of information management

and information support. This is typically done with business-related web strategy issues. It often involves taking responsibility for entire development projects, including management, requirements gathering, requirements analysis, system architecture, design, programming, system testing, deployment, launching, and training.”

What does quality in content management provide?

“Customers and users assume everything will work, so we have to deliver 100 percent quality and business value. Mogul's work models secure the delivery and help correct errors, should they occur. The technology has matured and provides an extremely powerful basis for specific applications that are fully customized for the customer without needing to be developed entirely in-house. We can choose the best systems in Scandinavia because we are vendor-independent.”

What are your views about the future of the enterprise content management area?

“We are entering a phase in which the user has very high availability requirements—everything in one place, speed, and mobility. The time has come for what we might call the user-defined web, and our abilities really come into their own here. Simple business models help customers be fast-paced and cost-effective. Our strengths are broad technical skills and the ability to create applications to suit new uses. This is where our high capacity to deliver solutions with maximum usability and accessibility make a big difference.”



**Felix
Tunbjer**
CTO, Mogul

Business area
Content Management

Addnode company
Mogul

Examples of customers
Scandic and SVT

Focus
Development of web solutions for everything from information management to e-commerce.

From business concept to web shop
We offer commercial solutions for
an increasingly digital world



SHARE CAPITAL AND OWNERSHIP STRUCTURE

The Addnode share Addnode's Class B share is listed on NASDAQ OMX Stockholm Small Cap, where it trades under the symbol ANOD B. On December 31, 2010, there were 5,561 shareholders, and the proportion of foreign-owned shares was 5.4%. Institutional ownership accounted for 26.2%, of which equity funds represented 22.4%.

Price movements

At year-end 2010, the Addnode share was listed at SEK 25.60. The highest price paid in 2010 was SEK 29.40 (April 12, 2010) and the lowest was SEK 21.60 (August 12, 2010). Market capitalization at year-end amounted to SEK 720 million, compared with SEK 563 million at year-end 2009. In 2010, there were 7,979,088 shares traded—an average daily turnover per trading day of 31,538 shares.

Share data

The number of registered shares in Addnode on December 31, 2010 was 28,145,408 of which 1,053,247 were Class A shares and 27,092,161 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, 2010, on which date there were 5,561 shareholders.

Incentive programs

Addnode has no share-based incentive programs.

Dividend policy

Addnode's policy is to distribute at least 50% of Group profit after tax, provided that net cash resources are

sufficient to operate and develop business activities.

Proposed dividend

At the AGM, the Board will propose a dividend of SEK 1.50 per share. The proposed dividend totals approximately SEK 42 million. Based on the average stock-market price in 2010 of SEK 24.22, the proposed dividend represents a direct return of 6.2%.

Analysts and further information

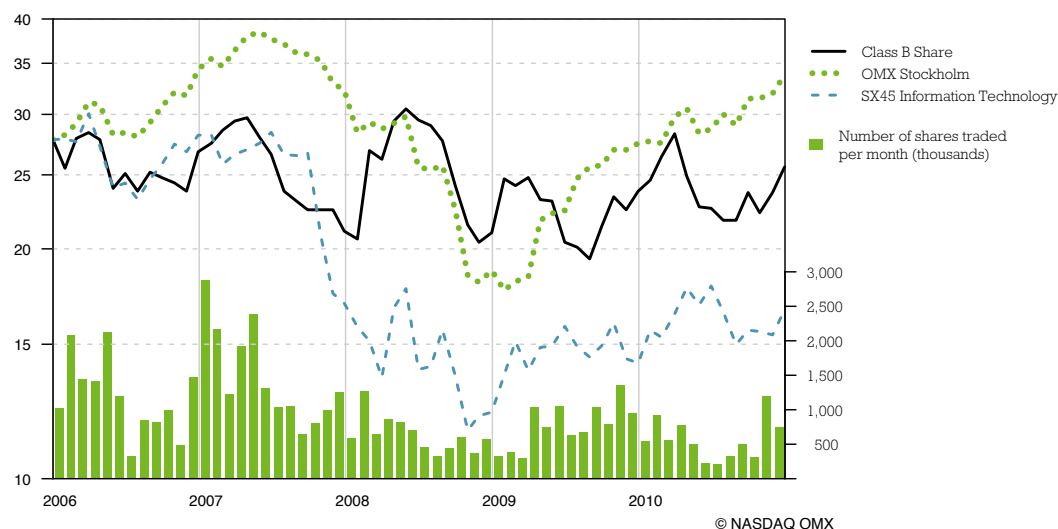
Analysts who regularly monitor Addnode include Erik Kramming, Redeye; Erik Rolander, Remium; and David Jacobsson, Öhman.

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.

Tools for processing key figures, interviews, analyses and other financial information about Addnode are available at www.introduce.se.

Share-price trends and share turnover



Any questions or thoughts should be addressed to our IR manager, Johan Andersson, by phone at +46 (0)8 506 66 214 or via johan.andersson@addnode.com

SHARE CAPITAL AND OWNERSHIP STRUCTURE

Shareholders December 31, 2010

Owner	No. of Class A shares	No. of Class B shares	% of capital	% of votes
Vidinova AB ¹	231,667	7,124,783	26.1	25.1
Åretro Capital AB ²	425,332	3,289,624	13.2	20.0
Robur Fonder	0	1,493,962	5.3	4.0
Staffan Johansson	110,000	366,123	1.7	3.9
Magnus Fredlund	110,000	316,000	1.5	3.8
Mats Åkesson	110,000	176,123	1.0	3.4
Länsförsäkringar Småbolagsfond	0	1,103,717	3.9	2.9
Johan Petrini	0	735,239	2.6	2.0
Multiple Choice Företagsservice	66,073	102,786	0.6	2.0
Banque Carnegie Luxembourg	0	726,806	2.6	1.9
Övriga aktieägare	175	11,665,431	41.5	31.0
Totalt	1,053,247	27,092,161	100.0	100.0

¹ The DecernoGruppen AB changed its name to Vidinova AB as of 9 February 2011. Vidinova is controlled by Dick Hasselström.

² Jointly owned by Staffan Hanstorp and Jonas Gejer.

Distribution of shareholdings on December 31, 2010

Holding	No. of shareholders	% of capital	% of votes
1-500	4,246	1.6	1.2
501-1 000	573	1.8	1.3
1 001-2 000	308	1.8	1.4
2 001-5 000	216	2.7	2.0
5 001-10 000	78	2.0	1.6
10 001-20 000	60	3.3	2.5
20 001-50 000	40	4.2	3.1
50 001-100 000	15	3.8	2.8
100 001-500 000	13	12.0	18.5
500 001-1 000 000	8	18.2	13.5
1 000 001-	4	48.6	52.1
Total	5,561	100.0	100.0

Share data

	2010	2009	2008	2007	2006
Average number of outstanding shares, millions ¹	24.0	23.6	22.0	22.4	21.6
Total number of shares, millions ¹	28.1	23.6	23.6	22.4	22.4
Earnings per share from remaining operations, SEK	2.13	1.81	4.18	3.28	1.96
Earnings per share from discontinued operations, SEK	-	-	-	-1.25	2.78
Total earnings per share, SEK	2.13	1.81	4.18	2.03	4.74
Equity per share, SEK	25.21	25.40	24.98	22.50	23.45
Dividend per share, SEK	1.50 ²	1.50	1.50	1.35	3.30
Share price at year-end, SEK	25.60	23.80	21.00	21.10	26.80
P/E	12	13	5	10	6
Share price/equity	1.02	0.94	0.84	0.94	1.14
Cash flow per share	2.85	2.77	5.26	4.75	2.23

Addnode's share capital history

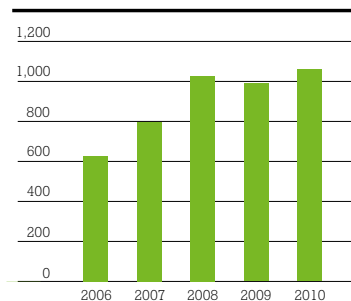
Year	Transaction	No. of shares after transaction	Total share capital after transaction, SEK
2000	New share issue – upon redemption of employee options program	2,752,184	1,376,092
2000	Non-cash issue – for GCI Interactive Europe AB	2,823,518	1,411,759
2000	Split 5:1	14,117,590	1,411,759
2000	New and non-cash 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 Informationsteknik 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 Informationsteknik 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
2010	Non-cash share issue – partial payment on acquisition of 100% of Decerno AB, Tekis AB, and Mitbygge AB	28,145,408	337,744,896

¹ There are no outstanding option or convertible programs that entail dilution.

² Per the proposal of the Board of Directors.

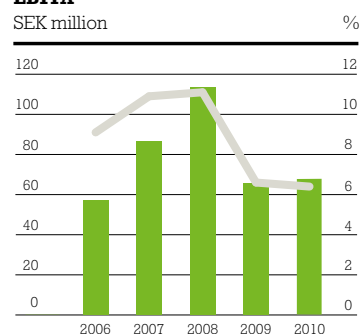
Five-year overview

Net sales SEK million



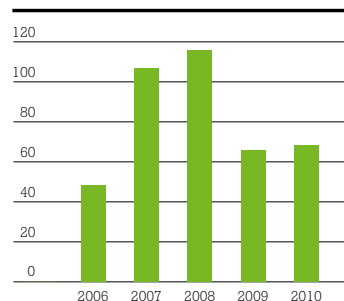
Net sales rose by 69% during the five-year period, from SEK 629 million in 2006 to SEK 1,060 million in 2010. This trend corresponds to average annual growth of 14%. The Group's financial target is to grow at least 20% annually.

EBITA



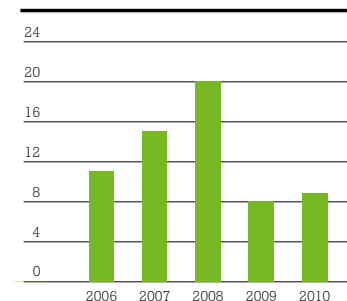
A poorer economic climate affected earnings in 2009 and 2010. The Group's financial target is for the EBITA margin to be at least 10%.

Cash flow from operating activities SEK million



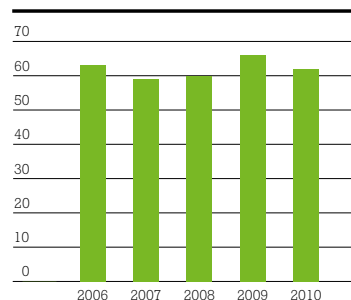
Addnode's business model with support and maintenance contracts means that the operating activities tie up relatively little capital. Historically, cash flow from operating activities has been on a par with EBITA.

Return on capital employed %



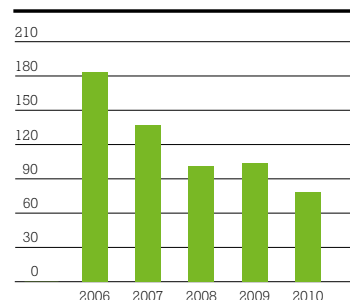
Return on capital employed increased from 11 to 20% in 2006–2008; in 2009 and 2010 lower profitability affected the return.

Equity/assets ratio %



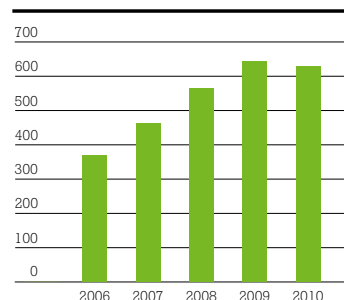
The Group's equity/assets ratio is good and has not been below 50% during any year.

Net cash SEK million



Addnode has no significant interest-bearing liabilities. The decline in net cash in 2007–2010 is attributable to acquisitions paid in cash, dividends, and buy-backs of own shares.

Average number of employees



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 over 30 acquisitions during the period. The major acquisitions include Ida Infront (2008), Strand Interconnect (2008), CADi Oy (2010), Tekis (2010) and Decerno (2010).

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".

FIVE-YEAR OVERVIEW

Group, continuing operations	2006	2007	2008	2009	2010
Income statement (SEK million)					
Net sales	628.7	795.0	1,025.1	989.4	1,059.9
of which outside Sweden	158.0	191.0	268.9	278.5	324.9
Operating profit before depreciation/amortization	64.2	96.1	126.6	78.7	78.4
EBITDA	56.9	86.5	113.4	65.7	67.5
Operating profit	48.4	73.6	98.2	48.7	52.1
Net financial items	0.3	1.8	5.8	-3.9	1.0
Profit before tax	48.8	75.4	104.0	44.8	53.1
Tax	-6.5	-1.9	-11.9	-2.0	-1.9
Profit/loss from discontinued operations	61.9	-28.0	-	-	-
Profit for the year	104.2	45.5	92.0	42.8	51.2
Balance sheet (SEK million)					
Intangible non-current assets	345.4	388.3	461.5	452.1	615.0
Property, plant, and equipment	20.3	27.2	28.5	19.8	22.9
Non-current financial assets	81.3	80.3	63.3	74.6	75.6
Inventories	6.3	1.8	1.2	0.8	2.0
Other receivables	271.0	252.0	316.9	259.7	355.6
Cash and bank balances	116.7	110.6	101.5	103.8	77.5
Total assets	841.0	860.0	972.8	910.8	1,148.6
Equity	525.9	504.7	588.4	600.6	714.8
Provisions	69.7	73.3	26.4	7.9	11.1
Borrowings, interest-bearing	10.2	7.3	3.2	1.0	3.1
Other liabilities, non-interest-bearing	235.2	274.7	354.8	301.4	419.6
Total equity and liabilities	841.0	860.0	972.8	910.8	1,148.6
Cash flow					
Cash flow per share, SEK	2.2	4.8	5.3	2.8	2.8
Cash flow from operating activities	48.3	106.5	115.9	65.5	68.4
Cash flow from investing activities	-53.3	-22.6	-58.7	-26.7	-50.2
Cash flow from financing activities	-4.7	-77.2	-67.2	-37.8	-41.8
Yield indicators					
Change in net sales, %	113	26	29	-3	7
Return on capital employed, %	11.0	14.8	19.9	8.4	8.8
Return on equity, %	23.8	9.1	17.8	7.3	8.6
EBITDA margin, %	9.1	10.9	11.1	6.6	6.4
Operating margin, %	7.7	9.3	9.6	4.9	4.9
Profit margin, %	7.8	9.5	10.1	4.5	5.0
Financial indicators					
Interest coverage ratio, times	71.0	162.2	103.3	139.1	194.8
Equity/assets ratio, %	63	59	60	66	62
Debt/equity ratio, times	0.07	0.06	0.05	0.05	0.05
Net debt (SEK million)	-183.1	-136.7	-101.1	-103.8	-78.0
Acid test ratio, %	161	118	119	132	110
Equity, SEK million	525.9	504.7	588.4	600.6	714.8
Equity per share, SEK	23.5	22.5	25.0	25.4	25.2
Proportion of risk-bearing capital, %	64	60	62	68	63
Personnel					
Number of employees on 31 December	424	532	733	646	775
Average no. of employees	369	463	565	643	629
Net sales per employee, SEK thousand	1,704	1,717	1,814	1,539	1,685

BOARD OF DIRECTORS

Board of directors

Per Hallerby

Stockholm, Sweden. Born in 1946. Board member and board chairman since 2003. Degree in business administration. Engaged in strategy and growth issues with small companies and groups, all at management level. Per Hallerby currently holds these assignments: Board chairman of Addnode AB, Holländska Ostar AB, Middagsfrid AB, Neuvecksinstitutet AB, and Nordreklam AB. Board member of ComAround AB, Micasa Fastigheter AB, Graffiti Remover i Sverige AB, Hammarby Speedwayförening, Technode AB and YoYomotion AB. Also serves as board member of the Stockholm Police District Supervisory Board, lay assessor at Stockholm's district court.

Holdings: 20,000 Class B shares.

Lars Save

Stockholm, Sweden. Born in 1954. Board member since 2003. Founded Addnode and served as president and CEO 2003–2005. Engineering degree and more than 25 years of practical experience with IT, online databases and digital business information. Founder, president and CEO of Bisnode AB 1991–2007. Former primary owner of Addnode 1991–2007. Now an independent investor and IT/digital media consultant. Partner and board member of several companies in these and other sectors, including Sam-

node AB, Alfanode AB, King in West AB, Stacke Metall AB, Empir AB, Technode AB, Altitude Ventures AB, Saveit Management AB, Trigentic AB, Advoco Software AB, Expericard AB, Checknode AB och Albin Metals AB, along with various small businesses.

Holdings: 74,000 Class B shares.

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, DigitalRoute AB, Visionsutveckling AB, and Nectst Partner 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 Intellecta AB, Rejlerkoncernen AB, Grant Thornton Sweden AB and Temagruppen Sverige AB.

Holdings: 400,000 Class B shares.

Spouse owns 35,000 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 chairman of Qlucore AB, Steam Consulting AB and Netcompetence Sweden AB and member of the American Chamber of Commerce in Sweden, and Institutet för informationsteknologi 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 C2SAT AB and for the Almi Invest Östra Mellansverige and Stockholm funds. Board member of Silex AB, RAE Systems Inc, Bluetest AB, Fingerprint Cards AB, OneMedia AB, Setra Group AB, Eolus Vind AB, ComHem AB and Atea ASA.

Holdings: 1,000 Class B shares. Spouse owns 1,000 Class B shares.

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 global product line manager at Sony Ericsson. 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.

Dick Hasselström

Täby, Sweden. Born in 1949. Board member since 2010. Masters in engineering and doctor of economics.

CEO of the Decernogruppen AB from 2003–2010, CEO of Decerno AB 1984–2002. Board member and CEO of Vidinova AB, and board chairman of Kartena AB and Z-City AB. Board member of Verg AB, Trafikanalys Sverige AB, and TDP Trafikdata Produkter AB. **Holdings:** Through Vidinova AB: 231,667 Class A shares and 7,124,783 Class B shares. Privately: 635,381 Class B shares.

Auditors

At the 2007 annual general meeting, registered auditing firm PriceWaterhouseCoopers AB (PwC), with authorized accountant Hans Jönsson as primary auditor, was reelected.

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



Group management

Staffan Hanstorp

Born in 1957. CEO, President of Addnode and business area manager, Process Management.

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 in the IT industry.

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 Almega AB as well as TurnPoint Asset Management AB.

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 information.

Education and experience: Bachelors in business from Uppsala University. Executive Management Program, IFL/ Stockholm School of Economics. Has worked in the Group since 2006 and has 10 years of experience from the IT industry, business transactions, 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.

Rolf Kjaernsli

Born in 1958. Business area manager, Design Management.

Education and experience: Masters of Engineering 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: 39,498 Class B shares via companies.

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 2006-2009 and now CEO of Technia AB.

Current appointments outside the Group: None.

Holdings: 0.

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: Mindark PE AB

Holdings: 13,000 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.

Changes in Group management

Bengt Sandlund left his position as business area manager for Process Management in 2010, in conjunction with his transfer to a business development roll in the business area.

Bo Löwstedt left Group management in March 2011 when he transferred to his own consulting business.

From left:
Urban Näsman
Ylva Berg
Staffan Hanstorp
Johan Andersson
Rolf Kjaernsli
Ronny Gustavsson





Addnode