

ADDNODE GROUP

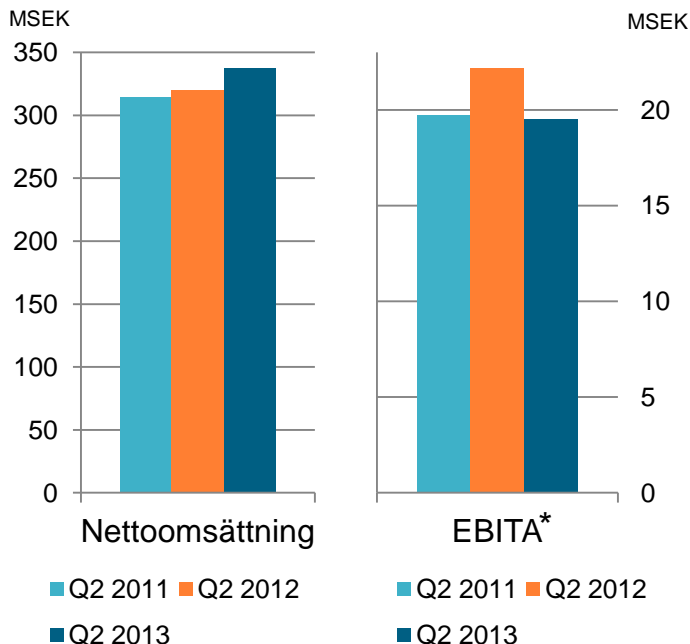


Interim Report  
Q2 2013

## Q2 2013

# GROWTH AND STRATEGIC ACQUISITION IN NORWAY

- Net sales totaled SEK 337.9 (320.1) M, up 6 percent.
- EBITA amounted to SEK 19.5 (22.3) M, and EBITA-margin of 5.8 (7.0) percent.



\*Excluding capital gains and cost for the revaluation of the conditional purchase considerations

## SIGNIFICANT EVENTS

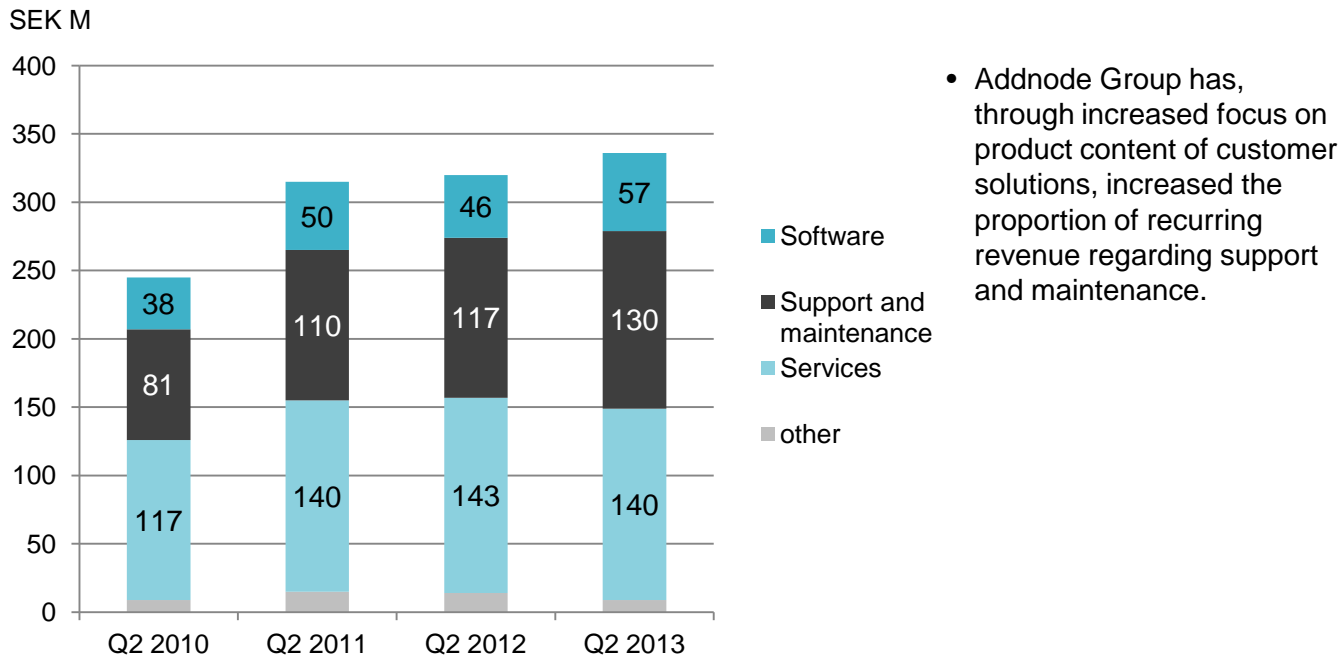
### Significant events during the second quarter of 2012

- Framework for e-archive for all of Sweden's municipalities and county councils.
- Acquisition of Basepoint Kajaani Oy strengthens our position in Finnish infrastructure market.
- Extensive order from ÅF regarding software and services.
- New Acting Manager of Business Area Content Management.

### Significant events after the end of the period

- Acquisition of Joint Collaboration AS, a Norwegian software company with a turnover of approximately SEK 135 M.
- Order for e-archives for the Swedish National Police Board valued at SEK 10 M.

# GROWTH AND EARNINGS DISTRIBUTION, Q2 2010 – Q2 2013



# ACQUISITION OF JOINT COLLABORATION AS

## ABOUT JOINT COLLABORATION

- Joint Collaboration AS was founded in 2001 and today consists of over 50 people.
- Joint Collaboration is Norway's largest provider of projects and collaboration solutions to the oil, gas and construction industries.
- Joint Collaboration's solutions have more than 45,000 users from such customers as Statoil, Jernbaneverket, the Norwegian Public Roads Administration, Lyse, Oslo 2022, the Norwegian Defence Estates Agency, Hoegh, M7 Offshore, Hæhre Entreprenør and many more.
- For the 12-month period, April 2012 – March 2013, net sales for Joint Collaborations amounted to NOK 120 M and EBITA to NOK 23 M.



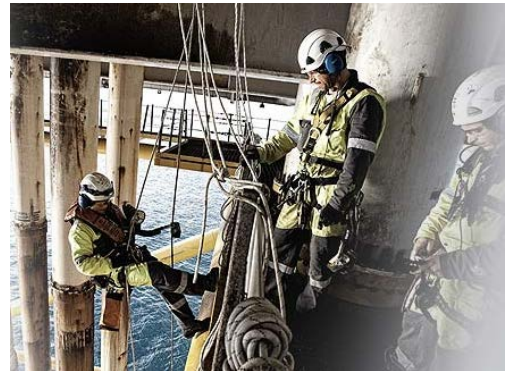
# ACQUISITION OF JOINT COLLABORATION AS

## JOINT COLLABORATION'S OFFERINGS

- Joint Collaboration has developed two web-based cooperation tools: Joint ProsjektHotell and Joint UniZone
- Both solutions are SaaS lease solutions (Software as a Service)
- Joint ProsjektHotell is a web based collaboration tools for construction projects: planning phase, design phase, construction, and operation.
- Joint UniZone is an efficient and flexible solution for collaborative development projects in the oil and natural gas industry.
- In addition to its SaaS lease solutions, Joint Collaboration distributes EMC software with hosting and support services.

JOINT ProsjektHotell

JOINT UniZone



# ACQUISITION OF JOINT COLLABORATION AS

## STRATEGIC RATIONALE

The acquisition is in line with the Group's strategy to be a leading provider of mission-critical support systems for engineering and construction activities in the Nordics.

- The Group gets an even stronger offering and skills:
  - Joint Collaboration's offering complements the offerings of Business Area Design Management and PLM Management.
- The Group will have the opportunity for synergies and a stronger presence in the Norwegian market:
  - Addnode Group can facilitate a Nordic expansion for Joint Collaborations' offering.
  - Larger organization in Norway provides security for large customers to choose us as their partner.
- Increased proportion of recurring revenues
  - Joint Collaborations revenue is largely from SaaS rental solutions in which customers pay a monthly fee based on the number of users.



# ACQUISITION OF JOINT COLLABORATION AS

## THE TRANSACTION

- Addnode Group has signed an agreement to acquire all shares in Joint Collaboration AS.
- The anticipated transfer date is August 30, 2013 and the acquisition is conditional upon approval from the Competition Authority in Norway and fulfillment or relinquishing of other specific conditions, primarily to the benefit of Addnode Group.
- The cost of the shares in Joint Collaboration total a maximum of NOK 190 M on a debt-free basis.
  - Payment will occur on the transfer date through a cash payment of NOK 56 M and through Addnode Group Series B shares representing a value of NOK 39 M.
  - The initial cash payment will be adjusted based on the size of the net cash and level of the working capital in Joint Collaboration on the transfer date.
  - A conditional purchase consideration in cash and cash equivalents totaling a maximum of NOK 95 M may be paid if specific targets pertaining to Joint Collaboration's EBITDA are achieved in 2013-2015.

**JOINT** Collaboration



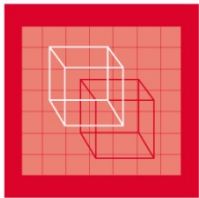
**JOINT COLLABORATION**  
ADDNODE GROUP



## FOUR BUSINESS AREAS

**A strong and comprehensive Group of high performance IT companies with leading positions in selected markets.**

### DESIGN MANAGEMENT



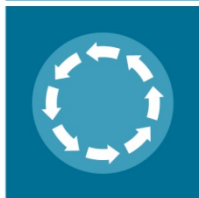
IT solutions for the creation and management of digital design models and drawings.

### PROCESS MANAGEMENT



IT solutions for case management, municipal administration, e-archives and geographic IT system.

### PRODUCT LIFECYCLE MANAGEMENT



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

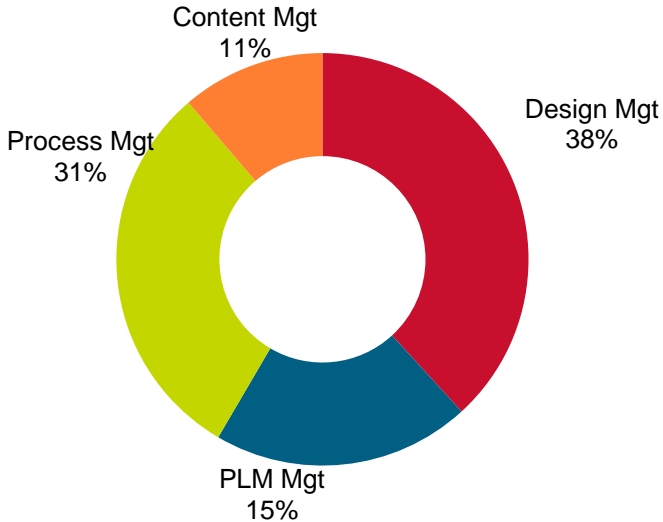
### CONTENT MANAGEMENT



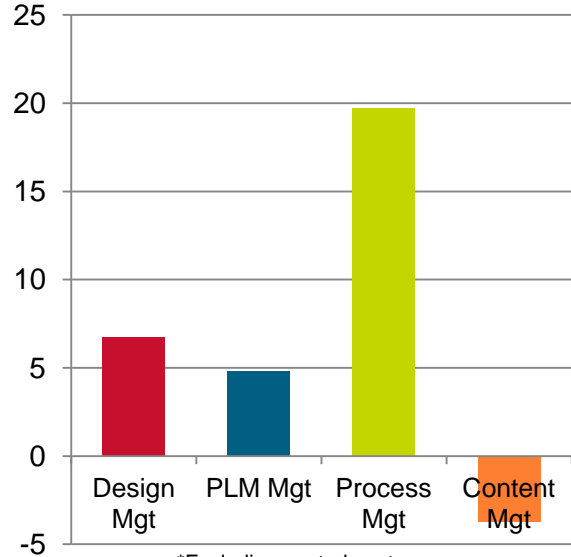
IT solutions for the public websites and intranet solutions as well systems for e-commerce.

# NET SALES AND EBITA BY BUSINESS AREA, Q2 2013

## Net sales by Business Area



## EBITA by Business Area\*



\*Excluding central costs

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### DESIGN MANAGEMENT



	Q2 2013	Q2 2012		2012
Net sales	131,0	127,6		573,0
Growth	3%	10%		11%
EBITA	6,7	8,9		57,0
EBITA-margin	5,1%	7,0%		9,9%
Average number of employees	235	217		224

- Growth in the various countries was mixed.
  - Norway reported a favorable trend in both the construction and offshore industries, with a positive impact on net sales and earnings.
  - The Finnish operation was stable and we secured several orders in Sweden from such customers as ÅF.
  - Denmark, which is the smallest unit in the business area, had a tougher market and earnings were not satisfactory.
- A number of license orders were postponed to the future, which had an impact on earnings for the period.

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### PRODUCT LIFECYCLE MANAGEMENT



	Q2 2013	Q2 2012		2012
Net sales	69,3	61,1		249,1
Growth	13%	-6%		-2%
EBITA	4,8	4,0		29,5
EBITA-margin	6,9%	6,5%		11,8%
Average number of employees	165	139		140

- The strong year-on-year growth was due to favorable sales of third-party products and proprietary supplementary components.
- The number of employees has increased as a result of a competence center has been established in India.
- The operation in Finland and the offering to our customers in the retail and consumer industries had a healthy performance. Demand from the manufacturing industry was slightly weaker during the second quarter, compared with the first quarter.

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### PROCESS MANAGEMENT



	Q2 2013	Q2 2012	2012
Net sales	103,9	91,7	380,5
Growth	13%	2%	5%
EBITA	19,7	14,0	68,7
EBITA-margin	19,0%	15,3%	18,1%
Average number of employees	270	244	244

- The growth is explained by a complementary acquisition and a strong demand for the products and services offered by the business area to the Swedish public sector.
- A strong trend for the offering to municipalities had a positive impact in the second quarter.
- The case management and e-archive offering to the public sector had favorable growth from existing customers and projects, while we were able to secure new competitive procurements.

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CONTENT MANAGEMENT	Q2 2013	Q2 2012	2012
Net sales	38,6	43,6	175,6
Growth	-11%	-4%	0%
EBITA	-3,7	2,5	11,5
EBITA-margin	-9,6%	5,7%	6,5%
Average number of employees	174	166	175

- The business area's offering within the web, intranet and e-commerce reported weak sales in a tough market, which had an impact on the outcome.
- Systems and voice-driven solutions reported a positive trend and we secured several transactions in both Sweden and Norway.
- During the second quarter, a new Acting Business Area Manager was appointed. The recruitment of a new Business Area Manager has been initiated

## STRONG BALANCE SHEET AND CASH FLOW

SEK **93** M

**NET CASH**  
**2013-06-30**

SEK **66** M

**CASH FLOW FROM OPERATING**  
**ACTIVITIES**  
**Jan – June 2013**

SEK **100** M

**CREDIT LINE**

**60** %

**EQUITY**  
**2013-06-30**

# Summary

- A market situation we have learned to manage.
- Customers' want to invest but it takes longer time to sell.
- Leading positions in several markets.
- Underlying customer needs and growth.
- Customers in both private and public sector.
- Business model with recurring revenue.
- Strong balance sheet and healthy cash flow.





# QUESTIONS?

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# ADDNODE GROUP

ABOU

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INFUSEIT

ADDNODE GROUP

KARTENA

ADDNODE GROUP

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MOGUL

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TECHNIA

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TEKIS

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VOICE PROVIDER

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