

Press release

## **Addnode Group acquires Transcat PLM, a German software provider with an annual turnover of SEK 450 M**

**STOCKHOLM, 2 July 2015 – Addnode Group AB (publ) today announced the acquisition of all shares of Transcat GmbH (“Transcat PLM”). Transcat PLM with operations in Germany, Austria and Slovakia, will join forces with Technia as a subsidiary of Addnode Group. The combined TechniaTranscat will be a European leader in CAD and PLM under the leadership of Jonas Gejer, President of Addnode Groups Business area PLM.**

### **Summary of the Transaction**

- On July 1, 2015, Addnode Group acquired all outstanding shares in Transcat PLM from Transcat PLM’s existing shareholders (the “Transaction”).
- Transcat PLM is one of Europe’s leading providers of PLM solutions based on Dassault Systèmes brands and its portfolio of proprietary applications. Additionally, Transcat PLM offers services ranging from consulting, project conception and training to on-site user support. In 2014 Transcat PLM’s net sales were SEK 450 M with an EBITDA of SEK 23 M.
- The Transaction was paid with EUR 5.98 M in cash, vendor loan notes extended by Addnode Group of EUR 1.1 M, and 816,236 Series B shares of Addnode Group representing a value of EUR 4.4 M. A maximum conditional purchase price of EUR 5 M in cash is payable if certain targets related to Transcat PLM’s profit during the period 2015-2016 is achieved. In summary, the maximum acquisition cost is EUR 16.48 M on a cash and debt free basis. The final payment is subject to an adjustment based on the actual level of net cash and net working capital in Transcat PLM, at 30 June 2015.
- The cash payment of EUR 5.98 M will be financed through existing credit facilities. Making use of the authorization by Addnode Group's Annual General Meeting 2015, the Board of Directors of Addnode Group has resolved to transfer 477,497 Series B shares held in treasury, and to issue 338,739 new Series B shares to effect the share payment in the Transaction.
- The sellers of Transcat PLM have undertaken not to sell or otherwise distribute or transfer (lock-up) the 816,236 Addnode Group B shares received in the Transaction for the period from closing date up to and including 30 June 2017 (i.e. two years after the closing date of the Transaction).
- The Transaction was not subject to any conditions but was completed immediately upon signing.
- The Transaction is expected to improve earnings per share from closing.

### **Background and motive**

- Transcat PLM is a strategic and operational fit with Technia and the Transaction is in line with Addnode Group's strategy to become a leading European provider of Design and PLM products and services.
- The new combined TechniaTranscat will be a market leader in the European PLM space with a strong capability to serve global companies in most industries. The combined companies will be unique in their ability to add value to the customers, providing the Dassault Systèmes product portfolio and a strong own software portfolio and service offering.
- With an annual turnover of SEK 450 M, Transcat PLM will be a first step in Addnode Group's expansion to the German market, Europe’s largest economy.

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*“We have been working together for many years and have both come to realize that the benefits for our customers and synergies from merging our two companies are great. Both companies are leaders in their regions, industries and chosen technologies and now, when combined, we form a unique force in the European PLM market”,* says Jonas Gejer, President of Addnode Groups business area PLM.

*“I’m convinced that the combined knowledge of the two companies, our new geographical reach and the superior capabilities of Dassault Systèmes’ 3DEXPERIENCE Platform will empower growth and innovation and increase profitability for our customers”,* says Etienne Droit, Managing Director of Transcat PLM.

*“Transcat PLM’s leadership in digital product creation joined with Technia’s strong background in collaborative product development will enable our customers to rapidly get a competitive edge from adopting Dassault Systèmes’ 3DEXPERIENCE Platform. Our two corporate cultures, with very strong customer focus and respect for the individual, create a strong platform for the future for our customers, employees and partners”,* says Gerhard Keller, Managing Director of Transcat PLM.

*“This is a strategic move for Addnode Group. We take clear leadership in the PLM industry and are now, through TechniaTranscat, able to offer our European customers all the high quality software and services from both companies. From an Addnode Group perspective, this acquisition also establishes us in the German market, Europe’s largest economy”,* says Staffan Hanstorp, CEO and President of Addnode Group.

## **Description of Transcat PLM**

Transcat PLM improves its customers' competitiveness through the deployment and use of innovative IT solutions for virtual product development. Since 1987 Transcat PLM is active in the CAx/PLM business and one of the leading specialists that offer the entire product lifecycle management (PLM) portfolio based on the Dassault Systèmes products CATIA, ENOVIA, DELMIA, SIMULIA, 3DVIA and EXALEAD. In addition, Transcat PLM has a wide range of services: consulting, project design, training and on-site support for users. Development of standard and customized software for CATIA, ENOVIA and the JT format and the operation of the existing PLM applications and infrastructure complete the portfolio. Net sales in 2014 amounted to SEK 450 M.

For more information about Transcat PLM please visit [www.transcat-plm.com](http://www.transcat-plm.com)

## **Preliminary Purchase Price Allocation and segment reporting**

Preliminary purchase price allocation is expected to be communicated in Addnode Group’s interim report for the period 1 January – 30 September 2015.

In the interim report for the first nine months of 2015, which will be presented on October 23, 2015, the acquired business of Transcat PLM will be reported as part of the Business Area Product Lifecycle Management.

*The information in this press release is such that Addnode Group AB must disclose in accordance with the Swedish Securities Markets Act and/or the Financial Instruments Trading Act. The information was released on 2 July 2015 at 08:00 am.*

## **For more information:**

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## **About Addnode Group**

Addnode Group offers operation-critical IT-solutions to selected markets within both private and public sectors. We acquire, build and develop companies that deliver operation-critical IT solutions for specific needs from our customers.

Every day, 500,000 engineers use our systems to develop and maintain products, buildings and installations. 100,000 employees in the public sector use our solutions for municipal and government management.

We have 1,150 employees in Austria, Denmark, Finland, Germany, India, Norway, Slovakia, Sweden, the UK and the US, and Serbia. Net sales in 2014 amounted to SEK 1,599 M. Addnode Group's Series B share is listed on the Nasdaq Stockholm, Small Cap. For more information, please visit [www.addnodegroup.com](http://www.addnodegroup.com).