

## Q3 Interim Report: 1 January - 30 September, 2016

CEO succession from AGM 2017. Staffan Hanstorp proposed as new Chairman of the Board

### THIRD QUARTER SUMMARY, JULY - SEPTEMBER 2016

- Net sales amounted to SEK 467.1 m (467.3)
- EBITA was SEK 39.6 m (42.2), corresponding to an EBITA margin of 8.5 per cent (9.0)
- Operating profit was SEK 24.6 m (30.8), corresponding to an operating margin of 5.3 per cent (6.6)
- Profit after tax was SEK 17.2 m (21.7)
- Earnings per share after dilution were SEK 0.57 (0.71)
- Cash flow from operating activities was SEK -37.2 m (-18.0)

### NINE-MONTH SUMMARY, JANUARY - SEPTEMBER 2016

- Net sales amounted to SEK 1,536.3 m (1,286.4), up 19%
- EBITA increased to SEK 107.2 m (98.5), corresponding to an EBITA margin of 7.0 per cent (7.7)
- Operating profit was SEK 66.1 m (68.0), corresponding to an operating margin of 4.3 per cent (5.3)
- Profit after tax was SEK 45.5 m (50.0)
- Earnings per share after dilution were SEK 1.50 (1.67)
- Cash flow from operating activities was SEK 84.8 m (45.8)

### SIGNIFICANT EVENTS DURING THE THIRD QUARTER, JULY - SEPTEMBER 2016

- Acquisition of software companies EssVision and Stamford
- Establishment of new software company specialising in e-health and pharmacy solutions
- Clearance obtained to sign agreement with the City of Gothenburg after appeal for review was denied, order value of approximately SEK 35 m
- Agreement signed with a major government agency in the area of defence and security, order value of approximately SEK 5 m

### SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- Agreement with world-leading train manufacturer
- Additional acquisition credit facility of SEK 200 m secured
- Johan Andersson appointed new President and CEO from AGM 2017 and Staffan Hanstorp proposed as new Chairman of the Board

## 51%

SHARE OF  
RECURRING REVENUE  
IN Q3 2016

## +19%

GROWTH IN THE  
NINE-MONTH PERIOD  
COMPARED WITH 2015

## 600 000

TOTAL NUMBER OF  
USERS OF OUR SOFTWARE

#### For more information, please contact:

Staffan Hanstorp, President and CEO  
staffan.hanstorp@addnodegroup.com  
+46 (0) 733 77 24 30

Johan Andersson, CFO  
johan.andersson@addnodegroup.com  
+46 (0) 704 20 58 31

#### Contact Address

Addnode Group AB (publ.)  
Hudiksvallsgatan 4B  
SE-113 30 STOCKHOLM

#### Corporate identity

556291-3185

#### Telephone number

+46 8 630 70 70

#### Website

[www.addnodegroup.com](http://www.addnodegroup.com)

This information is such that Addnode Group AB (publ.) is obliged to make public pursuant to the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out to the left, on October 26, 2016, at 08.30 CET.



## New CEO and I am proposed as Chairman of the Board

### SIZE AND OFFERING LEADING TO NEW BUSINESS

Through our expansion in recent years we have attained a strong position in the Nordic countries as well as internationally. The acquisition of the British company Symetri in 2014 and the German company Transcat PLM in 2015 have given us a solid European base for our continued growth in industrial IT. This broader geographical spread is unleashing new potential for business' and collaborations with major international customers. A prime example is the contract we signed after the end of the quarter with Stadler, the Swiss train manufacturer. In the public sector, too, we are winning new deals that are a testimony to both our quality and prestige. During the quarter we obtained clearance following an appeal process to sign an agreement with the City of Gothenburg for a new planning system for the city's home care operations. We also secured a deal with a major government agency in the defense and security sector, where we will implement our case management software.

### CHANGE IN DESIGN MANAGEMENT BUSINESS MODEL TAKING HOLD

We achieved growth of 19 per cent for the nine-month period, driven by organic growth as well as acquisitions. Both net sales and EBITA for the third quarter were level with the corresponding period a year ago. As previously communicated, we have shifted to a new business model in our subsidiary Symetri from a licence-based sales model to one that is now entirely subscription-based. In the near term this transition is affecting both sales and earnings, however, over time the change will provide us with a higher share of recurring revenue and greater stability in our business. Taking these factors into account we had a good quarter.

### ACQUISITION OF TWO SOFTWARE COMPANIES

We are seeing steady growth in revenue from our proprietary products, and during the third quarter we acquired another two software companies that strengthen us in the area of case management. Every day we evaluate acquisition candidates, and to ensure that we can take advantage of every opportunity,

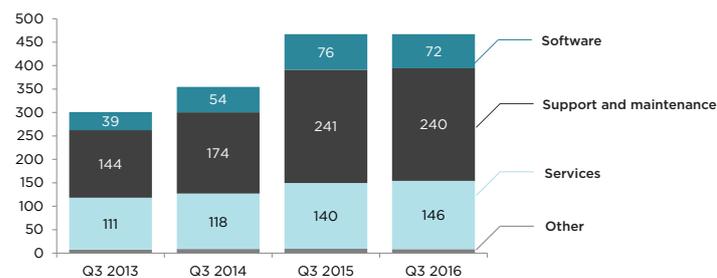
we have secured an additional acquisition credit facility worth SEK 200 m. By successively evaluating, acquiring and developing companies in our two core businesses, we are moving forward at a steady pace.

### CHANGE OF LEADERSHIP BY AGM 2017

For 23 years I have been active within the company. In 1994 I paved the ground to Addnode Group's largest business of today and the last ten years I have been the President and CEO for a Nasdaq listed company. We have built a solid and profitable Group with a turnover of more than two billion SEK. Timing and place feels right to change leadership and for me to step into a new position. Current CFO in the Group, Johan Andersson, will overtake my responsibilities as President and CEO from AGM 2017 and I am proposed to the position as Chairman of the Board of Directors. I will continue to be a driving force in overall strategic questions and remain an active part in acquisition processes - because we are far from finished building the Group.

Staffan Hanstorp, President and CEO

Breakdown of growth and net sales,  
Q3 2013 - Q3 2016, SEK m



Recurring revenue pertains to support and maintenance, which also includes revenues from SaaS solutions.

## SIGNIFICANT EVENTS DURING THE THIRD QUARTER OF 2016

### Acquisition of software company EssVision

EssVision is a Swedish software company that provides IT solutions for document and case management to municipalities, authorities and companies. The acquisition strengthens our portfolio of case management products especially for municipalities. The company had sales of SEK 13 m in the 2015 financial year, with an operating margin of 17 per cent. Possession was transferred on 1 July 2016, and the company is part of the Process Management business area. The acquisition is expected to have a marginally positive impact on Addnode Group's earnings per share.

### Establishment of new software company in Norway specialising in e-health and pharmacy solutions

Pharmasolutions AS specialises in business-critical software applications in the e-health and pharmacy areas in the Norwegian market. IT deliveries to the Norwegian pharmacy market amounted to approximately NOK 500 m in 2015, and demand is expected to grow further in pace with growing digitalisation in the e-health field. The company has signed strategic business partnerships with Canella AB and EY Norway, ensuring that both product development and the service delivery organisation will be in place from the onset. Pharmasolutions is part of the Process Management business area.

### Acquisition of software company Stamford

Stamford is a Swedish software company that provides IT solutions for property companies and companies in the retail and specialty retail segments. The company had sales of SEK 31 m in the 2015 financial year, with an operating profit of SEK 5.8 m and an operating margin of 19 per cent. Possession was transferred on 1 September 2016, and the company is part of the Process Management business area. Stamford's operations are being combined with the Addnode Group subsidiary Prosilia and will be conducted under the Stamford brand. The acquisition is expected to have a marginally positive impact on Addnode Group's earnings per share.

### Clearance obtained to sign agreement with the City of Gothenburg – order value of approximately SEK 35 m

In March 2016 Kartena, a subsidiary in the Process Management business area, won a contract award decision from the City of Gothenburg to provide IT support for planning, implementation and monitoring of operations for the City of Gothenburg, with an order value of approximately SEK 35 m. The decision was appealed several times. The Administrative Court of Appeal has now ruled that permission will not be granted for continued requests for appeal.

### Contract with major government agency in the defence and security sector – order value of approximately SEK 5 m

Ida Infront, a subsidiary in the Process Management business area, has signed a new agreement with a major government agency in the defence and security sector. The agreement covers implementation of iipax software and support for five years with an option to extend the agreement for an additional two years. The initial order value, excluding the option, is approximately SEK 5 m.

## SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

### Agreement with world-leading train manufacturer

TechniaTranscat, a subsidiary in the Product Lifecycle Management business area, has signed a new agreement with Stadler, covering a system for managing the company's product data information. The agreement covers implementation of a platform, more than 2,000 user licences, and TechniaTranscat's proprietary software and services.

### Additional acquisition credit facility of SEK 200 m

In addition to its existing credit facilities, Addnode Group has secured a new acquisition credit facility with Nordea worth SEK 200 m. The facility has a term of four years and can be drawn from gradually.

### Johan Andersson appointed new President and CEO from AGM 2017 and Staffan Hanstorp proposed as new Chairman of the Board of Directors

The Board of Director's has appointed Johan Andersson, current CFO of Addnode Group, to new President and CEO from AGM 2017. Johan Andersson succeeds Staffan Hanstorp, who has led the company since 2007. Addnode Group's Nominating Committee has proposed Staffan Hanstorp as the new Chairman of the Board.



**CONSOLIDATED NET SALES AND EARNINGS**

**Third quarter, July - September 2016**

Net sales amounted to SEK 467.1 m (467.3). For comparable units net sales decreased two per cent compared with the corresponding period a year ago. Software revenue (licences) totalled SEK 72 m (76), revenue from support and maintenance agreements totalled SEK 240 m (241), service revenue grew to SEK 146 m (140), and other revenue totalled SEK 8 m (9). EBITA was SEK 39.6 m (42.2), corresponding to an EBITA margin of 8.5 per cent (9.0).

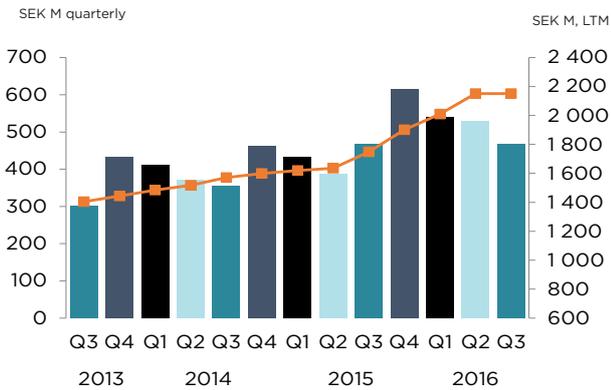
The Design Management business area had lower net sales and earnings, which is explained by the changed business model from licence to subscription sales. Our proprietary Interaxo software continues to be used by a growing number of users in the Norwegian market, and demand is good from the Swedish construction and infrastructure sectors. The Product Lifecycle Management business area had good sales of proprietary software and services, which had a positive impact on the EBITA margin. The Process Management business area posted growth of 9 per cent in the third quarter compared with the same quarter a year ago. We continue to secure new agreements and have carried

out two software acquisitions. Excluding acquisitions the business area had organic growth of two per cent. The Content Management business area's net sales and earnings were level with the preceding year. Net financial items amounted to SEK -1.4 m (-1.2). Reported tax for the period was SEK -6.0 m (-7.9), and profit after tax was SEK 17.2 m (21.7). Earnings per share after dilution were SEK 0.57 (0.71).

**The nine-month period, January - September 2016**

Net sales rose 19 per cent to SEK 1,536.3 m (1,286.4). For comparable units net sales was on par with the corresponding period a year ago. Software revenue increased to SEK 219 m (186), revenue from support and maintenance agreements increased to SEK 780 m (630), service revenue grew to SEK 500 m (443), and other revenue increased to SEK 37 m (27). EBITA increased to SEK 107.2 m (98.5), corresponding to an EBITA margin of 7.0 per cent (7.7). Net financial items amounted to SEK -4.5 m (-0.6). Reported tax for the period was SEK -16.1 m (-17.4), and profit after tax was SEK 45.5 m (50.0). Earnings per share after dilution were SEK 1.50 (1.67).

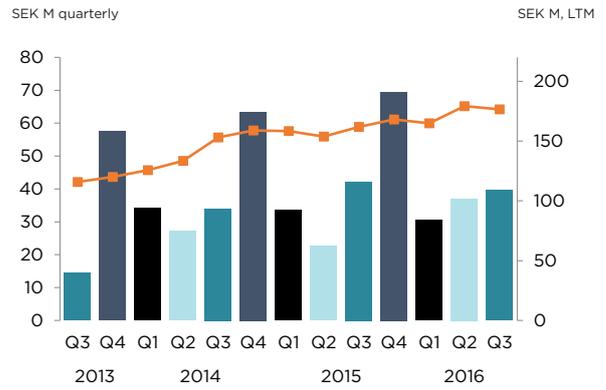
**Net sales, quarterly trend, SEK M**



**Seasonal variations**

The Addnode Group's operations are seasonal. The fourth quarter normally has the highest net sales and EBITA.

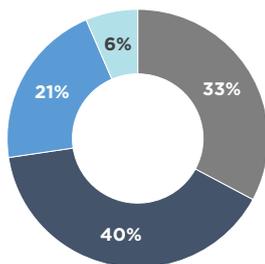
**EBITA, quarterly trend, SEK M<sup>1)</sup>**



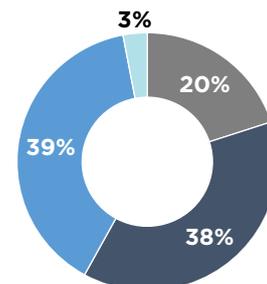
<sup>1)</sup> Excluding the revaluation of contingent considerations and non-recurring costs for organizational changes.



**Net sales by business area, share during the quarter, %<sup>2)</sup>**



**EBITA by business area, share during the quarter, %<sup>2)</sup>**



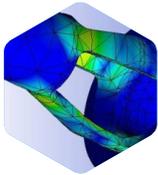
<sup>2)</sup> Before elimination of invoicing between the business areas and central costs.

## NET SALES AND EBITA IN OUR BUSINESS AREAS

Addnode Group has two core businesses and is organised in four business areas. We are a leading European provider of software and services for design, construction and product data information, and a leading provider of document and case management systems to public sector clients in Sweden and Norway. For more information about the respective business areas, please visit the company's website: [www.addnodegroup.com](http://www.addnodegroup.com).

### Design Management

IT solutions for design and construction.



#### Quarterly development

Net sales amounted to SEK 156.0 m (161.7) in the third quarter. EBITA was SEK 9.1 m (13.1), corresponding to an EBITA margin of 5.8 per cent (8.1). The decrease in net sales and earnings is explained by the changed business model moving from licenses to

subscription-based sales. Demand from customers in the construction and property sectors in Sweden and Norway remains good. Interaxo, our proprietary software for project management of construction and infrastructure projects, has gained an increased number of users. Demand from customers in the oil and gas sector in Norway and the UK continues to be affected by the adaptation to lower oil prices.

#### New business

The business area secured agreements with such customers as Akademiska Hus, Atos IT Services, DeepOcean, Frontica Business Solutions, Hille Melbye Arkitekter, Marintek, Martela, Riksdagsförvaltningen and Trans Adriatic Pipeline.

### Process Management

IT solutions for document and case management.



#### Quarterly development

Net sales amounted to SEK 100.4 m (92.5) in the third quarter, an increase of 9 per cent. EBITA was SEK 18.0 m (18.2), corresponding to an EBITA margin of 17.9 per cent (19.7). Excluding acquired units, organic growth was two per cent. The level of activity was high

in the business area, and the number of public procurement processes is at a favourable level. We have secured several contracts, including with a major government agency in the defence and security sector, to provide our proprietary iipax software for case management. An appeal of the contract award decision in Gothenburg with an order value of approximately SEK 35 m has been denied, and we can now sign an agreement with the customer and begin the project.

#### New business

The business area secured agreements from such customers as NFC, Norwegian Institute of Public Health, Swedish Environmental Protection Agency, Swedish National Heritage Board, the city of Gothenburg, the city of Malmö, the city of Stockholm, The municipality of Norrtälje and the Swedish Police.

### Product Lifecycle Management

IT solutions for product data information.



#### Quarterly development

Net sales amounted to SEK 186.1 m (186.6) in the third quarter. EBITA increased to SEK 17.3 m (15.9), corresponding to an EBITA margin of 9.3 per cent (8.5). We had good development of proprietary product sales, which improved EBITA margin. The Nordic

countries, Germany and the USA all contributed to the improved margin. The acquisition of the German company Transcat in 2015 was a step towards attaining a European platform and ability to serve global companies. The order from the Swiss train manufacturer Stadler for a PLM system is proof that this strategy is right. The agreement covers implementation, more than 2,000 user licences for Dassault Systèmes' software, and our own software and services.

#### New business

The business area secured agreements with such customers as AKVA Group, Honeywell Turbo Technologies, GFi, Dräxlmaier, Mölnlycke Health Care, Husqvarna, PSW automotive engineering, Geberit and Stadler Rail.

### Content Management

IT solutions for web and e-commerce, telecom as well as voice-driven and customer services.



#### Quarterly development

Net sales amounted to SEK 29.5 m (29.4) m in the third quarter, and EBITA was SEK 1.2 m (1.5), corresponding to an EBITA margin of 4.1 per cent (5.1). Net sales were level with the corresponding period a year ago.

We are working continuously to adapt the business area's service offering to market demand. The business area's telecom unit has experienced a high level of activity and has conducted numerous prospecting meetings and secured a number of agreements.

#### New business

The business area secured agreements from such customers as Blocket, DNB, Sodexo, Swedegas, Swedish Energy Agency, the Swedish Consumers' Banking and Finance Bureau, TDC Sweden and ZeroChaos.

## DEVELOPMENT OF BUSINESS AREAS\*

	2014	2015	2015	2015	2015	2016	2016	2016	LTM	
Net sales, SEK m	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Oct 2015 Sept 2016	Full Year 2015
Design Management	230.2	228.5	184.0	161.7	253.5	225.8	204.0	156.0	839.3	827.7
Product Lifecycle Management	75.4	59.2	62.2	186.6	204.6	176.4	179.4	186.1	746.5	512.6
Process Management	125.0	111.2	109.0	92.5	127.6	110.8	116.1	100.4	454.9	440.3
Content Management	35.9	37.2	37.3	29.4	36.0	33.5	34.6	29.5	133.6	139.9
Elim/central	-5.1	-4.3	-5.2	-2.9	-7.3	-5.7	-5.7	-4.9	-23.6	-19.7
<b>Addnode Group</b>	<b>461.4</b>	<b>431.8</b>	<b>387.3</b>	<b>467.3</b>	<b>614.4</b>	<b>540.8</b>	<b>528.4</b>	<b>467.1</b>	<b>2,150.7</b>	<b>1,900.8</b>
EBITA, SEK m	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	LTM	
Design Management	27.0	17.0	10.6	13.1	25.1	14.8	15.0	9.1	64.0	65.8
Product Lifecycle Management	17.9	5.6	3.5	15.9	27.7	8.8	11.1	17.3	64.9	52.7
Process Management	24.2	15.5	15.0	18.2	21.3	14.4	17.4	18.0	71.1	70.0
Content Management	0.3	2.5	2.3	1.5	2.3	-0.4	0.3	1.2	3.4	8.6
Elim/central	-6.0	-6.9	-8.8	-6.5	-6.9	-7.0	-6.8	-6.0	-26.7	-29.1
<b>Addnode Group</b>	<b>63.4</b>	<b>33.7</b>	<b>22.6</b>	<b>42.2</b>	<b>69.5</b>	<b>30.6</b>	<b>37.0</b>	<b>39.6</b>	<b>176.7</b>	<b>168.0</b>
EBITA-marginal, %	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	LTM	
Design Management	11.7%	7.4%	5.8%	8.1%	9.9%	6.6%	7.4%	5.8%	7.6%	7.9%
Product Lifecycle Management	23.7%	9.5%	5.6%	8.5%	13.5%	5.0%	6.2%	9.3%	8.7%	10.3%
Process Management	19.4%	13.9%	13.8%	19.7%	16.7%	13.0%	15.0%	17.9%	15.6%	15.9%
Content Management	0.8%	6.7%	6.2%	5.1%	6.4%	-1.2%	0.9%	4.1%	2.5%	6.1%
<b>Addnode Group</b>	<b>13.7%</b>	<b>7.8%</b>	<b>5.8%</b>	<b>9.0%</b>	<b>11.3%</b>	<b>5.7%</b>	<b>7.0%</b>	<b>8.5%</b>	<b>8.2%</b>	<b>8.8%</b>
Average number of employees	2014 Q4	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2016 Q1	2016 Q2	2016 Q3	Full Year 2015	
Design Management	316	317	321	316	314	314	320	320	317	
Product Lifecycle Management	161	160	160	385	408	406	420	443	281	
Process Management	272	277	271	271	281	274	280	277	275	
Content Management	128	124	124	130	122	116	116	116	125	
Central	8	8	8	7	7	7	7	8	7	
<b>Addnode Group</b>	<b>885</b>	<b>886</b>	<b>884</b>	<b>1,109</b>	<b>1,132</b>	<b>1,117</b>	<b>1,143</b>	<b>1,164</b>	<b>1,005</b>	

\*EBITA and the EBITA margin in this section are recognized excluding the revaluation of contingent considerations.

## Seasonal variations

Addnode Group's operations are seasonal. The fourth quarter normally has the highest net sales and EBITA.

## CONSOLIDATED BALANCE SHEET AND CASH FLOW

### Liquidity, cash flow and financial position

The Group's cash and cash equivalents on 30 September 2016 amounted to SEK 61.6 m (102.9 as per 31/12/2015). Cash flow from operating activities was SEK 84.8 m (45.8) during the first three quarters of 2016. The good cash flow was largely attributable to advance payments from customers for support and maintenance agreements. Cash flow from investing activities in 2016 includes payment of contracted and previously expensed earn-out payments for company acquisitions carried out in previous years, totalling SEK 14.5 m. It also includes received payouts of SEK 31.6 m (30.5) for proprietary software. During the second quarter, dividends totalling SEK 68.5 m were paid out to the shareholders. Within the framework of existing credit lines, bank loans of SEK 29.5 m and SEK 38.0 m were raised in January 2016 and July/August 2016, respectively. The Group's interest-bearing liabilities amounted to SEK 177.4 m on 30 September 2016 (126.6 as per 31/12/2015), and the net of interest-bearing assets and liabilities was SEK -115.7 m (-23.2). The equity/assets ratio was 51 per cent (48) on 30 September 2016. The Parent Company has an existing bank overdraft facility of SEK 100 m. In addition, since January 2015 the Parent Company has had an agreement for a credit facility of up to SEK 200 m to finance future acquisitions, of which SEK 156 m had been utilised as per the date of publication of this interim report. In the end of October 2016 an agreement was signed for an additional credit facility of up to SEK 200 m.

### Investments

Investments in intangible non-current assets and in property, plant and equipment amounted to SEK 48.5 m (41.7), of which SEK 31.6 m (30.5) pertains to proprietary software and SEK 10.5 m (11.2) to equipment.

### Goodwill and other intangible assets

The Group's carrying amount of goodwill on 30 September 2016 was SEK 975.3 m (889.2 as per 31/12/2015). The carrying amount of trademarks was SEK 11.3 m (12.1). Other intangible assets amounted to SEK 185.7 m (159.9) and pertain mainly to customer agreements and software.

### Deferred tax assets

Total reported deferred tax assets amounted to SEK 9.0 m on 30 September 2016, of which SEK 4.6 m pertains to tax loss carryforwards. The Group's accumulated tax loss carryforwards amounted to approximately SEK 40 m on 30 September 2016. Deferred tax assets attributable to tax loss carryforwards are reported as assets to the extent it is likely that the loss carryforwards can be used to offset surpluses in future taxation.

### Shareholders' equity and number of shares

Shareholders' equity on 30 September 2016 amounted to SEK 932.4 m (916.6 as per 31/12/2015), corresponding to SEK 30.64 (30.12) per share outstanding. During the second

quarter, dividends totalling SEK 68.5 m were paid out to the shareholders. Changes in the number of shares outstanding and in shareholders' equity are shown on page 13. No share-savings, option or convertible programmes were outstanding as per 30 September 2016.

### Provisions

Provisions, which are included in non-current and current liabilities on the consolidated balance sheet, amounted to SEK 49.7 m on 30 September 2016, of which SEK 42.5 m pertains to estimated contingent consideration for completed company acquisitions. During the first half of 2016, SEK 9.3 m was paid out in previously expensed contingent consideration.

### EMPLOYEES

The average number of employees in the Group was 1,142 (959) during the first three quarters of 2016. At the end of the period the number of employees was 1,286 (1,202 as per 31/12/2015).

### DISCLOSURES OF SUBSIDIARY ACQUISITIONS

On 1 February 2016 an agreement was signed to acquire all of the shares in 5D Systemkonsult AB, with possession transferring on the same date. For its financial year May 2014–April 2015 the company had net sales of SEK 22 m and an operating profit of SEK 4 m. 5D Systemkonsult is a Swedish software company that provides property management systems to private and public sector clients. The company has 20 employees and has since the date of possession been part of the Design Management business area, which since previously has had a strong offering of systems to the construction and property sectors. The acquisition further complements and strengthens this offering. According to the preliminary purchase price allocation calculation, goodwill and other acquisition-related intangible assets arising in connection with the acquisition amount to approximately SEK 31 m, entailing a deferred tax liability of approximately SEK 2 m. Other acquired assets and liabilities pertain primarily to trade receivables, cash and cash equivalents, and deferred income.

On 1 July 2016 an agreement was signed to acquire all of the shares in EssVision AB, with possession transferring on the same date. EssVision had net sales of SEK 13 m in 2015 and an operating profit of SEK 2 m. The company is a Swedish software company that offers document and case management systems to municipalities, authorities and companies. EssVision has eleven employees and since the date of possession has been part of the Process Management business area, which since previously is one of Sweden's leading providers of IT solutions for document and case management. The acquisition further complements and strengthens this offering. According to the preliminary purchase price allocation calculation, goodwill and other acquisition-related intangible assets arising in connection with the acquisition amount to approximately SEK 25 m, entailing a deferred tax liability of approximately SEK 2 m. Other acquired assets and liabilities pertain primarily to trade receivables, cash and cash

equivalents, and deferred income.

On 19 August 2016 an agreement was signed to acquire all of the shares in Stamford AB and Stamford Hero i Karlstad AB, with possession transferring on 1 September 2016. The companies had combined net sales of SEK 31 m in 2015 and an operating profit of SEK 6 m. The business is focused on development of IT solutions for companies working in retail and specialty retail, and property companies. The companies together have 36 employees and have been part of the Process Management business area since the date of possession. Operations are being combined with Addnode Group's subsidiary Prosilia, which works in the same system environment. The combined business will be conducted under the Stamford name. The acquisition strengthens Addnode's offering to existing customers and opens new business opportunities. According to the preliminary purchase price allocation calculation, goodwill and other acquisition-related intangible assets arising in connection with the acquisition amount to approximately SEK 25 m, entailing a deferred tax liability of approximately SEK 1 m. Other acquired assets and liabilities pertain primarily to trade receivables, cash and cash equivalents, and deferred income.

Through 30 September 2016 the acquisitions contributed approximately SEK 21 m to consolidated net sales and had a positive effect on consolidated profit after tax of approximately SEK 2 m. If the acquisitions had been carried out as per 1 January 2016, consolidated net sales during the first three quarters of 2016 would have amounted to approximately SEK 1,564 m, and profit after tax would have amounted to approximately SEK 46 m. Costs of SEK 0.1 m for carrying out the acquisitions are included in the Group's other external costs for 2016.

#### DISCLOSURES OF FINANCIAL INSTRUMENTS

The Group's risk exposure in financial instruments is relatively limited. No financial assets or liabilities are carried at a value that significantly deviates from their fair value. More detailed information is provided in Note 19 of the 2015 Annual Report. During 2016 no significant changes have taken place in holdings or the valuation of financial instruments attributable to Level 3 of the fair value hierarchy under IFRS 13, nor have any transfers been made between the levels in the valuation hierarchy. As per 30 September 2016 the Group had no outstanding currency forward contracts.

#### PARENT COMPANY

Net sales amounted to SEK 4.9 m (4.4) and consist mainly of invoicing to subsidiaries for performed services. Profit before tax totalled SEK 25.6 m (34.4), including SEK 47.0 m (55.0) in dividends from subsidiaries, and impairment of shares in subsidiaries totalling SEK 0.0 m (6.2). Cash and cash equivalents amounted to SEK 16.4 m on 30 September 2016 (80.3 as per 31/12/2015). Investments in shares in subsidiaries amounted to SEK 84.8 m, and transfers of shares in subsidiaries to other Group companies totalled SEK 21.2 m. No significant investments were made in intangible non-

current assets or in property, plant and equipment. During the second quarter SEK 68.5 m was paid out in dividends to the shareholders. During the first half of the year, payments of contracted and previously expensed earn-out payments for company acquisitions amounted to SEK 14.5 m. Within the frame work of existing credit lines, bank loans of SEK 67.5 m have been raised. The Parent Company has an existing bank overdraft facility of SEK 100 m. In addition, the Parent Company has an agreement for a credit facility of up to SEK 200 m to finance future acquisitions, of which SEK 156 m had been utilised as per the date of publication of this interim report. In the end of October 2016 an agreement was signed for an additional credit facility of up to SEK 200 m.

#### ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU and the Swedish Annual Accounts Act. The Parent Company's accounts have been prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities. The new standards, amendments and interpretations of existing standards that took effect in 2016 have not had any impact on the Group's financial position or financial statements. The accounting policies and calculation methods are unchanged compared with the description provided in the 2015 Annual Report.

#### SIGNIFICANT RISKS AND UNCERTAINTIES

Addnode Group's significant risks and uncertainties are described in the 2015 Annual Report on pages 10-11 and in the section "Risks and uncertainties" on page 36, as well as in notes 37 and 38 on pages 67-69. No significant changes have subsequently taken place.

#### FUTURE OUTLOOK

The Board has not changed its assessment of the future outlook compared with the previous quarter. In the interim report for the period January–June 2016 the Board communicated the following outlook: In the long-term, the areas in which Addnode Group is active are deemed to have strong underlying potential. Addnode Group's growth strategy is to grow organically and through acquisitions of new businesses in the aim of adding new, complementary offerings and additional expertise. The policy of not issuing a forecast stands firm.

## CERTIFICATION

The Board of Directors and the President and CEO certify that the nine-month report gives a fair overview of the company's and Group's operations, position and earnings, and describes significant risks and uncertainties facing the company and the companies included in the Group.

Stockholm, 26 October 2016

Sigrun Hjelmquist  
Chairman of the Board

Jan Andersson  
Member of the Board

Kristofer Arwin  
Member of the Board

Dick Hasselström  
Member of the Board

Annika Viklund  
Member of the Board

Thord Wilkne  
Member of the Board

Staffan Hanstorp  
President & CEO

## AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL INFORMATION IN SUMMARY (INTERIM REPORT), PREPARED IN ACCORDANCE WITH IAS 34 AND CH. 9 OF THE SWEDISH ANNUAL ACCOUNTS ACT

### INTRODUCTION

We have reviewed this interim financial information in summary (interim report) report for Addnode Group Aktiebolag (publ), as per 30 September 2016, and the nine-month period then ended. The board of directors and the President are responsible for the preparation and presentation of this interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

### SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements, ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA) and other generally accepted auditing practices. The procedures performed in a review do not enable us to obtain a level of assurance that would make us aware of all significant matters that might be identified in an audit. Therefore, the conclusion based on a review does not give the same level of assurance as a conclusion based on an audit.

### CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Annual Accounts Act for the Group, and in accordance with the Annual Accounts Act for the Parent Company.

Stockholm, 26 October 2016

PricewaterhouseCoopers AB

Magnus Brändström  
Authorised Public Accountant

**LARGEST SHAREHOLDERS 30 SEPTEMBER, 2016**

Shareholders	Capital, %	Votes, %
Vidinova AB <sup>1)</sup>	24.4	26.8
Aretro Capital Group AB <sup>2)</sup>	12.4	23.6
Swedbank Robur Fonder	9.6	7.3
Lannebo Fonder	9.0	6.8
Handelsbanken Fonder AB	5.2	4.0
Didner & Gerge Fonder	3.3	2.5
Fjärde AP-fonden	2.7	2.0
Grenspecialisten Förvaltning AB	2.5	1.9
E Öhman Jr Fonder	2.3	1.8
Försäkringsbolaget Avanza Pension	2.2	1.7
Other shareholders	26.4	21.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>



1) Board member Dick Hasselström is the principal owner of Vidinova AB.  
 2) Aretro Capital Group AB is jointly owned by Staffan Hanstorp, Addnode Group's President and CEO, and Jonas Gejer, the Business Area Manager of Product Lifecycle Management.

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



**TWO CORE BUSINESSES**

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



**ENTREPRENEURSHIP**

We are distinguished by a spirit of entrepreneurship, with short decision-making paths, and business-critical decision are made as close as possible to the customer and end user.



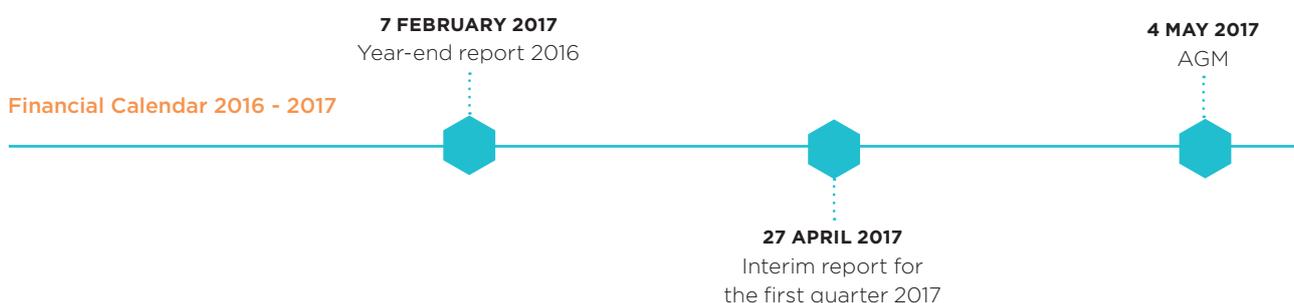
**ACQUISITIONS**

We have completed more than 40 acquisitions since 2003 and are constantly seeking companies that can strengthen or complement one of our two core businesses.



**RECURRING REVENUE**

A large portion of our revenue is recurring in the form of support and maintenance agreements, as well as SaaS services.



## CONSOLIDATED INCOME STATEMENT

(SEK M)	July - Sept		Jan - Sept		Full-year 2015
	2016	2015	2016	2015	
Net sales	467.1	467.3	1,536.3	1,286.4	1,900.8
<b>Operating costs:</b>					
Purchases of goods and services	-169.2	-182.3	-586.1	-460.1	-708.0
Other external costs	-61.2	-57.3	-189.1	-163.1	-236.7
Personnel costs	-202.7	-193.0	-674.8	-585.4	-817.6
Capitalized work performed by the company for its own use	9.2	11.4	31.6	30.5	43.2
Depreciation and write-downs of					
- tangible fixed assets	-3.6	-3.9	-10.7	-9.8	-13.7
- intangible fixed assets	-15.0	-11.4	-41.1	-30.5	-42.0
<b>Total operating costs</b>	<b>-442.5</b>	<b>-436.5</b>	<b>-1,470.2</b>	<b>-1,218.4</b>	<b>-1,774.8</b>
<b>Operating profit</b>	<b>24.6</b>	<b>30.8</b>	<b>66.1</b>	<b>68.0</b>	<b>126.0</b>
Financial income	-0.1	-1.1	1.2	1.4	2.5
Financial expenses	-1.3	-0.1	-5.7	-2.0	-3.9
<b>Profit before taxes</b>	<b>23.2</b>	<b>29.6</b>	<b>61.6</b>	<b>67.4</b>	<b>124.6</b>
Current tax	-4.5	-6.2	-12.0	-12.2	-18.8
Deferred tax	-1.5	-1.7	-4.1	-5.2	-10.3
<b>NET PROFIT FOR THE PERIOD</b>	<b>17.2</b>	<b>21.7</b>	<b>45.5</b>	<b>50.0</b>	<b>95.5</b>
<b>Attributable to:</b>					
Shareholders of the Parent company	17.2	21.7	45.5	50.0	95.5
Minority share	0.0	0.0	0.0	0.0	0.0
Earnings per share before dilution, SEK	0.57	0.71	1.50	1.67	3.18
Earnings per share after dilution, SEK	0.57	0.71	1.50	1.67	3.18
Average number of outstanding shares:					
Before dilution, millions	30.4	30.4	30.4	29.9	30.0
After dilution, millions	30.4	30.4	30.4	29.9	30.0

## STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME

(SEK M)	July - Sept		Jan - Sept		Full-year 2015
	2016	2015	2016	2015	
Net profit for the period	17.2	21.7	45.5	50.0	95.5
<b>Other comprehensive income, items which will not be reclassified to the consolidated income statement:</b>					
Actuarial gains and losses regarding pension commitments					-0.2
<b>Other comprehensive income, items which may be reclassified to the consolidated income statement:</b>					
Translation differences on consolidation	20.3	-6.9	41.3	-10.6	-27.9
Hedges of net investments in foreign subsidiaries	-1.1	-0.9	-2.5	-0.9	0.8
<b>Total other comprehensive income after tax for the period</b>	<b>19.2</b>	<b>-7.8</b>	<b>38.8</b>	<b>-11.5</b>	<b>-27.3</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>36.4</b>	<b>13.9</b>	<b>84.3</b>	<b>38.5</b>	<b>68.2</b>
<b>Attributable to:</b>					
Shareholders of the Parent company	36.4	13.9	84.3	38.5	68.2
Minority share	0.0	0.0	0.0	0.0	0.0

## CONSOLIDATED BALANCE SHEET

(SEK M)	Sept 30, 2016	Sept 30, 2015	Dec 31, 2015
Goodwill	975.3	902.0	889.2
Trademarks	11.3	12.2	12.1
Other intangible fixed assets	185.7	160.8	159.9
Tangible fixed assets	35.1	34.3	34.6
Financial fixed assets	28.1	31.0	29.6
Inventories	1.3	1.2	1.2
Current receivables	534.0	514.6	661.6
Cash and cash equivalents	61.6	47.4	102.9
<b>TOTAL ASSETS</b>	<b>1,832.4</b>	<b>1,703.5</b>	<b>1,891.1</b>
Shareholders' equity	932.4	886.9	916.6
Long-term liabilities	70.8	94.7	102.2
Current liabilities	829.2	721.9	872.3
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,832.4</b>	<b>1,703.5</b>	<b>1,891.1</b>
Interest-bearing receivables amount to	0.1	0.7	0.5
Interest-bearing liabilities amount to	177.4	124.3	126.6
Pledged assets	14.1	11.3	12.8
Contingent liabilities	1.3	1.7	1.8

## SHAREHOLDERS' EQUITY AND NUMBER OF SHARES

Specification of changes in shareholders' equity	July - Sept		Jan - Sept		Full-year
	2016	2015	2016	2015	2015
Shareholders' equity, opening balance	896.0	830.7	916.6	872.7	872.7
New share issue		17.6		17.6	17.6
Issue expenses		-0.1		-0.1	-0.1
Dividend			-68.5	-66.6	-66.6
Transfer of own shares		24.8		24.8	24.8
Comprehensive income for the period	36.4	13.9	84.3	38.5	68.2
<b>Shareholders' equity, closing balance</b>	<b>932.4</b>	<b>886.9</b>	<b>932.4</b>	<b>886.9</b>	<b>916.6</b>
<b>Shareholders' equity attributable to:</b>					
Shareholders of the Parent company	932.4	886.9	932.4	886.9	916.6
Minority interest	0.0	0.0	0.0	0.0	0.0
<b>Specification of number of shares outstanding, millions</b>					
Number of outstanding shares, opening balance	30.4	29.6	30.4	29.6	29.6
New share issue		0.3		0.3	0.3
Transfer of own shares		0.5		0.5	0.5
<b>Number of outstanding shares, closing balance</b>	<b>30.4</b>	<b>30.4</b>	<b>30.4</b>	<b>30.4</b>	<b>30.4</b>

The number of registered shares was 30,427,256 on both December 31, 2015 and September 30, 2016. Addnode Group had no holdings of own shares on December 31, 2015 or September 30, 2016. The number of outstanding shares was 30,427,256 on both December 31, 2015 and September 30, 2016.

## CONSOLIDATED CASH FLOW STATEMENT

(SEK M)	July - Sept		Jan - Sept		Full-year 2015
	2016	2015	2016	2015	
<b>Current operations</b>					
Operating profit	24.6	30.8	66.1	68.0	126.0
Adjustment for items not included in cash flow	19.0	15.2	53.5	37.2	56.8
<b>Total</b>	<b>43.6</b>	<b>46.0</b>	<b>119.6</b>	<b>105.2</b>	<b>182.8</b>
Net financial items	-1.1	-0.8	-1.8	-2.1	-3.8
Tax paid, etc.	-10.1	-7.3	-23.9	-23.5	-20.8
<b>Cash flow from current operations before changes in working capital</b>	<b>32.4</b>	<b>37.9</b>	<b>93.9</b>	<b>79.6</b>	<b>158.2</b>
Total changes in working capital	-69.6	-55.9	-9.1	-33.8	-14.4
<b>Cash flow from current operations</b>	<b>-37.2</b>	<b>-18.0</b>	<b>84.8</b>	<b>45.8</b>	<b>143.8</b>
Cash flow from investing activities <sup>1)</sup>	-40.9	-44.0	-114.0	-81.1	-115.1
Cash flow from financing activities <sup>2)</sup>	31.9	48.8	-18.7	11.9	6.7
<b>Change in cash and cash equivalents</b>	<b>-46.2</b>	<b>-13.2</b>	<b>-47.9</b>	<b>-23.4</b>	<b>35.4</b>
Cash and cash equivalents, opening balance	104.6	62.8	102.9	72.4	72.4
Exchange-rate difference in cash and cash equivalents	3.2	-2.2	6.6	-1.6	-4.9
<b>Cash and cash equivalents, closing balance</b>	<b>61.6</b>	<b>47.4</b>	<b>61.6</b>	<b>47.4</b>	<b>102.9</b>
<b>1) Specification of investing activities:</b>					
Acquisition and sales of intangible and tangible fixed assets	-12.1	-15.5	-47.3	-40.7	-58.6
Acquisition of financial fixed assets			-1.9	-3.4	-3.4
Acquisition of subsidiaries and operations	-37.7	-55.4	-83.4	-64.2	-80.3
Cash and cash equivalents in acquired companies	8.9	26.9	18.6	27.2	27.2
<b>Total</b>	<b>-40.9</b>	<b>-44.0</b>	<b>-114.0</b>	<b>-81.1</b>	<b>-115.1</b>
<b>2) Specification of financing activities:</b>					
Paid dividend			-68.5	-66.6	-66.6
Borrowings	38.0	54.0	67.5	94.0	94.0
Repayment of debts	-6.1	-5.2	-17.7	-15.5	-20.7
<b>Total</b>	<b>31.9</b>	<b>48.8</b>	<b>-18.7</b>	<b>11.9</b>	<b>6.7</b>

## KEY FIGURES

	July - Sept		Jan - Sept		Full-year 2015
	2016	2015	2016	2015	
Net sales, SEK M	467.1	467.3	1,536.3	1,286.4	1,900.8
Average number of employees	1,164	1,109	1,142	959	1,005
Net sales per employee, SEK 000s	401	421	1,345	1,341	1,891
Change in net sales, %	0	32	19	13	19
EBITA margin, %	8.5	9.0	7.0	7.7	8.8
Operating margin, %	5.3	6.6	4.3	5.3	6.6
Profit margin, %	5.0	6.3	4.0	5.2	6.6
Equity/assets ratio, %	51	52	51	52	48
Acid-test ratio, %	72	78	72	78	88
Shareholders' equity, SEK M	932.4	886.9	932.4	886.9	916.6
Return on shareholders' equity, % *	1.9	2.5	5.0	5.7	10.8
Return on capital employed, % *	2.3	3.1	6.3	7.4	13.5
Net liabilities, SEK M	115.7	76.2	115.7	76.2	23.2
Investments in equipment, SEK M	2.1	4.3	10.5	11.2	17.2

\* Key figures for the various interim periods have not been adjusted to return on an annual basis.

## SHARE DATA

Average number of outstanding shares after dilution, millions	30.4	30.4	30.4	29.9	30.0
Total number of outstanding shares, millions	30.4	30.4	30.4	30.4	30.4
Total number of registered shares, millions	30.4	30.4	30.4	30.4	30.4
Earnings per share after dilution, SEK	0.57	0.71	1.50	1.67	3.18
Shareholders' equity per share, SEK	30.64	29.15	30.64	29.15	30.12
Dividend per share, SEK	-	-	-	-	2.25
Stock-market price at end of period, SEK	61.00	50.75	61.00	50.75	61.25
P/E ratio	-	-	-	-	19
Share price/shareholders' equity	1.99	1.74	1.99	1.74	2.03

## OPERATING SEGMENTS

The figures below refer to the first nine months of each full-year.

(SEK M)	DESIGN MGT		PLM MGT		PROCESS MGT		CONTENT MGT		CENTRAL		ELIM / OTHER		ADDNODE GROUP	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
<b>REVENUE</b>														
External sales	583.8	571.2	541.9	308.0	324.4	311.9	86.0	95.1	0.2	0.2			1,536.3	1,286.4
Transactions between segments	2.0	3.0			2.9	0.8	11.6	8.8	7.2	6.5	-23.7	-19.1	0.0	0.0
Total revenue	585.8	574.2	541.9	308.0	327.3	312.7	97.6	103.9	7.4	6.7	-23.7	-19.1	1,536.3	1,286.4
EBITA	38.9	40.7	37.2	25.0	49.8	48.7	1.1	6.3	-19.8	-22.2			107.2	98.5
EBITA margin	6.6%	7.1%	6.9%	8.1%	15.2%	15.6%	1.1%	6.1%					7.0%	7.7%
Operating profit	21.4	26.6	28.7	21.0	35.5	37.1	0.3	5.5	-19.8	-22.2			66.1	68.0
Operating margin	3.7%	4.6%	5.3%	6.8%	10.8%	11.9%	0.3%	5.3%					4.3%	5.3%
Average number of employees	318	318	423	235	277	273	116	126	8	7			1,142	959

Addnode Group's operations are organized and managed based on the business areas Design Management, Product Lifecycle Management (PLM), Process Management and Content Management, which are the Group's operating segments. There have been no changes in the segment division or calculation of segment results since the most recently published Annual Report. Segments are reported according to the same accounting principles as the Group. The difference between the sum of the segments' operating income and consolidated income before tax is attributable to financial income of SEK 1.2 M (1.4) and financial expenses of SEK -5.7 M (-2.0). There have been no significant changes in the segments' assets compared to the information in the most recent annual report.

## QUARTERLY FINANCIAL OVERVIEW

(SEK M)	2016				2015					2014				
	Total	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Net sales	1,536.3	467.1	528.4	540.8	1,900.8	614.4	467.3	387.3	431.8	1,598.6	461.4	354.5	371.3	411.4
EBITA	107.2	39.6	37.0	30.6	168.0	69.5	42.2	22.6	33.7	193.3	97.7	34.0	27.3	34.3
Operating profit	66.1	24.6	23.3	18.2	126.0	58.0	30.8	12.8	24.4	128.5	58.5	25.1	18.5	26.4
Profit before taxes	61.6	23.2	21.6	16.8	124.6	57.2	29.6	12.2	25.6	129.8	60.2	25.0	19.2	25.4
Profit after taxes	45.5	17.2	15.6	12.7	95.5	45.5	21.7	8.7	19.6	100.2	47.6	19.0	14.4	19.2
EBITA margin	7.0%	8.5%	7.0%	5.7%	8.8%	11.3%	9.0%	5.8%	7.8%	12.1%	21.2%	9.6%	7.4%	8.3%
Operating margin	4.3%	5.3%	4.4%	3.4%	6.6%	9.4%	6.6%	3.3%	5.7%	8.0%	12.7%	7.1%	5.0%	6.4%
Cash flow from current operations	84.8	-37.2	-28.2	150.2	143.8	98.0	-18.0	23.3	40.5	152.5	96.7	-29.9	13.9	71.8
Average number of employees	1,142	1,164	1,143	1,117	1,005	1,132	1,109	884	886	890	885	896	886	892

## PARENT COMPANY INCOME STATEMENT

(SEK M)	July - Sept		Jan - Sept		Full-year
	2016	2015	2016	2015	2015
Net sales	1.5	1.4	4.9	4.4	7.3
Operating expenses	-7.0	-4.8	-23.0	-19.8	-25.7
<b>Operating result</b>	<b>-5.5</b>	<b>-3.4</b>	<b>-18.1</b>	<b>-15.4</b>	<b>-18.4</b>
Financial income	32.2	17.3	48.5	51.9	105.8
Financial expenses	-1.7	-0.1	-4.8	-2.1	-3.3
<b>Profit before taxes</b>	<b>25.0</b>	<b>13.8</b>	<b>25.6</b>	<b>34.4</b>	<b>84.1</b>
Tax	0.0	0.0	0.0	0.0	-11.7
<b>NET PROFIT FOR THE PERIOD</b>	<b>25.0</b>	<b>13.8</b>	<b>25.6</b>	<b>34.4</b>	<b>72.4</b>

## PARENT COMPANY BALANCE SHEET

(SEK M)	Sept 30, 2016	Sept 30, 2015	Dec 31, 2015
Intangible fixed assets	0.4	0.0	0.0
Financial fixed assets	1,206.8	1,147.3	1,143.1
Current receivables	93.4	135.3	102.4
Cash and cash equivalents	16.4	28.8	80.3
<b>TOTAL ASSETS</b>	<b>1,317.0</b>	<b>1,311.4</b>	<b>1,325.8</b>
Shareholders' equity	822.2	827.0	865.1
Provisions	41.4	46.7	46.7
Long-term liabilities	4.0	5.1	5.1
Current liabilities	449.4	432.6	408.9
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,317.0</b>	<b>1,311.4</b>	<b>1,325.8</b>

## USE AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Guidelines for information about Alternative Performance Measures (APM) for companies with securities listed on a regulated market within EU have been issued by the European Securities and Markets Authority (ESMA) and shall be applied for alternative performance measures in published compulsory information from July 3, 2016 and onwards. Alternative performance measures refer to financial measures regarding historical or future development of result, financial position, financial result or cash-flow which are not defined or stated in applicable rules for financial reporting. In the interim-report, some performance measures are used, which are not defined in IFRS, with the purpose to give investors, analysts and other interested parties clear-out and relevant information about the company's operations and development. The use of these performance measures and reconciliation to the financial statements is presented below. Definitions are stated on page 18.

### EBITA

EBITA is a measure which the group consider as relevant for investors, analysts and other interested parties in order to understand the development of the result before investments in intangible fixed assets. The measure is an expression for operating profit before depreciation and write-downs of intangible fixed assets.

### Net liabilities

The group consider the key-ratio as useful for the users of the financial statements as a complement in order to evaluate the possibilities for dividend, to execute strategical investments and to evaluate the group's possibilities to comply with financial commitments. The key-ratio is an expression for the level of financial borrowing in absolute amount with deduction of cash and cash equivalents.

### Reconciliation of EBITA

(SEK M)	July - Sept		Jan - Sept		Full-year
	2016	2015	2016	2015	2015
Operating profit	24,6	30,8	66,1	68,0	126,0
Depreciation and write-downs of intangible fixed assets	15,0	11,4	41,1	30,5	42,0
<b>EBITA</b>	<b>39,6</b>	<b>42,2</b>	<b>107,2</b>	<b>98,5</b>	<b>168,0</b>

### Reconciliation of net liabilities

(SEK M)	Sept 30, 2016	Sept 30, 2015	Dec 31, 2015
Long-term liabilities	70,8	94,7	102,2
Current liabilities	829,2	721,9	872,3
Non interest-bearing long-term and current liabilities	-722,6	-692,3	-847,9
<b>Total interest-bearing liabilities</b>	<b>177,4</b>	<b>124,3</b>	<b>126,6</b>
Cash and cash equivalents	-61,6	-47,4	-102,9
Other interest-bearing receivables	-0,1	-0,7	-0,5
<b>Net liabilities</b>	<b>115,7</b>	<b>76,2</b>	<b>23,2</b>

## DEFINITIONS

### Average number of employees

Average number of full-time employees during the period.

### Shareholder's equity

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

### Capital employed

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

### Net sales per employee

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

### EBITA

Profit before depreciation/amortisation and impairment of intangible assets.

### EBITA margin

EBITA as a percentage of net sales.

### Operating margin

Operating profit as a percentage of net sales.

### Profit margin

Profit before tax as a percentage of net sales.

### Return on shareholder's equity

Net profit for the period attributable to owners of the Parent Company as a percentage of the average shareholders' equity attributable to owners of the Parent Company.

### Return on capital employed

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

### Equity/assets ratio

Shareholders' equity (including shareholder's equity related to non-controlling interest) as a percentage of total assets.

### Acid test ratio

Current assets excluding inventory as a percentage of current liabilities.

### Net liabilities

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

### Earnings per share

Net profit for the period attributable to owners of the Parent Company divided by the average number of shares outstanding.

### Shareholder's equity per share

Shareholders' equity attributable to owners of the Parent Company divided by the number of shares outstanding.

### P/E ratio

Share price in relation to earnings per share.

### Share price/shareholder's equity

Share price in relation to shareholders' equity per share.

### LTM (Last Twelve Month)

Outcome for the last twelve-month period

### Recurring revenue

Revenues of annually recurring nature, such as revenue from support and maintenance agreements as well as revenue from leases and SaaS solutions.

5D SYSTEM  
ADDNODE GROUP

ABOU  
ADDNODE GROUP

ARKIVA  
ADDNODE GROUP

DECERNO  
ADDNODE GROUP

ESSVISION  
ADDNODE GROUP

IDA INFRONT  
ADDNODE GROUP

JOINT COLLABORATION  
ADDNODE GROUP

KARTENA  
ADDNODE GROUP

MITTBYGGE  
ADDNODE GROUP

MOGUL  
ADDNODE GROUP

PHARMASOLUTIONS  
ADDNODE GROUP

SOKIGO  
ADDNODE GROUP

STAMFORD  
ADDNODE GROUP

SYMETRI  
ADDNODE GROUP

TECHNIA TRANSCAT  
ADDNODE GROUP

VOICE PROVIDER  
ADDNODE GROUP