

Press release

Changes in business model affect the subsidiary Cad-Q

STOCKHOLM, October 14, 2015 – Addnode Group's subsidiary Cad-Q sells as part of its offering software from Autodesk Inc. Autodesk has decided to change its business model to a subscription form. The business model for Cad-Q's sales of Autodesk Software will as result be changed. The change reduces the barrier for our customers to invest in new products and services and increases our recurring revenue. Initially this will affect the result negatively.

Cad Qs sales of Autodesk licenses will gradually shift to a new model where, instead of purchasing the licenses, the customer will subscribe to the products monthly, quarterly, annual or multi-annual basis. After 1 August 2016, no Autodesk licenses will be sold.

The customers that have purchased licenses will continue to own and have full rights to use these licenses, and customers with existing maintenance agreement for licenses will have the same benefits as long as they continue to renew their maintenance.

"We are the leading provider of software and services for design, engineering and product data information in the Nordics. The transition to a rental-based business model for Autodesk products means that we can reach more customers and build up an even greater proportion of recurring and predictable revenue streams," says Staffan Hanstorp, President and CEO, Addnode Group.

The underlying volume of business does not change, but the transition will initially provide a negative impact on the reported net sales, earnings and cash flow. The change is due to that licenses are recognized in the P&L when they are sold as a subscription contract is recognized as the software is used. Cad-Q will increase sales of own products and services and adapt the organization and implement cost savings. The assessment is that the above described changes mean that earnings in 2016 will be affected negatively by approximately SEK 15 million. Fiscal year 2019 earnings are expected from Autodesk products to again be at the same level as before the transformation.

Cad-Q is a subsidiary of Addnode Groups business area Design Management.

The information in this press release is such that Addnode Group AB must publish under the Securities Market Act and/or the Financial Instruments Trading Act. The information was released for publication on October 14, 2015, at 08:00 a.m.

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ADDNODE GROUP

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 Sweden, Austria, Denmark, Finland, Germany, India, Norway, Slovakia, 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.