

Pressrelease

Interim Report for Technology Nexus AB (publ) January - September.

For further information contact:

Mikael Jacobsson, CEO, Technology Nexus AB, mobile +46 706 – 47 58 10. E-mail
mikael.jacobsson@nexus.se

Facts about Technology Nexus AB

Technology Nexus AB (publ) is listed on the Stockholm Stock Exchange O list and specialises in developing and supplying secure IT solutions which increase customer profitability. Nexus works with both the end customer market and as a development partner for customers with high-level quality requirements.

Nexus' vision is to be the leading partner for secure solutions in the digital economy.

Nexus employs approx. 300 people and has offices in Stockholm, Göteborg, Malmö, Uppsala, Linköping, Umeå, Karlstad, Västerås and Borlänge in Sweden as well as in Hamburg, Germany and Paris, France.

More information is available at www.nexus.se. E-mail: contact@nexus.se

Nexus

Technology Nexus AB (publ.) interim report January - September 2000

Summary of the period

- **Net turnover amounted to 253.6 Msek (52.6).**
 - **Results before goodwill depreciation and structural costs amounts to 22.2 Msek (-13.9), which gives a marginal of 8.5%**
 - **Profit before tax amounts to 8.6 Msek (-13.2).**
 - **Orders received in the period amount to 419.3 Msek (110.6) million. Majors orders have been received with Telealarm Care AB, ABB, NOKIA and Ericsson.**
 - **The order stock at the end of the period amounts to 362.1 Msek (80.1) million.**
 - **Investments for the period amount to 270.3 Msek (12.5) million, of which acquisitions amount to 260.6 Msek million (11.0).**
 - **Acquisition of DEVENATOR AB has taken place – integration is progressing successfully**
 - **Acquisition of NetSys AB has taken place – consolidated from Q4 in 2000.**
-

Business in brief

The market for IT security and solutions/products with a high level of security is continuing its positive development and the company has maintained its position as one of the leading suppliers on a Nordic basis.

The acquisition and integration of Devenator AB has continued and is developing at least in line with expectations.

Nexus

The operations of both companies have also developed more positively together than they previously did individually which has been interpreted as market appreciation of the new structure.

With the acquisition of NetSys AB, the first step in achieving a strong position in Europe as well has been taken, which is the company's goal for the coming three-year period.

The acquisition of Netsys AB, which took place in the period, is expected to have a positive effect on both turnover and profit as early as this year. In addition, this gives us a clear European profile with a strong international client base, with customers such as Allianz, IKEA, SEB, STORA and Renault.

Market

The company has not experienced any fall in demand or any significant pressure on prices in service operations.

The high security level of the company's solutions and products combined with the partner model used by the company as its business model has proven successful which can be seen through its continued high levels of orders received.

The trend towards increasingly high security requirements in e-commerce, mobile solutions and the ability to offer an added value for customers that can be measured and not just a one-off consultancy session has become apparent and the company feels that it will become even more important in the future.

Turnover and profit

The period

Invoicing is considerably higher than in the prognosis. Turnover amounts to 253.6 Msek (52.6 Msek) and results before goodwill depreciation and structural costs are 22.2 Msek (-13.9 Msek).

Operating results after goodwill depreciation, structural costs and financial net amount to 8.6 Msek.

Third quarter

Turnover for the third quarter amounts to 81.3 Msek (29.8 Msek) and results before goodwill depreciation and structural costs are 4.5 Msek (0.3 Msek).

Nexus

Operating results after goodwill depreciation, structural costs and financial net amount to -0.3 Msek).

The acquisition of NetSys AB took place during the period, but was agreed for 4/10 which is why the balance sheet and profit statement were not consolidated in the period.

SPP funds

Now that the SPP has given final notification of the size of the company's claim, this has been taken up in the period and entered in the balance sheet as an asset. The amount has also formed the basis for income tax. The total amount is 7.5 Msek and has been entered into Q2.

Costs of acquisition and integration, together with product and service development

Acquisition and integration costs amount to approx. 3 Msek for the first quarter, 2 Msek for the second quarter and SEK 1 million for the third quarter. All of these costs have been brought forward into the profit statement. The total forecasted cost frame of 10 Msek will not be reached but the costs are expected to total 6.5-7.0 Msek.

No major costs are expected to be incurred for the integration of NetSys AB and the goodwill item will be limited.

Financial position

At the end of the period, the Group liquid assets amounted to 27.8 Msek. In addition, there are cheque credits of 6.5 Msek.

The equity/assets ratio at the end of the period was 82% (64%).

Investments in tangible and intangible fixed assets during the period amount to 270.3 Msek. Of this, 9.7 Msek relate to machinery and equipment and 260.6 Msek goodwill.

Goodwill arising from the acquisition of Devenator AB amounts to 236 Msek million and will be written off over 20 years. Goodwill amortisation of 8.8 Msek million was charged to the profit for the period.

Orders

Nexus

The order situation is satisfactory and amounts to 362.1 Msek at present. The order stock extends into 2001 and partly into 2002.

Personnel

The number of employees at the end of the period was 245 (107). The number of employees at the beginning of 2000 was 100 (80).

Prospects for the rest of the year

The company thinks that its future is bright. According to internal and external observers, very favourable growth is expected in the next five-year period in B2B activities in the market segments in which the company holds a strong position, IT security, mobile solutions and e-commerce.

The partner model followed by the company also means that the profit flows are not segregated only to man-hours, but also to the supply of our own and our customers' products, which should also make a positive contribution to the operating margins.

On the above basis, the company sees a continued high level of growth in turnover and an ongoing improvement in profitability at least in line with previously stated forecasts.

Next report

Press release of unaudited annual statement on 16 February 2001.

Linköping, October 2000

Mikael Jacobsson
Managing Director

We have reviewed this interim report in compliance with the recommendation issued by FAR, the Swedish Institute of Authorised Public Accountants [Föreningen Auktoriserade Revisorer]. A review is considerably limited compared to an audit. Nothing has been

Nexus

found to indicate that the interim report does not comply with the requirements of the Swedish stock exchange and annual accounts legislation.

Linköping, 26 October 2000

Jüri Pundi
Authorised Public Accountant

Tom Skarin
Approved Public Accountant

Nexus

Consolidated profit and loss account (amount in SEK thousands)	01-01-2000 - 30-09-2000	01-01-1999 - 30-09-1999
Net turnover	253,643	52,585
Other operating income	7,586	0
Total:	261,229	52,585
Operating expenses (7)	-239,043	-66,521
Operating profit before amortisation of goodwill	22,186	-13,936
Margin	8,5%	-26,5%
Structure and integration costs	-6	0
Amortisation of goodwill	-8,825	-592
Operating profit after amortisation of goodwill	7,361	-14,528
Profit from financial investments	698	209
Adjustment of acquisitions (8)	539	1,09
Profit after financial items	8,598	-13,229
Tax	-6,402	0
Net profit for the year	2,196	-13,229

Nexus

Consolidated profit and loss account
Quarterly (amount in SEK
thousands)

	Q4-99	Q1-00	Q2-00	Q3-00
Net turnover	32,207	53,437	118,936	81 270
Other operating income	6	0	7,529	57
Total:	38,207	53,437	126,465	81 327
Operating expenses	-32,765	-51,634	-110,549	-76 861
Operating profit before amortisation of goodwill	5,442	1,803	15,917	4 466
Structure and integration costs	0	0	-5	-1 000
Amortisation of goodwill	-322	-983	-3 921	-3 921
Operating profit after amortisation of goodwill	5,12	820	6,996	-455
Profit from financial investments	-73	200	376	122
Adjustment of acquisitions	0	0	539	0
Profit after financial items	5,047	1,02	7,911	-333
Tax	151	0	-5,061	-1 341
Net profit for the year	5,198	1,02	2,85	-1 674

Nexus

Consolidated balance sheet
(amount in SEK
thousands)

30-09-2000

30-09-2000

Assets

Fixed assets	277,314	21,174
Other current assets	113,282	27,822
Liquid assets	27,856	2,487
Total assets	418,452	51,483

Shareholders' equity and liabilities

Shareholders' equity	344,144	32,801
Interest-bearing liabilities	0	0
Operating liabilities and provisions	74,308	18,682
Total shareholders' equity and liabilities	418,452	51,483

Nexus

Key figures	sep-00	sep-99
-------------	--------	--------

Profit margin, % (1)	3.4%	Neg
----------------------	------	-----

Return on shareholders' equity, % (2)	4.5%	Neg
---------------------------------------	------	-----

Return on total equity, % (3)	3.7%	Neg
-------------------------------	------	-----

Equity/assets ratio, % (4)	82%	64%
----------------------------	-----	-----

Number of employees	245	107
---------------------	-----	-----

Cash flow analysis (amount in SEK thousands)	01-01-2000- 30-09-2000	01-01-1999- 30-09-1999
--	---------------------------	---------------------------

Cash flow from current operations before changes in operating capital	13,551	-9,474
--	--------	--------

Change in operating capital	-32,783	3,117
-----------------------------	---------	-------

Cash flow from current operations	-19,232	-6,357
-----------------------------------	---------	--------

Cash flow from investments	-105,132	-12,474
----------------------------	----------	---------

Cash flow from current operations after investments	-124,364	-18,831
--	----------	---------

Cash flow from finance operations	140,214	11,381
-----------------------------------	---------	--------

Change in liquid assets	15,85	-7,45
-------------------------	-------	-------

Nexus

Data per share

(amount in SEK)

sep-00

sep-99

No. of shares	16,895,415	2,462,088
No. of shares incl. outstanding subscription options	19,010,415	2,762,088
Net income per share (5)	0.12	neg
Shareholders' equity per share (6)	18.10	11.88

Definitions

- 1) Income after financial items as a percentage of net sales.
- 2) Income after financial items as a percentage of average
adjusted shareholders' equity.
- 3) Income after financial items plus financial expenses as a percentage of average
balance sheet total.
- 4) Shareholders' equity in relation to balance sheet total.
- 5) Net income divided by number of outstanding shares on
Closing day including outstanding subscription shares.
- 6) Shareholders' equity in relation to total number of shares on closing day
including outstanding subscription shares.
- 7) Depreciation and amortisation included in operating
income:

	<u>sep-00</u>	<u>sep-99</u>
Machinery & equipment	4,357	1,679
Development costs	0	1,485
Total:	4,357	3,164

- 8) Acquired income from Devenator AB for the period 01-01-2000-31-03-
2000:

Net turnover	29,994
Operating expenses	-30,505
Operating profit	-511
Financial items	-28