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ADMICOM ACQUIRES FINNISH CONSTRUCTION ACCOUNTING SOFTWARE COMPANY TOCOMAN OY

Admicom Oyj will carry out a strategic acquisition by acquiring the entire share capital of Tocoman Oy ("Tocoman"), a software company based in Helsinki. Through the acquisition, Admicom will strengthen its already significant market position as a provider of construction software.

Tocoman Oy's net sales for the financial year ended in June 30th 2019 grew approximately 10 % from the previous year to EUR 3,3 million and 90 % of the company's net sales were recurring invoicing. In recent years, the company has made significant efforts to convert its solutions into cloud services, which has partly slowed down sales growth and affected profitability. The company's reported EBITDA was 7 % of net sales for the last financial year and profitability is expected to develop positively in the future. The company does not have capitalized R&D expenses in the balance sheet.

The all-stock deal is EUR 10,3 million, of which EUR 7,3 million will be paid in cash and approximately EUR 3 million by redirecting a total of 41 923 shares to Tocoman's parent company Tocoman Group Oy ("Tocoman Group Oy", "Seller"). The subscription price for the shares is the volume weighted average trading price for January (January 1st – January 31st 2020) (EUR 71,56). The cash payment will be financed by Admicom's liquid assets.

Cost accounting and production management software developed by Tocoman has a long history in the construction industry and a strong market position, especially in the mid to large construction companies segment. By combining the strengths of Tocoman's solutions with the strengths of Adminet, by far the most comprehensive cloud software is formed.

Antti Seppä, CEO of Admicom Oyj: "We are very pleased to have Tocoman become part of the Admicom Group. The cooperation between our companies, initiated through our customers, turned very logically to a deeper level in discussions. Together we create an unmatched service package for the construction industry. At this point, we know that Tocoman's cost accounting and production management software are also highly regarded by Admicom's customer base.

A new phase in Tocoman begins with the change of CEO when Miikka Enkovaara, previously responsible for Tocoman's product strategy, takes over from Henri Lähdesmäki, former CEO of the company. We want to honor Tocoman's strengths and look at the possible ways and timelines for deeper integration of our operations.

Tocoman employs about 20 experts in Helsinki, Finland. Tocoman Oy's personnel have a long track record in the construction industry and software development, which further strengthens Admicom's industry experience.

Tocoman Oy - a pioneer in costing solutions for the construction industry

Founded in Helsinki in 1989, Tocoman Oy is a growing software company specializing in construction software and a pioneer in the development of cost accounting, scheduling, BIM and cost tracking solutions. Tocoman has been creating a cost accounting standard for the construction industry in Finland. Tocoman's solutions are used in Finland by more than 4 000 construction professionals from industry-leading companies to smaller local companies. The vision of both Admicom and Tocoman is united by the will to modernize and shift the construction solutions to the digital age.

Miikka Enkovaara, new CEO of Tocoman Oy: "With the combined know-how and resources of Admicom and Tocoman, we are building a strong construction software company in Finland with industry-leading products. We can offer every construction company the opportunity to streamline their operations with digitalization. I also believe in the possibility that in the future we will be able to carry out the digitalization of the building and building services industry also outside Finland."

Impact of the acquisition on Admicom's business

This acquisition is part of Admicom's growth strategy. Tocoman's services are a good complement to Admicom's current business model and offer stronger competitive advantages in the construction and building services sectors. The acquisition will support Admicom's new sales development in the coming years.

The transaction is expected to have a positive impact of approximately EUR 2.5-3 million on Admicom's net sales in 2020. For the full year, revenue growth is expected to exceed last year's level (37%). Profitability (EBITDA) is expected to remain within the 35-45% range as previously outlined.

Directed share issue

The Board of Directors of Admicom Oyj has decided on a directed share issue to Tocoman Group Oy, the principal shareholder of Tocoman Oy. The total number of new shares to be subscribed for by the Seller is 41 923 and after the directed issue the total number of shares of Admicom Corporation will increase to 4 927 698. The number of new shares corresponds to approximately 0,85 per cent of the Company's share capital after the directed issue. There is a solid financial reason for the Company to deviate from the shareholders' pre-emptive

subscription right in order to ensure the common interests of the Seller and the buyer in the acquisition also in the coming years.

The share subscription price is EUR 71.56, which corresponds to the trading volume weighted average trading price of Admicom Oyj's share on the Nasdaq First North Growth Market Finland (January 1 - January 31, 2020). The subscription period started immediately after the signing of the deed of sale. The share subscription date is March 10, 2020, unless the board of directors extends the subscription period. The Seller shall pay the subscription price of the Company's shares to be subscribed for in full by transferring the shares of Tocoman Oy to the Company in kind.

The decision on the directed share issue was based on the authorization to issue shares given by Admicom Oyj's Annual General Meeting on January 31, 2020 to the board of directors. The new shares will be registered in the Trade Register as soon as possible after the subscription of the shares and will give rise to shareholder rights once the Seller has been registered as a shareholder in the Company's shareholder register maintained by Euroclear Finland Oy. The company is applying for admission to trading of shares to be issued at Nasdaq First North Growth Market Finland.

The Seller is bound by the lock-up in the deed of sale, whereby the restrictions on the sale of the shares will be lifted in full no later than two years after the date of signing the deed of sale.

More information:

Antti Seppä
CEO
antti.seppa@admicom.fi
+358 40 575 9709

Jenni Renko
Marketing director
jenni.renko@admicom.fi
+358 44 332 2248

Advisor:

Oaklins Merasco Oy
puhelin: 09-6129 670