



AffectoGenimap

Making business
more intelligent

Interim Report 1-6/2005

16 August 2005

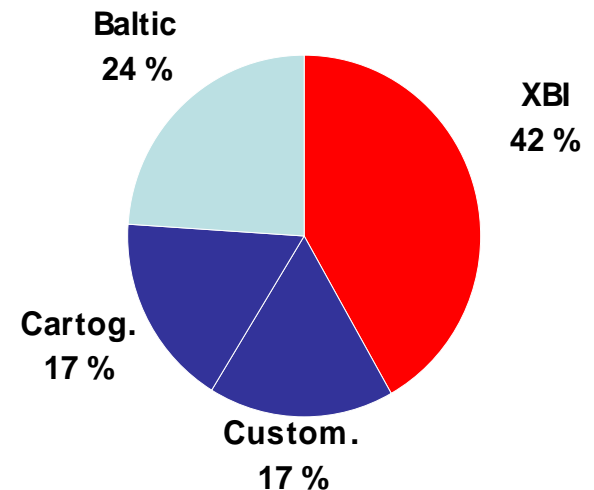
CEO Antti Halila

AffectoGenimap

AffectoGenimap – focused IT services provider

- Sales € 46.6 million in 2004 (pro forma), 533 employees (June '05)
- Highly customised IT solutions in Finland and Baltics
 - Long-term experience of demanding project work for large customers
- Leading focused extended business intelligence (XBI) provider in Finland
 - Business intelligence (BI)
 - Geographic information system (GIS)
 - Document management (DM)

Sales 1-6/05, €24.5 million



AffectoGenimap strategy

Focus on XBI

- Additional customer benefits from existing ERP systems
- Increasing global digitalisation
- Leading position in growth segment

Leverage Baltic dimension

- Economic growth – EU accession
- Emerging XBI market
- First step in expansion to other CEE countries

Serve large customers

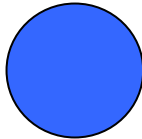
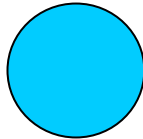
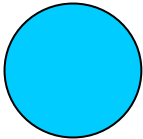

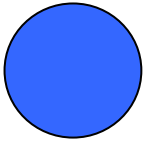
- Competitive advantage through experienced resources and efficient project management skills
- Long customer relationships, low sales costs

Retain, employ and develop workforce

- Continuous training on product & project management skills
- Competitive incentive system, key employee shareholding
- Baltic resources for maintaining cost competitiveness

Geographical Segments & Business Areas



| | XBI | Cartographic Solutions | Customized Solutions |
|---------|--|---|--|
| Finland |  |  |  |
| Baltics |  | |  |

Overview to 1-6/2005

- IPO process as the defining factor
 - Big strategic step for the company, but also a major burden on management resources
- 10% growth in net sales (pro forma)
 - 1-6/2005 net sales 24.5 M€ (22.4 M€ in 1-6/04)
 - Official sales growth was 132% → major change in the company size and structure during the past 12 months
- 1-6/2005 EBIT 2.9 M€
 - Q2 EBIT 0.9 M€ and was below our internal goals and Q1/05 (1.6 M€)
 - IPO consumed resources

Pro forma comparison

Net Sales

| Segment | 1-6/2005 | pro forma 1-6/2004 | Growth | pro forma 2004 |
|--------------------------|---------------|-----------------------|---------------|-------------------|
| Finland | 18 607 | 17 329 | 7,4 % | 35 152 |
| * XBI | 10 377 | 10 133 | 2,4 % | 20 533 |
| * Customized Solutions | 4 183 | 3 521 | 18,8 % | 7 518 |
| * Cartographic Solutions | 4 059 | 3 675 | 10,4 % | 7 101 |
| Baltics | 5 942 | 5 037 | 18,0 % | 11 474 |
| Eliminations | -5 | | | |
| Total | 24 544 | 22 366 | 9,7 % | 46 626 |

EBIT

| Segment | 1-6/2005 | EBIT Margin | pro forma 1-6/2004 | pro forma 2004 |
|----------------|--------------|----------------|-----------------------|-------------------|
| Finland | 2 268 | 12,2 % | 2 653 | 4 895 |
| Baltics | 592 | 10,0 % | 935 | 1 790 |
| Total | 2 860 | 11,7 % | 3 588 | 6 685 |

- XBI sales in Finland were biased to upgrade / maintenance projects, instead of new projects with third-party licenses
- Q2 EBIT lowered by
 - Indirect IPO costs
 - Launch of Baltic GIS services
 - GIS related R&D costs
 - Under-utilisation of some resources

Income statement

| (1000 EUR) | 1-6/05 | pro forma 1-6/04 | pro forma 2004 |
|---|---------|------------------------|----------------------|
| Sales | 24 544 | 22 366 | 46 626 |
| Other operating income | 423 | 0 | 24 |
| Changes in inventories of finished goods and work in progress | 100 | 72 | -247 |
| Materials and services | -7 215 | -5 375 | -12 072 |
| Employee benefits expenses | -10 712 | -9 003 | -18 478 |
| Depreciation, amortization and impairment charges | -559 | -633 | -1 246 |
| Other operating expenses | -3 722 | -3 838 | -7 922 |
| Operating profit | 2 860 | 3 588 | 6 685 |
| Finance cost (net) | -165 | -400 | -701 |
| Profit before income tax | 2 695 | 3 187 | 5 984 |
| Income tax expense | -623 | -874 | -1 608 |
| Minority interest | -130 | -196 | -344 |
| Profit for the year to equity holders of the Company | 1 942 | 2 118 | 4 032 |

- Q2 R&D costs 0.3 M€ booked as costs (0.1 M€ in Q1)
- Financial costs significantly lower than last year
- Tax rate 23% below Finland (26%), as Baltic countries have lower taxation

Balance sheet

| (1000 EUR) | 30.6.2005 | 31.12.2004 |
|--|------------------|-------------------|
| Property, plant and equipment | 1 897 | 1 936 |
| Goodwill | 27 442 | 27 442 |
| Other intangible assets | 2 794 | 2 846 |
| Other long-term receivables | 468 | 324 |
| Non-current assets | 32 601 | 32 548 |
| Current assets | | |
| Inventories and receivables | 15 841 | 13 146 |
| Cash and cash equivalent | 13 508 | 7 892 |
| Total assets | 61 950 | 53 586 |
| Capital and reserves attributable to the Company's equity holders | 32 016 | 21 882 |
| Minority interest | 1 134 | 986 |
| Non-current liabilities | 12 917 | 13 001 |
| Current liabilities | 15 883 | 17 717 |
| Total equity and liabilities | 61 950 | 53 586 |

- IPO impact:
higher equity and cash
- Interest-bearing net debt
0.9 M€ (8.4 M€ 12/04)
– Net gearing 2.7%
- Investments to fixed
assets 0.5 M€ in 1-6/05
- Dividend of 0.8 M€ paid
in May

- XBI
 - Projects were weighted towards expansion and further development projects, instead of new client relationships, where we normally sell relatively more third party licenses
 - Sales of project work grew clearly compared to last year, but the sales of third party licenses embedded to our solutions decreased compared to last year
 - New customers include Oriola and Ministry of Labour
 - We do some "R&D" in GIS field for maintaining our technology skills. In this quarter we prepared a tracking solution for mobile handsets, the costs of which were booked to Q2

Business areas in Finland

2/2

- Customized Solutions
 - Positive sales development, good demand for services
 - WebMarela, the hospital medicine logistics system, is progressing well in Finland
- Cartographic Solutions
 - Spring/Summer is seasonal peak in sales of consumer products (mostly physical maps) due to outdoor activities
 - Some consumer products have lower margin than average
 - Consumer sales through internet developing well
 - Sales of customised cartographic solutions were also good

Business in the Baltic countries

- TIA (The Insurance Application) related business doing well and strengthening co-operation with TIA Technology A/S in Denmark
- New projects include a project for "SODRA", the Lithuanian State Social Insurance Authority
- Time between winning a project and actually starting the work getting longer
 - Both public and private sector customers
- Some resource under-utilisation in Q2
 - continuing to mid-Q3
- Order backlog has increased by over 1 M€ in July
 - Good prospect pipeline, but long tender processes

Personnel

- 533 employees (501 in 6/2004)
 - 323 in Finland
 - 210 in Baltic countries
- Cautious increase in personnel during the past year
 - Balancing between cost base and growth targets

Ownership structure - 31 July 2005

| Owner | Shares | % |
|--------------------------------------|-------------------|----------------|
| Eqvitec | 2 708 302 | 17,6 % |
| Fenno Rahasto Ky | 1 913 044 | 12,4 % |
| Varma | 490 000 | 3,2 % |
| EQ Pikkujättiläiset Fund | 250 000 | 1,6 % |
| Antti Halila | 200 001 | 1,3 % |
| Nordea Nordic Small Cap Fund | 197 000 | 1,3 % |
| Kestutis Uzpalis | 171 804 | 1,1 % |
| Darius Lazauskas | 169 093 | 1,1 % |
| Palcmills Oy | 140 000 | 0,9 % |
| Fondita Fund | 130 000 | 0,8 % |
| | | |
| Nominee registered foreign owners | 6 335 793 | 41,2 % |
| | | |
| Other shareholders | 2 691 336 | 17,5 % |
| <hr/> | | |
| Total | 15 396 373 | 100,0 % |

- Free float ~60%
 - Eqviteq and Fenno ~30%
 - Personnel ~10%
- Foreign owners ~44%
 - Incl. ~3% personnel

Market environment - Finland

- IT services market environment in Finland is mixed
 - Customers are still cautious, sales processes take a long time
 - IT services sector economic survey gives mixed picture:
 - IT companies have big hiring plans,
but the business expectations are cautious
 - General growth in Finnish IT services market is estimated to have been low in H1/2005

Market environment - Baltic countries

- Baltic market still developing well on overall basis
 - GDP still growing fast
- Unexpected delays in getting contracts signed after winning tenders
 - Delays in EU funding in public sector?
 - More cautious customers?
- Pickup of sales in July-August
- Several major tenders to be decided in Q3

Outlook

- Business environment continues as is:
a balance between cautiousness and optimism
- Net sales to grow from last year, but EBIT margin may be lower than last year
 - strategic goal to achieve at least market growth
- Quarterly fluctuation in sales continues
 - Q3 usually seasonally low on sales due to vacation period (last year ~10.4 M€ pro forma)
 - Q4 usually strongest quarter (last year ~13.8 M€ pro forma)
- M&A opportunities evaluated for non-organic growth