

24Seven Technology Group ASA



3Q 2011

November 25th 2011



SevenOffice[®]
Goodbye installation. Hello integration.

New strategy proving successful

Successfully completed all non-core divestments and new strategy implementation on track according to guided plans

- Strategic agreement with DnR, and 24SevenOffice became their recommended system targeted towards their 5076 members.
- Won our first public tender in Sweden with Trafikverket (the Swedish Transport Administration), the agency responsible for all modes of traffic: traffic on roads and railways, on the sea and in flight in Sweden.

Other highlights

- The cross browser accounting module is in production at selected customers. This is the largest current project conducted by the company.
- Completed capital expansion, and issued 3,599,835 TFSO shares at NOK 4.50 per share.
- Bought the remaining 39.38% of Oyatel AS, and issued 1,685,934 TFSO shares as final settlement.

Revenue

- Revenue in 3Q11 ended at MNOK 12.7, 13.6 adjusted for a credit note of MNOK 0.9 made in connection with divestment of non-core business areas, compared to MNOK 13.3 adjusted for non-core business in 3Q10.
- The new strategy was expected to reduce the growth in an interim period as stated in the 2Q10 report
 - Direct sales personnel moved towards partners and larger customers, with substantial longer sales cycles
 - Reject customers needing customized development, giving less sales and income from development consultants

EBITDA 2Q11

- Operating profit before depreciation (EBITDA) ended at MNOK 1.
 - The positive EBITDA is due to reversal of accruals previously accounted for in connection with the previous verdict in the lawsuit from Active 24 AS.
 - 24Seven Technology Group ASA was ruled to pay Active 24 AS MNOK 4.4.

EBITDA going forward

- Accounting and defence divisions contributed substantially to the company reaching its original revenue and EBITDA goal from the listing on Oslo Axess in June 2007
 - EBITDA positive within 3Q10
 - Revenue of MNOK 100
 - Accomplished in 2Q10, one quarter earlier than planned.
- The company is now on track with its goal to achieve positive EBITDA within 1H12 in the core areas of SaaS software and SaaS VoIP.



EBITDA going forward

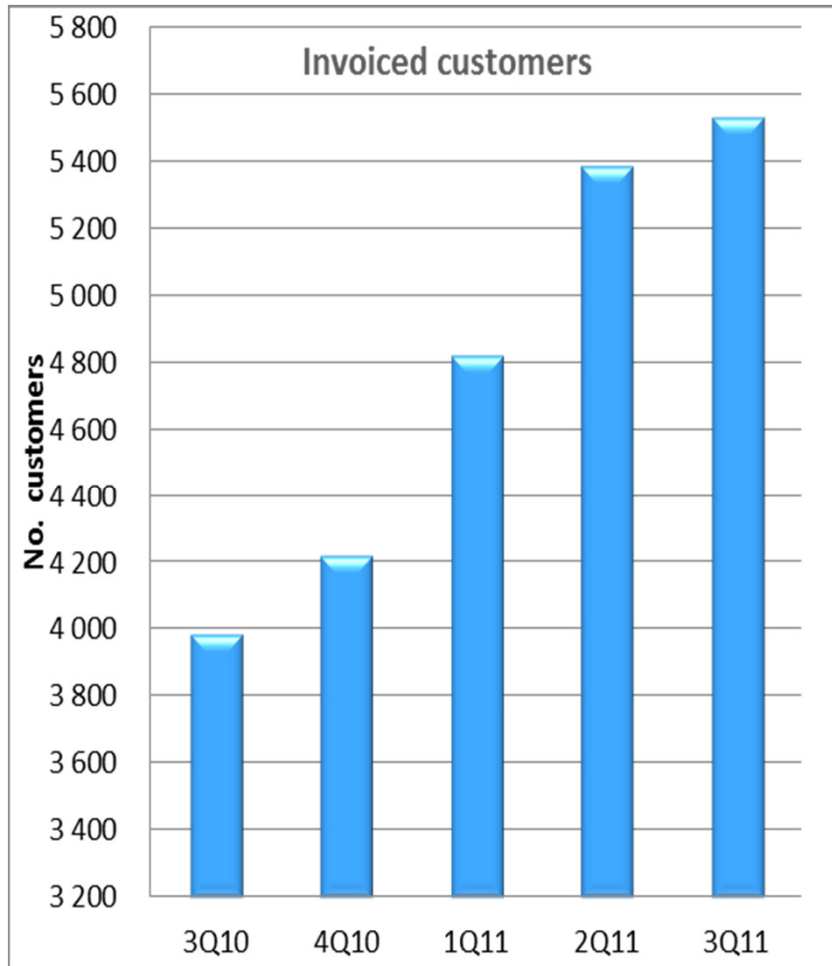
- Implemented a cost efficiency program of totally MNOK 1.5 per quarter
 - Reduction of approximately MNOK 0.7 per quarter from 4Q11, as announced
 - Further reduction by cutting use of external consultants in connection with development of cross browser modules.
 - Within 1H12 the company will, according to plan, also increase revenue by resuming the offering of paid consultant services such as customization, implementation and development assignments.
- None of the cost reduction will have any impact on the current staff.



Cash

- Cash and cash equivalents were MNOK 4.6 at the end of 2Q11
 - The company received final settlement of MNOK 5 for the sale of all shares in Høgås Teknologipark AS and defense related technology and customers in Propartner Holding AS in October
 - The company had a capital expansion and issued 3,599,835 new shares at NOK 4.50 per share in November 2011

Customer growth



Invoiced customers include accounting customers through partners

- Growth in invoiced customers of 39%, compared to 2Q10, with a total of 5536 customers at the end of 2Q11.
- Accounting companies will continue to be a major focus for the company going forward.
- Upsell of both SaaS Software and SaaS VoIP to the accounting companies' end customers represents the highest potential for 24Seven Technology Group
 - Traditionally the conversion rate is on average between 5-10 percent of the accounting companies' end customers.
 - We believe that increased focus will result in an increased conversion rate going forward.
- Anyhow, the company revenue will grow in line with our accounting customers' growth.

Financial Review – Profit and Loss

	Q3 - 2011	YTD 2011	Q3 - 2010	YTD 2010	2010
<i>Continuing operations</i>					
Operating Revenue	12 626	41 803	14 888	46 075	62 214
Other Income	21	72	-	-	-
<i>Expenses</i>					
Cost of sales	6 912	20 728	7 229	20 591	27 638
Wages and salaries	6 262	16 913	4 392	13 398	19 109
Other operating expenses	(1 553)	8 791	4 115	25 902	32 778
Total operating expenses	11 621	46 432	15 736	59 891	79 525
EBITDA	1 026	(4 557)	(848)	(13 816)	(17 311)
Depreciation, amortisation & write-down	2 299	6 378	1 013	2 693	4 947
EBIT	(1 273)	(10 935)	(1 861)	(16 509)	(22 258)
Net financial items	(162)	530	637	1 119	1 247
EBT	(1 111)	(11 466)	(2 498)	(17 628)	(23 505)
Taxes	(429)	(3 440)	(415)	(4 382)	(6 636)
Net profit (loss) continuing operations	(682)	(8 025)	(2 083)	(13 246)	(16 869)
<i>Net profit / loss from discontinued operation 9)</i>	<i>0</i>	<i>(6 649)</i>	<i>174</i>	<i>660</i>	<i>(571)</i>
Net profit (loss) for the year	(682)	(14 674)	(1 909)	(12 586)	(17 440)

Financial Review – Balance Sheet

ASSETS	30.09.2011	30.09.2010	31.12.2010
<i>Non current assets</i>			
Deferred tax asset	28 972	24 216	26 379
Development cost / Technology	15 367	7 463	14 360
Goodwill	6 965	2 966	6 965
Customer bases	9 479	387	11 362
Brand name	1 848	0	1 848
Property, Plant & Equipment	4 526	4 098	3 796
Other non-current receivables	5 201	1 925	5 948
Other non-current assets	0	0	0
Total non current assets	72 359	41 055	70 658
<i>Current assets</i>			
Inventory	29	46	45
Trade receivables	16 131	12 445	9 717
Other current receivables	24 398	16 851	14 851
Cash and short-term deposits	4 589	991	10 830
Total current assets	45 147	30 333	35 443
Assets of disposal group classified as held for sale	0	50 346	50 045
TOTAL ASSETS	117 506	121 734	156 146

Financial Review – Balance Sheet

EQUITY AND DEBT	30.09.2011	30.09.2010	31.12.2010
<i>Equity</i>			
Share capital	2 285	1 985	2 285
Share capital, not registered	634	0	0
Share premium	31 021	108 037	34 038
Translation reserve	-508	-157	-509
Other paid-in capital	3 017	0	0
Other equity	7 234	-81 782	0
Equity before minority interest	43 683	28 083	35 814
Minority	449	3 781	7 990
Total equity Capital	44 132	31 864	43 804
<i>Liabilities</i>			
Debt to credit institutions	10 190	14 882	15 208
Sellers credit	8 164	0	19 437
Deferred taxes	6 433	1 453	7 130
Total non current liabilities	24 788	16 335	41 775
Accounts payable	13 286	8 926	5 096
Deferred revenue	5 730	4 424	7 972
Public duties payable	1 536	1 530	2 422
Taxes payable	2 583	68	346
Debt to credit institutions	4 959	4 238	4 408
Other current liabilities	20 493	19 562	24 576
Total current liabilities	48 586	38 748	44 820
Total liabilities	73 374	55 083	86 595
Liabilities of disposal group classified as held for s:	0	34 787	25 747
TOTAL EQUITY AND LIABILITIES	117 506	121 734	156 146

New strategy proven successful



Strategy update

- ✓ Focus on core business
- ✓ Partners and larger customers
- ✓ Cross browser - internationalization
- ✓ Accounting companies
- ✓ Strategic opportunities



Financial calendar



4Q 2011

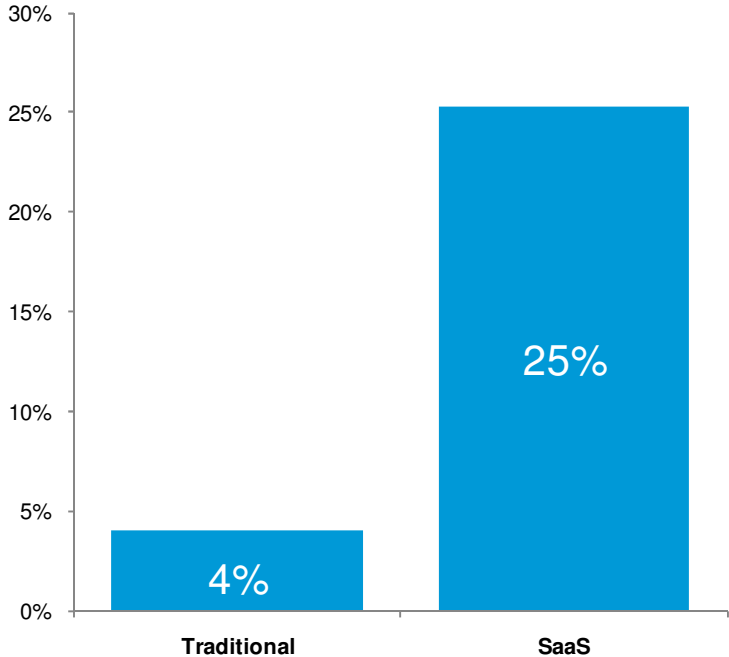
Will be presented February 24th
2012



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Strong momentum for SaaS based solutions

Predicted annual growth - SaaS vs. Traditional



Source: IDC

“30% of all new software in the business market will be delivered as SaaS by 2012”

Source: Gartner

“SaaS will be the business standard in the SME market by 2020”

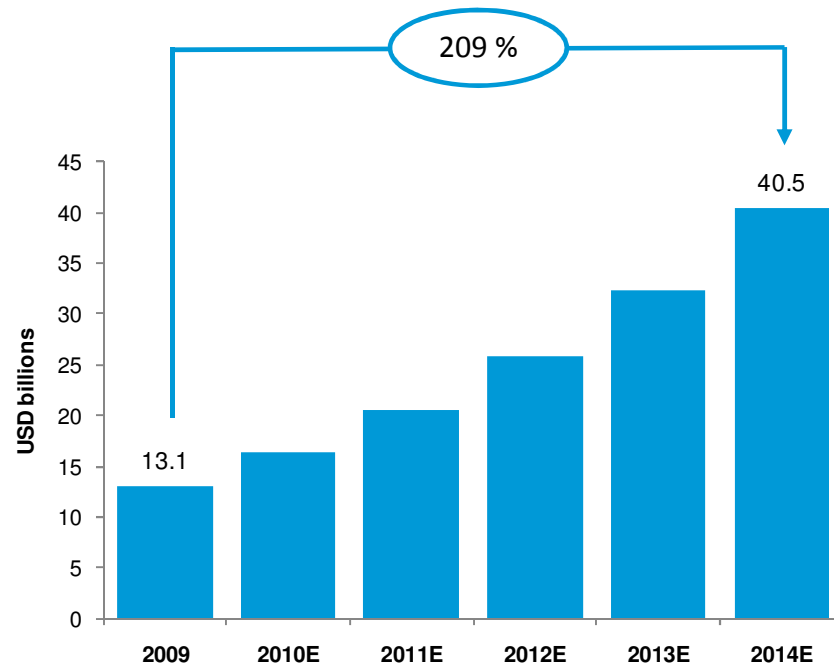
Source: Social Issues Research (SIRC)

“Transition from traditional software to SaaS will be more a revolution than an evolution”

Source: Gartner

Window of opportunity to enter a huge market

Estimated global SaaS market revenue by year



Source: IDC

Early – movers can establish a lasting competitive advantage by determining the standard platform

Recurring revenue add visibility to the SaaS business model

- Recurring revenue stream from existing customers
- New revenue from new customers
- Multiple sources of revenue from different products
- Low churn (historically, 4% - 7% for the SaaS platform of 24Seven Technology Group ASA)
- Low deployment costs
- Constant software upgrades which is easily and continuously implemented
- Predictable growth by monitoring usage
- Aggregated operating environment

Example:

- Yearly growth in new revenue of 82%, equal to 2007-2009 CAGR
- Churn of 7%

Example: Recurring revenue

