



## **Data Mining Solutions At the Intersection Of the Warehouse and the Web**

### **CONTACTS:**

Lon L.E. Vining  
Chief Financial Officer  
(416) 593-2420  
lvining@angoss.com

### **FOR IMMEDIATE RELEASE:**

## **ANGOSS REPORTS BEST EVER 2<sup>ND</sup> QUARTER REVENUES; OPERATING MILESTONES HIGHLIGHT STRONG RESULTS**

Toronto, Ontario – June 27, 2001 (CDNX: ANC – [www.angoss.com](http://www.angoss.com)) – ANGOSS Software Corporation announced best ever second quarter revenues in its unaudited second quarter results released today.

“We achieved profitable revenue growth, expanded our customer base, and have been able to continue to expand our sales organization in a difficult business environment” commented ANGOSS President Eric Apps. “As these results demonstrate, our customers recognize that the ANGOSS data mining platform offers significant value at every stage in the business cycle.”

### **Quarter Overview**

In its second quarter ANGOSS reported operating and bottom line profits for its 11<sup>th</sup> of the past 12 quarters. Second quarter results reflected continued strong interest in ANGOSS products, particularly among buyers in risk management areas in North American and European markets. ANGOSS also noted continued progress during the quarter in its developer tools and enterprise solutions business units, which focus on the delivery by ANGOSS and its technology partners of higher value analytics solutions based on the ANGOSS data mining platform. Discussions and collaboration with leading software and services partners are advancing well and further alliance and licensing relationships are planned for announcement during 2001.

"We continue to benefit from the breadth of our customer base and from our value proposition which is hitting home with our customers" commented ANGOSS Director of Sales Pav Treskin. "We offer powerful, well engineered, and affordable data mining solutions for organizations looking to use the power of data mining to unlock the value of their data, delivered by a focused organization with a commitment to industry standards and total customer satisfaction". Second quarter revenues were generated from a number of leading Global 2500 organizations across banking, insurance, credit, automotive, telecom, pharmaceutical and retail sectors, as well as from ANGOSS technology partners.

"Changes implemented to our sales organization in the first quarter have resulted in a stronger and more effective sales organization" commented ANGOSS Chief Financial Officer Lon Vining. "Although we expect to continue experiencing fluctuations in quarterly results, our pipeline of business for the balance of 2001 is growing. These quarterly results also reinforce our commitment to continue to expand our organization while seeking to achieve profitability on a quarterly basis."

## **Operating Highlights**

The Company also reported the following developments:

- KnowledgeWebMiner, the web mining solution available to clients on an application service provider (ASP) basis, is being delivered to a Fortune 100 company for use in conjunction with web site analysis involving one of the world's best known products, with service delivery commencing during the third quarter of 2001. This implementation broadens a pilot project successfully completed during the second quarter of 2001.
- ANGOSS has retained patent counsel with respect to a planned patent application with the United States Patent and Trade Marks Office. The filing, expected to be completed during the third quarter, covers enhancements to the ANGOSS data mining platform expected to be made available as an additional offering to ANGOSS clients. Further announcements are planned during 2001.
- ANGOSS demonstrated the successful integration of the KnowledgeSTUDIO platform and SQL Server 2000 based on the XML for Analysis specification in a joint presentation with Microsoft SQL Server 2000 personnel at the Microsoft [Tech\\*Ed 2001 Conference](#) in June, 2001.

## **Normal Course Issuer Bid**

ANGOSS has also approved the filing with the Canadian Dealer Network Exchange (CDNX) of a notice of intention to complete a normal course issuer bid. The notice, which is subject to regulatory approval, would permit the Company to acquire up to 5%

of its issued and outstanding shares during the period of 12 months from the date of approval of the notice. CDN approval is expected to be received during the third quarter of 2001.

## Other Matters

An ongoing proceeding involving ANGOSS and a third party former lender has also been resolved, with the third party lender declining to exercise its rights under a court order, upheld on appeal, to subscribe for 1,200,000 ANGOSS common shares for \$300,000. "We are pleased with this development" commented Apps.

ANGOSS became obligated to issue these shares to the lender (\$0.25 per share) following its unsuccessful appeal of a previously disclosed court decision. The final ruling was received in late May, 2001. However, the fund declined to exercise its rights within the time period specified for doing so and was formally advised of the cancellation of its warrant in June, 2001. The legal costs of the proceeding payable by ANGOSS are expected to be in the range of \$50,000.

ANGOSS has also entered into an agreement in principle providing for the reinstatement of a defaulting technology partner as an authorized ANGOSS licensee, subject to certain terms and conditions.

## Results Summary

Consolidated preliminary results are as follows:

Income Statement Information (stated in \$ CDN, unaudited)	For the three months		For the six months	
	ended May 31		ended May 31	
	2001	2000	2001	2000
REVENUES	\$1,372,056	\$1,202,142	\$2,339,853	\$2,332,886
Gross Margin	1,346,272	1,180,372	2,302,076	2,280,060
Operating Expenses				
Salaries and employee benefits	679,575	383,605	1,285,297	705,188
Administration and general	192,693	173,231	377,357	311,840
Sales and marketing	163,504	173,739	350,582	294,218
Research and development	295,946	293,663	590,169	531,834
Operating income (loss)	14,554	156,134	(301,329)	436,980
TRIFOX recovery	51,644	290,550	51,644	286,680
Amortization	(54,222)	(35,173)	(108,248)	(70,348)
Foreign exchange loss	(7,275)	(6,198)	(9,774)	(9,358)
Financing fees and related interest	(2,194)	(2,682)	(4,848)	(5,792)
Net income (loss) for the period	\$ 2,507	\$ 402,631	\$ (372,555)	\$ 638,162

<b>Income Statement Information</b>	For the three months		For the six months	
(stated in \$ CDN)	ended May 31		ended May 31	
	2001	2000	2001	2000
Basic and fully diluted earnings (loss) per share	\$0.00	\$0.01	\$(0.01)	\$0.02
Weighted average number of shares outstanding				
Basic	38,153,583	37,565,268	38,113,608	37,441,404
Fully Diluted	41,631,138	41,633,430	41,228,767	41,367,301

<b>Selected Balance Sheet Information</b>	As at May 31, 2001	As at November 30, 2000	As at May ,30, 2000
(stated in \$ CDN)	(unaudited)	(audited)	(unaudited)
Cash and cash equivalents	\$688,770	\$938,400	\$959,175
Accounts receivable	1,426,750	1,341,421	1,130,030
Prepaid expenses	66,244	65,688	49,938
License agreements, acquired software and capital assets, net	315,762	392,757	383,536
<b>Total assets</b>	<b>\$2,497,526</b>	<b>\$2,738,266</b>	<b>\$2,522,679</b>
Accounts payable and accrued liabilities	\$479,119	\$399,685	\$368,215
Deferred revenue	372,708	376,734	309,789
<b>Total current liabilities</b>	<b>1,619,043</b>	<b>1,515,557</b>	<b>1,367,263</b>
<b>Total liabilities</b>	<b>1,775,569</b>	<b>1,714,192</b>	<b>1,584,502</b>
<b>Total shareholders' equity</b>	<b>721,957</b>	<b>1,024,074</b>	<b>938,177</b>
<b>Liabilities and shareholders' equity</b>	<b>\$2,497,526</b>	<b>\$2,738,266</b>	<b>\$2,522,679</b>

## About ANGOSS Software

ANGOSS Software Corporation, headquartered in Toronto, Canada, develops and delivers industry-leading data mining solutions to customers and technology partners "at the intersection of the Warehouse and the Web." ANGOSS customers use ANGOSS data mining solutions to make "better business decisions, every day". ANGOSS technology partners use ANGOSS data mining solutions to enable the intelligent enterprise.

ANGOSS data mining solutions includes:

- KnowledgeSEEKER®, KnowledgeSTUDIO®, and KnowledgeSERVER® used by leading Global 2500 organizations in the financial services, retail, telecom, pharma / healthcare and advanced manufacturing sectors.

- KnowledgeExcelerator® and KnowledgeAccess®, data mining add-ins for Excel and Access, the popular spreadsheet and database applications of Microsoft ® Corporation.
- KnowledgeSERVER® for Siebel, the ANGOSS data mining backplane for the Siebel e-Business application suite.
- KnowledgeWebMiner™, the ANGOSS data mining ASP solution for web analytics
- The ANGOSS Data Mining SDK for SQL Server 2000 and KnowledgeSTUDIO SDK, software development kits leveraging Microsoft developer tools, standards and technologies available to corporate and commercial software developers to support rapid deployment of advanced data mining technology to enterprise applications.

*Note to editors:* If you are interested in viewing additional information on ANGOSS, please go to [www.angoss.com](http://www.angoss.com).

###

Trademarks and registered trademarks referred to above are the property of their respective owners.

This press release may contain forward-looking statements relating to the future performance of ANGOSS Software Corporation. Forward-looking statements, specifically those concerning future performance and the achievement of operating profitability are subject to certain risks and uncertainties, and actual results may differ materially. These risks and uncertainties include the risk of possible customer disappointment or dissatisfaction with ANGOSS Software products, and any resulting failure to expand the user base as anticipated by the Company; operational and financial risks associated with growth; market acceptance of the Company's products and services; technical uncertainties related to releases of new or modified products and adapting products to specific customer requirements; risks involving management of growth; competition and the introduction of new entrants and/or new products in the Company's markets; product development risks and risks of technological change; the risk of unanticipated expenses or asset reevaluations; and other risks and uncertainties all as described in the disclosure documents filed with securities regulatory authorities in accordance with applicable securities laws.

*Note: The Canadian Venture Exchange has neither approved nor disapproved the above information.*