

## Interim Report 1 January – 31 March 2017

### FIRST QUARTER SUMMARY, JANUARY-MARCH 2017

- Net sales increased to SEK 620.7 m (540.8), up 15 per cent
- EBITA increased to SEK 53.6 m (30.6), corresponding to an EBITA margin of 8.6 per cent (5.7)
- Operating profit grew to SEK 36.8 m (18.2), corresponding to an operating margin of 5.9 per cent (3.4)
- Profit after tax increased to SEK 27.1 m (12.7)
- Earnings per share after dilution increased to SEK 0.89 (0.42)
- Cash flow from operating activities increased to SEK 179.5 m (150.2)

### SUMMARY OF SIGNIFICANT EVENTS DURING THE FIRST QUARTER, JANUARY-MARCH 2017

- Framework agreement signed with Swedish Prosecution Authority with order value of SEK 80 m
- Acquisition of Dutch company infostrait
- The Board of Directors proposes an unchanged dividend of SEK 2.25 (2.25) per share
- Helena Nathhorst hired as CFO of Addnode Group
- Addnode Group moved up from Small Cap to Mid Cap segment on Nasdaq Stockholm

## 55%

SHARE OF RECURRING  
REVENUE IN Q1 2017

## 15%

GROWTH COMPARED WITH  
CORRESPONDING PERIOD IN 2016

## 2.25 SEK

DIVIDEND PROPOSED BY THE  
BOARD OF DIRECTORS

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This information is such that Addnode Group AB (publ) is obligated to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out to the left, at 8.30 a.m. CET on 27 April 2017.



## 15 per cent growth and a doubling in earnings

### STRONG START TO 2017

We got off to a strong start to the year and have laid a solid foundation for 2017. Growth during the first quarter was 15 per cent, of which 11 per cent was for comparable units. We doubled our earnings compared with the same quarter a year ago, and our recurring revenue continues to grow and reached 55 per cent of net sales. Cash flow from operations is following our historical pattern and was very strong compared with our reported earnings, owing to that fact that a large share of our annual maintenance agreements are paid in advance.

### GOOD GROWTH AND IMPROVED EARNINGS IN ALL THREE BUSINESS AREAS

All three business areas are showing good growth and improved earnings compared with the same quarter a year ago. The Design Management business area has good underlying growth and achieved sales growth of 9 per cent and improved earnings despite the shift from a licence-based to a subscription-based sales model. The Product Lifecycle Management business area posted growth of 12 per cent and improved its earnings. The Process Management business area grew 27 per cent, partly driven by acquisitions, and doubled its earnings.

### CONTINUED EUROPEAN EXPANSION

We have continued our European expansion with the acquisition of the Dutch company infostrait, which will be TechniaTranscat's operation in the Benelux region (Belgium, the Netherlands and Luxembourg). The acquisition is in line with our successful strategy of growing by acquiring high quality value-added retailers of Dassault Systèmes software in selected geographic areas, where we can create value for customers in new markets by providing our own expertise and proprietary software.

### MEGATRENDS POINT TO ADDNODE GROUP

We see great business opportunities emerging in pace with the megatrends and challenges in the world around us, such as urbanisation and the emergence of smart cities, digitalisation

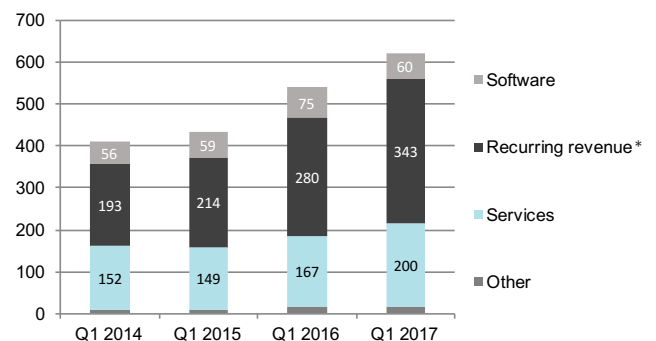
and automation of industry, ageing populations with increased care solutions, and the need for everyone to contribute to sustainable development. With our software and services we can help our customers meet the demands that a changing world is putting on them.

### OUR STRATEGY IS FIRM

Our strategy of offering niche software and services, decentralised leadership and acquisition-driven growth is successful. We are well positioned for continued growth and to improve our margins going forward. After ten years as CEO, I have been proposed by the Nomination Committee to serve as the new Chairman of the Board and look forward to working with Johan Andersson as he steps into his new role as President and CEO of Addnode Group.

Staffan Hanstorp, President and CEO

Earnings distribution,  
Q1 2014 – Q1 2017, SEK M



\* Recurring revenue pertains to revenue of an annually recurring character, such as revenue from support and maintenance contracts and revenue from rental contracts and SaaS solutions.

## SIGNIFICANT EVENTS DURING THE FIRST QUARTER OF 2017

### Framework agreement with Swedish Prosecution Authority – order value SEK 80 m

Decerno, a company in the Process Management business area, has won a tender – as the sole vendor – from the Swedish Prosecution Authority for a framework agreement for system development services. Decerno has an existing framework agreement with the Prosecution Authority and has developed a custom-tailored case management system for the authority. The new framework agreement is valid for four years and is expected to generate net sales of approximately SEK 20 m annually, for a total of SEK 80 m over the contract period.

### Acquisition of Dutch company infostrait

Infostrait is a Dutch PLM specialist and Dassault Systèmes partner, with net sales of SEK 25 m. The company will be part of TechniaTranscat in the PLM business area and will be consolidated in Addnode Group's accounts as from April 2017.

### Board of Directors proposes unchanged dividend of SEK 2.25 per share

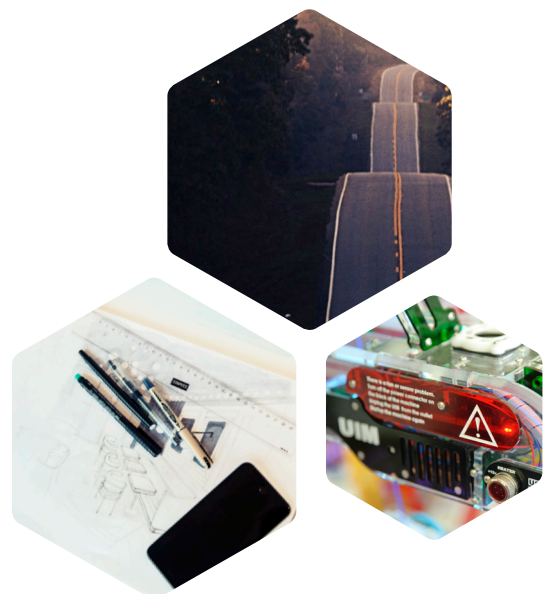
The Board of Directors has proposed an unchanged dividend of SEK 2.25 (2.25) per share. The Board is of the opinion that after payment of the dividend the Company will have sufficient funds to achieve its financial targets.

### Helena Nathhorst hired as CFO of Addnode Group

Helena Nathhorst has been appointed as new CFO of Addnode Group AB and will assume her position by 27 September 2017 at the latest. Helena is currently CFO of Teracom Group.

### Addnode Group moved up from Small Cap to Mid Cap segment on Nasdaq Stockholm

Addnode Group's Class B shares have been moved up from the Small Cap to the Mid Cap segment on Nasdaq Stockholm as a result of Nasdaq's annual review of market capitalisation in the Nordic markets. The shares are traded in the Mid Cap segment as from 2 January 2017. The Mid Cap segment includes companies with a market cap of between EUR 150 m and EUR 1 bn.





**CONSOLIDATED NET SALES AND EARNINGS**

**First quarter, January–March 2017**

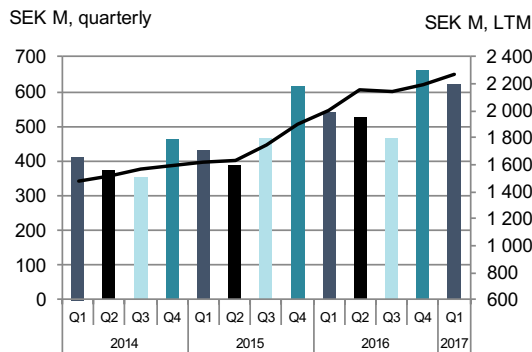
Net sales amounted to SEK 620.7 m (540.8), an increase of 15 per cent. The increase for comparable units was 11 per cent. Software revenue (licences) totalled SEK 60 m (75), recurring revenue increased to SEK 343 m (280), service revenue increased to SEK 200 m (167), and other revenue totalled SEK 18 m (18). The decrease in sales of licences and increase in recurring revenue compared with the corresponding quarter a year ago is mainly explained by the ongoing shift from a licence-based to a subscription-based business model in the Design Management business area. Recurring revenue also increased in the other business areas. EBITA was SEK 53.6 m (30.6), corresponding to an EBITA margin of 8.6 per cent (5.7).

The Design Management business area’s sales growth of 9 per cent and improved earnings can be credited to strong demand from customers and a favourable revenue mix, with a growing share of sales of services and proprietary products, which countered the effects during the quarter of the ongoing shift from a licence-based to a subscription-based business model.

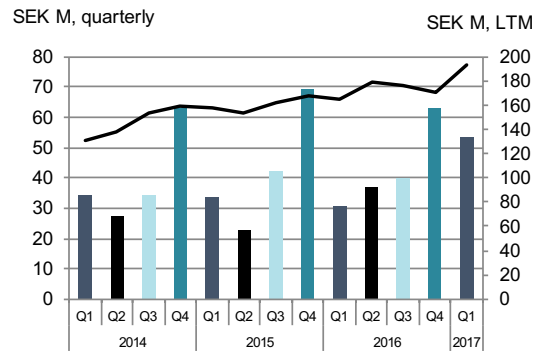
The Product Lifecycle Management business area had stable demand and growth of 12 per cent, which led to improved earnings compared with the same quarter a year ago. The Process Management business area posted growth of 27 per cent compared with the same quarter a year ago, of which 13 per cent for comparable units, and doubled its EBITA. The general business climate for the business area is favourable, especially for its case management and system development offerings.

Cash flow from operating activities amounted to SEK 179.5 m (150.2). The strong cash flow is mainly the result of a large share of maintenance agreements being paid in advance during the quarter. Net financial items amounted to SEK -1.2 m (-1.4), Reported tax on profit for the period was SEK -8.5 m (-4.1), and profit after tax was SEK 27.1 m (12.7). Earnings per share after dilution were SEK 0.89 (0.42).

**Net sales, quarterly trend, SEK M**



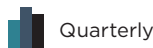
**EBITA, quarterly trend, SEK M<sup>1)</sup>**



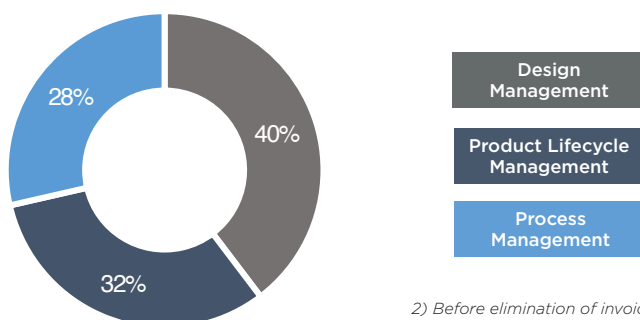
**Seasonal variations**

The Addnode Group’s operations are seasonal. The fourth quarter normally has the highest net sales and EBITA.

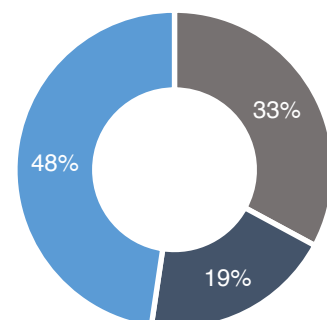
<sup>1)</sup> Excluding the revaluation of contingent considerations.



**Net sales by business area, share during the quarter, %<sup>2)</sup>**



**EBITA by business area, share during the quarter, %<sup>2)</sup>**



<sup>2)</sup> Before elimination of invoicing between the business areas and central costs.



### DESIGN MANAGEMENT

IT solutions for design and construction.

#### Quarterly development

Net sales amounted to SEK 247.1 m (225.8) during the first quarter, representing essentially organic growth of 9 per cent. EBITA increased to SEK 20.3 m (14.8), for an EBITA margin of 8.2 per cent (6.6). Underlying demand from customers was good during the first quarter, and the business area had a favourable revenue mix with a larger share of sales of services and proprietary products. Demand for Autodesk products remained strong from the construction and property sectors in Sweden and Norway, and demand from manufacturing industries was good, which countered the effects during the quarter of the ongoing shift from a licence-based to a subscription-based sales model.

#### New business

The business area secured agreements with customers such as Bjerking, Jernhusen, Kongsberg Entreprenør, the Norwegian Public Roads Administration, Statoil, Västtrafik, WSP Norway and YIT.



### PRODUCT LIFECYCLE MANAGEMENT

IT solutions for product data information.

#### Quarterly development

Net sales increased to SEK 197.8 m (176.4) during the first quarter, representing entirely organic growth of 12 per cent. EBITA increased to SEK 12.0 m (8.8), corresponding to an EBITA margin of 6.1 per cent (5.0). Demand continued to be favourable, with good sales of software and services, especially in the German market. Our ability to deliver and implement global change projects is gaining increasing traction in the market, and we are winning new agreements.

#### New business

The business area secured agreements with customers such as Daimler, European Spallation Source (ESS), Honeywell, Jula, Meyer Werft, Orion Corporation, Outotec, Porsche, Stadler, Yazaki North America and ÅF AB.



### PROCESS MANAGEMENT

IT solutions for document and case management.

#### Quarterly development

Net sales increased to SEK 178.0 m (140.4) during the first quarter, representing growth of 27 per cent. For comparable units, organic growth was 13 per cent. EBITA increased to SEK 29.5 m (14.0), corresponding to an EBITA margin of 16.6 per cent (10.0). The general business climate for the business area continued to be favourable. Good demand from our customers, efficient deliveries and acquisitions completed in 2016 resulted in a doubling of EBITA compared with the corresponding quarter a year ago. The case management and system development offerings, in particular, performed well during the quarter.

#### New business

The business area secured agreements from customers such as the Swedish Energy Markets Inspectorate, Gemalto, Knivsta Municipality, Nobina, the Swedish National Heritage Board, the Swedish National Board of Forensic Medicine, the Swedish Forest Agency, the City of Solna, Stockholms Stadsarkiv, Taby Municipality, the Uppsala County Council and the Swedish Prosecution Agency.

## DEVELOPMENT OF BUSINESS AREA

	2015	2015	2015	2016	2016	2016	2016	2017	LTM	
Net sales, SEK M	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	April 2016	Full Year
									March 2017	2016
Design Management	184.0	161.7	253.5	225.8	204.0	156.0	243.1	247.1	850.2	828.9
Product Lifecycle Management	62.2	186.6	204.6	176.4	179.4	186.1	237.1	197.8	800.4	779.0
Process Management	143.2	119.9	157.4	140.4	146.8	127.0	180.6	178.0	632.4	594.8
Elim/central	-2.1	-0.9	-1.1	-1.8	-1.8	-2.0	-2.1	-2.2	-8.1	-7.7
<b>Addnode Group</b>	<b>387.3</b>	<b>467.3</b>	<b>614.4</b>	<b>540.8</b>	<b>528.4</b>	<b>467.1</b>	<b>658.7</b>	<b>620.7</b>	<b>2,274.9</b>	<b>2,195.0</b>

	2015	2015	2015	2016	2016	2016	2016	2017	LTM	
EBITA, SEK M	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	April 2016	Full Year
									March 2017	2016
Design Management	10.6	13.1	25.1	14.8	15.0	9.1	18.2	20.3	62.6	57.1
Product Lifecycle Management	3.5	15.9	27.7	8.8	11.1	17.3	24.9	12.0	65.3	62.1
Process Management	17.3	19.7	23.6	14.0	17.7	19.2	27.4	29.5	93.8	78.3
Elim/central	-8.8	-6.5	-6.9	-7.0	-6.8	6.0	-7.1	-8.2	-28.1	-26.9
<b>Addnode Group</b>	<b>22.6</b>	<b>42.2</b>	<b>69.5</b>	<b>30.6</b>	<b>37.0</b>	<b>39.6</b>	<b>63.4</b>	<b>53.6</b>	<b>193.6</b>	<b>170.6</b>

	2015	2015	2015	2016	2016	2016	2016	2017	LTM	
EBITA margins	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	April 2016	Full Year
									March 2017	2016
Design Management	5.8%	8.1%	9.9%	6.6%	7.4%	5.8%	7.5%	8.2%	7.4%	6.9%
Product Lifecycle Management	5.6%	8.5%	13.5%	5.0%	6.2%	9.3%	10.5%	6.1%	8.2%	8.0%
Process Management	12.1%	16.4%	15.0%	10.0%	12.1%	15.1%	15.2%	16.6%	14.8%	13.2%
<b>Addnode Group</b>	<b>5.8%</b>	<b>9.0%</b>	<b>11.3%</b>	<b>5.7%</b>	<b>7.0%</b>	<b>8.5%</b>	<b>9.6%</b>	<b>8.6%</b>	<b>8.5%</b>	<b>7.8%</b>

	2015	2015	2015	2016	2016	2016	2016	2017		Full Year
Average number of employees	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1		2016
Design Management	321	316	314	314	320	320	322	309		319
Product Lifecycle Management	160	385	408	406	420	443	443	460		428
Process Management	395	401	403	390	396	393	424	445		405
Central	8	7	7	7	7	8	9	8		8
<b>Addnode Group</b>	<b>884</b>	<b>1,109</b>	<b>1,132</b>	<b>1,117</b>	<b>1,143</b>	<b>1,164</b>	<b>1,198</b>	<b>1,222</b>		<b>1,160</b>

## Seasonal variations

Addnode Group's operations are seasonal. The fourth quarter normally has the highest net sales and EBITA.

## CONSOLIDATED BALANCE SHEET AND CASH FLOW

### Liquidity, cash flow and financial position

The Group's cash and cash equivalents on 31 March 2017 amounted to SEK 274.4 m (111.5 on December 31, 2016). Cash flow from operating activities was SEK 179.5 m (150.2) during the first quarter of 2017. The good cash flow was largely attributable to advance payments from customers for support and maintenance agreements. Cash flow from investing activities in 2017 includes payment of SEK 1.0 m in contracted and previously expensed earn-out payments for company acquisitions carried out in previous years. It also includes received payouts of SEK 11.2 m (11.8) for proprietary software. New bank borrowing of SEK 32.4 m was taken out during the first quarter of 2017 within the framework of an existing credit facility. On 31 March 2017 the Group's interest-bearing liabilities amounted to SEK 207.8 m (177.3 on December 31, 2016), and the net sum of interest-bearing assets and liabilities was SEK 66.6 m (-65.8). The equity/assets ratio was 47 per cent (49) on 31 March 2017. The Parent Company has an existing bank overdraft facility of SEK 100 m. In addition, since January 2015 the Parent Company has had an agreement for a credit facility of up to SEK 200 m to finance acquisitions, of which SEK 188 m was utilised as per the date of publication of this interim report. At the end of October 2016 an agreement was signed for an additional credit facility of up to SEK 200 m, which has not yet been utilised.

### Investments

Investments in intangible non-current assets and in property, plant and equipment amounted to SEK 16.1 m (17.4), of which SEK 11.2 m (11.8) pertains to proprietary software and SEK 3.3 m (4.9) to equipment.

### Goodwill and other intangible assets

The Group's carrying amount of goodwill on 31 March 2017 was SEK 987.4 m (972.0 on December 31, 2016). Other intangible assets amounted to SEK 198.3 m (193.9) and pertain mainly to customer agreements and software.

### Deferred tax assets

Total reported deferred tax assets amounted to SEK 5.5 m on 31 March 2017, of which SEK 1.6 m pertains to tax loss carryforwards. The Group's accumulated tax loss carryforwards amounted to approximately SEK 30 m on 31 March 2017. Deferred tax assets attributable to tax loss carryforwards are reported as assets to the extent it is likely that the loss carryforwards can be used to offset surpluses in future taxation.

### Shareholders' equity and number of shares

Shareholders' equity on 31 March 2017 amounted to SEK 988.1 m (964.7), corresponding to SEK 32.47 (31.70) per share outstanding. Changes in the number of shares outstanding and in shareholders' equity are shown on page 11. The Board of Directors has proposed that the Annual General Meeting on 4 May 2017 resolve in favour of a share dividend

totalling SEK 68.5 m. No share-savings, option or convertible programmes were outstanding as per 31 March 2017.

### Provisions

Provisions, which are included in non-current and current liabilities on the consolidated balance sheet, amounted to SEK 50.7 m on 31 March 2017, of which SEK 42.2 m pertains to estimated contingent consideration for completed company acquisitions. During the second quarter of 2017, payments of contingent consideration are expected to amount to approximately SEK 38 m.

### EMPLOYEES

The average number of employees in the Group was 1,222 (1,117) during the first quarter of 2017. At the end of the quarter the number of employees was 1,303 (1,277 as per 31/12/2016).

### DISCLOSURES OF SUBSIDIARY ACQUISITIONS

In December 2016 an agreement was signed to acquire all of the shares outstanding in Projektstyrning Prima AB, which is the legal entity behind the Kompanion planning tool, with possession transferring on 2 January 2017. Prior to this Addnode Group owned 37 per cent of the shares in the company; the acquisition was carried out in accordance with a previously signed shareholder agreement. The business is focused on IT-based planning and follow-up systems that are used by a large number of municipalities and private companies for business support processes in the social services sector, such as home care. The acquisition strengthens the Group's offering in this area. The company has annual net sales of approximately SEK 20 m and is consolidated as from 2017 in the Process Management business area. According to the preliminary purchase price allocation calculation, goodwill and other acquisition-related intangible assets arising in connection with the acquisition amount to approximately SEK 24 m, entailing a deferred tax liability of approximately SEK 1 m. Other acquired assets and liabilities pertain primarily to software and deferred income.

On 24 March 2017 an agreement was signed to acquire all of the shares in the company infostrait, with possession transferring on 3 April 2017. Infostrait is a Dutch PLM and BIM specialist and the company has annual net sales of SEK 25 m. The company has 18 employees and is included from the date of possession in the Product Lifecycle Management business area, which since previously has a strong offering to customers in the PLM segment. With the acquisition Addnode Group establishes operations in the Benelux region.

## DISCLOSURES OF FINANCIAL INSTRUMENTS

The Group's risk exposure in financial instruments is relatively limited. No financial assets or liabilities are carried at a value that significantly deviates from their fair value. More detailed information is provided in Note 19 of the 2016 Annual Report. During 2017 no significant changes have taken place in holdings or in the valuation of financial instruments attributable to Level 3 of the fair value hierarchy under IFRS 13, nor have any transfers been made between the levels in the valuation hierarchy. As per 31 March 2017 the Group had no outstanding currency forward contracts.

## PARENT COMPANY

Net sales amounted to SEK 0.1 m (0.1). Profit after financial items totalled SEK -10.3 m (-8.9). Cash and cash equivalents amounted to SEK 250.6 m on 31 March 2017 (96.6 as per 31/12/2016). Investments in shares in subsidiaries amounted to SEK 32.3 m, and transfers of shares in subsidiaries to other Group companies totalled SEK 9.0 m. No significant investments were made in intangible non-current assets or in property, plant and equipment. The proposed share dividend is expected to entail an outgoing payment of SEK 68.5 m in May 2017. During the second quarter of 2017, payments of contingent consideration are expected to amount to approximately SEK 38 m. New bank borrowing of SEK 32.4 m was taken out during the first quarter of 2017 within the framework of existing credit facilities. The Parent Company has an existing bank overdraft facility of SEK 100 m. In addition, the Parent Company has agreements for credit facilities of up to SEK 400 m to finance acquisitions, of which SEK 188 m has been utilised as per the date of publication of this interim report.

## ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated accounts have been prepared in accordance with the International Financial Reporting Standards (IFRS) as endorsed by the EU and the Swedish Annual Accounts Act. The Parent Company's accounts have been prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities. The new standards, amendments and interpretations of existing standards that have taken effect in 2017 have not had any impact on the Group's financial position or financial statements. The accounting policies and calculation methods are unchanged compared with the description provided in the 2016 Annual Report.

## SIGNIFICANT RISKS AND UNCERTAINTIES

Addnode Group's significant risks and uncertainties are described in the 2016 Annual Report on pages 26-27 and in the section "Risks and uncertainties" on page 37, as well as in notes 37 and 38 on pages 69-71. No significant changes have subsequently taken place.

## FUTURE OUTLOOK

The Board has not changed its assessment of the future outlook compared with the preceding quarter. In the year-end report for 2016 the Board communicated the following outlook: In the long-term, the areas in which Addnode Group is active are deemed to have strong underlying potential. Addnode Group's growth strategy is to grow organically and through acquisitions of new businesses in the aim of adding new, complementary offerings and additional expertise. The policy of not issuing a forecast stands firm.

Stockholm, 27 April 2017

*The Board of Directors*

This interim report has not been reviewed by the company's auditors.



**LARGEST SHAREHOLDERS 31 MARCH, 2017**

Shareholders	% of capital	% of votes
Vidinova AB <sup>1)</sup>	24.4	26.8
Aretro Capital Group AB <sup>2)</sup>	12.4	23.6
Swedbank Robur Fonder	9.6	7.3
Lannebo Fonder	7.7	5.9
Handelsbanken Fonder AB	4.9	3.7
Didner & Gerge Fonder	3.3	2.5
Fjärde AP-fonden	2.9	2.2
Grenspecialisten Förvaltning AB	2.6	2.0
E Öhman Jr Fonder AB	2.3	1.7
Societe Generale SA	1.6	1.2
Other shareholders	28.3	23.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

1) Board member Dick Hasselström is the principal owner of Vidinova AB.  
 2) Aretro Capital Group AB is jointly owned by Staffan Hanstorp, Addnode Group's President and CEO, and Jonas Gejer, the Business Area Manager of Product Lifecycle Management.



**QUICK FACTS**

Addnode Group acquires, operates and develops entrepreneur-driven companies that supply software and services to markets in which we have or can achieve a leading position. We are one of Europe's leading suppliers of software and services for design, construction and product data information, and a leading supplier of document and case management systems to public sector clients in Sweden and Norway. In 2016, we reported a growth rate of 15 percent and net sales totaled SEK 2,195 M.



**TWO CORE BUSINESSES**

IT solutions for design, construction and product data information.  
 IT solutions for document- and case management.



**ENTREPRENEURSHIP**

We are distinguished by a spirit of entrepreneurship, with short decision-making paths, and business-critical decision are made as close as possible to the customer and end user.



**ACQUISITIONS**

We have completed more than 40 acquisitions since 2003 and are constantly seeking companies that can strengthen or complement one of our two core businesses.



**RECURRING REVENUE**

A large portion of our revenue is recurring in the form of support and maintenance agreements, as well as SaaS services.

**Financial Calendar 2017**

**4 MAY**  
AGM 2017

**26 OCTOBER**  
Interim report for the third quarter

**21 JULY**  
Interim report for the first half year

## CONSOLIDATED INCOME STATEMENT

(SEK M)	Jan - March		Full-year
	2017	2016	2016
Net sales	620.7	540.8	2,195.0
<b>Operating expenses:</b>			
Purchases of goods and services	-249.2	-220.9	-863.3
Other external costs	-67.7	-64.0	-258.0
Personnel costs	-257.5	-233.6	-931.0
Capitalized work performed by the company for its own use	11.2	11.8	42.7
Depreciation/amortization and impairment of			
- tangible fixed assets	-3.9	-3.5	-14.8
- intangible fixed assets	-16.8	-12.4	-56.9
<b>Total operating expenses</b>	<b>-583.9</b>	<b>-522.6</b>	<b>-2,081.3</b>
<b>Operating profit</b>	<b>36.8</b>	<b>18.2</b>	<b>113.7</b>
Financial income	0.2	0.8	2.1
Financial expenses	-1.4	-2.2	-7.0
<b>Profit before taxes</b>	<b>35.6</b>	<b>16.8</b>	<b>108.8</b>
Current tax	-7.9	-2.9	-21.1
Deferred tax	-0.6	-1.2	-5.4
<b>NET PROFIT FOR THE PERIOD</b>	<b>27.1</b>	<b>12.7</b>	<b>82.3</b>
<b>Attributable to:</b>			
Owners of the Parent Company	27.1	12.7	82.3
Non-controlling interests	0.0	0.0	0.0
Earnings per share before dilution, SEK	0.89	0.42	2.71
Earnings per share after dilution, SEK	0.89	0.42	2.71
Average number of shares outstanding:			
Before dilution, millions	30.4	30.4	30.4
After dilution, millions	30.4	30.4	30.4

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK M)	Jan - March		Full-year
	2017	2016	2016
Net profit for the period	27.1	12.7	82.3
<b>Other comprehensive income, items that will not be reclassified to the consolidated income statement:</b>			
Actuarial gains and losses on pension obligations			-0.2
<b>Other comprehensive income, items that may be reclassified to the consolidated income statement:</b>			
Exchange rate difference upon translation of foreign operations	-3.7	8.1	36.6
Hedge of net investments in foreign operations		-0.6	-2.1
<b>Total other comprehensive income after tax for the period</b>	<b>-3.7</b>	<b>7.5</b>	<b>34.3</b>
<b>COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>23.4</b>	<b>20.2</b>	<b>116.6</b>
<b>Attributable to:</b>			
Owners of the Parent Company	23.4	20.2	116.6
Non-controlling interests	0.0	0.0	0.0

## CONSOLIDATED BALANCE SHEET

(SEK M)	March 31, 2017	March 31, 2016	Dec 31, 2016
Goodwill	987.4	916.2	972.0
Other intangible fixed assets	198.3	182.2	193.9
Tangible fixed assets	35.7	35.4	36.8
Financial fixed assets	32.0	28.1	23.8
Inventories	0.9	1.6	1.3
Current receivables	586.7	562.3	646.2
Cash and cash equivalents	274.4	241.6	111.5
<b>TOTAL ASSETS</b>	<b>2,115.4</b>	<b>1,967.4</b>	<b>1,985.5</b>
Shareholders' equity	988.1	936.8	964.7
Non-current liabilities	67.4	104.1	67.5
Current liabilities	1 059.9	926.5	953.3
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>2,115.4</b>	<b>1,967.4</b>	<b>1,985.5</b>
Interest-bearing receivables amount to	0.0	0.5	0.0
Interest-bearing liabilities amount to	207.8	149.0	177.3
Pledged assets	6.2	13.4	11.8
Contingent liabilities	0.6	1.3	0.6

## SHAREHOLDERS' EQUITY AND NUMBER OF SHARES

	Jan - March 2017	2016	Full-year 2016
<b>Specification of changes in shareholders' equity</b>	<b>2017</b>	<b>2016</b>	<b>2016</b>
Shareholders' equity, opening balance	964.7	916.6	916.6
Dividend			-68.5
Comprehensive income for the period	23.4	20.2	116.6
<b>Shareholders' equity, closing balance</b>	<b>988.1</b>	<b>936.8</b>	<b>964.7</b>
<b>Shareholders' equity attributable to:</b>			
Owners of the Parent Company	988.1	936.8	964.7
Non-controlling interests (minority interests)	0.0	0.0	0.0
<b>Specification of number of shares outstanding, millions</b>			
Number of shares outstanding, opening balance	30.4	30.4	30.4
<b>Number of shares outstanding, closing balance</b>	<b>30.4</b>	<b>30.4</b>	<b>30.4</b>

The number of registered shares was 30,427,256 on both December 31, 2016 and March 31, 2017. Addnode Group had no holdings of own shares on December 31, 2016 or March 31, 2017. The number of outstanding shares was 30,427,256 on both December 31, 2016 and March 31, 2017.

## CONSOLIDATED CASH FLOW STATEMENT

(SEK M)	Jan - March		Full-year
	2017	2016	2016
<b>Operating activities</b>			
Operating profit	36.8	18.2	113.7
Adjustment for non-cash items	19.7	17.5	76.5
<b>Total</b>	<b>56.5</b>	<b>35.7</b>	<b>190.2</b>
Net financial items	-1.3	-0.2	-2.3
Tax paid, etc.	-5.7	-6.1	-16.4
<b>Cash flow from operating activities before changes in working capital</b>	<b>49.5</b>	<b>29.4</b>	<b>171.5</b>
Total change in working capital	130.0	120.8	-13.8
<b>Cash flow from operating activities</b>	<b>179.5</b>	<b>150.2</b>	<b>157.7</b>
Cash flow from investing activities <sup>1)</sup>	-47.9	-35.2	-135.7
Cash flow from financing activities <sup>2)</sup>	31.7	23.4	-18.8
<b>Change in cash and cash equivalents</b>	<b>163.3</b>	<b>138.4</b>	<b>3.2</b>
Cash and cash equivalents. opening balance	111.5	102.9	102.9
Exchange rate difference in cash and cash equivalents	-0.4	0.3	5.4
<b>Cash and cash equivalents. closing balance</b>	<b>274.4</b>	<b>241.6</b>	<b>111.5</b>

**1) Specification of investing activities:**

Purchases and sales of intangible and tangible fixed assets	-15.0	-16.6	-66.4
Acquisition of financial fixed assets			-1.9
Acquisition of subsidiaries and operations	-33.3	-28.3	-86.1
Cash and cash equivalents in acquired companies	0.4	9.7	18.6
Repayment of receivables			0.1
<b>Total</b>	<b>-47.9</b>	<b>-35.2</b>	<b>-135.7</b>

**2) Specification of financing activities:**

Paid dividend			-68.5
Borrowings	32.4	29.5	67.5
Repayment of loans	-0.7	-6.1	-17.8
<b>Total</b>	<b>31.7</b>	<b>23.4</b>	<b>-18.8</b>



## KEY FIGURES

Key figures	Jan - March		Full-year
	2017	2016	2016
Net sales, SEK M	620.7	540.8	2,195.0
Average number of employees	1,222	1,117	1,160
Net sales per employee, SEK 000s	508	484	1,892
Change in net sales, %	15	25	15
EBITA margin, %	8.6	5.7	7.8
Operating margin, %	5.9	3.4	5.2
Profit margin, %	5.7	3.1	5.0
Equity/assets ratio, %	47	48	49
Acid-test ratio, %	81	87	79
Shareholders' equity, SEK M	988.1	936.8	964.7
Return on shareholders' equity, % *	2.8	1.4	8.9
Return on capital employed, % *	3.2	1.8	10.7
Net debt, SEK M	-66.6	-93.1	65.8
Investments in equipment, SEK M	3.3	4.9	16.6

\* Key figures for the various interim periods have not been adjusted to return on an annual basis.

## SHARE DATA

	Jan - March		Full-year
	2017	2016	2016
Average number of shares outstanding after dilution, millions	30.4	30.4	30.4
Total number of shares outstanding, millions	30.4	30.4	30.4
Total number of registered shares, millions	30.4	30.4	30.4
Earnings per share after dilution, SEK	0.89	0.42	2.71
Cash flow per share, SEK	5.90	4.94	5.18
Shareholders' equity per share, SEK	32.47	30.79	31.70
Dividend per share, SEK	-	-	2.25 <sup>1)</sup>
Share price at end of period, SEK	67.25	54.50	56.50
P/E ratio	-	-	21
Share price/shareholders' equity	2.07	1.77	1.78

1) According to proposal from the board.

## OPERATING SEGMENTS

The figures below refer to the first quarter of each full-year.

(SEK M)	DESIGN MGT		PLM MGT		PROCESS MGT		CENTRAL		ELIMINATION		ADDNODE GROUP	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
<b>REVENUE</b>												
External sales	246.2	224.8	197.4	176.4	176.9	139.4	0.2	0.2			<b>620.7</b>	<b>540.8</b>
Transactions between segments	0.9	1.0	0.4		1.1	1.0	0.8	0.8	-3.2	-2.8	<b>0.0</b>	<b>0.0</b>
Total revenue	247.1	225.8	197.8	176.4	178.0	140.4	1.0	1.0	-3.2	-2.8	<b>620.7</b>	<b>540.8</b>
EBITA	20.3	14.8	12.0	8.8	29.5	14.0	-8.2	-7.0			<b>53.6</b>	<b>30.6</b>
EBITA margin	8.2%	6.6%	6.1%	5.0%	16.6%	10.0%					<b>8.6%</b>	<b>5.7%</b>
Operating profit	13.6	9.7	8.8	6.1	22.6	9.4	-8.2	-7.0			<b>36.8</b>	<b>18.2</b>
Operating margin	5.5%	4.3%	4.4%	3.5%	12.7%	6.7%					<b>5.9%</b>	<b>3.4%</b>
Average number of employees	309	314	460	406	445	390	8	7			<b>1,222</b>	<b>1,117</b>

Addnode Group's operations are organized and managed based on the business areas Design Management, Product Lifecycle Management (PLM) and Process Management, which are the Group's operating segments. There have been no changes in the segment division or calculation of segment results since the most recently published Annual Report. Segments are reported according to the same accounting principles as the Group. The difference between the sum of the segments' operating income and consolidated income before tax is attributable to financial income of SEK 0.2 M (0.8) and financial expenses of SEK -1.4 M (-2.2). There have been no significant changes in the segments' assets compared to the information in the most recent annual report.

## QUARTERLY FINANCIAL OVERVIEW

(SEK M)	2017	2016					2015				
	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Net sales	620.7	<b>2,195.0</b>	658.7	467.1	528.4	540.8	<b>1,900.8</b>	614.4	467.3	387.3	431.8
EBITA	53.6	<b>170.6</b>	63.4	39.6	37.0	30.6	<b>168.0</b>	69.5	42.2	22.6	33.7
Operating profit	36.8	<b>113.7</b>	47.6	24.6	23.3	18.2	<b>126.0</b>	58.0	30.8	12.8	24.4
Profit before taxes	35.6	<b>108.8</b>	47.2	23.2	21.6	16.8	<b>124.6</b>	57.2	29.6	12.2	25.6
Profit after taxes	27.1	<b>82.3</b>	36.8	17.2	15.6	12.7	<b>95.5</b>	45.5	21.7	8.7	19.6
EBITA margin	8.6%	<b>7.8%</b>	9.6%	8.5%	7.0%	5.7%	<b>8.8%</b>	11.3%	9.0%	5.8%	7.8%
Operating margin	5.9%	<b>5.2%</b>	7.2%	5.3%	4.4%	3.4%	<b>6.6%</b>	9.4%	6.6%	3.3%	5.7%
Cash flow from operating activities	179.5	<b>157.7</b>	72.9	-37.2	-28.2	150.2	<b>143.8</b>	98.0	-18.0	23.3	40.5
Average number of employees	1,222	<b>1,160</b>	1,198	1,164	1,143	1,117	<b>1,005</b>	1,132	1,109	884	886

## PARENT COMPANY INCOME STATEMENT

(SEK M)	Jan - March		Full-year
	2017	2016	2016
Net sales	0.1	0.0	9.1
Operating expenses	-9.6	-8.1	-31.8
<b>Operating result</b>	<b>-9.5</b>	<b>-8.1</b>	<b>-22.7</b>
Financial income	0.5	0.4	99.8
Financial expenses	-1.3	-1.2	-5.8
<b>Profit after financial items</b>	<b>-10.3</b>	<b>-8.9</b>	<b>71.3</b>
Transfer to tax allocation reserve	0.0	0.0	-9.5
<b>Profit before taxes</b>	<b>-10.3</b>	<b>-8.9</b>	<b>61.8</b>
Tax	0.0	0.0	-7.1
<b>NET PROFIT FOR THE PERIOD</b>	<b>-10.3</b>	<b>-8.9</b>	<b>54.7</b>

## PARENT COMPANY BALANCE SHEET

(SEK M)	March 31,	March 31,	Dec 31,
	2017	2016	2016
Intangible fixed assets	0.9	0.0	0.9
Financial fixed assets	1,212.1	1,154.2	1,188.9
Current receivables	97.1	71.0	109.9
Cash and cash equivalents	250.6	166.0	96.6
<b>TOTAL ASSETS</b>	<b>1,560.7</b>	<b>1,391.2</b>	<b>1,396.3</b>
Shareholders' equity	841.0	856.2	851.3
Untaxed reserves	9.5	0.0	9.5
Provisions	41.4	46.7	41.4
Non-current liabilities	4.0	5.1	4.0
Current liabilities	664.8	483.2	490.1
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>	<b>1,560.7</b>	<b>1,391.2</b>	<b>1,396.3</b>

## USE AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Guidelines for information about Alternative Performance Measures (APMs) for companies with securities listed on a regulated market within EU have been issued by the European Securities and Markets Authority (ESMA) and shall be applied for Alternative Performance Measures in published compulsory information. Alternative Performance Measures refer to financial measures of historical or future development of earnings, financial position, financial results or cash flows that are not defined or stated in applicable rules for financial reporting. Certain performance measures are used in the annual report which are not defined in IFRS, with the purpose to give investors, analysts and other interested parties clear and relevant information about the Company's business and performance. The use of these performance measures and reconciliation to the financial statements are presented below. Definitions are provided on page 17.

### EBITA

#### Reconciliation of EBITA

(SEK M)	2016	2015	2016
Operating profit	36.8	18.2	113.7
Depreciation, amortisation and impairment of intangible non-current assets	16.8	12.4	56.9
<b>EBITA</b>	<b>53.6</b>	<b>30.6</b>	<b>170.6</b>

EBITA is a measure that the Group considers to be relevant for investors, analysts and other interested parties in order to understand profit generation before investments in intangible non-current assets. The measure is an expression of operating profit before amortisation and impairment of intangible non-current assets.

### Net debt

The Group consider this key ratio to be useful for the users of the financial statements as a complement in evaluating the capacity to pay dividends, to execute strategic investments and to evaluate the Group's ability to meet its financial obligations. The key ratio expresses the level of financial borrowing in absolute amounts after deducting cash and cash equivalents.

#### Reconciliation of net debt

(SEK M)	March 31, 2017	March 31, 2016	Dec 31, 2016
Non-current liabilities	67.4	104.1	67.5
Current liabilities	1,059.9	926.5	953.3
Non interest-bearing non-current and current liabilities	-919.5	-881.6	-843.5
<b>Total interest-bearing liabilities</b>	<b>207.8</b>	<b>149.0</b>	<b>177.3</b>
Cash and cash equivalents	-274.4	-241.6	-111.5
Other interest-bearing receivables	0.0	-0.5	0.0
<b>Net debt(+)/receivables(-)</b>	<b>-66.6</b>	<b>-93.1</b>	<b>65.8</b>



## DEFINITIONS

### Average number of employees

Average number of full-time employees during the period.

### Shareholder's equity

Reported shareholders' equity plus untaxed reserves less deferred tax at the current tax rate.

### Capital employed

Total assets less noninterest-bearing liabilities and noninterest-bearing provisions including deferred tax liabilities.

### Net sales per employee

Net sales divided by the average number of employees (full-time equivalents).

### EBITA

Earnings before amortisation and impairment of intangible non-current assets.

### EBITA margin

EBITA as a percentage of net sales.

### Operating margin

Operating profit as a percentage of net sales.

### Profit margin

Profit before tax as a percentage of net sales

### Return on shareholder's equity

Net profit for the period attributable to owners of the Parent Company as a percentage of average shareholders' equity attributable to owners of the Parent Company.

### Return on capital employed

Profit before tax plus financial expenses as a percentage of the average capital employed.

### Equity/assets ratio

Shareholders' equity (including shareholders' equity attributable to non-controlling interests) as a percentage of total assets.

### Acid test ratio

Current assets excluding inventories as a percentage of current liabilities.

### Net debt

Interest-bearing liabilities less cash and cash equivalents and other interest-bearing receivables. According to this definition, a negative level of net debt means that cash and cash equivalents and other interest-bearing financial assets exceed interest-bearing liabilities.

### Earnings per share

Net profit for the period attributable to owners of the Parent Company divided by the average number of shares outstanding.

### Shareholder's equity per share

Shareholders' equity attributable to owners of the Parent Company divided by the total number of shares outstanding.

### P/E multiple

Share price in relation to earnings per share.

### Share price/shareholder's equity

Share price in relation to shareholders' equity per share.

### LTM (Last Twelve Month)

Outcome for the last twelve-month period.

### Cash flow per share

Cash flow from operating activities divided by the average number of shares outstanding.

### Recurring revenue

Revenue of an annually recurring character, such as revenue from support and maintenance contracts and revenue from rental contracts and SaaS solutions.

5D SYSTEM  
ADDNODE GROUP

ARKIVA  
ADDNODE GROUP

DECERNO  
ADDNODE GROUP

ESSVISION  
ADDNODE GROUP

EVITBE  
ADDNODE GROUP

IDA INFRONT  
ADDNODE GROUP

KOMPANION  
ADDNODE GROUP

MITTBYGGE  
ADDNODE GROUP

MOGUL  
ADDNODE GROUP

PHARMASOLUTIONS  
ADDNODE GROUP

SOKIGO  
ADDNODE GROUP

STAMFORD  
ADDNODE GROUP

SYMETRI  
ADDNODE GROUP

SYMETRI COLLABORATION  
ADDNODE GROUP

TECHNIA TRANSCAT  
ADDNODE GROUP

VOICE PROVIDER  
ADDNODE GROUP