

YEAR-END REPORT 1 JANUARY - 31 DECEMBER 2022

This is a translation of the Swedish original of Addnode Group's Year-end Report for the period 1 January - 31 December 2022. In the event of inconsistency between the two, the original Swedish version shall apply.

FOURTH QUARTER SUMMARY, OCTOBER-DECEMBER 2022

- Net sales increased by 60 per cent to SEK 1,786 m (1,114), of which 18 per cent was organic. Currency-adjusted organic growth was 13 per cent.
- EBITA increased to SEK 200 m (148), and the EBITA margin was 11.2 per cent (13.3).
- Operating profit rose to SEK 149 m (106), and the operating margin was 8.3 per cent (9.5).
- Profit for the period increased to SEK 103 m (80).
- Earnings per share increased to SEK 0.77 (0.60²).
- Cash flow from operating activities increased to SEK 261 m (257).
- Elisabeth Forslin appointed Head of M&A.
- Acquisition of the operations of JBL Technologies of the USA, with net sales of SEK 15 m.
- The Board of Directors proposes a dividend of SEK 1.00 (0.75²) per share.

SUMMARY OF SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- Acquisition of FAST2 Affärssystem in Sweden, with net sales of approximately SEK 80 m.
- Addnode Group advances to the Large Cap segment of Nasdaq Stockholm.
- The Board of Directors decides to amend the dividend policy to 30-50 per cent of the Group's profit after tax.

60%

Net sales growth Q4 2022
compared with Q4 2021

11.2%

EBITA margin
Q4 2022

68%

Share of recurring
revenue Q4 2022

KEY FIGURES

	Q4 2022	Q4 2021	2022 Full year	2021 Full year
Net sales, SEK m	1,786	1,114	6,225	4,077
EBITA, SEK m	200	148	728 ¹⁾	461
EBITA margin, %	11.2	13.3	11.7 ¹⁾	11.3
Operating profit, SEK m	149	106	527	305
Operating margin, %	8.3	9.5	8.5	7.5
Profit for the period, SEK m	103	80	382	223
Earnings per share ² , SEK	0.77	0.60	2.86	1.66
Cash flow from operating activities, SEK m	261	257	714	437
Return on shareholders' equity ³ , %	20.7	13.9	20.7	13.9
Return on capital employed ³ , %	19.6	13.0	19.6	13.0
Shareholders' equity per share ² , SEK	15.02	12.66	15.02	12.66

¹ EBITA includes a SEK 24 m capital gain relating to the sale of an office property.

² Due to the 4:1 share split executed in May 2022, historical key financial ratios based on the number of shares have been restated.

³ Key financial ratios have been restated to reflect annualised returns.

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All amounts are presented in millions of Swedish kronor (SEK m) unless indicated otherwise. Rounding differences of SEK +/- 1 m may occur in totals. In cases where an underlying figure is SEK 0 m when rounded, it is presented as 0.

“Organic growth is being driven by good demand for our digital solutions. We’ve secured new accounts, strengthened our offerings, and continued to focus on product development. We also completed acquisitions that complements our existing business, simultaneous with establishing the USA as a new domestic market for Addnode Group, through our acquisition of Microdesk.”



ADDNODE GROUP'S GROWTH STRATEGY IS CREATING VALUE

FULL-YEAR 2022—ORGANIC GROWTH, ACQUISITIONS AND SHARPLY IMPROVED EARNINGS PER SHARE

I'm proud of our employees' efforts in a year when Addnode Group increased net sales by 53 per cent, 13 per cent of which was currency adjusted organic, to SEK 6,225 m. Organic growth is being driven by good demand for our digital solutions from architects, technical consultants, manufacturers, construction and facility management, as well as the public sector. We've secured new accounts, strengthened our offerings, and continued to focus on product development. We also completed acquisitions that complements our existing business, simultaneous with establishing the USA as a new domestic market for Addnode Group, through our acquisition of Microdesk. The combination of our high growth with improved efficiency meant that for the full year 2022, EBITA increased to SEK 728 m (461), while our earnings per share increased by 72 per cent to SEK 2.86 (1.66).

FOURTH QUARTER 2022—EBITA SEK 200 M

Our high growth and positive earnings trend continued in the fourth quarter, and yet again, we reported our highest sales and EBITA for a single quarter. Compared to the corresponding period of the previous year, Addnode Group's net sales increased by 60 per cent, of which 13 per cent was currency adjusted organic. EBITA rose to SEK 200 m (148), and earnings per share was up by 28 per cent to SEK 0.77 (0.60).

Our PLM and Process divisions delivered at a stable high level. The year-on-year earnings improvement was sourced from the Design Management division, which more than doubled net sales, growing EBITA by 88 per cent. The explanation for Design Management's gains are strong organic growth by Symetri in the UK, and positive progress of our US acquisition, Microdesk.

In the fourth quarter, demand was good on all our main markets. However, we are attentive to how an uncertain business environment and cost inflation may impact us.

A STRONGER OFFERING TO THE REAL ESTATE MARKET

In January 2023, we acquired FAST2, whose offering centres on a proprietary ERP system used by nine of the 13 largest public housing corporations in Sweden. FAST2 will integrate with SWG, making it even stronger in the digitalisation and lifecycle management of real estate, primarily for the public sector. Tribia, another Design Management division company, delivers SaaS solutions for project management in construction and civil engineering projects. Our acquisition of FAST2 means SWG and Tribia consolidating their offering of proprietary digital solutions for the real estate and construction markets in the Nordics and UK, and achieving combined sales of approximately SEK 500 m.

20 YEARS OF PROFITABLE GROWTH

Addnode Group celebrates its 20th anniversary in 2023. We've been a profitable growth company ever since start-up, and January 2023 showed how our growth strategy creates value, when Addnode Group moved up to Nasdaq's Large Cap segment. We've increased earnings per share by an average of 20 per cent annually over the last 10 years, and by 25 per cent annually over the last five years. This growth has been possible due to all our skilled and committed employees, innovation, strong offerings for customers in sectors in underlying growth, cost-efficiency and complementary acquisitions. A strong financial position with low debt/equity ratio gives us the freedom to execute our growth strategy by continuing to build on our current strengths, and continuing to develop.

Johan Andersson
President and CEO

ABOUT ADDNODE GROUP

STRATEGY

Addnode Group acquires, operates and develops cutting edge enterprises that digitalise society. We create sustainable value growth over time by continuously acquiring new enterprises and actively supporting our subsidiaries to drive organic earnings growth.

THREE DIVISIONS

Addnode Group’s subsidiaries are organised into three divisions: Design Management, Product Lifecycle Management and Process Management. A decentralised business model means that business-critical decisions are made close to customers and markets.

FINANCIAL TARGETS

- Annual net sales growth of at least 10%.
- Operating margin before amortisation and impairment of intangible assets (EBITA margin) shall be at least 10%.
- 30-50% of the Group’s profit after tax to be distributed to shareholders, providing liquidity and the net cash position are sufficient to operate and develop the business. See also page 4.

MARKET POSITION

Addnode Group consists of approximately 20 companies, active in 19 countries across four continents. The employee headcount is approximately 2,400.

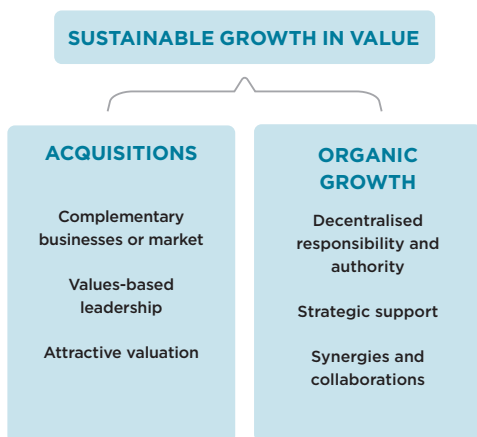
The Group is one of Europe’s market-leading providers of software and services for design and construction, product data information, project collaboration and facility management. The Group is also a leading provider of digital solutions for design and construction in the USA. Addnode Group is also a leading provider of document and case management systems for Sweden’s public authorities.

SUSTAINABILITY AGENDA

Addnode Group contributes to sustainable development in several fields. The digital solutions we develop in close partnership with our customers help create a more sustainable society. Our solutions are used for sustainable and resource-efficient design and product lifecycle management, simulations that benefit the environment and health, and better engagement and dialogue with the public.

Addnode Group’s sustainability work proceeds from its Sustainability Agenda. This Agenda defines five focus areas that are the foundation of the Group’s collective commitment to sustainability. We have defined key indicators for each focus area designed to drive our work on the Sustainability Agenda forward. Our performance is presented each year in our Sustainability Report, which is part of Addnode Group’s Annual Report.

STRATEGY FOR PROFITABLE AND SUSTAINABLE GROWTH



SUSTAINABILITY AGENDA



UN Sustainable Development Goals (SDGs) with the clearest connection to Addnode Group’s sustainability agenda:



SIGNIFICANT EVENTS

IN THE FOURTH QUARTER OF 2022

Changes to the composition of Group Management

Elisabeth Forslin was appointed Head of M&A and a member of Addnode Group's Group Management in October 2022. She took up her position in January 2023.

Acquisition of the operations of JBL Technologies

In October 2022, Addnode Group acquired the operations of JBL Technologies of the USA, with net sales of SEK 15 m. JBL is a Dassault Systèmes Partner and consolidates TECHNIA's offering in the USA.

AFTER THE END OF THE REPORTING PERIOD

Acquisition of FAST2 Affärsystem

In January 2023, Addnode Group acquired all the shares of FAST2 Affärsystem AB (FAST2), with net sales of approximately SEK 80 m. This company is Sweden's leading provider of ERP systems for technical and accounting management for real estate companies. The company's systems are used by customers including Sweden's largest public housing corporations. FAST2 becomes part of Service Works Global, and will be consolidated into the Design Management division effective January 2023.

Addnode Group moves up to Large Cap

On 2 January 2023, Addnode Group transferred to the Large Cap segment of Nasdaq Stockholm. Large Cap constituent companies have market capitalisation of over EUR 1 billion.

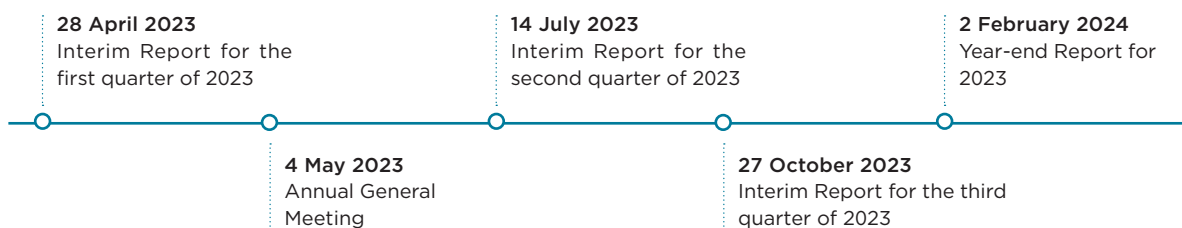
Amended dividend policy and proposed dividend

Addnode Group's Board of Directors has decided to amend its current dividend policy, from a dividend to shareholders of at least 50% of the Group's profit after tax to 30-50% of the Group's profit after tax, providing that liquidity and the financial position are sufficient to operate and develop the business. The purpose of this amendment is to safeguard flexibility and financial scope for continued growth, consistent with the current strategy.

The Board proposes that the Annual General Meeting 2023 approves a dividend of SEK 1.00 (0.75) per share for the financial year 2022. This is an increase of 33 per cent in the dividend.

No other significant events have occurred since the end of the period.

FINANCIAL CALENDAR



CONSOLIDATED NET SALES, EARNINGS AND CASH FLOW

FOURTH QUARTER, OCTOBER–DECEMBER 2022

Addnode Group finished the year with strong net sales growth, and significantly higher earnings than the corresponding quarter of the previous year. The acquisition of Microdesk continued to outperform expectations.

Net sales increased to SEK 1,786 m (1,114), growth of 60 per cent. Organic growth was 18 per cent, while currency-adjusted organic growth was 13 per cent.

The demand for Design Management’s digital solutions remained high. Customers demonstrated good willingness to invest, especially in the UK and USA, where there appears to be a pent-up need to invest after the Covid-19 pandemic. Customers also exhibited high interest in the division’s service offering in the quarter.

Product Lifecycle Management continued to experience good demand for PLM systems and related services on its main markets.

Process Management’s organic growth remained positive, corroborating the leadership status of the division’s offering to Sweden’s public sector.

Licence revenue increased to SEK 106 m (92), recurring revenue increased to SEK 1,209 m (702), service revenue increased to SEK 448 m (305), and other revenue increased to SEK 23 m (15). The share of recurring revenue was 68 per cent (63).

EBITA increased by 35 per cent to SEK 200 m (148). EBITA margin decreased to 11.2 per cent (13.3), primarily due to change in revenue mix with an increase in third-party solutions.

Net financial items were SEK -10 m (-6). Profit for the period increased to SEK 103 m (80). Earnings per share were SEK 0.77 (0.60).

Cash flow from operating activities was SEK 261 m (257), a SEK 4 m increase.

JANUARY–DECEMBER 2022

Net sales amounted to SEK 6,225 m (4,077), growth of 53 per cent, 17 per cent being organic. Currency-adjusted organic growth was 13 per cent.

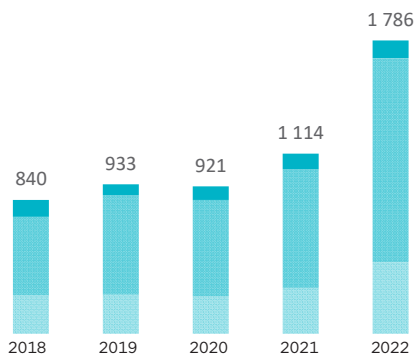
Licence revenue increased to SEK 294 m (255), recurring revenue rose to SEK 4,331 m (2,707), service revenue was up to SEK 1,519 m (1,056), and other revenue was SEK 81 m (59). The recurring revenue share was 70 per cent (66).

EBITA increased to SEK 728 m (461), corresponding to an EBITA margin of 11.7 per cent (11.3). EBITA included a capital gain of SEK 24 m from the sale of an office property in Enfield, UK, which was included in the acquisition of Excitech in 2020 and intended for sale at the time of acquisition. EBITA adjusted for this capital gain was SEK 704 m (461), corresponding to an adjusted EBITA margin of 11.3 per cent (11.3). EBITA was charged with acquisition expenses of SEK 14 m (4). The capital gain and acquisition costs are accounted in segment reporting under Elimination/Central costs.

Net financial items amounted to SEK -32 m (-20). Reported tax on profit for the period was SEK -113 m (-62). Profit for the period increased to SEK 382 m (223). Earnings per share increased by 72 per cent to SEK 2.86 (1.66).

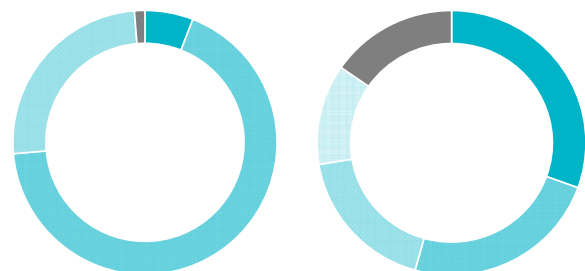
Cash flow from operating activities increased to SEK 714 m (437). The SEK 277 m increase related mainly to improved operating profit, but also to the favourable progress of working capital.

REVENUE BREAKDOWN, Q4 2018–2022, SEK m



- Licences
- Recurring revenue
- Services
- Other

REVENUE BREAKDOWN, Q4 2022 (Geography is based on the companies domicile)



- Licences, 6%
- Recurring revenue, 68%
- Services, 25%
- Other, 1%

- Sweden, 31%
- USA, 24%
- UK, 18%
- Germany, 12%
- Others, 15%

PERFORMANCE BY DIVISION

NET SALES AND EBITA, Q4

SEK m	Net sales			EBITA		
	2022 Q4	2021 Q4	Change %	2022 Q4	2021 Q4	Change %
Design Management	1,004	471	113	111	59	88
Product Lifecycle Management	455	352	29	44	44	0
Process Management	335	297	13	60	59	2
Eliminations/central costs	-8	-6		-15	-14	
Addnode Group	1,786	1,114	60	200	148	35

NET SALES AND EBITA, FULL-YEAR

SEK m	Net sales			EBITA		
	2022 Full year	2021 Full year	Change %	2022 Full year	2021 Full year	Change %
Design Management	3,494	1,852	89	398	204	95
Product Lifecycle Management	1,580	1,227	29	158	117	35
Process Management	1,182	1,020	16	226	195	16
Eliminations/central costs	-31	-22		-54 ¹⁾	-55	
Addnode Group	6,225	4,077	53	728²⁾	461	58

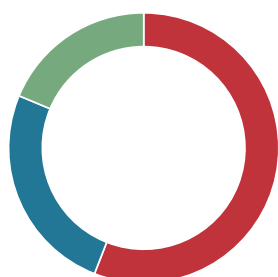
¹ Includes a SEK 24 m capital gain from the sale of an office property in the UK, and acquisition costs of SEK -14 m (-4).

² EBITA adjusted for a SEK 24 m capital gain from the sale of an office property was SEK 704 m, corresponding to an adjusted EBITA margin of 11.3 per cent.

Addnode Group operates through three divisions: Design Management, Product Lifecycle Management and Process Management. Each subsidiary manages and develops its operations in compliance with strategies, guidelines and Group-wide values.

The decentralised governance model means business-critical decisions are made close to customers and markets. The divisions constitute the operating segments that Addnode Group uses to monitor business performance.

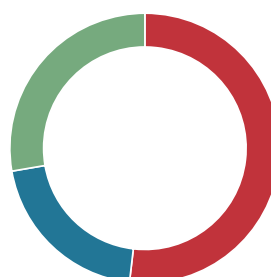
NET SALES¹ Q4 2022



¹ Before eliminations

■ Design Management 56%
■ Product Lifecycle Management 25%
■ Process Management 19%

EBITA¹ Q4 2022



¹ Before eliminations/central costs

■ Design Management 52%
■ Product Lifecycle Management 20%
■ Process Management 28%

DIVISION

DESIGN MANAGEMENT

Design Management is a leading global provider of digital solutions and services for design, BIM and product data for architects and engineers in the construction and manufacturing industries. The division also has a strong digital offering for project collaboration and facility management in the Nordic countries and UK.

PROGRESS IN THE QUARTER

Net sales increased to SEK 1,004 m (471) in the fourth quarter of 2022, growth of 113%. Organic growth was 27%, 22% currency adjusted. Demand for the division's digital solutions and services remained high, as reflected in growth and earnings performance.

Symetri's new operation in the USA, Microdesk, continued to outperform expectations due to positive demand in the AEC segment. Volumes and margins on new business sales and three-year agreement renewals progressed well. The organic growth was mainly from Symetri's UK operation; customers on this market value an Autodesk partner with proprietary related products and services. Demand in the Nordics remained positive from the AEC segment and manufacturing. Tribia, providing collaborative portals for construction and civil engineering, and SWG, providing digital solutions for facility management, made good progress.

EBITA was up by 88% to SEK 111 m (59). The EBITA margin reduced to 11.1% (12.5) mainly because of a changed revenue mix, with a higher revenue share from third-party solutions.

Symetri's and Microdesk's partner Autodesk has announced its intention to alter invoicing and payment terms for contracts lasting over more than one year. Payments, both from our customers and to Autodesk, will happen annually even if the customers sign a three-year agreement. This will have an initial effect on the cash-flow. As currently, revenue and costs for the entire contract value will continue to be recognised immediately when the contract commences. This change is scheduled to come into effect at the end of March 2023.

MARKET

Operations in the division are conducted through the companies Symetri (including Microdesk), Service Works Global and Tribia. Customers' willingness to invest in digital solutions is driven by urbanisation and the need to build and manage efficiently and sustainably. Regulatory authorities are demanding adoption of digital working methods based on BIM.



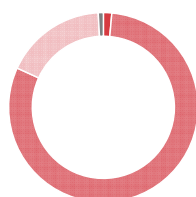
BamCore's vision is to make building more sustainable through innovative solutions with biogenic fibres like bamboo, and industrialised construction processes. Symetri is supporting BamCore in developing digital solutions that demonstrate the energy and CO₂ impact benefits of these building elements.

ACQUISITIONS

Over time, through a series of acquisitions, Symetri has created a strong and profitable northern European actor. With the acquisition of Microdesk in March 2022, Symetri gained a presence in the USA, making Symetri one of the world's largest Autodesk partners, with global reach.

In January 2023, Service Works Global's operations were supplemented by the acquisition of FAST2, which provides ERP systems for housing corporations.

NET SALES Q4 2022, BY REVENUE TYPE



- Licences, 2%
- Recurring revenue, 80%
- Services, 17%
- Other, 1%

NET SALES GROWTH Q4 2022 COMPARED TO Q4 2021

+113%

EBITA Q4 2022 COMPARED TO Q4 2021

+88%

KEY FIGURES

SEK m	Q4 2022	Q4 2021	Change %
Net sales	1,004	471	113
EBITA	111	59	88
EBITA margin, %	11.1	12.5	
Operating profit	89	44	102
Operating margin, %	8.9	9.3	
Average no. employees	857	548	56

DIVISION

PRODUCT LIFECYCLE MANAGEMENT

Product Lifecycle Management is a global provider of solutions for digitalising a product's or facility's complete lifecycle—from idea, design, simulation and construction to sale, after-market and recycling. For our customers this means shorter lead-times, more innovation, increased efficiency, and traceability.

PROGRESS IN THE QUARTER

Net sales increased to SEK 455 m (352) in the fourth quarter 2022, growth of 29 per cent. Organic growth was 13 per cent, and 6 per cent currency adjusted. The demand for PLM systems and related services remained positive in the division's main markets. Demand on the German market progressed somewhat more positively than market data indicated earlier in the autumn. Sales performance in the UK remained good, and demand on the Nordic market was stable. On several markets, customers are still increasingly demanding time-finite leasing of licenses instead of the previous license purchases with perpetual right of use. At present, the acquisitions of 2022 have lower profitability than the division's other operations. Their integration and work on increasing profitability is ongoing. EBITA amounted to SEK 44 m (44), and the EBITA margin was 9.7 per cent (12.5).

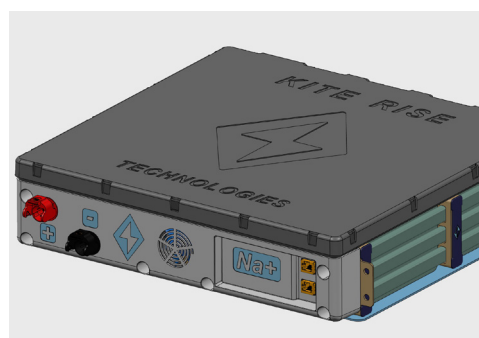
ACQUISITIONS

In the first quarter of the year, the division enhanced its advanced simulation offering through the acquisition of Claytex in the UK, and the acquisition of DESYS was added to the German operation. The acquired enterprises are Dassault Systèmes Partners, and also have proprietary, unique peripheral products and services.

The operations of JBL Technologies, with net sales of SEK 15 m, were acquired in October 2022. JBL is also a Dassault Systèmes Partner, and consolidates TECHNIA's offering in the USA.

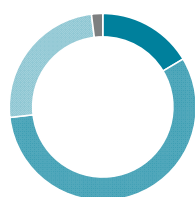
MARKET

The division's operations are conducted through the company TECHNIA, which is one of Europe's leading providers of PLM software and related consulting services. Customers' willingness to invest is driven by the need to develop and design products, maintain product information through complete lifecycles and comply with regulatory standards.



TECHNIA has delivered 3DEXPERIENCE as a cloud solution to Kite Rise. Kite Rise's mission is to develop a high-performance energy storage system using sustainable resources and processes. Kite Rise's solutions are based on sodium-ion technology, a more sustainable and safer alternative to conventional lithium-ion batteries.

NET SALES Q4 2022, BY REVENUE TYPE



- Licences, 16%
- Recurring revenue, 57%
- Services, 25%
- Other, 2%

NET SALES GROWTH Q4 2022 COMPARED TO Q4 2021

+ 29%

EBITA Q4 2022 COMPARED TO Q4 2021

+ 0%

KEY FIGURES

SEK m	Q4 2022	Q4 2021	Change %
Net sales	455	352	29
EBITA	44	44	0
EBITA margin, %	9.7	12.5	
Operating profit	29	31	-6
Operating margin, %	6.4	8.8	
Average no. employees	712	617	15

DIVISION

PROCESS MANAGEMENT

Process Management is a leading provider of digital solutions to the public sector in Sweden. Its solutions streamline case management, simplify administration and quality-assure processes in contacts between the authorities and the public.

PROGRESS IN THE QUARTER

Net sales increased to SEK 335 m (297) in the fourth quarter 2022, growth of 13 per cent. Organic growth was 8 per cent, in line with recent quarters. The divisions close and well-established relationships with a large base of public sector customers often present opportunities for recurring sales or the expansion of current assignments. Additionally, the division's businesses are well positioned for public sector tendering owing to their attractive digital solutions, in-depth experience and good references. The division's companies added a number of new employees in the autumn to strengthen its development resources. Decisive in Norway, acquired in June 2022, progressed as planned.

EBITA increased to SEK 60 m (59), and the EBITA margin was 17.9 per cent (19.9).

ACQUISITIONS

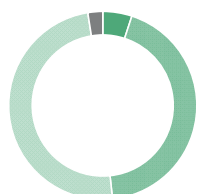
Decisive AS, a leading provider of rule-based digital decision management systems for the Norwegian public sector, was acquired in June 2022. The company's sales are approximately SEK 57 m, and it has long-term relationships with customers including Helsedirektoratet (the Norwegian public health agency), NAV (an authority responsible for public services including social security and pensions), and the Norwegian Tax Agency.

MARKET

The division is a leading provider of software and digital solutions for the public sector. The division has operations in Sweden and Norway. Customers' willingness to invest is driven by automation, simplified administration and more effective communication with the public. A growing base of public authorities and municipalities are seeking to partner for the long term in their efforts to develop innovative operations compliant with statute.



Sokigo has delivered its solutions TopoCad and CSM to environmental services group Ragn-Sells. The system enables the faster and more efficient design of Ragn-Sells' recycling plants, helping achieve better and safer recycling and waste management.

NET SALES Q4 2022,
BY REVENUE TYPE

- Licences, 5%
- Recurring revenue, 43%
- Services, 49%
- Other, 3%

NET SALES GROWTH Q4 2022
COMPARED TO Q4 2021

+13%

EBITA Q4 2022
COMPARED TO Q4 2021

+2%

KEY FIGURES

SEK m	Q4 2022	Q4 2021	Change %
Net sales	335	297	13
EBITA	60	59	2
EBITA margin, %	17.9	19.9	
Operating profit	45	45	0
Operating margin, %	13.4	15.2	
Average no. employees	673	619	9

DISCLOSURES ON ACQUISITIONS

ACQUISITIONS COMPLETED IN 2022

In 2022, Addnode Group acquired all the shares of four operations; Claytex Services Limited (“Claytex”), DESYS GmbH (“DESYS”), Microdesk LLC and M2 Technologies LLC (“Microdesk”), as well as Decisive AS (“Decisive”). The acquisitions contributed net sales of SEK 1,365 m and EBITA of SEK 104 m in 2022. SEK 13 m (4) of acquisition costs are included in the Group’s other external costs, and mainly relate to Microdesk. If the acquisitions were effective 1 January 2022, the Group’s net sales would have been approx. SEK 6,462 m and EBITA approx. SEK 741 m.

Microdesk, acquired on 1 March 2022, is an Autodesk Platinum Partner. This deal meant Design Management securing strong positioning in the US, and with the division’s existing operations, makes Addnode Group the world’s leading provider of Autodesk solutions. At acquisition, the company had net sales of some USD 110 m (approx. SEK 1,000 m), and 300 employees in the USA and UK. The maximum purchase consideration for all shares could be some USD 50 m, with USD 26 m fixed, and up to USD 24 m dependent on future performance. The company was consolidated into Design Management in March 2022.

Claytex, acquired in January 2022, is a UK Partner of Dassault Systèmes that specialises in advanced simulation and testing for the auto industry, and consolidates Addnode Group’s offering in the segment. It also offers complementary proprietary software. Claytex’s sales are some SEK 25 m, and it has 15 employees. Operations were consolidated in January 2022 as part of TECHNIA in the PLM division.

DESYS, acquired on 1 March 2022, is a leading Dassault Systèmes Partner in Germany, and offers proprietary complementary software solutions. DESYS has 45 employees, and net sales of some SEK 170 m. This operation was consolidated into TECHNIA in March 2022, as part of the PLM division.

Decisive, acquired on 1 June 2022, is a leading provider of rule-based decision management systems for the Norwegian public sector. Decisive has 25 employees, and net sales of some SEK 57 m. Decisive was consolidated in June 2022 into the Process Management division.

In October 2022, Addnode Group acquired the net assets of JBL Technologies, with sales of some SEK 15 m, and is part of TECHNIA in the PLM division.

ACQUISITIONS COMPLETED AFTER THE END OF THE PERIOD

In January 2023, Addnode Group acquired all the shares of FAST2 Affärsystem AB (FAST2), with net sales of approximately SEK 80 m. The company’s systems are used by customers including Sweden’s largest public housing corporations. FAST2 becomes part of Service Works Global, and was consolidated into the Design Management division effective January 2023.

The following acquisition analyses were prepared for the acquisitions. The calculations include the companies Microdesk, Claytex, DESYS and Decisive.

ACQUISITION ANALYSIS—MICRODESK (SEK m)

Acquired companies' net assets at acquisition date	Carrying amount in companies	Fair value adjustment	Fair value, Group
Intangible non-current assets	2	201	203
Other non-current assets	9		9
Current assets	197		197
Cash and cash equivalents	12		12
Other liabilities	-229		-229
Net identifiable assets/liabilities¹	-9	201	192
Goodwill			310
Calculated purchase price¹			502

¹ The acquisition of Microdesk includes estimated discounted contingent considerations of USD 24 m entered as a liability, which may be paid in the period 2023-2025, and a current non-interest-bearing liability of USD 4 m.

ACQUISITION ANALYSIS—CLAYTEX, DESYS AND DECISIVE (SEK m)

Acquired companies' net assets at acquisition date	Carrying amount in companies	Fair value adjustment	Fair value, Group
Intangible non-current assets		106	106
Current assets	43		43
Cash and cash equivalents	83		83
Other liabilities	-90	-26	-116
Net identifiable assets/liabilities¹	36	80	116
Goodwill			176
Calculated purchase price¹			292

¹ The acquisition of Claytex includes contingent considerations of GBP 3 m entered as a liability, and a current non-interest-bearing liability of GBP 0.5 m. The acquisition of DESYS includes a non-current, non-interest-bearing liability of EUR 0.1 m, and a current non-interest-bearing liability of EUR 0.5 m entered as liabilities. A non-current contingent consideration of a maximum of NOK 35 m may be payable for the acquisition of Decisive, of which NOK 19 m has been entered as a liability, as well as a current, non-interest-bearing liability of NOK 5 m.

CONSOLIDATED BALANCE SHEET AND CASH FLOW

LIQUIDITY AND FINANCIAL POSITION

Cash and cash equivalents held by the Group amounted to SEK 600 m (406) as of 31 December 2022.

Addnode Group's SEK 1,600 m credit facility arranged in June 2021 had a three-year term with 1+1 year extension. In June 2022, Addnode Group exercised its option to extend the credit facility by one year to June 2025, with other terms & conditions unchanged.

SEK 878 m (669) of the credit facility had been utilised as of 31 December 2022, which meant available credit of SEK 722 m (931). The used portion of the credit facility has been classified under non-current liabilities.

SEK 191 m (105) of the interest-bearing liabilities, in addition to the utilised portion of the credit facility of SEK 878 m (669), related to leases. There were no interest-bearing liabilities related to completed acquisitions. Consequently, the Group's total interest-bearing liabilities were SEK 1,069 m (774), and the Group's net debt was SEK 463 m (368). The equity/assets ratio was 32 per cent (39).

Non-interest-bearing liabilities related to completed acquisitions were SEK 68 m (7), and estimated contingent considerations for completed acquisitions were SEK 361 m (92). A total of SEK 36 m of provisions and liabilities for acquisitions completed in 2021 or earlier are included in the Consolidated Balance Sheet.

CASH FLOW

Cash flow from operating activities for 2022 was SEK 714 m (437). The SEK 277 m increase related mainly to improved operating profit, but also to the favourable progress of working capital. Cash flow from investing activities include payments for proprietary software of SEK 106 m (80), and received consideration for the office property in Enfield, UK. Investments in subsidiaries and operations meant a negative cash flow of SEK 421 m (289), of which SEK 44 m was final settlement of the purchase consideration to the sellers of the shares of Excitech. Financing activities were negatively impacted by a share dividend payment of SEK 100 m (84) to shareholders, share repurchases of SEK 23 m (72), and SEK 93 m (70) of amortisation of the lease liability. Bank loans of SEK 304 m (-) were arranged in tandem with acquisitions. SEK 153 m of bank loans were repaid in 2022. In the previous year, SEK 744 m of bank loans were repaid simultaneously with new bank loans of SEK 770 m being arranged in tandem with arranging a new credit facility.

INVESTMENTS AND DIVESTMENTS

SEK 230 m (157) of investments were made in intangible assets and property, plant and equipment, of which SEK 106 m (80) related to proprietary software.

In January 2022, Addnode Group sold the office property in Enfield, UK, which was included in the acquisition of Excitech in 2020 and intended for sale at the time of acquisition. Addnode Group's capital gain was SEK 24 m.

GOODWILL AND OTHER INTANGIBLE ASSETS

The Group's carrying amount of goodwill was SEK 2,681 m (2,107) on 31 December 2022. Other intangible assets

amounted to SEK 728 m (467), mainly customer contracts, trademarks and software.

DEFERRED TAX ASSETS

Deferred tax assets were SEK 18 m (22) as of 31 December 2022, of which SEK 8 m (11) were tax-loss carry-forwards. As of 31 December 2022, the Group's total loss carry-forwards were approximately SEK 75 m (80).

SHAREHOLDERS' EQUITY

Equity as of 31 December 2022 was SEK 2,005 m (1,693), equivalent to SEK 15.02 (12.66) per outstanding share.

SHARE SPLIT (4:1)

The AGM approved the Board of Directors' proposal on dividing the number of shares of the company 4:1 (share split). Through the share split, the number of shares of the company increased from 33,632,058 to 134,528,232 shares, of which 3,948,696 class A shares, and 130,579,536 class B shares. The number of votes increased from 42,516,624 to 170,066,496.

SHARE CAPITAL AND INCENTIVE PROGRAMMES

Share capital was SEK 404 m at the end of the period. The quotient value per share was SEK 3.00. The division by share class as of 31 December 2022 was as follows:

Share class	No. of outstanding shares
Class A shares	3,948,696
Class B shares	130,579,536
Repurchased class B shares	-1,030,000
Total	133,498,232

Supported by an authorisation from the AGM 2022, the Board of Directors decided to repurchase 230,000 class B shares in June 2022. The repurchase was conducted in the third quarter 2022. Addnode Group AB's holdings of treasury shares as of 31 December 2022 were 1,030,000 class B shares, corresponding to 0.8 per cent of the number of shares, and 0.6 per cent of the number of votes.

After a resolution by Addnode Group's AGM of 2022, a long-term incentive programme was launched for managers and senior executives. 56,950 call options on class B shares were issued to some 40 participants in June 2022. The market-valued call option premium of SEK 49.70 generated a total purchase consideration of approximately SEK 3 m. These options can be exercised for class B shares in the period 25 October 2025 to 10 June 2026, in specific periods stated in the agreement.

At the end of the period, there were two outstanding call option programmes, as follows:

Option programme	No. of outstanding options	Exercise price
LTIP 2021	195,800 ¹	93.73
LTIP 2022	56,950 ¹	115.80
Total	252,750	

¹ Each option carries entitlement to purchase four shares.

OTHER DISCLOSURES

EMPLOYEES

The average number of employees in the Group increased to 2,137 (1,776). As of 31 December 2022, there were 2,370 (1,897) employees. Essentially, this increase was from acquired operations.

RELATED PARTY TRANSACTIONS

In 2022, Chairman Staffan Hanstorp invoiced the Parent Company SEK 2 m (2) in fees for consulting services related to acquisitions, financing matters and other strategic issues via a company.

SEASONALITY

Historically, the fourth quarter has the highest revenue and EBITA, but as the recurring revenue share increases, seasonality is reducing.

PARENT COMPANY

Net sales were SEK 26 m (24) in 2022, mainly invoicing to subsidiaries for premises rent and services rendered. Profit after financial items was SEK 282 m (200) including SEK 149 m (218) of dividends from subsidiaries, SEK 269 m (227) of group contributions received, and SEK -47 m (-168) of impairment of shares in subsidiaries. Cash and cash equivalents were SEK 350 m (301) as of 31 December 2022. Investments in shares in subsidiaries were SEK 191 m (413). There were no significant investments in intangible assets or property, plant and equipment.

ACCOUNTING POLICIES

General

This Year-end Report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated accounts have been prepared in accordance with 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 RFR 2 Accounting for Legal Entities. Amendments and interpretations of existing standards first effective in 2022 had no impact on the Group's financial position or financial statements. The accounting policies and calculation methods are unchanged since the Annual Report for 2021.

Deferred tax assets

Deferred tax assets attributable to tax loss carry-forwards are reported as assets to the extent it is likely that they can be offset against surpluses in future taxation.

Disclosures on financial instruments

Estimated contingent considerations on the acquisition of Microdesk have been discounted. Measurement of financial assets and liabilities shows no significant difference between carrying amounts and fair value. The Group had no outstanding currency forward contracts on 31 December 2022.

Stock option programme

The Group's incentive programme enables senior executives to acquire Class B shares by investing in call options. Call option premiums received, measured at market value at the acquisition date, are recognised in equity as transactions with owners.

SIGNIFICANT RISKS AND UNCERTAINTIES

Addnode Group's significant risks and uncertainties are stated on pp. 29-31 and 37 of the Annual Report for 2021, under "Risks and uncertainties" on p. 69, as well as notes 36 and 37 on pp. 112-116.

The Group's operations are diversified over offerings, customer segments and geography, which implies risk diversification. This is a proven strength in challenging times like the Covid-19 pandemic.

FUTURE OUTLOOK

The Board of Directors has not altered its assessment of Addnode Group's long-term outlook since the preceding quarter. In the Interim Report for the Third Quarter of 2022, the Board of Directors stated the following outlook: In the long-term, Addnode Group regards the segments where it is active to have strong underlying potential. Addnode Group's growth strategy is to grow organically and by acquiring new businesses in the aim of adding new, complementary offerings and additional expertise.

The Russian invasion of Ukraine has had impacts on the global economy including increased oil and energy prices, supply chain delays and turmoil on global stock markets. Addnode Group has no operations in Russia, Belarus or the Ukraine. The Group has only a small number of customers in the region, so its exposure is very limited. Because it is not possible to predict the duration or scope of the conflict and its impact on the global economy and general security, the Board of Directors notes a significant risk that Addnode Group may be impacted financially in 2023.

Addnode Group is retaining its decision not to issue a forecast.

PROPOSAL ON DIVIDEND

The Board of Directors proposes that the Annual General Meeting approves a dividend of SEK 1.00 per share (0.75) for the financial year 2022, corresponding to a total dividend of SEK 133 m (100). Its opinion is that after payment of the proposed dividend, the company will have sufficient funds to be able to achieve its financial targets. Monday 8 May 2023 has been proposed as the record date for payment of dividends. If the Annual General Meeting approves this proposal, dividends are expected to be disbursed on Thursday 11 May 2023.

ANNUAL GENERAL MEETING 2023

The Annual General Meeting (AGM) will be held on 4 May 2023.

ANNUAL REPORT

The Annual Report for 2022 will be published and uploaded to www.addnodegroup.com in the first week of April 2023.

Stockholm, Sweden, 3 February 2023

The Board of Directors

This Year-end Report has not been subject to auditor review.

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

SEK m	2022 Oct-Dec	2021 Oct-Dec	2022 Full year	2021 Full year
Net sales	1,786	1,114	6,225	4,077
Purchases of goods and services	-884	-478	-2,991	-1,768
Other external costs	-116	-77	-416	-285
Personnel costs	-589	-410	-2,114	-1,558
Capitalised work performed by the company for its own use	31	20	106	80
Depreciation/amortisation and impairment of				
- tangible non-current assets	-28	-21	-106	-86
- intangible non-current assets	-51	-42	-201	-156
Profit/loss on sale of property/business	-	-	24	1
Operating profit	149	106	527	305
Financial income	0	0	11	2
Financial expenses	-15	-11	-48	-27
Revaluation of contingent considerations	5	5	5	5
Profit before taxes	139	100	495	285
Current tax	-19	-16	-116	-71
Deferred tax	-17	-4	3	9
Net profit for the period	103	80	382	223
<i>Attributable to:</i>				
Owners of the Parent Company	103	80	382	223
Share data				
Earnings per share before and after dilution, SEK ¹	0.77	0.60	2.86	1.66
Average number of shares outstanding:				
Before dilution ¹	133,498,232	133,728,232	133,633,040	134,192,320
After dilution ¹	133,512,644	133,728,232	133,644,956	134,192,320

¹—Due to the 4:1 share split executed in May 2022, historical key financial ratios based on the number of shares, and the number of shares, have been restated.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	2022 Oct-Dec	2021 Oct-Dec	2022 Full year	2021 Full year
Net profit for the period	103	80	382	223
<i>Other comprehensive income, items that will not be reclassified to profit or loss:</i>				
Actuarial gains and losses on pension obligations	4	0	4	0
<i>Other comprehensive income, items that may be reclassified to profit or loss:</i>				
Exchange rate difference upon translation of foreign operations	20	34	83	106
Hedge of net investments in foreign operations	-12	-9	-37	-52
Total other comprehensive income after tax for the period	12	25	50	54
Comprehensive income for the period	115	105	432	277
<i>Attributable to:</i>				
Owners of the Parent Company	115	105	432	277

CONSOLIDATED BALANCE SHEET

SEK m	2022 31 Dec	2021 31 Dec
Assets		
Goodwill	2,681	2,107
Other intangible non-current assets	728	467
Property, plant and equipment	229	162
Financial assets	53	48
Total non-current assets	3,691	2,784
Inventories	2	0
Current receivables	1,906	1,132
Cash and cash equivalents	600	406
Total current assets	2,508	1,538
Total assets	6,199	4,322
Shareholders' equity and liabilities		
Shareholders' equity	2,005	1,693
Non-current liabilities	1,398	892
Current liabilities	2,796	1,737
Total shareholders' equity and liabilities	6,199	4,322
Interest-bearing receivables amount to	6	-
Interest-bearing liabilities amount to	1,069	774
Pledged assets	15	11
Contingent liabilities	23	40

SHAREHOLDERS' EQUITY AND NUMBER OF SHARES

Specification of changes in shareholders' equity, SEK m	2022 Oct-Dec	2021 Oct-Dec	2022 Full year	2021 Full year
Shareholders' equity, opening balance	1,890	1,660	1,693	1,512
Dividend	-	-	-100	-84
New issue	-	-	-	54
Call options issued	-	-	3	6
Repurchase of treasury shares	-	-72	-23	-72
Comprehensive income for the period	115	105	432	277
Shareholders' equity, closing balance	2,005	1,693	2,005	1,693
Shareholders' equity attributable to:				
Owners of the Parent Company	2,005	1,693	2,005	1,693
Number of shares outstanding, opening balance	133,498,232	134,528,232	133,728,232	133,709,024
New issue	-	-	-	819,208
Repurchase of treasury shares	-	-800,000	-230,000	-800,000
Number of shares outstanding, closing balance	133,498,232	133,738,232	133,498,232	133,728,232

Addnode Group held 1,030,000 (800,000) class B treasury shares on 31 December 2022. Due to the 4:1 share split executed in May 2022, the historical number of shares has been restated.

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK m	2022 Oct-Dec	2021 Oct-Dec	2022 Full year	2021 Full year
Operating activities				
Operating profit	149	106	527	305
Adjustment for non-cash items	84	61	294	222
Total	233	167	821	527
Net financial items	-9	-5	-27	-21
Tax paid	-36	-10	-117	-59
Cash flow from operating activities before changes in working capital	188	152	677	447
Total change in working capital	73	105	37	-10
Cash flow from operating activities	261	257	714	437
Investing activities				
Purchases and sales of intangible assets and property, plant and equipment	-39	-29	-64	-105
Acquisitions of financial assets	0	-1	-5	-4
Acquisitions of subsidiaries and operations	-6	-5	-513	-360
Cash and cash equivalents in acquired companies	-	-	92	71
Cash flow from investing activities	-45	-35	-490	-398
Financing activities				
Paid dividend	-	-	-100	-84
Issued call options	-	-	3	6
Repurchase of treasury shares	-	-72	-23	-72
Borrowings	-	-	304	770
Repayment of loans	-164	-28	-247	-925
Cash flow from financing activities	-164	-100	-63	-305
Change in cash and cash equivalents	52	122	161	-266
Cash and cash equivalents at start of period	554	281	406	644
Exchange rate difference in cash and cash equivalents	-6	3	33	28
Cash and cash equivalents at end of period	600	406	600	406

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT

SEK m	2022 Oct-Dec	2021 Oct-Dec	2022 Full year	2021 Full year
Net sales	8	8	26	24
Operating expenses	-25	-23	-86	-78
Operating profit	-17	-15	-60	-54
Profit/loss from participations in Group companies	324	246	372	312
Other financial income	3	0	10	2
Financial expenses	-21	-10	-40	-60
Profit after financial items	289	221	282	200
Change in tax allocation reserve	-38	-29	-38	-29
Profit before taxes	251	192	244	171
Tax	-29	-18	-29	-18
Net profit for the period	222	174	215	153

PARENT COMPANY BALANCE SHEET

SEK m	2022 31 Dec	2021 31 Dec
Assets		
Intangible non-current assets	0	0
Financial assets	2,942	2,715
Current receivables	38	34
Cash and cash equivalents	350	301
Total assets	3,330	3,050
Shareholders' equity and liabilities		
Shareholders' equity	1,432	1,339
Untaxed reserves	163	126
Provisions	90	93
Non-current liabilities	646	660
Current liabilities	999	832
Total shareholders' equity and liabilities	3,330	3,050

OPERATING SEGMENTS

The figures below refer to full years.

REVENUE AND PROFIT												
SEK m	Design		PLM		Process		Central		Eliminations		Addnode Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue												
External sales	3,489	1,848	1,564	1,217	1,172	1,010	0	2	-	-	6,225	4,077
Transactions between segments	5	4	16	10	10	10	14	13	-45	-37	0	0
Total revenue	3,494	1,852	1,580	1,227	1,182	1,020	14	15	-45	-37	6,225	4,077
EBITA	398	204	158	117	226	195	-54	-55	-	-	728	461
EBITA margin, %	11.4	11.0	10.0	9.5	19.1	19.1	-	-	-	-	11.7	11.3
Operating profit	315	146	97	72	168	142	-53	-55	-	-	527	305
Operating margin, %	9.0	7.9	6.1	5.9	14.2	13.9	-	-	-	-	8.5	7.5
Average number of employees	793	560	687	613	648	595	9	8	-	-	2,137	1,776

REVENUE BREAKDOWN												
SEK m	Design		PLM		Process		Central		Eliminations		Addnode Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Licences	65	46	182	168	47	41	-	-	0	0	294	255
Recurring revenue	2,849	1,550	945	696	538	462	-	-	-1	-1	4,331	2,707
Services	542	231	428	349	565	486	-	-	-16	-10	1,519	1,056
Other	38	25	25	14	32	31	14	15	-28	-26	81	59
Total revenue	3,494	1,852	1,580	1,227	1,182	1,020	14	15	-45	-37	6,225	4,077

Addnode Group's operations are organised and governed based on the Design Management, Product Lifecycle Management (PLM) and Process Management divisions, which make up the Group's operating segments. Within Addnode Group's three divisions, the subsidiaries deliver software and digital solutions to customers in sectors including construction and real estate, manufacturing, the auto industry, medical devices and the public sector. The solutions that Addnode Group delivers enable our customers to use digital working methods to rationalise their operations, quality-assure their production and communicate better with customers and members of the public. Segment division is based on the Group's products and services.

There has been no change to the operating segments since the most recent Annual Report.

The difference between the total of the segments' operating profit and consolidated profit before tax consists of financial income of SEK 11 m (2), financial expenses of SEK -48 m (-27) and SEK 5 m (5) of revaluation of contingent considerations.

Acquisitions completed in the year mean that operating capital in segments has increased in 2022 compared to the disclosures in the Annual Report for 2021: Design Management by SEK 516 m, PLM by SEK 77 m and Process Management by SEK 93 m. Operating capital is defined as the total of goodwill and other intangible non-current assets, property, plant and equipment, financial assets, trade receivables and other operating assets, less trade payables and other operating liabilities.

KEY FIGURES - QUARTERLY

SEK m	2022				2021			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Net sales, SEK m	1,786	1,624	1,489	1,326	1,114	925	1,002	1,036
<i>Design Management</i>	1,004	977	806	707	471	409	439	533
<i>Product Lifecycle Management</i>	455	393	394	338	352	293	299	283
<i>Process Management</i>	335	262	297	288	297	230	268	225
EBITA, SEK m	200	194	154	180 ¹	148	108	98	107
<i>Design Management</i>	111	118	80	89	59	44	40	61
<i>Product Lifecycle Management</i>	44	45	35	34	44	28	27	18
<i>Process Management</i>	60	50	56	60	59	49	48	39
EBITA margin, %	11.2	11.9	10.3	13.6 ¹	13.3	11.7	9.8	10.3
<i>Design Management</i>	11.1	12.1	9.9	12.6	12.5	10.8	9.1	11.4
<i>Product Lifecycle Management</i>	9.7	11.5	8.9	10.1	12.5	9.6	9.0	6.4
<i>Process Management</i>	17.9	19.1	18.9	20.8	19.9	21.3	17.9	17.3
Average number of employees	2,252	2,201	2,167	1,929	1,793	1,797	1,794	1,723
<i>Design Management</i>	857	840	837	646	548	563	562	570
<i>Product Lifecycle Management</i>	712	691	685	646	617	616	612	607
<i>Process Management</i>	673	661	637	628	619	610	612	539
Net sales per employee, SEK 000s	793	738	687	687	621	515	559	601
Change in net sales, %	60	75	49	28	21	15	18	-16
Operating margin, %	8.3	8.8	6.8	10.1	9.5	7.2	5.9	7.0
Equity, SEK m	2,005	1,890	1,793	1,812	1,693	1,660	1,607	1,605
Return on equity, % ²	20.7	20.2	17.9	16.1	13.9	12.6	12.2	10.4
Equity/assets ratio, %	32	34	32	34	39	43	39	39
Return on capital employed, % ²	19.6	18.1	15.4	13.9	13.0	11.7	11.1	9.7
Net debt, SEK m	463	659	601	481	368	484	396	88
Investments in equipment, SEK m	8	5	6	7	3	4	5	3

¹ EBITA included a capital gain of SEK 24 m from the sale of an office property in the UK. EBITA adjusted for this capital gain was SEK 156 m, corresponding to an adjusted EBITA margin of 11.8 per cent.

² Key financial ratios have been restated to reflect annualised return.

SHARE DATA¹

	2022				2021			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Average number of shares outstanding before and after dilution, m	133.5	133.6	133.7	133.7	133.7	134.5	134.5	133.7
Total number of shares outstanding, m	133.5	133.5	133.7	133.7	133.7	134.5	134.5	133.7
Total number of registered shares, m	134.5	134.5	134.5	134.5	134.5	134.5	134.5	133.7
Earnings per share before and after dilution, SEK	0.77	0.77	0.52	0.79	0.60	0.36	0.30	0.40
Cash flow from operating activities per share, SEK	1.96	0.67	0.91	1.81	1.92	-0.16	0.38	1.13
Shareholders' equity per share, SEK	15.02	14.16	13.41	13.55	12.66	12.34	11.95	12.00
Share price at end of period, SEK	98.40	77.45	83.40	96.38	107.25	86.88	78.75	65.50
Share price/shareholders' equity	6.55	5.47	6.22	7.11	8.47	7.04	6.59	5.46

¹ Due to the 4:1 share split executed in May 2022, historical key financial ratios based on the number of shares have been restated.

ALTERNATIVE PERFORMANCE MEASURES USE AND RECONCILIATION

The European Securities and Markets Authority (ESMA) has issued guidelines for disclosures on Alternative Performance Measures (APMs) for companies with securities listed on a regulated market in the EU, which apply to Alternative Performance Measures in published mandatory information. Alternative Performance Measures are financial metrics on historical or future performance of earnings, financial position, financial results or cash flows that are not defined or stated in the applicable rules for financial reporting. Certain performance metrics are used in this Year-end Report that are not defined in IFRS, with the intention of offering investors, financial analysts and other stakeholders clear and relevant information on the company's operations and performance. The use of these performance metrics and reconciliation with the financial statements are presented below.

Definitions on page 20.

EBITA

EBITA is a metric the Group considers relevant to investors, financial analysts and other stakeholders to understand earnings generation before investments in intangible non-current assets. This measure is an expression of operating profit before the amortisation and impairment of intangible non-current assets.

NET DEBT

The Group considers this key ratio useful to the readers of financial statements as a complement in evaluating dividend potential, making strategic investments and assessing the Group's potential to satisfy financial obligations. This key ratio is an expression of the level of financial borrowing in absolute terms after deducting cash and cash equivalents.

RECONCILIATION OF EBITA

	2022 Oct-Dec	2021 Oct-Dec	2022 Full year	2021 Full year
Operating profit	149	106	527	305
Amortisation and impairment of intangible non-current assets	51	42	201	156
EBITA	200	148	728	461

RECONCILIATION OF NET DEBT

	2022 31 Dec	2021 31 Dec
Non-current liabilities	1,398	892
Current liabilities	2,796	1,737
Non interest-bearing non-current and current liabilities	-3,125	-1,855
Total interest-bearing liabilities	1,069	774
Cash and cash equivalents	-600	-406
Other interest-bearing receivables	-6	-
Net debt (+)/receivable (-)	463	368

DEFINITIONS

Average number of employees

Average number of employees in the period (full-time equivalents).

Capital employed

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

Cash flow per share

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

Currency-adjusted organic growth

Change in net sales, restated using the preceding year's exchange rates, excluding acquired entities in the most recent 12-month period.

Earnings per share

Net profit for the period divided by the average number of shares outstanding.

EBITA

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

EBITA margin

EBITA as a percentage of net sales.

Equity/assets ratio

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

Net debt

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

Net sales per employee

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

Operating margin

Operating profit as a percentage of net sales.

Organic growth

Change in net sales excluding acquired entities in the most recent 12-month period.

Recurring revenue

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

Return on capital employed

Profit before tax plus financial expenses as a percentage of average capital employed. It is based on profit for the last 12 months and the average of the opening and closing balance of capital employed.

Return on equity

Net profit for the period as a percentage of average shareholders' equity. Based on profit for the last 12 months and the average of the opening and closing balances of shareholders' equity.

Share price/shareholders' equity

Share price in relation to shareholders' equity per share.

Shareholders' equity

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

Shareholders' equity per share

Shareholders' equity divided by the total number of shares outstanding.

DIVISION DESIGN MANAGEMENT

MICRODESK

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SERVICE WORKS GLOBAL

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SYMETRI

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TRIBIA

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DIVISION PRODUCT LIFECYCLE MANAGEMENT

TECHNIA

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DIVISION PROCESS MANAGEMENT

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ARKIVA

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CANELLA

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