ADDNODE GROUP

ADDNODE GROUP ACQUIRES, OPERATES
AND DEVELOPS CUTTING EDGE ENTERPRISES
THAT DIGITALISE SOCIETY

ANNUAL REPORT 2022

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This is a translation of the original in Swedish. In the event of any discrepancies between the two versions, the original Swedish version shall apply.

INVESTOR RELATIONS CONTACT

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ADDNODE GROUP

STRATEGY

Addnode Group acquires, operates and develops cutting edge enterprises that digitalise society. We generate sustainable value growth by acquiring new businesses and actively support our subsidiaries to drive organic growth.

Sustainable value growth

Acquisitions	**Organic development**
Complementary businesses or markets	Decentralised responsibility and authority
Values-based leadership	Strategic support
Attractive valuation	Synergies and collaborations

Profitable growth 2018–2022

Read about our strategy on pages 9–10

MARKET POSITION

Addnode Group consists of around 20 companies, 2,400 employees and has a geographical presence in 19 countries across four continents. Our operations are organised in three divisions.

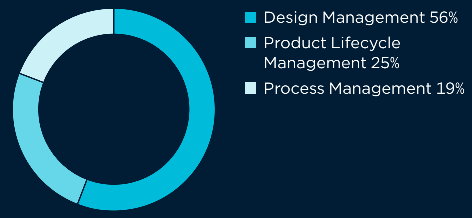
Design Management division
Design Management is a leading global provider of digital solutions and services for design, BIM and product data for architects and engineers in the construction and manufacturing industries. The division also has a strong digital offering for project collaboration and facility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

Product Lifecycle Management division
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, aftermarket and recycling. For our customers, this means shorter lead-times, more innovation, increased efficiency, and traceability.

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

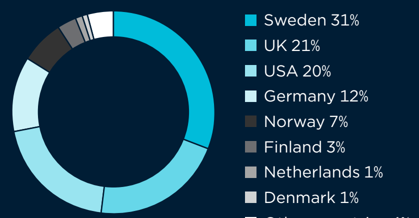
Read about our divisions on pages 20–27

Net sales by division, 2022[1]

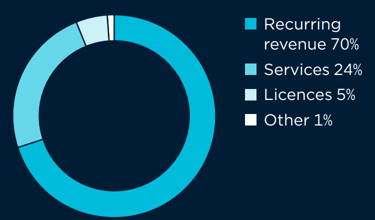


[1] Before eliminations.

Net sales by country, 2022



Net sales by revenue stream, 2022



SUSTAINABILITY AGENDA

Addnode Group contributes to sustainable development in several areas. 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 citizens.

Addnode Group's Sustainability Agenda defines five focus areas for the Group's sustainability work:

1. **Digital solutions that contribute to sustainable development**
2. **Care for people and planet in our own operations**
3. **The way we work with our partners and suppliers**
4. **Long-term financial viability**
5. **Sustainability management and governance**

Each focus area has key performance indicators (KPIs) that are monitored yearly to continuously develop the Group's sustainability work. These KPIs are reported in the Sustainability Report, which is part of Addnode Group's Annual Report.

Read our Sustainability Report on pages 31–52

SUMMARY OF 2022

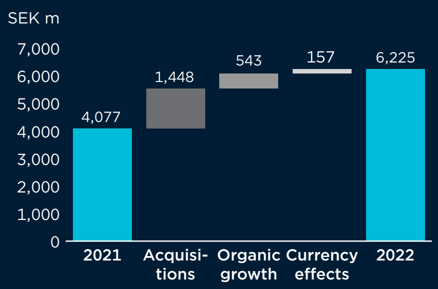
SIGNIFICANT EVENTS

- Jens Kollserud, President of Symetri, appointed as a member of Group Management in January 2022.
- Acquisition of Claytex Services Ltd. of the UK, a partner of Dassault Systèmes. Yearly sales of approximately SEK 25 m. Now part of TECHNIA in the Product Lifecycle Management division.
- Acquisition of DESYS GmbH of Germany, a Partner of Dassault Systèmes. Yearly sales of approximately SEK 170 m. Now part of TECHNIA in the Product Lifecycle Management division.
- Acquisition of Microdesk of the USA, a Partner of Autodesk. Yearly sales of approximately SEK 1,000 m. Now part of Symetri in the Design Management division.
- AGM resolved to divide shares through a 4:1 share split. The first day of trading in the share after the split was 17 May.
- Acquisition of Decisive AS of Norway. Yearly sales of approximately 57 SEK m. Now part of the Process Management division.
- Existing SEK 1,600 m credit facility extended by one year, with unchanged terms and conditions. This facility now runs until June 2025.
- Acquisition of JBL Technologies' Dassault Systemès operations in the USA. Yearly sales of approximately SEK 15 m. JBL's operations are now part of TECHNIA in the Product Lifecycle Management division.
- Nasdaq Stockholm announced the outcome of its yearly segment review, which meant Addnode Group's share moving up to the Large Cap segment in January 2023.
- Elisabeth Forslin appointed new Head of M&A and a member of Group Management. She took up her position in January 2023.

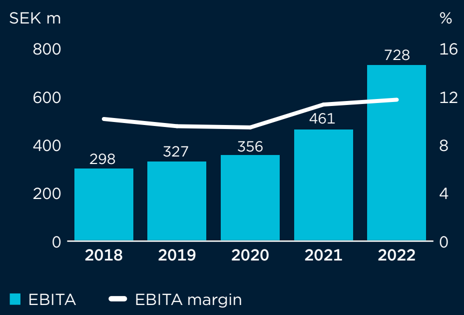
Financial key ratios	2022	2021	2020
Net sales, SEK m	6,225	4,077	3,807
EBITA, SEK m	728[1]	461	356[4]
EBITA margin, %	11.7[1]	11.3	9.4[4]
Operating profit, SEK m	527	305	229
Operating margin, %	8.5	7.5	6.0
Profit after tax, SEK m	382	223	163
Earnings per share[3], SEK	2.86	1.66	1.22
Cash flow per share[3], SEK	5.34	3.26	4.33
Dividend per share[3], SEK	1.00[2]	0.75	0.63
Net debt, SEK m	463	368	182
Equity/assets ratio, %	32	39	40
Debt/equity, multiple	0.22	0.22	0.12
Average number of employees	2,137	1,776	1,758
Total number of employees at end of period	2,370	1,897	1,833

1 EBITA includes a capital gain of SEK 24 SEK m related to the sale of an office property.
2 Board of Directors' proposal to AGM.
3 Due to the 4:1 share split in May 2022, historical key ratios based on the number of shares have been recalculated.
4 In 2020, EBITA included non-recurring costs of SEK 28 m for adjusting the Product Lifecycle Management division's organisation and cost structure. Excluding these restructuring costs, the Group's EBITA would have been SEK 384 m, an EBITA margin of 10.1 per cent. Government assistance in the form of short-term furlough reduced social security contributions and compensation for sick pay, resulted in a temporary SEK 51 m reduction in personnel costs.

Sales growth, 2021–2022



EBITA and EBITA margin, 2018–2022



Net sales growth
compared to 2021

+53%

Share of recurring revenue
2022

70%

EBITA growth
compared to 2021

+58%

Earnings per Share growth
compared to 2021

+72%

WE HAVE THE RECIPE FOR PROFITABLE GROWTH

The last few years have been trying. First the pandemic, then the war in Ukraine causing huge suffering, and an unpredictable future for all of us. But despite all this, as we close the books for 2022, I can look back at a fantastic year. We still have high demand from our customers, and have made large and small-scale acquisitions. Addnode Group is continuing to deliver at a high level for customers and shareholders. With a growth of 53 per cent and earnings per share increasing by 72 per cent, we're breaking records.

MACROTRENDS DRIVING OUR BUSINESS

There are several trends in the world that are contributing to driving our business forward. The macrotrends with the biggest impact on Addnode Group are *digitalisation, automation, sustainability* and *urbanisation*. Both public authorities and businesses are continuing to invest more in digitalising their operations. The pandemic and resulting remote working have accelerated digitalisation. Many businesses also want to automate further, to streamline and simplify processing for themselves and their customers. Sustainability remains a strong driving force extending from energy efficiency to efforts to reduce carbon footprint. In parallel, urbanisation and metropolitan expansion are continuing, which sets demands on sustainable design, building and infrastructure. All these four macrotrends are driving our business.

THREE DIVISIONS IN CONTINUED GROWTH

The year brought organic growth, acquisitions and improved earnings for all our three divisions.

In *Design Management*, strong organic growth by Symetri was complemented by the acquisition of Microdesk, a large-scale complementary acquisition that meant Symetri taking a step into the US market, and becoming a world-leading partner of Autodesk. We also acquired FAST2 in January 2023. This company has a proprietary ERP system for Sweden's public housing corporations. FAST2 strengthens the division's portfolio of proprietary software and services for construction, infrastructure and real estate, which after the acquisition, generates a total of approximately SEK 500 m of net sales.

Product Lifecycle Management's organic growth has been complemented by TECHNIA making three acquisitions. Desys is a Dassault Partner, which consolidates our strong positioning on the German market; Claytex, in the UK, offers software for driverless vehicles, and JBL is a US acquisition in simulation.

Process Management's organic growth has been complemented by the acquisition of Decisive, which operates in decision support management systems, including public sector in Norway as clients. The acquisition of Decisive marks the division's first step into a new geographical market.

During 2022, demand on our main markets was good. But we are attentive to how an uncertain business environment and cost inflation may impact us. Our long-term assessment remains that the segments where Addnode Group operates have strong underlying potential.

SUSTAINABILITY AGENDA

Our growth journey has always been characterised by long-term and carefully considered decisions. We're growing both our sales and earnings. Proof of the 20-year success of our strategy is our market capitalisation, which now places us in the Large Cap segment. The foundation of our Sustainability Agenda is that we deliver digital solutions to clients that enable them to deliver sustainable products and services to their customers. Being inclusive is self-evident to us, so we've set the goal of at least 40 per cent of the members of all the Group's management teams being of the under-represented gender. This goal has already been achieved by several companies, while in others, we're still working to achieve a more even gender balance.

19 COUNTRIES, FOUR CONTINENTS

In an period of market turbulence, I'm pleased that the demand for our products and services remains strong. With our entry into the US market, and increase in public sector customers, we've simultaneously diversified our risks. No individual customer is today greater than two per cent of our total net sales. We operate in 19 countries and on four continents, and have a good distribution of customers in various industries, we have great opportunities to continue the strong businesses, regardless of the development in a single industry or geography.

A PLATFORM FOR MANAGERS AND EMPLOYEES

We are a knowledgeable business driving forward and evolving thanks to the hard work, innovation and commitment of employees that want to grow with us. Expansion is often challenging, and we're a company that have averaged five acquisitions per year. Combined with organic growth, we double our size every fifth year. Addnode Group is a platform for managers and employees that enjoy growth. Our decentralised business and management model is crucial for maintaining enthusiasm, with the Presidents of each subsidiary taking responsibility supported by the resources that the Group can provide. To ensure we incorporate a younger perspective, our Young Advisory Board of young employees offered our management team valuable advice and reflections in 2022.

ANNIVERSARIES TO CELEBRATE

I'm looking forward to celebrating Addnode Group's 20th anniversary in 2023. Since inception, we've had the same growth strategy. We make carefully considered acquisitions in the ambition of digitalising society, simultaneous with growing organically within our subsidiaries. The advantage of our business model is that we have independent subsidiaries that manage their businesses in an entrepreneurial spirit, with the support and power of a large and stable Group, with its capital, skills and experience. As CEO, I'd like to thank everyone that has supported and contributed to us now standing strong financially and operationally, ready to face new challenges. 2023 will be an anniversary year to celebrate successes both old and new!

JOHAN ANDERSSON
PRESIDENT & CEO

ADDNODE GROUP AS AN INVESTMENT

Addnode Group's class B share is listed on Nasdaq Stockholm, and has been in the Large Cap segment since January 2023. In the most recent five-year period, its share price has increased by 420 per cent, which can be set against the broad OMX Stockholm index, which has increased by 37 per cent in the same period. The OMX Stockholm Technology sector index, which Addnode Group's share is part of, rose by 83 per cent in the same period.

1. SUSTAINABLE DIGITAL SOLUTIONS

Addnode Group provides digital solutions for design, simulation, product data information and case management. Global trends like digitalisation, automation, urbanisation and sustainability are driving the demand for our solutions. The regulatory environment is also setting more stringent transparency and traceability standards. Customers are mainly in the construction and real estate sectors, the manufacturing and automotive industries, life science and within the public sector.

2. ORGANIC AND ACQUISITION-DRIVEN GROWTH

Addnode Group's strategy is to generate sustainable value growth by continuously acquiring new operations, then managing them with a focus on organic growth and profitability. We have executed over 70 acquisitions since the company started, which means we have accumulated substantial experience and refined our acquisition process over time. We have demonstrated that we can grow with good profitability. Yearly average net sales and EBITA growth over the last five years (2018–2022) were 21 and 25 per cent respectively. In 2022, the EBITA margin was 11.7 per cent.

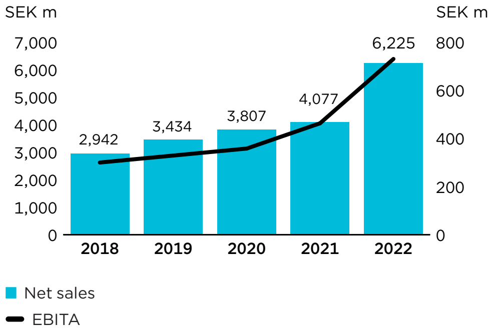
3. ATTRACTIVE BUSINESS MODEL

Addnode Group's business model implies that a high share of the Group's net sales are recurring revenue. Our services usually relate directly to the digital solutions we offer, which means that our customers frequently return to us for advice on their enhancement and integration with other systems. We have strong cash flow generation thanks to a high share of advance payments at the beginning of the year and a low investment requirement towards product development.

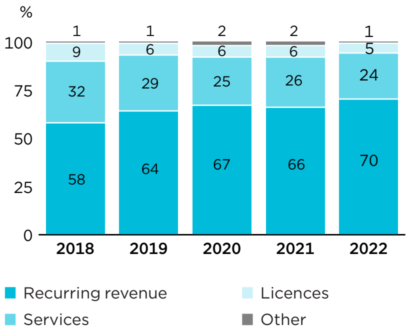
4. DIVERSIFICATION SPREADS RISK

Addnode Group's operations and offering are diversified in several respects, reducing business risk. Our solutions are in demand by private and public sector customers, across a wide variety of industries and in many different geographical markets. The Group consists of around 20 companies and we have our own representation in 19 countries. We are not dependent on individual customers but have built many long-term customer relationships.

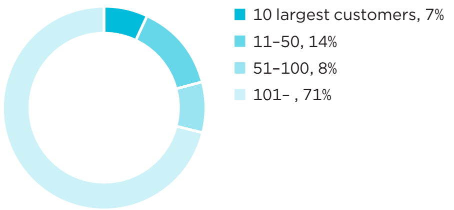
Profitable growth, 2018–2022



Distribution of revenue by revenue stream, 2018–2022



Breakdown of revenue by customer size, 2022



STRATEGY

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DEVELOPS AND DELIVERS DIGITAL SOLUTIONS IN FOUR GROWTH SEGMENTS

GROWTH SEGMENTS | DRIVERS AND GROWTH | MARKET GROWTH

Architecture, Engineering, Construction (AEC) and BIM
Addnode Group is a leading global provider of design and BIM software, as well as digital solutions and services to address the needs of architects, engineers and designers. Our product portfolio supports the work of these different actors from initial project planning to managing completed buildings. The largest markets are the Nordics, UK and USA.

Urbanisation and BIM
Growth is driven by urbanisation and the growing need to build efficiently and sustainably. To be more efficient, customers are digitalising processes and implementing new working methods. Regulatory authorities are also increasingly demanding more widespread adoption of digital working methods based on BIM (building information modelling), the collective term for digital modelling of a building or infrastructure and related assets throughout the lifecycle.

12–15%

Markets and Markets estimates the yearly growth of the global BIM market at approximately 12.5 per cent in 2022–2026. CIM-data estimates the growth of the global AEC market at approximately 15.0 per cent for the years 2022–2027.

Operations in this segment are mainly conducted in the Design Management division, as well as the Product Lifecycle Management division.

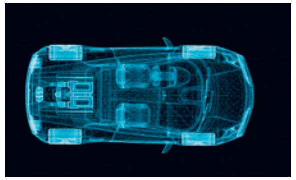
Facility Management
Addnode Group has a broad portfolio of software and digital solutions for customers in the administration and maintenance of real estate, facilities and workplace services. Its largest markets are the Nordics and UK, but it also has operations in Australia, Canada and the Middle East.

Streamlined facility management
Growth is being driven by customer needs for more efficient management, outsourcing of management services and regulatory requirements on environment, health and safety. A growing number of them are demanding better systems for detailed monitoring and verification, as well as transparency on the environmental impact of real estate and facilities.

12%

Future Market Insights forecasts yearly growth on the global digital FM solutions market at 11.8 per cent in the years 2022–2032.

Operations in this segment are conducted in the Design Management division.



Product Lifecycle Management (PLM)
Addnode Group is a global provider of PLM software and services for sectors like manufacturing, life science, R&D, automotive and transportation. Addnode Group offers customers digital support end to end in lifecycles, from simulation and design of a product to maintenance and aftermarket. The largest markets are the Nordics, UK and Germany.

Complete, traceable product development
Growth is being driven by customer efforts to continuously launch new and sustainable products with good economic performance throughout the lifecycle, and regulatory requirements for comprehensive traceability and product ownership. Product information also needs to be efficiently shareable internally, as well as with subcontractors and partners.

9%

Based on information from CIM-data, yearly growth for the global PLM market is expected to be approximately 9.3 per cent in the years 2022–2026.

Operations in this segment are conducted in the Product Lifecycle Management and Design Management divisions.

Digital Government
Addnode Group has a broad portfolio of software and digital solutions in segments such as case management, e-archiving, GIS services, social services, public e-services and digital support for municipal permit issuance and administration. Our main customers are government agencies, regional authorities and municipalities. The largest market is Sweden.

Digitalisation and sustainability standards
Growth is being driven by urbanisation and increasing sustainability requirements in the social building segment. The demographics of an aging population, and more consideration for social sustainability, are also a driving force. In parallel, continuously rising public expectations, accentuated by political initiatives, are accelerating the digitalisation of public administration. Our digital solutions can help enable more efficient processes and more equitable and sustainable decisions.

5%

Radar's forecast for operationally financed IT in Sweden is that demand will increase by 5.3 per cent in 2023.

Operations in this segment are conducted in the Process Management division.

STRATEGY FOR PROFITABLE AND SUSTAINABLE GROWTH

Addnode Group delivers solutions that digitalise society. We see great business opportunities in the wake of global trends like digitalisation, sustainability, urbanisation and automation. We capitalise on these trends by using sound risk-taking to acquire new businesses and actively support our subsidiaries to generate sustainable value growth and drive organic earnings growth. Our organisation is decentralised, where responsibility and authority for managing businesses is delegated to each division and subsidiary.

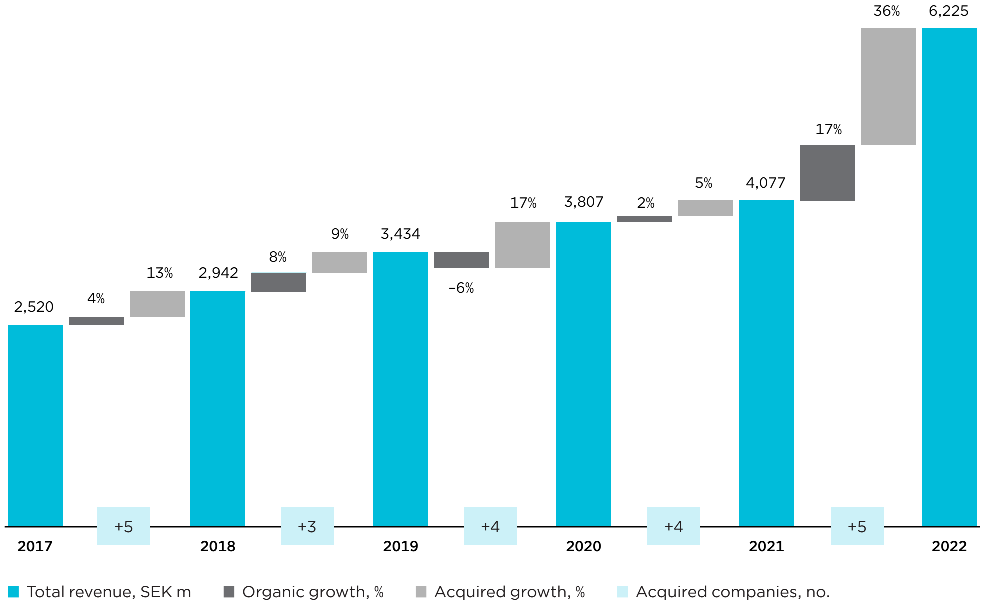
VISION
Addnode Group's vision is to provide technology for a sustainable future.

STRATEGY
Addnode Group acquires, operates and develops cutting edge enterprises that digitalise society.

Sustainable value growth

Acquisitions	**Organic development**
Complementary businesses or markets	Decentralised responsibility and authority
Values-based leadership	Strategic support
Attractive valuation	Synergies and collaborations

Organic and acquired growth, 2017–2022



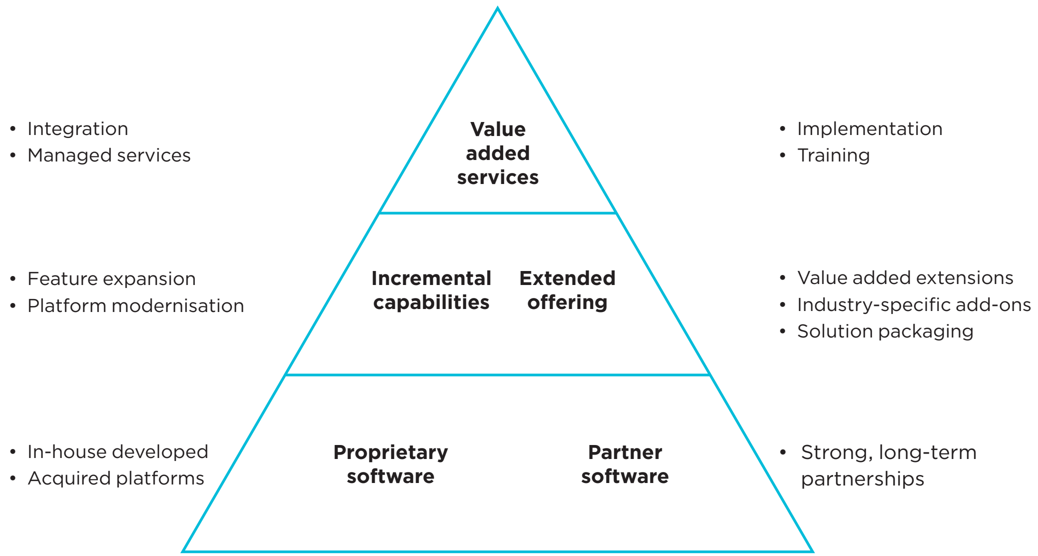
Strategy for profitable and sustainable growth, cont.

BUSINESS MODEL

Addnode Group provides digital solutions for sustainable design and product lifecycle management, the efficient management of real estate and facilities, and effective public administration. The foundation of the Group's overall offering of digital solutions consists of proprietary and partner-owned software. We work continuously on enhancing our portfolio of proprietary software, while simultaneously consolidating our offering by developing applications that can be used in combination with software from our partners. We complement this with a strong services proposition based on a high level of skills, long-term experience and good sector knowledge.

Investing in a digital solution is a long-term commitment for us as a provider, and for our customers. Many of our customer relationships extend over 20 years back in time. Our customers come back to us to renew, expand or upgrade software, which generates recurring revenues. Many customers also return for our service portfolio for customisation, integration and training.

Digital solutions backed by services offerings



MANAGEMENT MODEL

Values-based leadership and delegated responsibility

One fundamental structure of our business is our decentralised organisational model. Responsibility and authority for managing operations are delegated to our three divisions and associated subsidiaries. To make this organisational model work, we utilise a values-based leadership approach. It rests on these core values:

- We care about our customers, employees, partners and other stakeholders, and we take a long-term approach to our commitments.
- We create innovative solutions for our customers' needs.
- We create value through proactive employees who want to make a difference.
- We strive for simplicity in everything we do, meaning that we don't get lost in details or inefficient organisation.

Code of Conduct and Sustainability Policy

Addnode Group's Code of Conduct and Sustainability Policy also provide guidelines for our day-to-day conduct and our sustainability work in a number of key segments that include consideration and respect for people, wider society and the environment. Our Code of Conduct and Sustainability Policy is based on our strategy, values and internationally recognised standards. We support and respect human rights as stated in the International Bill of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work.

Read more about our Code of Conduct and Sustainability Policy at addnodegroup.com

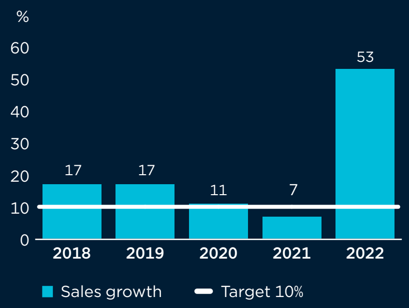
PROFITABLE GROWTH GIVES RESULTS

Addnode Group's growth journey continued in 2022. Net sales grew by 53 per cent, while EBITA increased by 58 per cent. Recurring revenue, which provides financial stability, is an important component of our business model. This revenue was 70 per cent (66) of net sales in 2022.

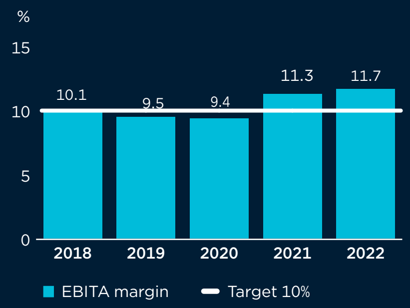
	GROWTH	PROFITABILITY	DIVIDEND POLICY
Targets set by the Board of Directors[1]	10% Addnode Group's goal is to achieve minimum yearly net sales growth of 10 per cent.	10% Addnode Group's goal is to achieve a minimum operating margin before amortisation and impairment of intangible assets (EBITA margin) of 10 per cent.	30–50% Addnode Group's dividend policy is to distribute 30–50 per cent of the Group's profit after tax to shareholders, providing its net cash position is sufficient to operate and develop its business.
Performance in 2022	53% In 2022, growth was 53 per cent (7), of which 13 per cent (3) was currency-adjusted organic.	11.7% The EBITA margin was 11.7 per cent (11.3).	37% For the financial year 2022, the Board of Directors is proposing that the dividend is increased to SEK 1.00 (0.75) per share, corresponding to a dividend pay-out ratio of 37 per cent of the Group's profit after tax. See page 125 for a graph of dividend per share in SEK 2018–2022.

Target and five-year performance

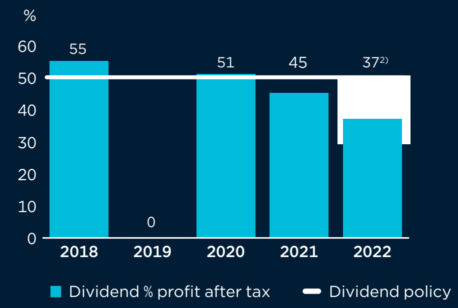
Sales growth



EBITA margin



Dividend pay-out ratio



[1] The financial targets for growth and profitability were set by the Board in 2013. The dividend policy was amended in early-2023, from the previous target of distributing at least 50 per cent of the Group's profit after tax to shareholders, to the new target of 30–50 per cent of the Group's profit after tax, providing that liquidity and the financial position are sufficient to operate and develop the business.
[2] Board of Directors' proposal.

A RECORD YEAR FOR A STABLE COMPANY

It's a pleasure to present the Annual Report for 2022, because it was the best year ever in Addnode Group's 20-year history. We can be pleased that we've emerged stronger from the pandemic, and have continued to evolve our offerings as digitalisation and sustainability become more important to our customers. Evidence that we are now a player to reckon with is that from January 2023, we join the Large Cap segment of the Stockholm Stock Exchange.

ACHIEVING TARGETS AND STRONG FINANCIAL POSITION

Net sales growth of 53 per cent demonstrates that we're doing the right things on many levels. We more than exceeded our long-term financial target of minimum growth of 10 per cent. Net sales were over SEK 6 billion, some SEK 2 billion more than in 2021. Meanwhile, we strengthened our EBITA margin to 11.7 per cent, which meant we also beat our second financial target of a minimum EBITA margin of 10 per cent. This confirms Addnode Group as a stable company with good cash flow, low debt/equity ratio and a strong Balance sheet.

CAPACITY TO KEEP GROWING

Growing both organically and through acquisitions has been part of Addnode Group's DNA since its inception. In June 2022, we exercised our option to extend our SEK 1 .6 billion credit facility by one year to June 2025, with otherwise unchanged terms. At year-end, the Group's cash and cash equivalents, and the unused portion of our credit facility, totalled SEK 1.3 billion.

In the year, the Board also decided to amend the current dividend policy from a dividend to shareholders of at least 50 per cent of the Group's profit after tax, to 30–50 per cent of the Group's profit after tax. This policy applies providing our liquidity and financial position are sufficient to operate and develop the business. The purpose of this change is to ensure flexibility and financial scope to realise our growth strategy.

GREAT RESULTS ACROSS OUR DIVISIONS

Once again, we demonstrated that we are a Group with several strong businesses. All our divisions performed well in the year, contributing to improved earnings. With net sales growth of 53 per cent, and EBITA growth of 58 per cent, we can also conclude that we managed our businesses efficiently.

NEW GEOGRAPHY, MORE STABILITY

We continued our international expansion in 2022. Five years ago, we were a Group with most of our business in Sweden and Germany. But after several acquisitions in the UK, that have also demonstrated good organic growth subsequently, and our takeover of Microdesk in the USA, these businesses now form a significant part of the Group's net sales. Our expanded geographical presence gives us access to a larger market, while diversification makes us less vulnerable financially. With a successful year behind us, I'm looking forward to 2023. We've created all the right conditions to keep developing and delivering on our targets.

LOTTA JARLERYD
CFO

CONTINUOUS EVALUATION OF ACQUISITION CANDIDATES

Acquisitions are one of the two fundamental components of Addnode Group's strategy. Leaders throughout our organisation participate in the continuous mapping of potential acquisition candidates. We build long-term relationships with businesses, so we are well positioned when an acquisition opportunity appears. We have a long acquisition track record and can act quickly when the situation demands.

ACQUISITION STRATEGY
Our acquisition strategy is long term and designed to complement our existing operations and develop offerings for our markets.

Addnode Group seeks acquisitions that satisfy at least one of the following two criteria:
1. Expand or consolidate our existing businesses geographically.
2. Add new offerings on geographical markets where we already operate.

Over and above satisfying at least one of the above two criteria, an acquisition candidate should also have:
- A proven business model that is profitable at the time of acquisition.
- A leadership featuring sound values and that shares our focus on good relationships with customers and colleagues.
- A culture featuring simplicity and an entrepreneurial spirit.

By continuously making many acquisitions, we have refined and improved our acquisition processes both at Group level and in our divisions and subsidiaries. A well-established acquisition process is a critical success factor. As the Group has grown, so have the scale of our acquisitions. Since our start-up in 2003, Addnode Group has completed over 70 acquisitions, most of them being enterprises with sales of between SEK 50 and 200 m. Our largest acquisition to date is Microdesk of the US, which we acquired in 2022, when it had yearly sales of some SEK 1,000 m.

A STRUCTURED ACQUISITION PROCESS

PHASE 1 – PREPARATORY

Screening & initial contacts › Preliminary disc. & indicative valuation › Investment hypothesis & integration plan

PHASE 2 – TRANSACTION AND CONSUMMATION

Letter of intent › Due diligence › Contract negotiations & board decision

PHASE 3 – INTEGRATION AND FOLLOW-UP

Signing & closing › Integration & follow-up

DECENTRALISED SCREENING OF ACQUISITION CANDIDATES

Division Presidents, subsidiary managers and other executives in our organisation have central roles in our acquisition strategy. They are all encouraged to actively seek and identify potential acquisition candidates and build relationships with these businesses. Our decentralised working method means we constantly maintain a list of current acquisition candidates, a list that also grows as Addnode Group's operations expand to new segments and geographies. At an early stage, we also gain good insight into our acquisition candidates, and well-supported ownership of the acquired entity within Addnode Group.

The overwhelming majority of acquisition candidates are identified through our own operations, but because Addnode Group is a serial acquirer, we also have many candidates introduced to us by external contacts. Addnode Group has a central M&A function that is responsible for supporting divisions in their screening processes, and on leading and managing the acquisition processes we decide to progress.

EXECUTION AND DUE DILIGENCE

When we have reached an indicative agreement on the terms of a potential acquisition with the acquisition candidate, we progress to the evaluation phase. All acquisitions that Addnode Group conducts are preceded by thorough due diligence, managed by Addnode Group's central M&A function. The purpose of this process is to gain further knowledge of the company, identify and mitigate risks, and confirm our valuation assumptions. In those areas that relate to legal issues, taxation and IT security, we often consult external expertise. For the business-related parts of the due diligence process, such as commercial and financial valuations, we use our own resources as far as possible. We are currently conducting a review of how we can enhance the sustainability-related part of our due diligence process.

We involve employees of the acquired entity with Addnode Group at an early stage, which is usually also an advantage for the target company's managers and employees. Our working method enables us to be flexible and adapt our process to the target company to avoid it taking more focus than necessary from operating activities.

Apart from the straightforward legal, financial and technical issues, we put a big emphasis on the cultural aspects of our due diligence. Consensus on future strategy, business and integration plans are decisive for a successful acquisition. It is also critical that the acquired company shares our values on taking responsibility, simplicity and focus on customers and employees. Our cultural evaluation is conducted by the recipient entity's managers to enable relationship-building and benefit the upcoming integration work.

INTEGRATION AND FOLLOW-UP

Work on integration planning begins as early as during our due diligence work. Division Presidents and our subsidiaries are responsible for planning and executing the integration. They work closely with the acquired company's management to formulate a common plan, supported by, and agreed with, both parties. The integration plan covers everything from resolving organisational issues and welcoming new employees to commercial considerations and implementation of Addnode Group's financial reporting procedures. For acquired entities that integrate into the companies Symetri and TECHNIA, integration also involves a change of corporate name.

Our decentralised business model is about retaining as much local entrepreneurship as possible in each subsidiary, so we refrain from any more changes that are necessary to acquired companies' operations.

After an integration project is complete, we conduct a follow-up, whose purpose is to learn from completed projects and re-use this knowledge to continuously improve the process for forthcoming acquisition projects.

FIVE NEW BUSINESSES IN 2022

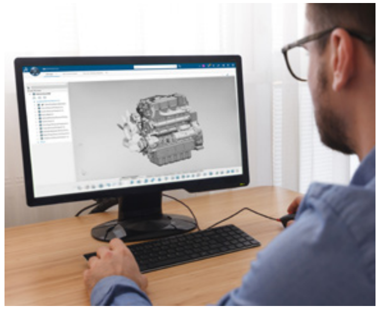
CLAYTEX

Claytex of the UK specialises in advanced simulation and testing, focusing on automotive systems and autonomous vehicles, with most of its customers in motorsport.

Product Lifecycle Management division

New employees
15

Annual sales
25 SEK M



DESYS

The service portfolio of DESYS of Germany centres on Dassault Systèmes' software platforms, but also includes proprietary software solutions and a broad portfolio of training, consulting, support and IT services.

Product Lifecycle Management division

New employees
45

Annual sales
170 SEK M

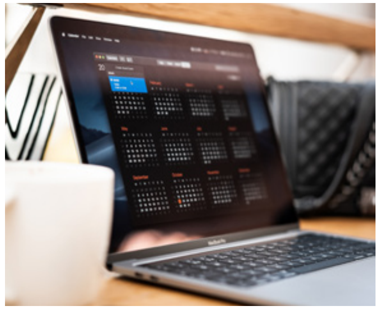
MICRODESK

Microdesk of the USA is an Autodesk Platinum Partner, and provides consulting services, training, data management and tailored solutions. The company has a total of 12 offices.

Design Management division

New employees
300

Annual sales
1,000 SEK M



DECISIVE

Decisive of Norway specialises in rule-based decision management systems. The company supports customers end to end from system design to development, implementation, training, followed by support and enhancements.

Process Management division

New employees
25

Annual sales
57 SEK M

JBL

The service portfolio of JBL of the US is based on Dassault Systèmes' software platforms. The JBL team brings sector skills in oil & gas, infrastructure and renewable energy.

Product Lifecycle Management division

New employees
2

Annual sales
15 SEK M

MICRODESK – AN ACQUISITION THAT BUILDS A SUSTAINABLE FUTURE

In March 2022, Addnode Group acquired US-based Autodesk partner Microdesk. This new company offers Addnode Group more potential to help its customers meet the societal megatrends of urbanisation, globalisation and increased demand for solutions for sustainable buildings and design. The acquisition means Microdesk becomes part of Addnode Group subsidiary Symetri.

Michael DeLacey, founder and CEO of Microdesk, and Jens Kollserud, CEO of Symetri, see a bright future. With Microdesk, Symetri becomes one of the leading global providers of Autodesk solutions, with 750 employees and over 20,000 customers.

Michael, how do you view the match between Microdesk and Symetri?
"Both companies have grown organically, and I and Jens Kollserud, Symetri's President, think very much alike. We described our businesses in almost the same words, even pre-merger. The same focus on sustainability and digitalisation, the same values, just expressed a bit differently. Together, we get more global coverage, and can really make a difference for our customers when addressing the challenges they face."

Jens, why were you interested in Microdesk?
"Our customer offerings are fairly similar, but over the years, Microdesk has decided to invest in building up a large and successful service business, while Symetri has focused on investing more in proprietary products. With our shared offering, we've got the potential to gear up on each market and deliver on our targets. We can see a huge American market for Symetri's proprietary products, and that Microdesk can bring skills to Europe for building a world-class service organisation."

Michael, how does Microdesk work on sustainability?
"We have a sustainability team that works on research and focuses on how we can use technology available now to get a better understanding of how design, manufacture and building affects our surroundings. For example, we look at ways to measure the carbon footprint of building materials, the so called embedded carbon footprint. We teach design and construction organisations how they can work on this type of calculation as part of taking sustainable decisions back in the design and construction phases. We also approach various types of owners of buildings, facilities and infrastructure to train them to demand information on embedded carbon when tendering for services for new production. We're hoping for a snowball effect when the owners of real estate and facilities, as well as institutional owners, become aware of the data and technology that's available, and how they can set standards back down the value chain to get the data that enables sustainable choices."

Jens, how has the collaboration between Microdesk and Symetri gone so far?
"Really well. One of the first steps we took was to integrate Microdesk's London office into Symetri UK, which built a nice bridge between the companies. We then went in stages through different groups in the companies meeting their counterparts in the new organisation. In turn, this has meant people have started to talk to their colleagues about new contacts in a natural and positive way. We've also integrated Microdesk's product development team with Symetri Technology, which is a completely logical match. We presented our joint offering to the US market at the Autodesk University in New Orleans in 2022."

KEY FACTS – MICRODESK

Microdesk improves workflows and integrates digital project management tools for architects, engineers, designers, property owners, property managers, and others.

- Founded in 1994.
- 300 employees.
- 12 offices in the USA.
- Net sales at acquisition: SEK 1,000 m.
- Autodesk Platinum Partner.

JENS KOLSERUD
CEO OF SYMETRI

MICHAEL DELACEY
CEO OF MICRODESK

A PLATFORM FOR BUSINESS DEVELOPMENT AND ORGANIC GROWTH

The organic growth of our subsidiaries is the second of the two fundamental components of our strategy. As part of Addnode Group, businesses get the opportunity to keep developing their businesses supported by the Group and the division they become part of.

STRATEGY FOR ORGANIC GROWTH
Addnode Group's strategy for driving organic growth starts from offering an attractive platform that entrepreneurial businesses can grow and evolve from. This platform offers:

- Decentralised responsibility and authority.
- Strategic skills, financial resources and M&A expertise.
- Value-creating synergies and collaborations.

An acquired business becomes part of a division, where all the business decisions that drive incremental development and organic growth are taken.

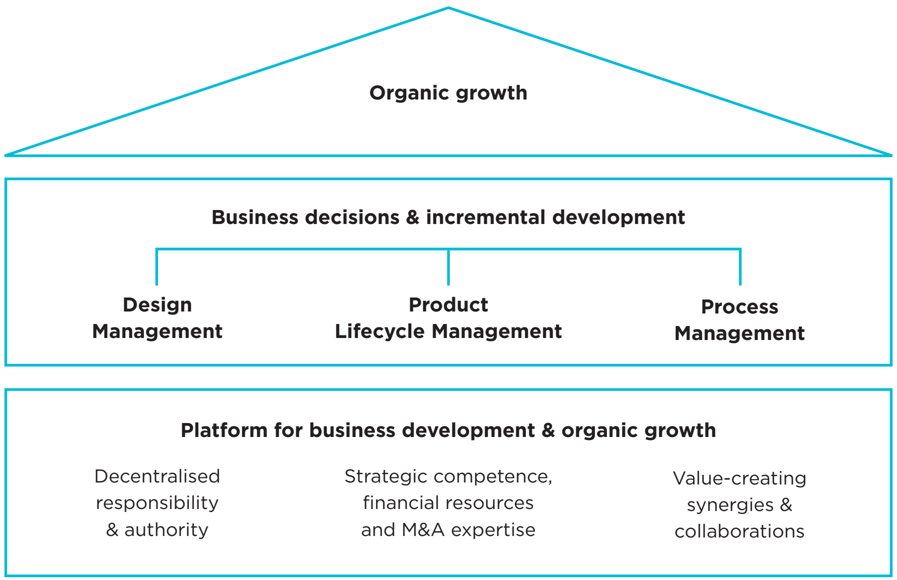
In the most recent three-year period, Addnode Group has achieved average organic growth of 4 per cent; 13 companies have been integrated into the Group in this period.

DECENTRALISED RESPONSIBILITY AND AUTHORITY

Our operational business model is based on decentralisation, and delegates responsibility with authority to subsidiaries. Operational decisions should be taken as close to customers and end-users as possible, which requires skilled, expert executives that take responsibility for developing their business on their markets in good times and bad. To ensure a long-term perspecitve in business development, each subsidiary pursues a strategic five-year plan, updated regularly as their business environments change. Subsidiaries enjoy operational freedom to manage their businesses, while having to comply with Group-wide policies and guidelines on financial reporting, internal controls, regulatory compliance, and our Code of Conduct.

Group companies manage operations under their individual corporate name in a collective structure where Addnode Group is a supporting brand. This means the enterprises can retain their individuality, while simultaneously enjoying the benefits that a large, listed company brings in the form of recognition, credibility, financial stability and access to capital for continued organic expansion and acquisitions.

Addnode Group's model for organic growth



STRATEGIC COMPETENCE, FINANCIAL RESOURCES AND M&A EXPERTISE

Being part of Addnode Group brings access to relevant skills at a strategic level. Because there are clear contact points between companies and divisional operations, this also creates the potential for the valuable exchange of best practice, in business strategy, product development, brand portfolios, customer offerings and cost rationalisation, for example.

Addnode Group's overall size, with operations in over 20 countries, large employee headcount and Stockholm Stock Exchange listing, is another asset to our companies. Addnode Group has the financial capacity to support individual companies' expansion and investment needs, which may involve supplementary acquisitions or product development. This capability is not only an inherent strength, but also helps make our companies more attractive in their relationships with customers.

VALUE-CREATING SYNERGIES AND COLLABORATIONS

Activities and collaborations within our divisions and across divisional boundaries designed to exploit synergies in segments like sales, product development and delivery capacity are a permanent feature. These activities are initiated both through regular scheduled forums, meetings, and spontaneously initiated contacts.

Examples of activities that promote synergies within the Group:

- **Exchange of skills and best practice**. Some functions and skills segments offer substantial potential to share experience and best practice, and sometimes resources within the Group. These opportunities usually arise in business development, cybersecurity, accounting & finance, sustainability, HR, communications and marketing.
- **Upsell opportunities**. Opportunities for upsell by supplying ancillary products and services from another Group company and/or offer products and services to customers of other Group companies.
- **Strong partnerships**. Access to the Group's partnerships with software developers like Autodesk, Dassault Systèmes and Esri. This implies better profitability and a superior customer offering for each subsidiary.
- **Stronger employer branding**. The subsidiary's attractions as an employer are enhanced through access to Group-wide leadership programmes and more career opportunities as part of a larger Group.
- **Delivery capacity**. Alongside their Group counterparts, companies can achieve the necessary critical capacity to take on larger assignments that they could independently. The Group also offers access to competence centres like Addnode India, with some 200 employees that support other Addnode Group companies on software development and implementation services.

OPERATIONS

Three divisions 20
Design Management division 22
Product Lifecycle Management division 24
Process Management division 26
Risks and risk management 28

THREE DIVISIONS

Addnode Group manages its operations through three divisions: **Design Management**, **Product Lifecycle Management** and **Process Management**. Each subsidiary develops its business in accordance with strategies, guidelines and Group-wide values. A decentralised business model means that mission-critical decisions are made close to customers and markets. The Divisions constitute the Group's operating segments that Addnode Group uses to monitor performance.

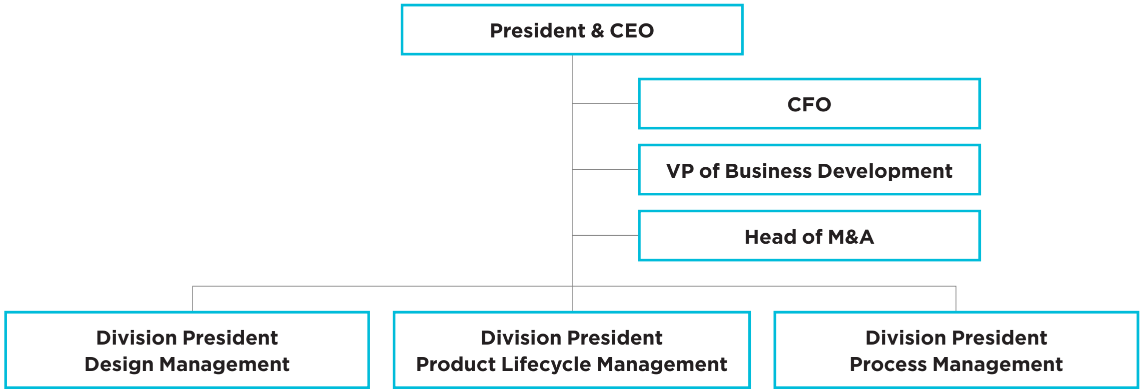
ORGANISATION

The members of Group Management are the President & CEO, CFO, VP of Business Development, Head of M&A, President of the Design Management division, President of the Product Lifecycle Management division, President of the Process Management division and the President of Symetri.

Group Management supports the CEO on strategic and operational issues. In accordance with adopted strategies and goals, Division Presidents are responsible for the subsidiaries in their Divisions and report to Addnode Group's President & CEO.

Central functions are based in Addnode Group's head office and are responsible for coordination, financial monitoring and reporting, policies and guidelines at an overarching level, and contribute expertise in acquisitions, business models, cybersecurity, brands, sustainability and corporate communication.

Operational group structure, 31 December 2022



Service Works Global
Symetri | Microdesk
Tribia

TECHNIA

Adtollo
Arkiva
Canella
Decerno
Decisive
Elpool
Evitbe
Forsler Stjerna
Ida Infront
Intraphone
Kompanion
Netpublicator
S-GROUP Solutions
Sokigo
Stamford
Voice Provider

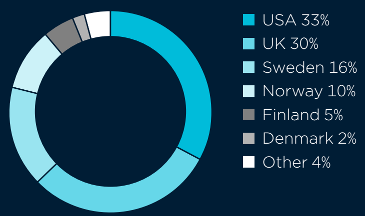
THREE DIVISIONS

Addnode Group's three divisions develop and deliver software and digital solutions for sectors like construction and real estate, manufacturing, automotive, medical devices and the public sector. These solutions help streamline everything from design, construction and managing product data to case management and dialogue with the citizens.

DIVISION DESIGN MANAGEMENT

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 collaborations and facility management in the Nordics and UK.

Net sales by country

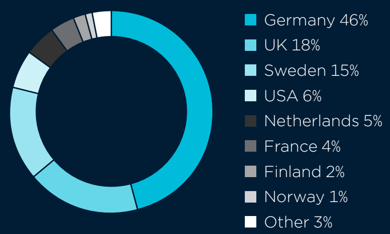


Net sales: SEK 3,494 m
EBITA: SEK 398 m
EBITA margin: 11.4%
Average number of employees: 793

DIVISION PRODUCT LIFECYCLE MANAGEMENT

A global provider of solutions for digitalising a product's or facility's complete lifecycle – from idea, design, simulation and construction – to sale, aftermarket and recycling. For our customers, this means shorter lead-times, more innovation, increased efficiency, and traceability.

Net sales by country

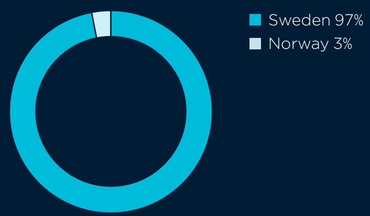


Net sales: SEK 1,580 m
EBITA: SEK 158 m
EBITA margin: 10.0%
Average number of employees: 687

DIVISION PROCESS MANAGEMENT

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

Net sales by country

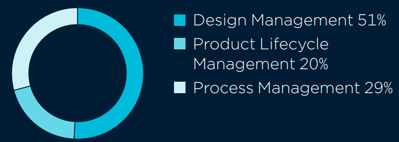


Net sales: SEK 1,182 m
EBITA: SEK 226 m
EBITA margin: 19.1%
Average number of employees: 648

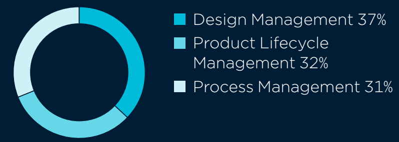
ADDNODE GROUP

Net sales[1]

EBITA[1]



Number of employees



[1] Before eliminations/central costs.

Net sales: SEK 6,225 m
EBITA: SEK 728 m
EBITA margin: 11.7%
Average number of employees: 2,137

DESIGN MANAGEMENT DIVISION

The Design Management division's operations are conducted by the subsidiaries Symetri, Microdesk, Tribia and Service Works Global (SWG). The division 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.

THE YEAR IN BRIEF

There was very good demand for Symetri's digital solutions and services in 2022, reflected in the division's robust growth and earnings performance. Customers value an Autodesk partner with own complementary products, as well as a broad and in-depth competence in design and BIM.

The March 2022 acquisition of Microdesk meant Symetri establishing a presence in the USA, and becoming one of the world's biggest Autodesk partners, with global reach. Work on complementing Microdesk's current offerings with proprietary products, sharing skills across geographies and realising cost rationalisations continued through the year. To ensure a successful integration, Symetri's President Jens Kollserud has been sent to the USA since summer 2022.

Organic growth was mainly attributable to Symetri's UK operation. Demand in the Nordics was positive, in the AEC segment and manufacturing. Symetri's new operation in the USA, Microdesk, outperformed expectations owing to good demand in the AEC segment. New business sales and renewals of three-year contracts progressed well, in terms of volume and margin.

The demand for Service Work Global's (SWG) and Tribia's offerings, which consists of proprietary BIM software, collaborative portals for the construction and infrastructure sector and facility management, made good progress in the year, especially in the Nordics. FAST2 Affärssystem AB was acquired after year-end, will be part of SWG and was consolidated effective January 2023.

OFFERING

The division's companies offer digital solutions that streamline and quality-assure customers' various processes, from early design proposals to operation and maintenance of completed buildings or facilities.

Symetri's offering is based on Autodesk products, backed by proprietary software and services for 3D design, BIM (building information modelling) and simulations of products, infrastructure, facilities and buildings. Symetri's proprietary products are for product data management, and managing local standards and norms in digital design and other processes.

SWG is a product company that delivers digital solutions for managing and maintaining facilities, as well as workplace and FM service solutions on many global markets.

Tribia is a product company that delivers cloud-native collaborative tools for construction and civil engineering projects for clients and construction companies on the Norwegian and Swedish markets.

CUSTOMER BASE

The division has a broad customer base in the construction, real estate, manufacturing and marine industries as well as the public sector. In 2022, the customer base included BNP Paribas, Cargotec, Cupertino, Heathrow Airport, Honeywell, Hunt Electric, New York Port Authority, Posten Eiendom Bergen AS and Tetra Pak.

MARKET POSITION AND COMPETITORS

Symetri already enjoyed strong positioning in the Nordics, UK and Ireland. After the March 2022 acquisition of Microdesk, the company is now also established in the USA, and accordingly, is one of the leading global providers of Autodesk solutions. Symetry has over at 750 employees, 20,000 customers and 250,000 users. Symetri's competitors are mainly global software companies like Dassault Systèmes, Nemetscheck and Siemens, as well as other Autodesk partners like GRATIEC, Mensch und Maschine and Rand Worldwide. Its proprietary software and related services, combined with a skilled and experienced organisation with global reach, are key competitive advantages.

SWG has a leading market position in digital FM solutions for the Swedish and UK real estate sectors, and customers in Australia, Canada and the Middle East. SWG has especially strong positioning in FM solutions for PPPs (public-private partnerships).

Tribia has strong positioning in Sweden and Norway on the market for digital project collaborative solutions for the AEC sector.

SWG and Tribia mainly encounter local competition, but competition is also sourced from multinational companies like IBM, Planon and Trimble.

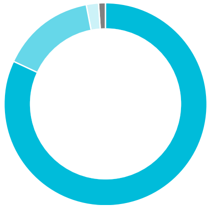
"The demand for Symetri's digital solutions and services was really good in 2022, as reflected in the division's very strong growth and earnings performance. The acquisition of Microdesk means Symetri establishing a presence in the USA, and thus becoming one of the world's largest Autodesk partners with global reach."

JOHAN ANDERSSON
INTERIM DIVISION PRESIDENT, DESIGN MANAGEMENT

Design Management division, cont.

Financial key ratios	2022	2021	2020
Net sales, SEK m	3,494	1,852	1,860
EBITA, SEK m	398	204	190
EBITA margin, %	11.4	11.0	10.2
Operating profit, SEK m	315	146	133
Operating margin, %	9.0	7.9	7.2
Average number of employees	793	560	565

Net sales
by revenue stream, 2022



- Recurring revenue 82%
- Services 15%
- Licences 2%
- Other 1%

Net sales growth
compared to 2021

+89%

EBITA growth
compared to 2021

+95%

In 2022, net sales increased by 89 per cent (0) to SEK 3,494 m (1,852). In organic terms, net sales increased by 24 per cent (–2) in 2022, and currency adjusted, the increase was 19 per cent (–2).

SYMETRI CREATES AN ANALYSIS TOOL FOR SUSTAINABILITY DATA

Bamcore uses biogenic fibres like bamboo and industrialised building processes to deliver buildings with low carbon footprints. Every building where Bamcore's materials and methodologies is being used limit climate impact and reduces building lead-times and working hours.

Symetri and Bamcore have been collaborating through Symetri's new innovation and sustainability services, to highlight the value of Bamcore's products and solutions. Innovation work was conducted within the Autodesk Foundation, and is based on Autodesk's design analysis program platform. From this platform, Symetri developed a custom digital solution that showcases Bamcore's products energy and carbon metrics.

Bamcore's need
The challenge was that Bamcore needed to find an understandable way to communicate the impact and value of its solutions. Bamcore wanted to offer their customers the documentation they need to take strategic and well-founded decisions when comparing Bamcore's products with traditional building materials. Bamcore's products offered unique qualities, which made using Autodesk's analysis products complex in their basic formats.

Symetri's solution
Symetri developed a digital solution to download data on Bamcore's walls into Autodesk's Insight software. Detailed information on construction elements, i.e. walls, became analysable data. This enabled Bamcore, in the next phase, to select its products for the program and generate several alternative building designs, to then identify the most optimal solutions when evaluating the wall types for various design proposals.

A part of the assignment also involved comparing and indexing all Bamcore's wall types. This indexing also enabled carbon calculations to be factored in. Bamcore can with this solution quickly find the carbon footprint of various combinations, already in the modelling phase.

Outcome
With this unique solution, fully tailored to Bamcore's needs, Bamcore can now quickly get comparative data on its products' energy and CO_2 impact, while being able to present this in summary form for clients.

Bamcore uses biogenic fibres like bamboo and industrialised building processes to create buildings with low carbon footprints. Symetry and Bamcore have together developed a digital solution that showcases Bamcore's products positive energy and carbon values.

PRODUCT LIFECYCLE MANAGEMENT DIVISION

The operations of the Product Lifecycle Management division are conducted by the subsidiary TECHNIA, a global provider of solutions for digitalising complete product or facility lifecycle – from idea, design, simulation and construction – to sale, aftermarket and recycling. For our customers this means shorter lead-times, strengthened innovation, and increased efficiency and traceability.

THE YEAR IN BRIEF

In 2022, TECHNIA continued to develope its offering of PLM systems and related services. The division reported strong net sales and EBITA growth.

Demand on the division's main markets was good, especially the UK. On several of the division's markets, customers are increasingly demanding time-finite rental of licences, instead of as previously, purchasing licences with perpetual rights of use.

In early-2022, the division consolidated its advanced simulation offering through the acquisition of Claytex of the UK. A complementary acquisition for the German business was executed in March through the takeover of DESYS. Claytex and DESYS are both Dassault Systèmes Partners, and also offer proprietary, unique additional products and services.

The division strengthened its US presence through the acquisition of JBL Technologies' Dassault Systèmes business in October, another operation with a strong simulation offering.

The companies acquired in 2022 have lower profitability than the division's current businesses. Integration and work to increase profitability is ongoing.

OFFERING

TECHNIA is a global provider of digital solutions for sophisticated product and production development. TECHNIA's solutions help streamline and quality-assure complete lifecycles – from construction, simulation and design – to sales, aftermarket and recycling. Digitalised and globally available information across a PLM system enables design and production lead-times to be reduced and resource management optimised, simultaneous with safeguarding environmental, quality and security standards. The software portfolio consists of our partner Dassault Systèmes' market-leading 3DExperience platform and proprietary, unique ancillary products and services, which are also available separately to customers that need them.

CUSTOMER BASE

TECHNIA's customers are in industries such as telecom, manufacturing, automotive, construction and civil engineering, pharmaceuticals, life sciences, retail and energy production. Keeping pace with the demand for rapid innovation, traceability and custom products, a growing number of food and service companies are embracing the PLM concept. In 2022, the customer base included Bold Valuable Technology, Aeristech, automation.eXpress, B Braun, Cytiva, Karolinska, Kite Rise and Waldrich Siegen.

MARKET POSITION AND COMPETITORS

TECHNIA is one of Europe's largest providers of PLM platforms and consulting services. TECHNIA is also a Global Platinum Partner of Dassault Systèmes, with the Nordics, UK and Germany as its largest markets. TECHNIA is represented in countries including France, Japan, the Netherlands, Poland and the USA.

TECHNIA's competitors are other providers of digital PLM solutions such as Autodesk, Siemens and PTC, as well as other Dassault Systèmes partners like Cenit of Germany and Inceptra of the USA. Companies like Tata and Cap Gemini compete on larger system integration projects. Our competitive advantages include world-leading PLM know-how, a strong product portfolio, as well as close and long-term collaborations with customers, and a regional presence in several countries. These benefits are combined with the skills an international player can offer.

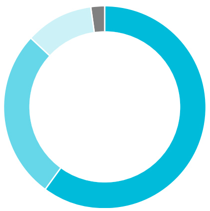
"In 2022, TECHNIA continued to grow and evolve its offering of PLM systems and related services. Investments in simulation solutions and solutions targeting customers in life science progressed well."

MAGNUS FALKMAN
DIVISION PRESIDENT, PRODUCT LIFECYCLE MANAGEMENT

Product Lifecycle Management division, cont.

Financial key ratios	2022	2021	2020
Net sales, SEK m	1,580	1,227	1,141
EBITA, SEK m	158	117	57
EBITA margin, %	10.0	9.5	5.0
Operating profit, SEK m	97	72	23
Operating margin, %	6.1	5.9	2.0
Average number of employees	687	613	654

Net sales
by revenue stream, 2022



- Recurring revenue 60%
- Services 27%
- Licences 11%
- Other 2%

Net sales growth
compared to 2021

+29%

EBITA growth
compared to 2021

+35%

In 2022, net sales increased by 29 per cent (8) to SEK 1,580 m (1,227). In organic terms, net sales increased by 14 per cent (5) in 2022, and currency adjusted, the increase was 9 per cent (7).

TECHNIA SIMULATION SOLUTION CONTRIBUTE TO ANALYSE THE CLIMATE BURDEN OF DOMESTIC HEATING SYSTEMS

Energy efficiency in buildings is crucial as it has a big impact on greenhouse gas emissions. Today the building sector represents 40 per cent of the EU's energy needs. When the energy efficiency of building heating systems improves, energy consumption can reduce, and with it, climate burden.

TECHNIA supported Nottingham Trent University (NTU) on a simulation project to improve the energy efficiency of heating regulation systems, and thus reduce their climate impact. NTU is one of the world's most sustainable universities, ranked third on the UK's People and Planet University League, and fifth globally in the UI GreenMetric ranking.

NTU's need
The main purpose of the project was to improve the energy efficiency of heating management in buildings, primarily to achieve carbon emission targets and reduce climate impact. To understand the effects of applying different energy-saving technologies and control strategies, a range of scenarios were simulated.

TECHNIA's solution
A joint simulation model was deployed to evaluate a complete decentralised electric heating system with the capacity to heat 39 brittish homes. The system used renewable energy sources like solar panels to generate electricity and geothermal heat pumps as heat sources. The simulation model interconnected two Dassault Systèmes software platforms, EnergyPlus and Dymola. EnergyPlus simulated building energy needs, while Dymola was used to create a detailed model of the energy system. Electric batteries and water tanks served as storage devices, and the two software platforms communicated to assess and optimise the model's energy consumption.

Outcome
Thanks to joint simulation of the various energy solutions, it became possible to conduct analyses in a very precise way. The project generated the following insights:

- The simulation demonstrated that solar panels could provide nearly 50 per cent of the electricity the heating system needed.
- The model also enabled the development of a range of system settings, which in turn, enabled energy consumption from the grid to reduce, maximise consumption of solar energy, and ultimately, move away from fossil-fuel sourced energy and towards energy from sustainable sources.

Together with NTU, TECHNIA has produced a simulation model to optimise heating regulation systems that use solar panels and geothermal heating to reduce energy consumption and carbon emissions.

PROCESS MANAGEMENT DIVISION

Process Management, whose operations are conducted by around 15 subsidiaries, is a leading provider of digital solutions for the public sector. Its solutions help streamline case management, simplify administration and quality-assure processes in contacts between authorities and the citizens.

THE YEAR IN BRIEF

2022 was a good year for the Process Management division. Sweden's municipalities and public authorities have a clear digitalisation focus, and the social building sector is one of the fields where this progress is especially clear.

The division's established relationships with many public sector customers often generate opportunities for repeat sales or the expansion of ongoing assignments. The division's businesses are also well positioned in public sector tenders owing to their attractive digital solutions, in-depth experience and good references.

Operations that offer solutions and services in document and case management, public services and municipal engineering information systems for public authorities and municipalities, are estimated to have outgrown the market.

In 2022, the division's development organisations were strengthened through a number of new recruitments.

Decisive AS, a leading provider of rule-based digital decision management systems for the Norwegian public sector, was acquired in June. This is the division's first move into a new market outside Sweden.

OFFERING

The operations of the Process Management division are conducted by the subsidiaries Adtollo, Arkiva, Canella, Decerno, Decisive, Elpool, Evitbe, Forsler & Stjerna, Ida Infront, Intraphone, Kompanion, Netpublicator, S-GROUP Solutions, Sokigo, Stamford and Voice Provider. The division's subsidiaries develop solutions that employ automation and digital case management support centred on the needs of the citizens and customers. Close familiarity with operations and knowledge of directives, laws and regulations often enable product development in effective and close collaborations with customers.

The offering includes digital solutions and services in:

- Digital citizen services
- Document and case management
- E-archiving
- Geographical information systems
- Mobile services for healthcare and nursing staff
- Business planning and decision management

CUSTOMER BASE

The division's customer base includes many of Sweden's public authorities and bodies. All Sweden's municipalities and regional authorities are customers, plus a wide base of private companies in sectors such as finance, retail, construction and forestry. In 2022, the customer base included the Swedish Energy Agency, the City of Gothenburg, the Swedish Mapping, Cadastral & Land Registration Authority, the Municipality of Linköping, the Swedish Environmental Protection Agency, Stockholm Region, the Swedish National Heritage Board, the Swedish National Board of Institutional Care, and the Municipality of Södertälje.

MARKET POSITION AND COMPETITORS

Our digital solutions are used mainly by Sweden's public sector, where our customer base consists of Sweden's 290 municipalities, 21 regional authorities, public agencies and a number of public authorities. Often, several division companies serve as suppliers to the same municipality or regional authority, which is a strength because this often enables us to integrate solutions better.

The private sector is another important customer group. The division's companies also support customers in this sector to exploit the possibilities of digitalisation in business-critical processes.

Combined, the division's companies are a leading provider of software and digital solutions for Sweden's public sector. They enjoy especially strong positioning in case management systems for Sweden's public authorities and municipalities. There is currently no main competitor to the division's overall offering. Examples of competing companies with comparable products and services include CGI, Formpipe, TietoEVRY and twoday.

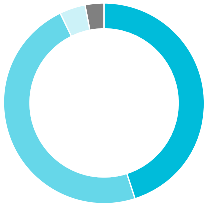
"Positive growth, combined with the division's product companies being able to maintain good profitability, contributed to strong earnings. Sweden's municipalities and public authorities have a clear digitalisation focus, and the social building sector is one of the fields where this progress is especially clear."

ANDREAS WIKHOLM
DIVISION PRESIDENT, PROCESS MANAGEMENT

Process Management division, cont.

Financial key ratios	2022	2021	2020
Net sales, SEK m	1,182	1,020	827
EBITA, SEK m	226	195	151
EBITA margin, %	19.1	19.1	18.3
Operating profit, SEK m	168	142	115
Operating margin, %	14.2	13.9	13.9
Average number of employees	648	595	532

Net sales
by revenue stream, 2022



- Recurring revenue 45 %
- Services 48 %
- Licences 4 %
- Other 3 %

Net sales growth
compared to 2021

+16%

EBITA growth
compared to 2021

+16%

In 2022, net sales increased by 16 per cent (23) to SEK 1,182 m (1,020). In organic terms, net sales increased by 9 (9) per cent in 2022.

DECERNO EXTENDS THE LIFE OF CRITICAL SWEDISH INFRASTRUCTURE

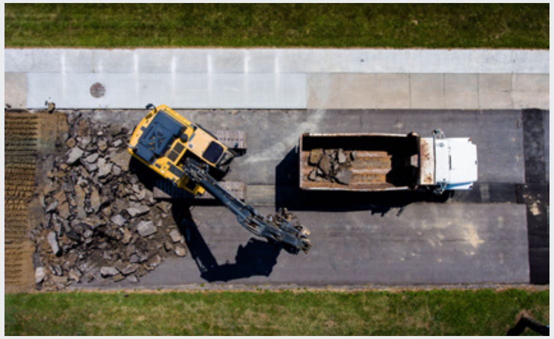
Decerno is a company in Addnode Group's Process Management division. Decerno is specialised in tailored digital solutions, and has developed the web service Ledningskollen for the Swedish Post & Telecom Authority (PTS). The service is used in groundwork to identify subterranean cables and pipelines to reduce the amount of damage caused by excavation.

Ledningskollen is also used by municipalities to plan and coordinate excavation, improving resource efficiency because less excavation is necessary.

PTS's need
PTS's mission is to ensure that everyone in Sweden has access to telephone, broadband and postal services. PTS started the Ledningskollen project to prevent the accidental damage of infrastructure. The risk of damaging critical infrastructure could have serious consequences, both human and economic. Prior to the launch of Ledningskollen, identifying the location of subterranean pipelines and cables was a major problem for groundwork contractors. A solution was imperative.

Decerno's solution
The initial idea was for all parties that needed information on the location of subterranean cables and pipelines to contact the infrastructure owner at the relevant excavation site. Today, Ledningskollen enables communication between infrastructure owners and the individuals that need to know these locations. As the exact site where infrastructure is located may be sensitive information, it is not stored. Instead, the approach is that the infrastructure owners first map whether they have infrastructure in a kilometre-sized grid. If excavation is planned at any time at this site, the infrastructure owner is then informed, and it is only then that the exact location of the infrastructure is sent directly to the groundwork contractor who will execute the groundwork.

Outcome
Ledningskollen reduces the risk of excavation damage and protects critical infrastructure, while improving crisis contingency. Additionally, carbon emissions are reduced as Ledningskollen implies fewer pipelines and cables are unintentionally excavated. Fewer repairs are necessary, which means wastage is avoided, as are emissions from repair machinery. Ledningskollen plays a key role in achieving a sustainable society, by securing critical infrastructure and reducing unnecessary consumption of resources. At present, over 1,100 businesses, associations, municipalities and public authorities have decided to use the service, which manages over 200,000 cases each year.



Accidental damage to cables and pipelines during excavation represents a major risk to society and its citizens. Before the launch of Ledningskollen, specifying the location of pipelines and cables was a major problem in excavation work.

RISKS AND RISK MANAGEMENT

ONGOING RISK MANAGEMENT

All business operations involve risk-taking. Systematic and structured risk management, integrated with Addnode Group's strategy and business model, promotes good diversification of risk. Risks are managed at several levels in the Group, and the Board of Directors analyses and assures the risks to be managed based on documentation provided by the President and Group Management. An assessment is conducted at least twice a year.

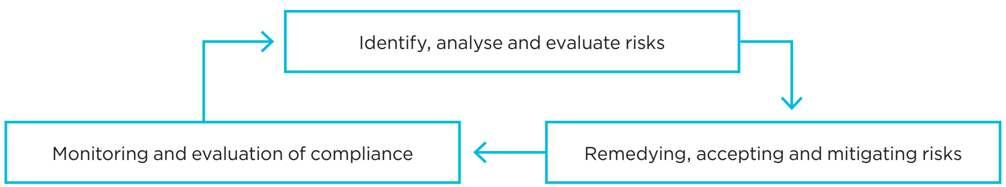
Group Management is responsi9ble for ongoing risk management activities in individual areas of responsibility. Division Presidents and subsidiary Managers are responsible for managing the opportunities and risks in their individual operations, for ensuring that procedures compliant with policies and rules are in place, and for their compliance and monitoring.

RISK PROCESS

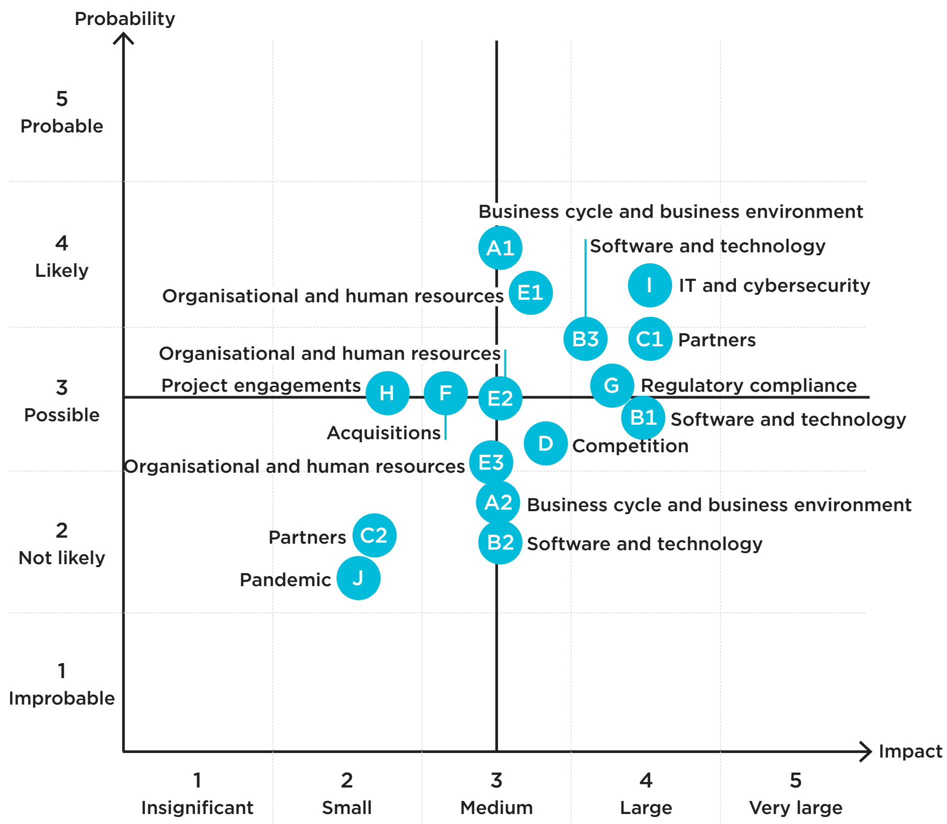
Risk management is a regular annual process. The Board approves the risk analysis and associated assessments at the beginning of the year. Each division conducts risk assessments in the first half-year, which are then considered at the Board's strategy meeting. Divisional risk assessments are updated in the second half-year, and the Board's Audit Committee evaluates the risk analysis and associated assessments.

Read more about financial risks in note 36 on pages 109–112

Risk management process



RISK ANALYSIS OVERVIEW



Read more about operational and sustainability risks on pages 29–30

Risks and risk management, cont.

BUSINESS AND SUSTAINABILITY RISKS

Probability of occurrence (1–5)
1. Improbable 2. Not likely 3. Possible 4. Likely 5. Probable

Business impact of occurrence (1–5)
1. Insignificant 2. Small 3. Medium 4. Large 5. Very large

Risk		Description of potential risks	Probability	Impact	How Addnode Group manages the risk
A1	Business cycle and business environment	The general view of the global economy and the business cycle may affect customers willingness to invest and demand.	4	3	Addnode Group addresses these risks by conducting operations for both the private and public sectors, and on different geographical markets. Our portfolio of niche offerings addresses customers in many sectors. Our business model involves a high share of recurring revenue, and strong cash flow generation, thanks to a high share of advance payments at the beginning of the year, and low investment requirement over and above product development.
A2		Lower profitability could impair our ability to continue to realise our strategy to invest in organic growth and acquisitions.	2	3	
B1	Software and technology	New ways of working and behaviours can result in customer needs changing.	3	4	Addnode Group addresses these risks by nurturing and developing customer relationships with the aim of understanding customer expectations and needs. IT security issues are part of the group's regular work on risk. We also monitor social trends, technological progress and sustainability issues. The aim is to make the necessary adaptations of our products and technology.
B2		Rapidly changing technology and climate change leading to new sustainability expectations on our solutions.	2	3	
B3		Regulatory changes and increasing cybersecurity threats may impact our solutions' compliance and our development priorities.	3	4	
C1	Partners	Our partners may alter business models and terms & conditions that impact our earnings capacity.	3	4	We have established strategic collaborations with several IT platform and software vendors. Accordingly, our earnings capacity is not dependent on any individual partnership. We continuously evaluate our partnerships, and since 2021 we have increased the scope of supplier screening in respect of our Code of Conduct and sustainability issues.
C2		Working with partners that do not act in accordance with responsible business practice.	2	2	
D	Competition	The demand for, and sales of, our software and services may reduce because of more intense competition.	3	3	Addnode Group addresses competition risk by being a leader on selected markets. We have close relationships with our customers, and our offering continuously evolves with them, centring on customer needs.
E1	Organisational and human resources	The ability to hire and retain competent employees.	4	3	Each Group subsidiary is responsible for its own skills management. In recruitment, each company benefits by being backed by a Group with clear offerings, which is also financially stable. Addnode Group has formulated a Sustainability Agenda to sharpen its focus on the Group's sustainability issues still further. This Agenda includes questions on environmental impact, corporate social responsibility, diversity, and more.
E2		Difficulty in attracting and retaining talent if we do not engage in environmental and social issues.	3	3	
E3		Shortcomings in promoting diversity and inclusive workplaces could lead to us missing out on innovation opportunities.	3	3	

Risks and risk management, cont.

BUSINESS AND SUSTAINABILITY RISKS, cont.

Probability of occurrence (1–5)
1. Improbable 2. Not likely 3. Possible 4. Likely 5. Probable

Business impact of occurrence (1–5)
1. Insignificant 2. Small 3. Medium 4. Large 5. Very large

	Risk	Description of potential risks	Probability	Impact	How Addnode Group manages the risk
F	Acquisitions	Failure to evaluate and integrate acquisitions.	3	3	Acquisitions are a central component of Addnode Group's strategy. Acquisitions undergo a tried-and-tested process, involving the Board of Directors and Management from the start, and where acquisition modelling does not factor in synergies.
G	Regulatory compliance	Capability to comply with legislation, regulation and other external standards, and satisfy stakeholders' changing expectations.	3	4	Addnode Group closely monitors the emergence of legislation, regulations and ordinances that are applicable to each market where the Group has operations.
H	Project engagements	Losses on project engagements.	3	2	An inability to execute and deliver projects can affect customer relationships and have negative impacts on profitability and growth. Addnode Group continuously monitors its project engagements to evaluate and limit their risk.
I	IT and cybersecurity	Dependence on capability to offer customers reliable IT solutions and maintain a secure internal IT structure.	4	4	Outages, cyber attacks and data theft can damage our credibility on the market and cause major financial losses. Addnode Group works continuously on preventing and countering the negative impact, through Group-wide strategy and actions in individual companies.
J	Pandemic	A pandemic can quickly and radically transform our potential to conduct business activities.	2	2	Take early measures to enable business operations to continue, in a manner safe for our colleagues, and ensure we can work remotely. Use furloughing and take a prudent view of costs. Ensure access to liquidity and monitor progress closely.

SUSTAINABILITY REPORT

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ADDNODE GROUP'S SUSTAINABILITY AGENDA

Addnode Group's sustainability work proceeds from a Sustainability Agenda formulated in 2020. The Agenda has five focus areas with associated key performance indicators used to plan and follow up on the Group's sustainability work. The Sustainability Agenda is complemented by a Code of Conduct and Sustainability Policy that set a framework for how we interact with each other within the Group, and with our external stakeholders.

SUSTAINABILITY REPORTING
This Sustainability Report reviews Addnode Group's sustainability work in 2022. The Board of Directors of Addnode Group AB (publ.) is responsible for this Report.

SUMMARY OF SUSTAINABILITY WORK IN 2022
In 2022, our sustainability priorities helped produce results in the following segments:

- Group Management has created a forum for sustainability issues consisting of representatives from all divisions, and led by the Group's Head of Communication and Sustainability. This forum is responsible for reporting focus area KPIs, developing operational sustainability work within the Group, and can influence the Group's strategic sustainability priorities.
- Group Management has decided on a goal for gender division in the Group's management teams. By 2030, at least 40 per cent of the Group's management teams will consist of the under-represented gender.
- Work on improving data capture related to focus area KPIs has continued, with results including:
  - Guidelines consistent with the GHG protocol were formulated for reporting CO_2e emissions from business travel by car and air.
  - Increased scope of conducted customer serveys that included sustainability questions.
- To highlight the Group's solutions that contribute to sustainable development, regular publication of reference projects was initiated. This publication is currently through Interim Reports, website and LinkedIn.
- Preparations for forthcoming new legislation in the sustainability segment, with a special focus on the whistleblower directive, CSRD and CSDD.
- Updated taxonomy analysis that serves as documentation for our taxonomy reporting for 2022.
- Within and between subsidiaries, work included collaboration and efforts related to ISO certifications, updates to travel policies and procurement policies for sustainability criteria, updated and expanded supplier screenings, donations to the Ukraine, a hackathon for the Swedish Sea Rescue Society, and an innovation contest.

For more details on our work in 2022, please refer to the sections on each focus area.

UN GLOBAL SUSTAINABLE DEVELOPMENT GOALS WITH THE CLOSEST CONNECTION TO ADDNODE GROUP'S SUSTAINABILITY AGENDA
Climate change and trends such as digitalisation and constantly increasing urbanisation require companies to operate more sustainably. Addnode Group sees good potential to contribute innovative solutions in these segments. Of the UN's Global Sustainable Development Goals, Addnode Group judges six as most relevant to our business, and offering us good potential to make a contribution.

GOAL 3 – Good Health and Well-being
Our companies develop digital solutions used in the pharmaceuticals industry, life sciences and care of the elderly. Addnode Group also takes active responsibility for safeguarding and improving employee safety, health and well-being.

GOAL 5 – Gender Equality
Addnode Group values, and is striving to improve, diversity and gender equality in our business. This is imperative for our success, and in particular, we view increasing the share of women in management positions in our organisation as an opportunity.

GOAL 8 – Decent Work and Economic Growth
Addnode Group offers jobs, employment opportunities, and strives for fair working conditions. With good financial management, we can create sustainable growth over time in our own business, while also contributing to economic we-being in the communities where we operate.

GOAL 9 – Industry, Innovation and Infrastructure
Our companies and our digital solutions contribute to innovation and progress in industry and infrastructure. PLM systems, simulation solutions and design tools are used in manufacturing, by technical consultants, and by the construction and real estate sectors.

GOAL 11 – Sustainable Cities and Communities
We help create more sustainable cities and communities through the digital solutions we deliver to architects and technical consultants, but also through the solutions we deliver to the public sector, and that are used in the technical management and community building sector.

GOAL 13 – Climate Action
Our digital solutions can be used to reduce the consumption of resources and energy in the manufacturing, construction and real estate sectors, for example. We also work to limit our own climate footprint from travel, office premises and the equipment we use.

DEVELOPING ADDNODE GROUP'S SUSTAINABILITY AGENDA

Addnode Group's sustainability priorities have been defined in a Sustainability Agenda. The work on formulating the Sustainability Agenda began in 2020, a process that involved the following elements:

- Mapping and selecting those SDGs that are most relevant for Addnode Group to work on.
- Mapping the contribution our own operations make to sustainable development.
- Identifying our main stakeholders and analysing their expectations.
- Analysis of risks and opportunities.
- Identifying focus areas for our Sustainability Agenda and defining the associated KPIs.

Materiality analysis
When we formulated the Group's Sustainability Agenda, we conducted a materiality analysis where we identified Addnode Group's most important stakeholders and analysed their expectations. The starting point of this work was the model we were already working on, and that reviews the resources of our operations, and our strategy. This model states both the stakeholders we create value for, but also the stakeholders we are dependent on to be able to conduct our business.

The materiality analysis was an important reference when defining our focus areas. The UN SDGs that we thought the company had the greatest potential to influence and contribute to are also selected against the background of this materiality analysis.

OUR RESOURCES AND STRATEGY CREATE VALUE FOR OUR STAKEHOLDERS

Addnode Group generates sustainable value growth by acquiring new businesses and actively support our subsidiaries to drive organic growth.

Sustainability throughout the entire value chain
The digital solutions our companies develop contribute to a more sustainable society. The strategy creates value for customers, collaborative partners, employees and owners. We take responsibility for our direct impact on people and the environment, and endeavour to do this in a way that minimises negative impacts and maximises the positive ones. We undertake to comply with fair business principles, counter corruption and respect human rights. We work continuously to develop relationships with actors in our value chain to ensure that they are also operating on the same responsible basis that we do.

Resources

Customer relationships
— Long-term relationships
— Private and public sector

Decentralised and agile organisation
— 2,400 employees
— Cutting edge competence and industry experience

Proprietary digital solutions
Strong partnerships with software companies
— Autodesk
— Dassault Systèmes
— Esri

Stable financial position and strong cash flow

Strategy

Sustainable growth in value

Acquisitions

Complementary businesses or market

Values-based leadership

Attractive valuation

Organic growth

Decentralised responsibility and authority

Strategic support

Synergies and collaborations

Value created

Customers
— New business opportunities
— More efficient and sustainable business

Employees
— Attractive workplace with developmental opportunities

Society
— More effective dialogue between authorities and citizens
— Digital solutions that contribute to sustainable development

Owners
— Growth in value and dividend

Addnode Group's sustainability work, cont.

OUR MOST IMPORTANT STAKEHOLDERS AND THEIR EXPECTATIONS OF ADDNODE GROUP IN 2022

Continuous dialogue is an important basis for ensuring the priorities of our Sustainability Agenda always remain relevant and consistent with the expectations of our business environment. Dialogues also influences how we prioritise work in our focus areas, and could also result in reprioritisation of what we define as focus areas over time.

Stakeholder	Type of engagement	Important issues/expectations
Customers	Meetings, social media, conferences, events, expos, customer satisfaction surveys.	Attractive, innovative and sustainable digital solutions that develop and improve the customer's operations. High levels of sector expertise, quality and level of service on deliveries. Assuming responsibility for employees and the environment. Businesslike and ethical conduct in relation to customers and partners.
Employees	Continious dialogous, appraisal interviews, in-house training, employee satisfaction surveys.	Skills development, good career opportunities and a values-based leadership. A good working environment that promotes health and safety. Equal treatment, diversity and inclusion. Responsible management of resources and the environment that we can influence through our own operations.
Owners, investors, banks	Annual General Meetings, presentations, conferences, one-to-one meetings, direct contact.	Execution of strategy. Value-creating acquisitions. Capability to respond to changed market needs. Long-term economic profitability and growth. Continuous risk mapping and risk management. Responsible business that is anti-corruption, with ethical conduct, good working conditions for employees, and thorough supplier screening.
Collaborative partners, suppliers	Conferences, expos, supplier audits, tenders.	Long-term relationships. Good collaborative skills. High availability. Responsible and ethical conduct.
Society	Mass media, social media, meetings and direct contact with representatives of the authorities and the public sector.	Responsible management of resources and the environment. Responsible and ethical conduct. Good working conditions for employees. Thorough supplier screening. Skills in sustainable solutions that digitalise society.

Addnode Group's sustainability work, cont.

SUSTAINABILITY-RELATED RISKS AND OPPORTUNITIES

Our yearly risk evaluation process analyses many types of risk, which also include sustainability-related risks. Often, the same sustainability segments can include both risks and business opportunities. Our risk analysis was an important reference for formulating our Sustainability Agenda. Altered circumstances for our business may impact our risk analysis, and in turn, how this influences our Sustainability Agenda.

Risks	Opportunities	Focus area
• Rapidly changing technology and climate change leads to new sustainability expectations on our solutions. • Regulatory changes and increasing cybersecurity threats may impact our solutions and our development priorities.	• Develop our digital solutions by adding to the sustainability perspective. • Increasing regulatory requirements are creating needs for solutions that support transparency and traceability. • Increased demands and expectations on digital interaction and transparency between the citizens and the authorities.	**1. Digital solutions that contribute to sustainable development**
• Difficulty in attracting and retaining talent if we do not engage in environmental and social matters. • If we do not endeavour to create diverse and inclusive workplaces, this may mean missing innovation opportunities.	• Attract and retain talent by driving each daugther company's Sustainability Agenda based on its core competence and solutions. • Reduce environmental impact by reviewing how we meet and travel.	**2. Care for people and the planet in our own operations**
• Collaborating with partners that do not act in accordance with fair business practice.	• Associate with partners with strong sustainability profiles and that offers innovative solutions.	**3. The way we work with our partners and suppliers**
• Lower profitability could impair our ability to continue to execute our strategy to invest in organic growth and acquisitions.	• Continue to grow by investing in sustainable companies and solutions.	**4. Long-term financial viability**
• Compliance with reformed legislation, regulations and other external standards and to satisfy stakeholders' changed expectations.	• Continue to be perceived as a trusted and resilient group of companies. • The Sustainability Agenda supports and empowers our employees to do better business.	**5. Sustainability management and governance**

Addnode Group's sustainability work, cont.

THE SUSTAINABILITY AGENDA'S FOCUS AREAS

The focus areas are the foundation of the Group's collective sustainability work. KPIs have been identified for each focus area, designed to drive our Sustainability Agenda forward. In addition to these key indicators, Addnode Group subsidiaries can also develop and implement further KPIs, which for example is done by subsidiaries who are certified according to ISO 27001.

1

Digital solutions that contribute to sustainable development

- Innovation for sustainability
- Ensuring privacy and integrity
- Designing for sustainable development and circular economy
- Simulation solutions for environmental and health benefits
- Improved citizens involvement and dialogue

Read more on page 37

2

Care for people and the planet in our own operations

- Diversity and gender equality
- Employee well-being and safety
- Attracting and retaining talent through values-based leadership and delegated responsibility
- Proactive and engaged employees who want to make a difference
- Initiatives to reduce environmental impacts from travel and office space

Read more on page 40

3

The way we work with our partners and suppliers

- Long-term commitments
- Fair business principles and anti-corruption
- Ensuring that we respect human rights throughout the entire value chain
- Supplier screening

Read more on page 43

4

Long-term financial viability

- Organic growth
- Acquisitions
- Decentralised business model
- Recurring revenue

Read more on page 45

5

Sustainability management and governance

- Code of Conduct and Sustainability Policy
- Certifications
- Communication
- Reporting

Read more on page 46

1 DIGITAL SOLUTIONS THAT CONTRIBUTE TO SUSTAINABLE DEVELOPMENT

Building a long-term sustainable society in an urbanising and fast-changing world sets challenging standards for the responsible and efficient use of resources.

In an increasingly digitalised world, Addnode Group offers its customers digital solutions for sustainable design and product lifecycle management, helping them manage real estate and facilities more efficiently, and streamline public administration.

Through innovation and continuous development in close collaboration with customers, we create solutions for specific needs. With the support of digital work methods and efficient processes, we can help create a more sustainable society with our customers.

Topics we work with

- Design for sustainable development and circular economy.
- Simulation solutions for environmental and health benefits.
- More efficient consumption of resources of energy in manufacturing, construction and management.
- Ensuring privacy and integrity.
- More engagement and dialogue with citizens.
- More equitable and sustainable decision-making in the public sector.
- Innovation.

Completed in 2022

- Companies in all divisions have new or updated existing offerings to improve the sustainability capacity of our products and services.
- Established a procedure for quarterly documentation and publication of reference projects that exemplify solutions that our companies have delivered, and that contribute to sustainable development.
- Created a forum for sustainability issues at Group level, whose benefits include facilitating the exchange of best practice in customer surveys.

Plans for 2023

- Increase our awareness of how customers perceive us, in terms of the sustainability capacity of our solutions, as well as our ethical and business conduct.
- Sharpen the focus on sustainability in product and business development.
- Implement a new Group-wide initiative to clarify our solutions that contribute to sustainable development in the energy, security and community building sectors.
- Enhance the Group's procedures for customer awareness to reduce the risk of relationships with actors that do not comply with legislation and ethical guidelines.

Long-term ambitions

- Develop a methodology to monitor revenue from solutions that have positive sustainability impacts in customers' operations.
- Pilot project to measure the CO_2 handprint from one of our companies or solutions. Given a positive outcome, this may be extended to more companies and/or solutions.
- Define KPIs to measure innovation.

Digital solutions that contributes to sustainable development, cont.

OPPORTUNITIES IN FOUR GROWTH SEGMENTS

Addnode Group develops and delivers digital solutions in four growth segments. Sustainability is an important driver in all segments. Our companies offer solutions that fully satisfy the various needs and standards applying from a sustainability perspective. We offer an overview of this for each growth segment below. Further reviews of these growth segments are in the Market and trends section on page 8.

Architecture, Engineering, Construction (AEC) and BIM

Demand in this segment is driven by urbanisation and an increased need to build more efficiently and sustainably. Reducing energy consumption in new and existing buildings is a high priority. Improved potential to select more sustainable, and preferably recycled, materials is another priority, as is achieving higher material productivity, and reducing the volume of waste.

To improve efficiency, and satisfy the increasingly stringent standards of new environmental legislation, customers are digitalising their processes and embracing new ways of working. Regulators are also driving the more widespread adoption of digital working methods based on BIM. Addnode Group provides digital solutions for sustainable design and construction, as well as BIM software.

Facility management

Growth is being driven by customers' efforts to achieve more efficient management, outsource management services, and more stringent environmental, health and safety standards. Customers are increasingly demanding better systems for detailed monitoring and control as well as transparency surrounding the environmental impact of properties and facilities.

Progress in the sector is moving ahead rapidly, and with the aid of sensor technology and integrated software, Addnode Group is developing systems for predictive maintenance, where nascent problems can be detected before they cause damage to equipment or buildings.

Effective and digital FM systems can help extend asset useful lives, reduce the consumption of resources, lessen climate impact, and generate cost savings.

Product Lifecycle Management (PLM)

Growth is being driven by customers' efforts to continuously launch new, sustainable and financially profitable products. This means that simple and reliable access to data is critical to ensure traceability and compliance in the environmental, quality and safety segments, for example.

With information collated and easily accessible in a PLM system, the product development process can ensure that material and process decisions are sustainable, lead-times are reduced, and resource management and procurement optimised right the way from the early design phase, while monitoring environmental, quality and safety standards becomes easier. Our offering of PLM solutions can also enhance customers' ability to achieve environmental sustainability goals through closed-loop product development, to enable maximum energy, resource and materials recovery when products reach the end of their lifecycles.

Our simulation solution offering has applications including ensuring that product designs are optimised right through their lifecycles, and innovative climate and health-positive solutions can be developed cost-efficiently.

Digital government

Growth is driven by urbanisation, and a growing array of sustainability standards in the community building segment. The demographics of an aging population, and more consideration for social sustainability, make up another driver. In parallel, continuously rising public expectations, accentuated by political initiatives, are accelerating the digitalisation of public administration.

Our digital solutions help enable more efficient processes and more equitable and sustainable decisions, through channels including enabling more efficient document processing, streamlined administrative procedures, and better dialogue between authorities and the citizens.

KEY PERFORMANCE INDICATOR

Customer perceptions of our sustainability work

To systematise our working methods and ensure that our solutions, and our company, satisfy customer expectations and standards in sustainability, we monitor customer dialogues and customer surveys for sustainability.

Definition

In customer dialogues and customer surveys, we include the following (one or two) questions, which relate to our sustainability work:

1. On a scale from 1 to 10, how active do you think our company is in its ambition to make our products and services more sustainable from environmental and/or social perspectives?
2. On a scale from 1 to 10, how well do you think our company operates responsibly from an ethical and business perspective?

Sample

In 2022, 15 (7) of the Group's 21 (20) companies conducted customer surveys that included either or both of these questions. A total of 390 (223) customers responded to the sustainability questions.

Performance in 2022

- On average, customers rated us 8.1 (7.1) in terms of how active we are in pursuing our ambition of making our products and services more sustainable.
- Customers rated us 8.6 (7.9) in how responsibly we operate from ethical and business perspectives.

SYMETRI WORKING CLOSER TO ITS CUSTOMERS WITH A NEW OFFERING IN INNOVATION AND SUSTAINABILITY

In connection with Addnode Group's acquisition of Microdesk, now part of Symetri in the Design Management division, the company gained more skills in sustainability, and access to new methodologies to work on innovation in partnership with external actors. Supporting customers in sustainability is central to Symetri's offering, and the acquisition enhanced this capability.

Symetri works to provide customers with tools and data so that they can take informed decisions on the impact choices made in the design, construction and building phase have on climate footprint throughout design lifecycles. Services are focused on segments like CO_2 calculation, energy efficiency and lifecycle analyses. The acquisition of Microdesk means Symetri now has a more comprehensive service portfolio tailored for the regulations and standards on European and American markets.

Symetri's new services in innovation and sustainability mean that the company now enters customer processes earlier, and can contribute skills back at the innovation stage. By analysing social trends and examining the technical possibilities alongside customers, Symetri is able to satisfy their needs more quickly, and support their efforts to reduce climate footprints.

Symetri has a product development organisation with over 100 experts in nine countries. By working on innovation in close partnership with customers, research institutes, universities and partners, the company can identify gaps on the market and fill them with proprietary products that help address the challenges customers face. Microdesk's skills in working on innovation in early phases in tandem with external actors is a valuable addition to Symetri's existing product and service portfolio. Common to all innovations is that they are processed through Symetri's well-established product development process in clearly defined stages, before business solutions are ready for delivery to the customer.

"40 per cent of global CO_2 emissions are from the construction industry – and this needn't be the case. By combining innovation in early phases with our long-term product development experience, we can provide our customers with updated products and solutions to reduce the CO_2 footprint of buildings and facilities," comments Mikko Viertola, CTO of Symetri.

This enhanced service portfolio boosts Symetri's capability to integrate sustainable design and management strategies, and digital workflows, to reduce costs as well as embedded, and operationally related CO_2 emissions. Symetri's new services in innovation and sustainability consolidate the company's positioning as a proactive industrial advisor.

2

CARE FOR PEOPLE AND THE PLANET IN OUR OWN OPERATIONS

Addnode Group creates sustainable and stimulating workplaces for our employees, while our operations simultaneously make a positive contribution to the environment and the communities around us.

We work on many different priorities and activities to achieve this. By offering values-based leadership and decentralised responsibility and authority, we want to attract and retain the most talented people. We work actively on improving diversity and gender equality at our workplaces, and invest in health, a good working environment and well-being for our employees. We select climate-smart travel alternatives, and our offices work on activities to reduce their negative environmental impact.

Topics we work with

- Attract and retain talent with values-based leadership and delegated responsibility.
- Diversity and gender equality.
- Employee well-being and a good working environment.
- Initiatives to reduce the environmental impact of travel, equipment and office premises.
- Proactive and committed employees that want to make a difference.

Completed in 2022

- Implemented the GHG protocol methodology to measure CO_2e emissions from business travel by air and car.
- Defined a goal for gender division in the Group's management teams. "By 2023, at least 40 per cent of the Group's management teams will consist of the under-represented gender."
- Established a Young Advisory Board to capture feedback on strategic issues and activities.
- All divisions have implemented leadership programmes, with a total of over 100 participants.
- An innovation contest and hackathon held jointly with the Swedish Sea Rescue Society was conducted with participants Group-wide.

Plans for 2023

- Complete the review of travel policies that began in 2022 with the purpose of directing travel towards more climate-smart alternatives.
- Initiate a review of procurement policies with the aim of more climate-smart alternatives.
- Start developing a risk management process (due diligence) for our actual and potential impact on human rights.

Long-term ambitions

- Structure exchange of best practice to utilise positive initiatives to increase the rate of achieving more even gender division in management teams.
- Continue to work on the GHG protocol methodologies to implement measurement of more CO_2e emissions, with the goal of reporting Scope 1, 2 and 3 emissions.
- Define a goal for reducing CO_2e emissions.
- Evaluate further initiatives such as science-based targets and climate-related financial monitoring and reporting pursuant to the TCFD.

Care for people and the planet in our own operations, cont.

EMPOWERED EMPLOYEES WITH AN ENTREPRENEURIAL SPIRIT

Our employees are the foundation of our competitiveness, with a combination of local presence, industry competence and expert knowledge being key to enabling us to deliver digital solutions and services that satisfy customer needs.

Our decentralised governance model offers our subsidiaries a high degree of freedom and responsibility for their own businesses, while remaining part of a large corporate group. Our ambition is to have proactive and engaged employees who want to make a difference. We strive to empower people to take responsibility and nurture an entrepreneurial spirit. We view the capability to take the initiative as a key to success.

Employees by country

DIVERSITY AND GENDER EQUALITY

Addnode Group's employees have roots in more than 30 countries on several continents. We value, and endeavour to improve, diversity and gender equality in our businesses. We do not tolerate discrimination on grounds of ethnic origin, gender, transgender identity or expression, differences in ability, age, language, religion or other faith, political or other opinion, national or social origin, property, birthplace or other status. Harassment or other inappropriate conduct is not permitted. Each year, all our employees take a web-based training package on our Code of Conduct, where activities include reviewing our values and regulations on these issues.

Balanced gender division is a challenge we share with other companies in our sector. In 2022, women made up 25 per cent (24) of the Group's average number of employees. To strengthen our efforts in this segment, we use the KPI "Gender division in the Group's management teams."

EMPLOYEE WELL-BEING AND GOOD WORKING ENVIRONMENT

To attract and retain skilled employees, we need to offer stimulating and engaging career opportunities. Our company is working on a broad array of different activities to achieve this, including competitive employment terms, opportunities for further training, health and well-being activities, career planning and appraisal interviews. To follow up on how we are succeeding in creating stimulating and engaging workplaces, our subsidiaries conduct employee satisfaction surveys at least yearly. The outcomes of these surveys are reported under the KPI of employee net promoter score (eNPS), and are reviewed by management teams in each subsidiary, division Boards of Directors, Group Management and the parent company's Board of Directors.

DIRECT CONSEQUENCES FOR THE ENVIRONMENT AND SOCIAL WELL-BEING

We work to limit the negative environmental footprint of our operations, while simultaneously increasing our positive contribution on social issues, and in the environmental area.

The Group's negative environmental impact is from the offices we work in, the electricity we consume, and the equipment and transport we use. We apply the GHG protocol methodology when monitoring our CO_2e emissions from business travel by air and car.

To enable broad engagement for our responsibility for the environment and social issues, we have defined nine priority activities that our companies and their offices are encouraged to work on. Our companies are engaged in everything from extending the useful lives of the equipment we use such as mobile phones, to improving employee health, through e-health activities, for example. Each year, we measure a KPI of how many offices are working on these activities.

In our decentralised organisation, each of our enterprises also draws up local policy documents that are adapted to the needs of their operations with the goal of reducing their negative environmental impact related to travel and procurement, for example.

WE GIVE BACK TO SOCIETY

We are very sad to witness the Russian invasion of the Ukraine. To express our support and sympathy for the Ukrainian people, Addnode Group made donations to three international charitable organisations' efforts in the Ukraine in 2022 centrally, through subsidiaries and individual employees. We decided to support Doctors Without Borders, the International Red Cross and UNHCR.

Addnode Group companies are also engaged in other activities that help improve the prospects of people in difficulty in different ways. In 2022, we made donations to the international organisations Engineers Without Borders and Save the Children. In Sweden, we supported the Swedish Childhood Cancer Foundation, Giving People, Stadsmissionen, and Wateraid. In the UK, we supported Progress Through Scuba Diving, and in Canada, we made donations to a local children's hospital.

Care for people and the planet in our own operations, cont.

KEY PERFORMANCE INDICATOR

Share of women in management teams

In diversity and equality, we monitor a KPI of the share of women and men in management teams.
- Goal: at least 40% of each management team should consist of the under-represented gender by 2030.

Definition
The number of women as a percentage of total senior executives of Addnode Group. Senior executives are defined as members of Addnode Group's:
- Board of Directors
- Group Management
- Management teams of divisions/ of subsidiaries

Sample
- Board of Directors: 7 (7) people
- Group Management: 7 (7) people
- Management teams of divisions/subsidiaries: 20 (19) management teams of a total of 124 (103) people.

Performance in 2022
- Share of women on the Board of Directors: 43 (43)%
- Share of women in Group Management: 14 (14)%
- Share of women in management teams of divisions/subsidiaries: 27 (27)%

eNPS

We use the KPI eNPS to monitor employee satisfaction and perceptions of their working environment.

Definition
The yearly employee satisfaction surveys include the following question:
"How likely are you to recommend your workplace to others?"

An index value of between -100 and +100 is calculated from responses, called the employer Net Promoter Score (eNPS).

Sample
1,826 (1,708) of the Group's employees were able to respond to the question in 2022. The response frequency was 74 (75)%.

Performance in 2022
- eNPS of 30 (25)
- Yesbox Talent AB reports the average eNPS for Sweden's IT and consulting sector in 2021 as 16. The same source indicates that values of 10–30 are generally considered good/ very good.

CO_2e from business travel by air and car

To monitor our direct environmental burden, we measure CO_2 emissions from air and car travel.

Definition
Total emissions of CO_2e from business air and car travel (in kg) divided by the average number of employees.
- Calculation according to the GHG protocol methodology.

Sample
20 of 21 companies collated data and reported emissions from business travel for a total of 99 per cent of all the Group's employees. Car travel emissions do not include taxis. Data from Germany does not include emissions from travel by company car.

Performance in 2022
Addnode Group's estimated CO_2e emissions from business travel by air and car average 474 kg per employee.

Share of offices working on environmental and social action

To motivate employees to commitment and empowerment, we monitor activities that contribute to a better environment and social well-being.

Definition
The number of priority activities taken in relation to the total number of priority activities (total 9 activities):
1–2. Recycling at offices and reduced paper consumption.
3–4. Improved energy efficiency and selection of renewable energy when available.
5–6. Reduce office space per employee and recycle office furniture/equipment.
7. Environment criteria for selecting suppliers of materials and services for offices.
8. Employee benefits related to health and well-being.
9. Donations to local community.

Sample
The Group's offices with over 20 employees. For 2022, the sample of offices covered was 29 (27), where over 70 per cent (75) of the Group's employees are stationed.

Performance in 2022
All offices in the sample conducted at least 3 (2) activities. On average, the 29 offices took 7 (7) of the 9 priority activities.

3

THE WAY WE WORK WITH OUR PARTNERS AND SUPPLIERS

Addnode Group focuses on close and long-term forms of collaboration to create good conditions to take on responsibility for the whole value chain.

Our values and corporate culture, Code of Conduct and local market knowledge offer us good opportunities to create positive relationships with our collaborative partners.

We set high standards of ethics and respect in our relationships with each other and our customers, so it is equally imperative that we apply the same high standards to our suppliers and collaborative partners. We will comply with laws and regulations, fair business practice, counter corruption and respect human rights.

Topics we work with

- Long-term relationships with suppliers and collaborative partners.
- Fair business practice and anti-corruption.
- Respect for human rights throughout the value chain.
- Supplier screening.

Completed in 2022

- Raised awareness and capability in the Group for supplier screening processes.
- Organised exchange of best practice within the Group to disseminate successful working methods for good supplier screening.
- Meetings and dialogue to maintain and develop relationships with our collaborative partners.

Plans for 2023

- Develop a Group-wide Code of Conduct for suppliers.
- Organise a training programme for supplier screening and management of supply chains.
- Start developing a due diligence process for our actual and potential impact on human rights.

Long-term ambitions

- Develop processes and tools for managing and controlling supply chains, such as questionnaires and screening records.

The way we work with our partners and suppliers, cont.

LONG-TERM RELATIONSHIPS WITH PARTNERS

Our operations are built on long-term collaboration and partnership with our main suppliers. In several cases, we have shared histories going back several decades.

Those suppliers that represent the highest share of our total procurement are the software suppliers Autodesk and Dassault Systèmes. Both work actively on a range of sustainability issues.

Dassault Systèmes pursues an ambitious inclusion and diversity strategy, is a co-founder of the European Green Digital Coalition, and has set a goal of being climate neutral by 2040. Dassault Systèmes received several awards for its sustainability work in 2022, including becoming a constituent of the Dow Jones Sustainability Index, being top rated (AAA) on the MSCI Sustainability ranking, and achieving Platinum status in EcoVadis's ranking.

Autodesk pursues a raft of initiatives in sustainability, affecting its own business, and how it contributes to wider society. For example, Autodesk uses renewable energy exclusively right through its business, including its cloud services, climate compensates all its GHG emissions, pursues ambitious sustainability goals, and funds two pro bono days per employee and year.

FAIR BUSINESS PRINCIPLES AND ANTI-CORRUPTION

Our Code of Conduct and Sustainability Policy prohibit all forms of corruption. Corruption includes bribes, receiving gifts and entertainment benefits, payments for felicitation and protection, money laundering and nepotism. We comply with competition legislation on each market where we are active, which includes prohibition against contracts and agreements to limit competition. This also includes price-rigging, dividing of customers and geographical markets, cartels and abuses of power.

ADDNODE GROUP'S CODE OF CONDUCT AND SUSTAINABILITY POLICY

Deliveries to our customers are mainly done by the Group's own employees, which means we have good insight into occupational health & safety. We do appoint subcontractors on some projects.

As the Group expands its international presence, we need to ensure a collective understanding of fair business practice, anti-corruption and respect for human rights end to end in the value chain. In 2020, we produced a Group-wide Code of Conduct and Sustainability Policy that define a number of principles in these areas that our employees, suppliers and collaborative partners must comply with. The Code of Conduct and Sustainability Policy is based on internationally recognised standards. We support and respect human rights as stated in the International Bill of Human Rights and ILO Declaration on Fundamental Principles and Rights at Work.

To ensure our suppliers and collaborative partners satisfy the standards of our Code of Conduct, we conduct regular screenings, typically through interviews, meetings and reviews of documentation. In certain cases, this work involves the supplier undertaking to comply with our Code of Conduct, and in others, we screen the supplier based on its own Code of Conduct. We also employ tools such as lists of legislation and standards, as well as instructions on screening processes in accordance with our certifications.

Addnode Group's Code of Conduct and Sustainability Policy is available at addnodegroup.com

KEY PERFORMANCE INDICATOR

Number of suppliers screened and total value purchased from them

We verify that we screen our suppliers and collaborative partners at least every second year to ensure that they satisfy the standards of our Code of Conduct and Sustainability Policy.

Definition

Supplier screening from a sustainability perspective is based on:

1. The supplier's own Code of Conduct satisfies our standards, or
2. The supplier has undertaken to comply with the Group's or one of our subsidiary's Codes of Conduct.

Suppliers representing high purchase value, or due to another critical constraint, should be screened regularly.

Sample

21 (19) companies conducted supplier screenings in the last two years (2021 and 2022).

Performance in 2022

- Total number of suppliers screened in the last two years 216 (148)
- Screened purchase value as a proportion of Group total in 2022: 85 (86)%

4

LONG-TERM FINANCIAL VIABILITY

Financial responsibility includes good financial management, the efficient utilisation of resources and delivering sustainable, long-term economic profitability that benefits the Group's stakeholders. Addnode Group generates sustainable growth over time by acquiring new businesses and actively supporting our subsidiaries to drive organic growth. This strategy is supported by values-based leadership, and decentralised responsibility and authority. A stable base of recurring revenue and strong operating cash flow is the foundation of a healthy financial position.

VALUE-CREATING ACQUISITIONS

We actively seek suitable acquisitions and maintain discussions with various business owners interested in becoming part of the Group. We have successfully acquired over 70 businesses since 2003. We continuously evaluate our acquisition criteria to ensure they address all relevant risks and opportunities in the context of acquisition decisions.

DECENTRALISED BUSINESS MODEL DRIVING ORGANIC GROWTH

Addnode Group is well positioned to benefit from strong global trends that drive organic growth. Market leadership, long-term customer relationships and business models with a strong base of recurring revenue create the potential for stability in our business. Our business model, which delegates responsibility to our subsidiaries, also creates potential for taking the initiative in day-to-day work, and contributing to our success.

Topics we work with

- Organic growth.
- Acquisitions.
- Decentralised business model.
- Recurring revenue.

Net sales growth

Definition
- Total increase (acquired and organic) of net sales on previous year.
- Financial target: >10%

Sample
Group

Performance in 2022
Total net sales growth: 53%

EBITA margin

Definition
- Earnings before interest, taxes and amortisation in relation to net sales.
- Financial target: >10 %

Sample
Group

Performance in 2022
EBITA margin: 11.7%

Share of recurring revenue

Definition
Share of revenue of a recurring nature (revenue from support and maintenance agreements, software subscriptions and lease contracts, as well as SaaS solutions) in relation to total revenue.

Sample
Group

Performance in 2022
Recurring revenue: 70%

5

SUSTAINABILITY MANAGEMENT AND GOVERNANCE

Addnode Group has a decentralised organisational structure where responsibilities for business is delegated to divisions and subsidiaries.

Group-wide policies are implemented in each company to support internal controls and regulatory compliance.

There is a central Sustainability function that leads a forum on sustainability issues with representatives from all divisions. The Sustainability function is responsible partly for leading, supporting and monitoring the divisional implementation of our Sustainability Agenda, and partly for driving the Group's strategic development and regulatory compliance in the sustainability area.

Topics we work with

- Implementation and monitoring of Group-wide Sustainability Agenda.
- Regulatory compliance and reporting.
- Sustainability communication.
- Certifications.
- Group-wide initiatives.
- Training.

Completed in 2022

- Group Management has created a forum for sustainability issues led by the Group's sustainability function.
- Organised the yearly Group-wide training package on the Code of Conduct and Sustainability Policy.
- Updated the taxonomy analysis and reported pursuant to the EU Taxonomy Regulation.
- Commenced preparations for implementing the EU Corporate Sustainability Reporting Directive, CSRD.

Plans for 2023

- Implement a double materiality analysis combined with in-depth stakeholder dialogues.
- Formulate processes and procedures for reporting pursuant to forthcoming CSRD legislation.
- Implement the EU's new Whistleblower Directive that comes into effect on 17 December 2023.
- Implement a systemised procedure to evaluate sustainability related risks and opportunities (due diligence) in acquisitions.
- Update the Group's Code of Conduct and Sustainability Policy training package.

Long-term ambitions

- Adapt reporting to the EU's Corporate Sustainability Reporting Directive (CSRD), which is scheduled to come into effect in 2024, and the EU's Corporate Sustainability Due Diligence Directive (CSDDD), which is scheduled to come into effect in 2024–2026.
- If necessary, evaluate more development and expansion of the Group's sustainability reporting to satisfy new internal priorities or external expectations and standards.

Sustainability governance and management, cont.

SUSTAINABILITY FUNCTION RESPONSIBLE FOR THE SUSTAINABILITY AGENDA AND REGULATORY COMPLIANCE

Addnode Group has a central Sustainability function that is responsible for leading, supporting and monitoring implementation and development of the Group's Sustainability Agenda. Formal responsibility for implementing the Sustainability Agenda rests with each division.

The sustainability function is also responsable for leading the Group's forum for sustainability issues, with representatives from all divisions. The forum works on compliance and development and other activities within the framework of the Sustainability Agenda.

Finally, the Sustainability function is also responsable for managing the Group's strategic development and regulatory compliance in the sustainability segment, and for ensuring that the Group satisfies external stakeholders' expectations of sustainability reporting.

In addition to the Sustainability function's formal responsibilities, it also serves an internal coordination role. This means it coordinates Group companies and divisions on different activities, exchanging best practice or defining consistent working methods. This may also mean satisfying needs for more depth and understanding of specific sustainability issues.

SUBSIDIARIES' OWN ACTIVITIES

Much of the day-to-day work in the sustainability area is conducted by the Group's subsidiaries. Our companies work on activities and initiatives based on their own assessments and assumptions of what applies to each business. Some companies have decided to ISO certify their operations in the environmental segment, others are setting goals for their share of projects that contribute to the UN SDG:s, and many companies are also taking the initiative to make various choices that consider social factors and the environment at their local workplaces. It is also common for companies to have their own business-specific codes of conduct and policy documents, including procurement policies and travel policies, that support management of their sustainability work.

MANAGEMENT SYSTEMS AND CERTIFICATIONS

For many of our subsidiaries, certification controls how different activities are managed, and are often prerequisites for them qualifying as providers in many customer segments. At year-end 2022, the group's subsidiaries held the following certifications:

- All TECHNIA's major offices are ISO 9001 quality management certified and ISO 14001 environmental management certified. TECHNIA in Karlsruhe Germany, Kista, Sweden, Milton Keynes in the UK, Nieuwegein, the Netherlands and Pune, India are ISO 27001 information security certified.
- Service Works Global (SWG) is ISO 9001 quality management certified, and ISO 27001 information security certified in all regions apart from the Nordics.
- Decerno is ISO 27001 information security certified.
- Decerno and Sokigo are FR 2000 certified, an integrated management system for quality, the environment, occupational health & safety and recruitment.

WHISTLEBLOWER FUNCTION

Addnode Group's whistleblower function gives everyone the opportunity to report suspicions of serious impropriety. In the first instance, we encourage staff to approach their first-line manager. If they feel unable to report the information openly, they can also report their suspicions to the Board of Directors through the Chair of the Audit Committee. Information on the whistleblower function is an element of the training in our Code of Conduct and Sustainability Policy.

The existing function was assessed in 2022 to decide the necessary changes to satisfy the new EU Whistleblower Directive, which Addnode Group will be applying effective 17 December 2023. The significant change to be implemented is a solution enabling employees to report impropriety anonymously.

Addnode Group's whistleblower function is presented at addnodegroup.com

TRAINING ON OUR CODE OF CONDUCT AND SUSTAINABILITY POLICY

Addnode Group's Group-wide Code of Conduct and Sustainability Policy is approved yearly by the Board of Directors, with the first version approved in 2021.

This document set a foundation for our sustainability work and day-today conduct in a number of key segments that include consideration for people, communities and the environment.

To ensure all staff are familiar with the expectations applied on them, and how we should assume collective responsibility for complying with our Code of Conduct and Sustainability Policy, all employees must take web-based training. The first launch of this package was in 2021, and it has been conducted in autumn each year since. Content is updated yearly, but the basic structure is unchanged. It has five parts:

1. An introduction to sustainability and the specific issues that are current and relevant to Addnode Group's operations.
2. Our five focus areas.
3. Our Code of Conduct and ethics issues.
4. Our values and corporate culture.
5. Our whistleblower function.

The training package takes about 30 minutes and consists of text components, interactive elements and exercises, and videos of the CEO to reinforce the content and message.

Addnode Group's complete Code of Conduct and Sustainability Policy is published at addnodegroup.com

KEY PERFORMANCE INDICATOR

Share of employees that have taken the training on our Code of Conduct and Sustainability Policy

The activity we have chosen to monitor in this focus area is for all employees to be familiar with our Code of Conduct and Sustainability Policy. We achieve this by all staff taking a web-based training each year. The results are monitored by division and for the Group overall.

Definition

- Number of employees that have taken the Group-wide web-based training on the Code of Conduct and Sustainability Policy in relation to the total number of employees.
- Employees are defined as permanent, part-time and project staff.

Sample

All employees.

Performance in 2022

Share of employees that have taken the Group's Code of Conduct and Sustainability Policy training: 73 (70)%

REPORTING ACCORDING TO THE EU TAXONOMY REGULATION

Article 8 of EU Regulation 2020/852.

TAXONOMY REGULATION – BACKGROUND

The Taxonomy Regulation is a key component of the EU Commission's action-plan to direct capital flows towards a more sustainable economy. The EU Taxonomy Regulation sets a framework that is designed to help investors identify and compare environmentally sustainable investments through a collective classification system for environmentally sustainable economic activities. The Taxonomy Regulation covers 13 sectors, generating an estimated 95 per cent of emissions in the EU.

For a specific economic activity to be classified as environmentally sustainable, it should make a material contribution to one or more of six established environmental objectives, not cause significant harm to any of the other goals, and satisfy certain minimum safeguard requirements within sustainability. It also requires the activity to be consistent with detailed terms & conditions, such as technical screening criteria, adopted by the EU Commission in delegated acts to the Regulation. The Taxonomy Regulation is based on a binary approach, which means that an economic activity is either environmentally sustainable or it is not.

Companies with over 500 employees, whose securities trade on a regulated marketplace and are thereby eligible for the EU Directive on non-financial reporting, should include information on how, and the extent to which, operations are linked to Taxonomy-aligned activities in their Sustainability Reports.

Pursuant to the Taxonomy Regulation, two analyses were conducted. The first involved an assessment of Addnode Group's economic activities, while the second involved analysis of whether the Group has purchased products and services from suppliers with Taxonomy-aligned activities.

ANALYSIS OF ADDNODE GROUP'S ACTIVITIES

Addnode Group's business should be assessed based on the operational reviews that have been defined to date for two of the Taxonomy regulation's six environmental objectives: "climate change mitigation" and "climate change adaptation."

To assess which economic activities that are relevant to Addnode Group, the Taxonomy Regulation and delegated acts need to be interpreted. After a review and analysis of the Group's digital solutions and services, three economic activities have been identified in the delegated acts for the information and communication sector that are most relevant for Addnode Group to consider.

1. Data processing, hosting and related activities (delegated act I, chapter 8.1)

Addnode Group does not provide any straight hosting services. A limited portion of the Group's digital solutions are delivered as SaaS services, where hosting is an integrated component. However, most of the content of these SaaS services are software, while technical hosting is a very limited part that cannot be separated. Accordingly, the assessment is that Addnode Group does not have any activity in this business segment that could make a significant contribution to climate change mitigation.

2. Data-driven solutions for GHG emissions reductions (delegated act I, chapter 8.2)

Addnode Group's digital solutions, as reviewed on page 38 of the Sustainability Report and elsewhere, can be used to promote positive sustainability effects, such as the reduced consumption of energy or resources in customers' operations, or in their offerings to their customers. However, in and of themselves, these solutions are not directly considered to make a material contribution to reducing GHG emissions. Accordingly, the assessment is that Addnode Group does not have any activities in this business segment that could make a material contribution to limiting climate change.

3. Computer programming, consultancy and related activities (delegated act II, chapter 8.2)

Proprietary software and related services are part of Addnode Group's offerings in all the Group's three divisions. However, the solutions are not what is known as enabling activities directly intended to make a material contribution to preventing or reducing negative consequences of climate change. Nor is there any need to take action to make Addnode Group's own operations resistant to climate change. Accordingly, the assessment is that Addnode Group neither has sales in any activity that can make a material contribution to climate change adaptation, nor CapEx or OpEx to make the Group's own operations resistant to climate change.

Summary

Based on the above analysis, Addnode Group's assessment is that the Taxonomy Regulation is non-eligible to the Group's economic activities. This means that neither its capital expenditure ("CapEx") or operating expenditure ("OpEx") related to the above economic activities are applicable pursuant to the Taxonomy Regulation.

ANALYSIS OF ADDNODE GROUP'S PROCUREMENT OF PRODUCTS AND SERVICES FROM SUPPLIERS WITH TAXONOMY-ALIGNED ACTIVITIES

Individual capital/operating expenditure items that are eligible

The Taxonomy reporting may also include other capital and operating expenditures linked to the purchase of products and services related to other economic activities than those stated above. These are expenditures that contribute to reducing emissions for the reporting entity, if the relevant supplier's economic activity is Taxonomy aligned.

Addnode Group has identified the following CapEx for procurement related to other economic activities, and that could contribute to emission reductions:

- Vehicles, including vehicle leases (code 6.5).
- Leases, rights of use under IFRS 16 (code 7.7).

Summary

After a review of the year's CapEx for vehicle leases (SEK 12 m) and new and extended leases in the year (SEK 166 m), the conclusion is that none of the CapEx can be identified as Taxonomy aligned. Addnode Group has a number of hybrid vehicles (powered by an electric motor and a combustion engine), but neither of these satisfy the Taxonomy requirements of minimum permitted CO_2 emissions. Regarding the rental agreements, analysis has commenced, but it has not yet been possible to obtain information from landlords regarding whether they are taxonomy aligned. However, our initial assessment is that only a limited portion of leases are taxonomy aligned.

The CapEx eligible for the Taxonomy Regulation is stated in the table on page 50, under heading A.2.

Reporting according to the EU Taxonomy Regulation, cont.

PROPORTION OF TURNOVER FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURES COVERING YEAR 2022

				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities (1)	**Code/codes (2)**	**Absolute turnover (3)**	**Proportion of turnover (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned proportion of turnover, year 2022 (18)**	**Taxonomy-aligned proportion of turnover, year 2021 (19)**	**Category (enabling activity) (20)**	**Category (transitional activity) (21)**
		SEK m	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	Enabling	Transi-tional
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A1. Environmentally sustainable activities (Taxonomy-aligned)																				
Turnover of environmentally sustainable activities (Taxonomy-aligned) (A.1)																				
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																				
Turnover of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)																				
Total (A.1 + A.2)*																	0			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy non-eligible activities (B)		6,225	100																	
Total (A + B)**		6,225	100																	

* The share of Taxonomy-eligible turnover is the share of net sales sourced from products and services reviewed in the Taxonomy (numerator) divided by net sales (denominator). For more information on the Group's accounting policies for net sales, see note 1 on page 84 of this Annual Report. As described above, for the numerator, we have not identified any economic activities that are eligible or aligned with the Taxonomy. Taxonomy-eligible activities were also 0% in 2021.

** Total turnover (numerator) corresponds to net sales in the Income Statement on page 74.

Reporting according to the EU Taxonomy Regulation, cont.

PROPORTION OF CAPEX FROM PRODUCTS OR SERVICES ASSOCIATED WITH TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURES COVERING YEAR 2022

				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities (1)	Code/codes (2)*	Absolute CapEx (3)	Proportion of CapEx (4)	Climate change mitigation (5)	Climate change adaptation (6)	Water and marine resources (7)	Circular economy (8)	Pollution (9)	Biodiversity and ecosystems (10)	Climate change mitigation (11)	Climate change adaptation (12)	Water and marine resources (13)	Circular economy (14)	Pollution (15)	Biodiversity and ecosystems (16)	Minimum safeguards (17)	Taxonomy-aligned proportion of CapEx, year 2022 (18)	Taxonomy-aligned proportion of CapEx, year 2021 (19)	Category (enabling activity) (20)	Category (transitional activity) (21)
		SEK m	%	%	%	%	%	%	%	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	Yes/No	%	%	Enabling	Transi-tional
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A.1. Environmentally sustainable activities (Taxonomy-aligned)																				
CapEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																				
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																				
Transport by motorcycle, passenger car and light motor vehicle	6.5	12	1																	
Purchase and ownership of buildings	7.7	166	20																	
CapEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)		**177**	**22**																	
Total (A.1 + A.2)**		**177**	**22**														**0**			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy non-eligible activities (B)		**634**	**78**																	
Total (A + B)***		**811**	**100**																	

* EU economic activity code.

** The numerator for CapEx is equal to the share of CapEx relating to investments in assets used to produce products and services for the economic activities described in the Taxonomy. The numerator also includes individual actions that enable the relevant activities to become carbon efficient or lead to reduced CO_2 emissions. Taxonomy-eligible CapEx was 0 per cent in 2021. The increase in 2022 is due to the Taxonomy's increased application in 2022 compared to 2021, based on an updated interpretation of point 1.1.2.2 c of Appendix 1, on requirement for disclosure in the Taxonomy Regulation, of February 2022.

*** The total CapEx (denominator) corresponds to additions, including capitalised research and development expenses, on the Balance Sheet items property, plant and equipment, intangible assets (excluding goodwill) before any revaluations, depreciation or amortisation or impairment, and excluding any changes in fair value, such as specified in notes 15 and 16 of the Consolidated Balance Sheet, complemented by supplements/changes to classified rights of use for assets pursuant to IFRS 16, as specified in note 15. Additional purchases through business combinations are also included.

Reporting according to the EU Taxonomy Regulation, cont.

PROPORTION OF OPEX FROM PRODUCTS OR SERVICES ASSOCIATED TAXONOMY-ALIGNED ECONOMIC ACTIVITIES – DISCLOSURES COVERING YEAR 2022

				Substantial contribution criteria						DNSH criteria (Does Not Significantly Harm)										
Economic activities (1)	**Code/codes (2)**	**Absolute OpEx (3)**	**Proportion of OpEx (4)**	**Climate change mitigation (5)**	**Climate change adaptation (6)**	**Water and marine resources (7)**	**Circular economy (8)**	**Pollution (9)**	**Biodiversity and ecosystems (10)**	**Climate change mitigation (11)**	**Climate change adaptation (12)**	**Water and marine resources (13)**	**Circular economy (14)**	**Pollution (15)**	**Biodiversity and ecosystems (16)**	**Minimum safeguards (17)**	**Taxonomy-aligned proportion of OpEx, year 2022 (18)**	**Taxonomy-aligned proportion of OpEx, year 2021 (19)**	**Category (enabling activity) (20)**	**Category (transitional activity) (21)**
		SEK m	**%**	**%**	**%**	**%**	**%**	**%**	**%**	**Yes/No**	**Yes/No**	**Yes/No**	**Yes/No**	**Yes/No**	**Yes/No**	**Yes/No**	**%**	**%**	**Enabling**	**Transi-tional**
A. TAXONOMY-ELIGIBLE ACTIVITIES																				
A1. Environmentally sustainable activities (Taxonomy-aligned)																				
OpEx of environmentally sustainable activities (Taxonomy-aligned) (A.1)																				
A.2. Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned)																				
OpEx of Taxonomy-eligible but not environmentally sustainable activities (not Taxonomy-aligned) (A.2)																				
Total (A.1 + A.2)*																	**0**			
B. TAXONOMY NON-ELIGIBLE ACTIVITIES																				
Turnover of Taxonomy non-eligible activities (B)		**44**	**100**																	
Total (A + B)**		**44**	**100**																	

* The numerator for OpEx is equal to the share of OpEx in the denominator relating to Taxonomy-eligible assets or processes covered by the economic activities described in the Taxonomy. Addnode Group has not identified any Taxonomy-eligible or Taxonomy-aligned OpEx. Taxonomy-eligible OpEx was also 0% in 2021.

** Under the EU Taxonomy, and pursuant to the regulation, total OpEx (denominator) is defined as direct, non-capitalised expenses relating to research and development (R&D), actions in building renovations, short-term leases, maintenance and repair, and direct expenses related to the regular maintenance of assets, i.e. not total operating expenses, but only expenses associated with maintenance of assets associated with Taxonomy-eligible economic activities.

AUDITOR’S OPINION REGARDING THE STATUTORY SUSTAINABILITY REPORT

To the Annual General Meeting of Addnode Group AB (publ), corporate identity number 556291-3185

ENGAGEMENT AND RESPONSIBILITY
It is the Board of Directors who is responsible for the statutory Sustainability Report presented on pages 32–51 for the year 2022 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT
Our examination has been conducted in accordance with FAR’s auditing standard RevR 12 The auditor’s opinion regarding the statutory Sustainability Report. This means that our examination of the statutory Sustainability Report is substantially different and less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinion.

OPINION
A Sustainability Report has been prepared.

Stockholm, Sweden, 27 March 2023

PricewaterhouseCoopers AB

Anna Rosendal
Authorised Public Accountant

CORPORATE GOVERNANCE

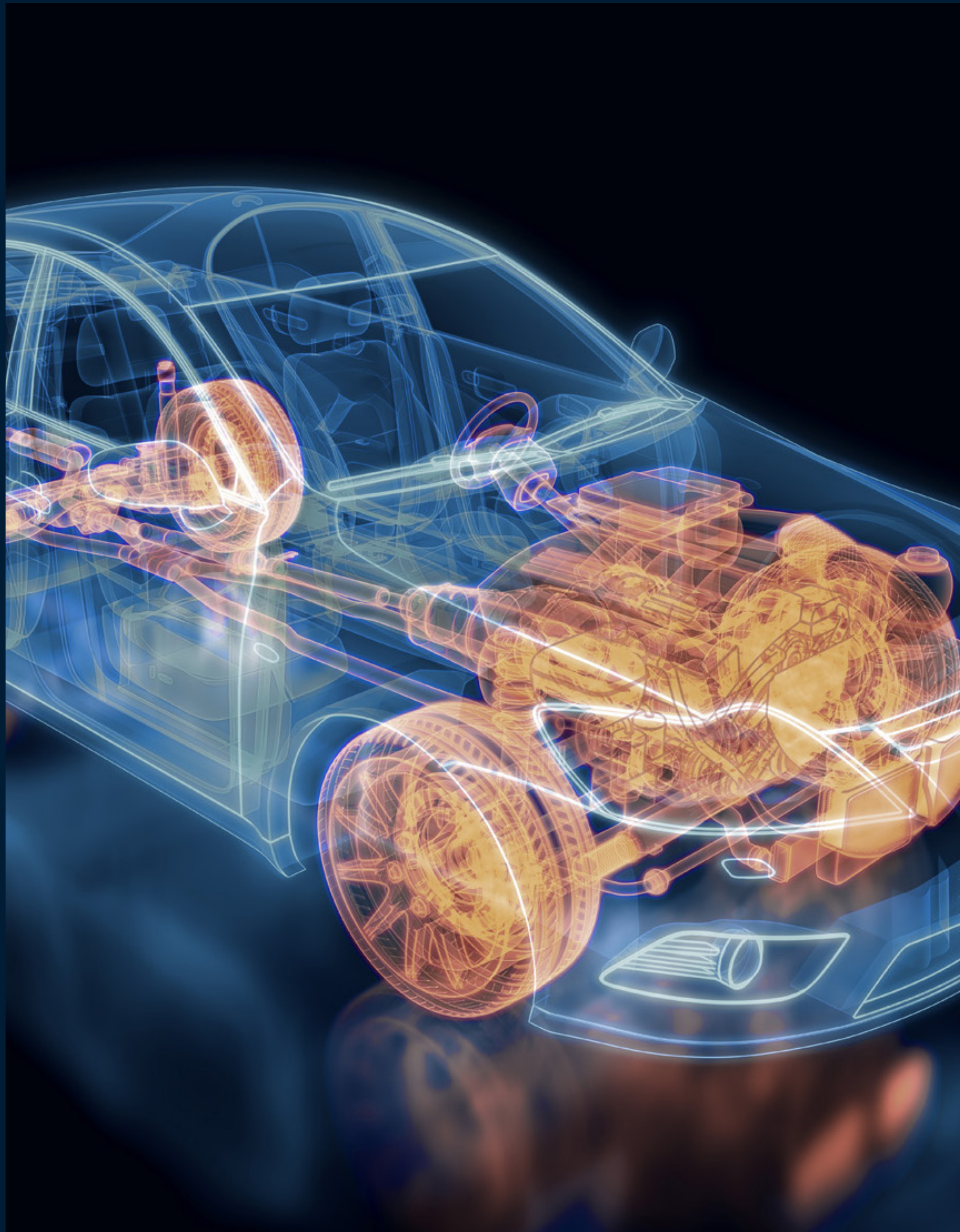
Chairman's statement 54

Corporate Governance Report 55

Board of Directors 62

Management 63

Auditor's opinion 64



ON THE RIGHT COURSE WITH STRONG GROWTH

Addnode Group navigated through 2022 with good wind in its sails. Our strategy and business concept are fully aligned with digitalisation, which has accelerated in the wake of the pandemic. Key acquisitions were contributors to a successful year, and we have exceeded our financial targets.

First and foremost, I take my hat off to our employees and management, who have delivered Addnode Group's best earnings ever despite a turbulent business environment. 2022 was the year when Addnode Group, like the rest of society, tried to navigate through the new normal after 24 months of restrictions and remote working. It's satisfying to see how well the company's management got through the challenges that faced us, not only during the pandemic, but now that our business environment has become increasingly turbulent due to war and turmoil. Accordingly, for the Board of Directors, it was important to focus on future scenarios and business environment analysis to understand both opportunities and risks. The contingency for change that management, and members of the Board, have accumulated in recent years will also help improve stability going forward.

Digitalisation has reached a completely new level, where Addnode Group's digital solutions and services are part of progress. Also ourselves are now doing business fully digitally, from first meeting to completed delivery. But I still believe in face-to-face meetings and the value-creation that happens when we meet physically, and new ideas emerge and develop.

The past year brought continued growth for Addnode Group, fully consistent with our strategy, of using sound risk-taking to acquire and develop cutting edge enterprises that digitalise society. Our move into the US market, through the acquisition of Microdesk, means us taking an historic step, opening up our offering to new customers. This acquisition means us expanding geographically, making us less vulnerable in a changeable world. We also made a number of smaller-scale acquisitions that fit our business and are important for us in our local markets.

The Board is noting increased external expectations, at the same time, our responsibility as a control function is becoming clearer through new legislation and regulation. These regulations and aligned governance models simplify evaluation of an enterprise, not least for our owners. One area where we're witnessing increased regulation is in sustainability, with the new standards set by the CSRD directive. At Addnode Group, we're prepared for forthcoming regulations, because we've already adopted a Sustainability Agenda, and are working strategically on this issue. However, further investments in time and resources will be necessary. I'd like to highlight how our entire business is built on sustainability, because our digital solutions, to a high extent, contribute to improving the sustainability of our customers, and in turn, their customers.

We have 20 years of stable profitable growth behind us, and now that 2023 is underway, I'm looking forward to yet another successful year with a company for our times. My thanks to everyone at Addnode Group that has contributed to, and will continue contributing to, the digitalisation of society!

STAFFAN HANSTORP
CHAIRMAN OF THE BOARD

ADDNODE GROUP'S CORPORATE GOVERNANCE REPORT

Addnode Group's governance is formalised by external regulations and internal governance documents. External regulations include the Swedish Companies Act, the Swedish Annual Accounts Act, Nasdaq Stockholm's Rule Book for Issuers, and other applicable legislation and regulation. Internal governance documents include the Articles of Association adopted by the AGM, the Board's Rules of Procedure, and the Board's instructions for the CEO, as well as the Group's Code of Conduct and Sustainability Policy.

Addnode Group AB ("Addnode Group") applies the Swedish Corporate Governance Code (also referred to as "the Code"). The Code is based on the "comply or explain" principle, which means that a company that applies the Code may depart from individual provisions, but in such cases, must provide an explanation for the departure. Addnode Group is not reporting any departures from the Code in 2022.

No breaches of applicable stock market rules or generally accepted practice on the stock market were reported with respect to Addnode Group by Nasdaq Stockholm's Disciplinary Committee or the Swedish Securities Council in 2022.

FOR MORE INFORMATION

- Nasdaq Stockholm, nasdaqomxnordic.com
- The Swedish Code of Corporate Governance, bolagsstyrning.se
- The Swedish Financial Supervisory Authority, fi.se
- Addnode Group's website, addnodegroup.com

SIGNIFICANT EVENTS IN 2022

- CEO & President Johan Andersson also became the Interim President of the Design Management division effective 1 January 2022. Jens Kollserud, President of the subsidiary Symetri, which is part of the Design Management division, became a member of Addnode Group's Group Management on the same date.
- After a resolution by Addnode Group's AGM in May 2022, Addnode Group created another long-term incentive programme. Some 40 managers and senior executives subscribed for 56,950 call options.
- Addnode Group's AGM of 4 May 2022 also approved the Board of Directors' proposal on a 4:1 share split. The number of shares increased to 134.5 million and the number of votes increased to 170.1 million.
- With authorisation from the AGM 2022, in June 2022, Addnode Group's Board of Directors decided to repurchase class B shares. The main purpose of using this authorisation was to enable delivery of shares associated with implementation of Addnode Group's share-based incentive programme. 230,000 class B shares were repurchased on Nasdaq Stockholm in July–August 2022, which remained in treasury as of 31 December 2022. Accordingly, the total number of treasury shares as of 31 December 2022 was 1,030,000.
- In October 2022, Elisabeth Forslin was appointed Head of M&A and a member of Addnode Group's Group Management. She took up her position in January 2023. Adam Nilsson, who held the corresponding role previously, left the Group in April 2022.
- In December 2022, Nasdaq announced that Addnode Group would be moving up to the Large Cap segment effective 2 January 2023.

OWNERSHIP STRUCTURE AND VOTING RIGHTS

Addnode Group is affiliated to Euroclear Sweden AB. This means that no share certificates are issued and that Euroclear Sweden maintains a register of the company's shareholders and nominees.

Addnode Group's share capital is made up of class A and class B shares. Class A shares carry ten votes each, and class B shares carry one vote each. Class A and B shares are entitled to dividends. All shares are equally entitled to the company's assets. On request from the holder, class A shares can be converted to class B shares.

On 30 December 2022, Addnode Group had 6,874 shareholders, and the proportion of foreign ownership was 20 per cent. The proportion of institutional ownership was 76 per cent.

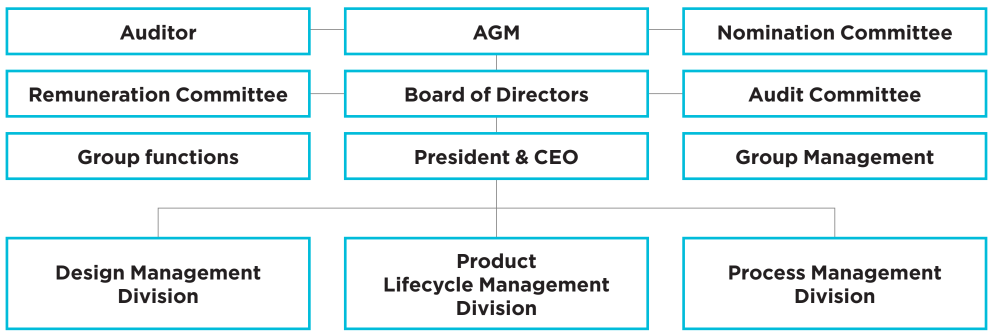
Aretro Capital Group AB was the largest shareholder with 5.4 per cent of the share capital and 15.1 per cent of the votes. Aretro Capital Group AB is held jointly through companies by Addnode Group's Chairman, Staffan Hanstorp, and Jonas Gejer, Addnode Group's Vice President of Business Development. Verg AB is the second largest shareholder, with 1.1 per cent of the share capital and 8.5 per cent of the votes, followed by SEB Fonder with 10.2 per cent of the share capital and 8.0 per cent of the votes, and Lannebo Fonder with 8.1 per cent of the share capital and 6.4 per cent of the votes.

NOMINATION COMMITTEE

The AGM 2022 resolved to instruct the Chairman of the Board to contact the four largest shareholders (in terms of votes) in Euroclear Sweden's share register as of 31 August 2022, to each appoint a representative who is not a member of the company's Board, to form the Nomination Committee for the AGM 2023 along with the Chairman of the Board.

The Chair of the Nomination Committee will be that member appointed by the largest shareholder in terms of votes, unless its members decide otherwise. The Chairman of the Board should not serve as Chair of the Nomination Committee.

Governance



Corporate Governance Report, cont.

The duty of the Nomination Committee is to protect the interests of all shareholders and submit recommendations to the following year's AGM on the following:

- Chair of the AGM
- Directors
- Chairman of the Board
- Fees for each Director
- Fees for committee work
- Nomination Committee for the following year
- Auditors and audit fees

The Board's Audit Committee assists the Nomination Committee in the work on submitting recommendations for the election of auditors and the auditors' fees. The Audit Committee evaluates the work of the auditors and informs the Nomination Committee about the results of its evaluation.

Nomination Committee for the AGM 2023

The composition of the Nomination Committee was announced in a press release that was published on 6 October 2022 and is also uploaded to Addnode Group's website.

- Jonas Gejer, appointed by Aretro Capital Group AB. Jonas Gejer is Chair of the Nomination Committee as representative of the largest shareholder in terms of votes.
- Claes Murander, appointed by Lannebo Fonder.
- Marianne Nilsson, appointed by Swedbank Robur Fonder.
- Andreas Wollheim, appointed by SEB Fonder.
- Staffan Hanstorp, Chairman of the Board of Addnode Group.

All Nomination Committee members, apart from Jonas Gejer and Staffan Hanstorp, are independent of the company and Group Management, as well the largest shareholder in terms of votes.

Addnode Group, through its Nomination Committee, applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy when considering recommendations for the election of Directors. Ahead of the AGM 2023, the Nomination Committee met on five occasions until the date of publication of this Annual Report. The Nomination Committee represented approximately 34 per cent of the vote as of 30 December 2022. As the basis for the Nomination Committee's work, the company's President made a presentation on the company's operations and strategic direction. In addition, the Chairman of the Board presented an annual appraisal of Directors' performance. The Chairman of the Board also reviewed the work of the Board in the year.

ANNUAL GENERAL MEETING

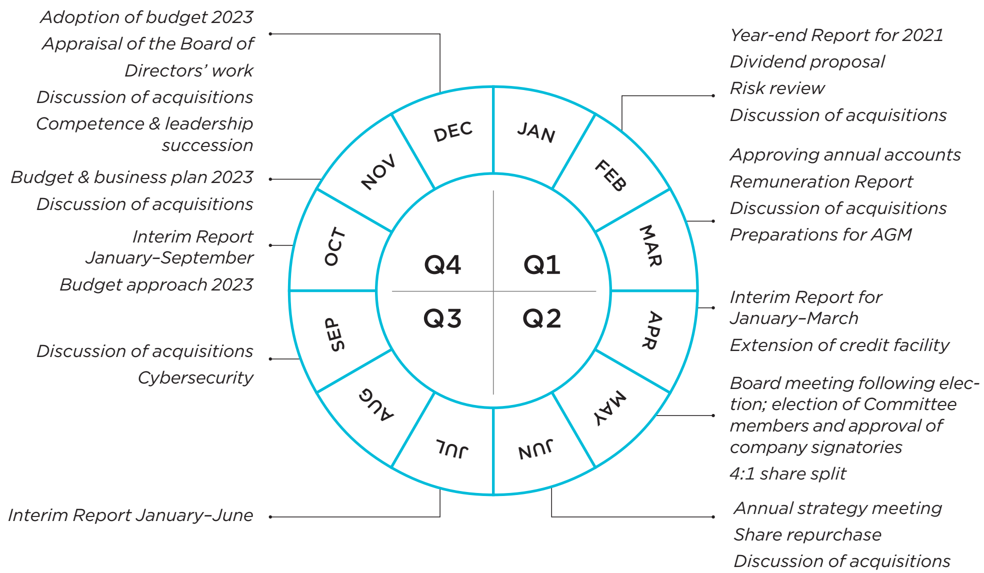
The Annual General Meeting (AGM) is Addnode Group's chief decision-making body. Shareholders exercise their right to make decisions on Addnode Group's affairs at AGMs or, where applicable, Extraordinary General Meetings (EGMs). The AGM is normally held in April or May.

The AGM resolves on the following:

- Adopting the annual accounts
- Dividend
- Election of Directors and auditors
- Directors' and audit fees
- Guidelines for remuneration of Group Management and other senior executives
- Nomination Committee
- Remuneration Report
- Other important matters

An EGM may be held if the Board deems it necessary or if Addnode Group's auditors or owners of at least 10 per cent of the shares so request.

Highlights of the Board of Directors' work in 2022



AGM 2022

The AGM 2022 was held on 4 May 2022. Attorney-at-law Fredrik Lundén was elected as Chairman of the AGM, in accordance with the Nomination Committee's proposal. The minutes of the AGM are available on Addnode Group's website.

Staffan Hanstorp was re-elected Chairman of the Board. In accordance with the Nomination Committee's proposal, all Directors were re-elected: Jan Andersson, Kristofer Arwin, Johanna Frelin, Sigrun Hjelmquist, Thord Wilkne and Kristina Willgård. The AGM approved the Nomination Committee's proposed Directors' fees and the Board's proposed guidelines for remuneration and terms of employment for the President and other senior executives. The AGM resolved to adopt the Board of Directors' proposed dividend of SEK 3.00 per share for the financial year 2021.

The AGM also resolved on the adoption of another long-term share-based incentive programme (the "LTIP 2022"), for managers of Addnode Group, which means that participants will gain the opportunity to acquire call options on Addnode Group's repurchased class B shares at market price. The maximum number of call options to be issued would be 110,000, or approximately 0.33 per cent of the total number of shares and approximately 0.26 per cent of the total number of votes of Addnode Group. After a 4:1 share split that the AGM approved on the same date (see below), each call option confers entitlement to purchase four (4) repurchased class B share of the company in specific stated periods from the day after publication of the Interim Report for July– September 2025, the Year-end Report for 2025, and the Interim Report for January–March 2026, although no later by than 10 June 2026 inclusive.

The AGM also approved the Board of Directors' proposal on a 4:1 share split. The number of shares increased to 134.5 million, and the number of votes increased to 170.1 million. The first day of trading in the company's shares after the share split was 17 May 2022.

The AGM approved the Board of Directors' proposal to amend the Articles of Association so that the limits for the number of shares of the company were increased. A new provision was also implemented, enabling the Board of Directors to decide that shareholders would be able to exercise their voting rights by mail prior to the shareholders' meeting.

Authorisations granted by the AGM

The AGM authorised the Board to decide, on one or more occasions in the period until the next AGM, to purchase a maximum number of class B shares so that the company's holding following such purchase would be an aggregate maximum of 10 per cent of the total number of shares of the company at any given time. The Meeting also authorised the Board to decide, on one or more occasions prior to the next AGM, on the transfer of class B shares in the company to a third party. The number of shares transferred may not exceed the total number of treasury shares held by the company at any given time. The reasons for allowing the Board to depart from shareholders' preferential rights include enabling the finance of potential company acquisitions and other types of strategic investment cost-efficiently, and enabling the delivery of shares associated with implementing the company's long-term share-based incentive programme. Up to and including the date of publication of this Annual Report, 230,000 shares had been purchased with this authorisation, and all shares remain in treasury.

The AGM also authorised the Board to decide, on one or more occasions in the period until the next AGM, on the new issue of class B shares, with or without waiving shareholders' preferential rights. The total maximum number of class B shares that could be issued with support with this authorisation is 10 per cent of the outstanding class B shares of the company at the time of the first exercise of the authorisation. This authorisation should also include entitlement to decide on the new issue of class B shares with provisions on payment in kind, or shares to be subscribed with right of offset or other terms and conditions stated in chap. 13 §7 of the Swedish Companies Act. The reason for departing from shareholders' preferential rights is to enable private placements to execute acquisitions of all or parts of other companies or operations.

BOARD OF DIRECTORS

The Board of Directors has overall responsibility for Addnode Group's organisation and administration.

The Board's duties

The Board of Directors' main duty is to protect the company's and shareholders' interests, appoint the President and bear responsibility for the company's compliance with applicable laws, the Articles of Association and the Swedish Code of Corporate Governance.

The Board reports each year to the shareholders on how corporate governance in Addnode Group is exercised in the Corporate Governance Report. The Board's work governed by regulatory structures including the Swedish Companies Act, applicable rules for listed companies, including the Swedish Corporate Governance Code, the Articles of Association, other laws and regulations, and the Board's and its Committees' internal Rules of Procedure.

The Board considers and decides on Group-wide matters, including:

- Strategic direction.
- Short and long-term targets.
- Significant matters such as financing, investments, acquisitions and divestments.
- Monitoring and verification of information and organisational matters, including evaluation of the Group's organisation and executive management.
- Appointment and, where necessary, dismissal, of the company's CEO.
- Overarching responsibility for establishing effective systems for internal control and risk management, and Group-wide policies.

The Board's composition

According to the Articles of Association, Addnode Group AB's Board of Directors should consist of three to eight members elected by the AGM for a term through the end of the next AGM. The Articles of Association allow the election of deputy Directors, although there are currently no deputies elected by the AGM. The Articles of Association contain no general stipulations on the appointment or dismissal of Directors. The Board of Directors has seven members. For more information on the Directors, see page 62.

Director independence

According to the Code, a majority of Directors elected by shareholders' meetings should be independent of the company and its management, and at least two should also be independent of the company's major shareholders. Addnode Group's Board of Directors is considered to satisfy this requirement on Director independence. All Directors, apart from Staffan Hanstorp, are considered independent. Chairman of the Board Staffan Hanstorp was formerly President and CEO of Addnode Group AB, and through his part-ownership of Aretro Capital Group AB, is the largest shareholder of Addnode Group in terms of votes, and accordingly, is not considered independent of the company and its management, or the company's major shareholders.

The Board's Rules of Procedure and Board meetings

Each year the Board adopts written Rules of Procedure stating the Board's responsibilities and regulating the Board's and its Committees' internal delegation of duties, including the Chairman's role, the Board's decision-making processes, notices convening Board meetings, agendas and minutes, and the Board's work on accounting and audit issues, as well as financial reporting. Decisions on amendments of these instructions may be made at Board meetings in the course of the financial year if the Board deems it necessary.

According to the Rules of Procedure, the Chairman should:

- Consult with the President on strategic issues and, through regular and frequent contact with the President, closely monitor Addnode Group's performance.
- Lead the Board's work and ensure that Directors continuously receive the information required to monitor business performance.
- Consult with the President on the agenda for Board meetings.
- Ensure that matters are dealt with in a manner that is not in conflict with the Companies Act, other laws and regulations or the Articles of Association.
- Serve as Chair of the Remuneration Committee.

The Rules of Procedure also include detailed instructions for the President and other company functions on issues that require the Board's approval. The instructions stipulate the maximum amount that the various decision-making bodies of the Group are authorised to approve in terms of agreements, credit facilities, investments and other expenditure. According to the Rules of Procedure, a Board meeting following election should be held immediately after the AGM. Decisions on Addnode Group's authorised signatories and the Directors to serve on the Board's two consultative committees, the Remuneration Committee and the Audit Committee, are taken at this meeting. Although Committee work is mainly consultative and advisory, in special cases, the Board may delegate decision-making authority to the Committees. According to the Rules of Procedure, the Board should meet at least four times per year, and when necessary otherwise.

The Board's work in 2022

The Board held 11 meetings in 2022, of which one was the Board meeting following election held directly in conjunction with the AGM. All Board meetings in the year followed an approved agenda, which was provided to the Directors prior to each meeting with supporting documentation for each agenda item. Meetings normally take half a day, while the Board's annual strategic meeting is held over a full day to allow time for more in-depth discussion. The President and CEO attend Board meetings to make presentations. The CFO serves as secretary of the Board. Division Presidents are invited to Board meetings on a regular basis to present reviews of their operations.

Other Group employees attend Board meetings to reports on specific matters when the Board deems it necessary. Permanent agenda items at Board meetings include a presentation by the President and monthly financial reporting, as well as the outlook for the coming quarter.

BOARD MEMBERS AND MEETING ATTENDANCE, 2022

Name	Function	Committee position	Elected in	Independent of company and management/shareholders	Attendance at Board meetings	Class A shares	Class B shares
Staffan Hanstorp[1]	Chairman of the Board	Chair of Remuneration Committee	2017	No/No	11/11	2,041,328	5,214,388
Jan Andersson	Director	Chair of Audit Committee	2012	Yes/Yes	11/11	–	60,000
Kristofer Arwin	Director	Member of Audit Committee	2012	Yes/Yes	11/11	–	8,720
Johanna Frelin	Director	–	2017	Yes/Yes	11/11	–	–
Sigrun Hjelmquist[2]	Director	Member of Audit Committee	2009	Yes/Yes	11/11	–	8,000
Thord Wilkne[3]	Director	Member of Remuneration Committee	2008	Yes/Yes	9/11	–	1,740,000
Kristina Willgård	Director	–	2020	Yes/Yes	10/11	–	2,000
						2,041,328	**7,033,108**

[1] Including 2,041,328 class A shares and 5,198,496 class B shares held by Aretro Capital Group AB that Staffan Hanstorp holds 50 per cent of the shares of via companies.

[2] Including spouse's holding of 4,000 shares.

[3] Including spouse's holding of 140,000 shares.

All Directors' shareholdings are as of 30 December 2022. Fees to the Chairman and Directors are stated in note 5 of the annual accounts.

In addition, the Board dealt with a number of other matters at its meetings in 2022, with special attention on the following:

- Strategy and acquisition matters.
- The Covid-19 pandemic, war in Ukraine and their potential impact on operations
- Utilisation of an option to extend financing.
- Business plan including budget.
- Code of Conduct and Sustainability.
- Competence, leadership succession and incentive programmes.
- Reports from the Audit Committee on matters including internal controls and the audit.
- Corporate governance issues.
- Full-year and interim financial statements.
- Review of risk matrices covering business and market risks, as well as sustainability issues.
- Cybersecurity.
- Share split and the purchase of treasury shares.
- Dividend proposal for the financial year.

Quality-assurance of financial reporting

The Rules of Procedure adopted each year by the Board include, amongst other things, detailed instructions on the financial reports and information to be provided to the Board. In addition to the Year-end Report, Interim Reports and the annual accounts, the Board reviews and evaluates extensive financial information relating to the Group as a whole and its various units. The Board also considers information on risk assessments, disputes and any impropriety that may impact Addnode Group's financial position. Primarily through the Audit Committee, the Board also reviews the critical accounting policies the Group applies for financial reporting, as well as significant amendments to policies. The duties of the Audit Committee include reviewing reports on internal controls and financial reporting procedures.

The Group's auditors' report to the Board at least once per year and whenever necessary. At least one of these reports is presented without the President or any other member of Group Management being in attendance. The Group's auditors also attend Audit Committee meetings. The Audit Committee Chair presents a report to the Board after each meeting. All Audit Committee meetings are documented by minutes, which are available to all Directors and the auditors.

Appraisal of the Board of Directors

The Board performs an annual self-assessment of its work. All Directors are requested to complete a written questionnaire on working methods and sentiment within the Board, the focus of the Board's work, as well as the availability of, and need for, specific expertise on the Board. The Directors' written responses are then compiled in a report. Pursuant to the Rules of Procedure, this report is presented and the outcomes of the assessment are discussed at a regular Board meeting. This assessment is used as a means to develop the Board's work and serves to support the work of the Nomination Committee.

Directors' fees

Fees paid to the AGM-elected Directors are set by the AGM based on the Nomination Committee's recommendation. For the period between the AGMs of 2022 to 2023, a fixed fee of SEK 520,000 (450,000) is payable to the Chairman of the Board, and SEK 260,000 (225,000) is payable to each of the other Directors. In addition, a fee may be payable on account for special service (consulting, etc.) by Directors in their individual areas of expertise, provided that such service is approved in advance by the Chairman of the Board or by two Directors. A fee of SEK 100,000 (85,000) is payable to each of the two regular members of the Board's Audit Committee, and a fee of SEK 140,000 (125,000) is payable to the Chair of the Audit Committee. A fee of SEK 50,000 (25,000) is payable to each of the members of the Remuneration Committee. The AGM also resolved to continue using the services of Chairman of the Board Staffan Hanstorp on a consultancy basis for service related to the Group's acquisition candidates, financing matters, strategic partnerships and overarching strategic issues. A maximum monthly fee of SEK 180,000 is payable for such service.

There are no agreements concerning pensions, severance pay or other benefits for Directors.

COMMITTEES

The Board has established a Remuneration Committee and an Audit Committee. The work of these Committees is mainly consultative and advisory, but the Board may delegate decision-making authority to the Committees in special cases. Committee members and the Committee Chairs are appointed at each year's Board meeting following election.

Remuneration Committee

The Remuneration Committee's main duty is to represent the Board on matters concerning remuneration and terms of employment of the President and other senior executives based on the guidelines for remuneration and terms of employment of the President and other senior executives adopted by the AGM. The Committee reports on its work to the Board regularly. The Remuneration Committee's members are Chairman of the Board Staffan Hanstorp and Director Thord Wilkne. The Remuneration Committee held three meetings in 2022.

Audit Committee

The Audit Committee's main duty is to monitor procedures governing Addnode Group's financial reporting and internal controls in order to ensure the quality of external reporting. The Audit Committee's members are Jan Andersson (Committee Chair), Sigrun Hjelmquist and Kristofer Arwin. The Audit Committee held five meetings in 2022. All members attended all meetings. The Audit Committee's duties include:

- Reviewing the financial statements and addressing accounting issues that impact the quality of the company's financial reporting.
- Monitoring the effectiveness of internal controls over financial reporting, including risk management.
- Supervising the audit and evaluating the work of the auditors.
- Evaluating auditor objectivity and independence.
- Assisting the Nomination Committee.

AUDITOR

The auditor is appointed by the AGM and reports on its audit of the annual accounts, accounting records and the consolidated accounts, as well as on the Board of Directors' and President's administration of Addnode Group. The auditor also conducts a review of the Nine-month Interim Report.

The AGM 2022 re-elected public audit firm PricewaterhouseCoopers AB (PwC), with Authorised Public Accountant Anna Rosendal as senior auditor. To ensure compliance with the information and control standards applied by the Board, the auditor attends Audit Committee meetings and reports on all material accounting issues as well as on any misstatements or impropriety. The auditor also reports directly to the Board of Directors at Board meeting, at least once a year.

The fees paid by Addnode Group to the auditors, for both audit and non-audit-related assignments, are specified in note 6 of the annual accounts, Audit fees.

PRESIDENT & CEO

The President & CEO is responsible for the day-to-day administration of the Group's operations in accordance with the Board's guidelines and instructions. The President provides the Board with the necessary documentation for its work both prior to and between Board meetings.

Group Management

Group Management consists of the President & CEO, CFO, VP of Business Development, Head of M&A, the President of Design Management, President of Product Lifecycle Management, President of Process Management, and the CEO of Symetri. The members of Group Management are responsible for implementing the Group's strategy in their individual areas of responsibility, and bear overall responsibility for Addnode Group on long-term and strategic issues, such as the Group's organisation, acquisitions, trademarks and brands, investments and financing. Group Management meetings are held regularly to review the Group's financial performance, acquisitions and Group-wide initiatives, as well as strategic discussions. In addition to these scheduled meetings, Group Management also regularly reviews matters as necessary. The President and other members of Group Management are presented on page 63.

Group functions

Addnode Group AB's Finance, Corporate Communication, M&As and Business Development functions are managed by the President.

Divisions

The three divisions – Design Management, Product Lifecycle Management and Process Management – make up Addnode Group's operational structure. Pursuant to adopted strategies, Division Presidents are responsible for the operations of the individual divisions and report to Addnode Group's President and CEO. Division Board meetings are held quarterly to review matters including financial performance, strategic matters, acquisitions, product investments and risk matters. Financial review meetings are also held monthly. In addition to the Division Presidents, Division Controllers, the Group CEO and CFO attend these meetings.

INTERNAL CONTROLS OVER FINANCIAL REPORTING

The Board of Directors bears overall responsibility for internal controls over financial reporting. The Board has established an Audit Committee to consult on the Board's work on controls over the company's financial reporting. The following has been prepared in accordance with the Swedish Corporate Governance Code (the Code) and is the Board's review of the company's systems for internal controls and risk management for financial reporting.

Addnode Group's control environment

Addnode Group's control environment includes the values and ethics that the Board, the President and Group Management communicate and comply with. They are also defined in the Group's Code of Conduct and Sustainability Policy. This is complemented by the Group's organisational structure, leadership, responsability and authorisations, as well as staff competences.

The Board works continuously on risk assessment and management. Addnode Group's Board has decided not to create a dedicated internal audit function for internal controls. The Board's opinion is that Addnode Group's existing organisation and control structures enable effective operations, identify risks in financial reporting and ensure compliance with applicable laws and regulations. Addnode Group has a decentralised business model in which governance, risk management and regular financial reporting are conducted primarily by the business divisions. This is backed by a central Accounting function responsible for monitoring the divisions' financial reporting, and for external financial reporting.

Responsibilities and authorisations are defined in instructions for rights of authorisation, manuals, policies, routines and the Code of Conduct. Examples include the Articles of Association, the Board's Rules of Procedure, instructions on the segregation of duties between the President and the Board, the instructions on financial reporting, the Finance Policy, and the Financial Manual with accompanying Accounting Manual.

These guidelines, together with laws and external regulations, make up the control environment. The Board tests the relevance and pertinence of these instructions on a regular basis. Responsibility for continuously maintaining an effective control environment and the day-to-day work on internal controls over financial reporting is delegated to the President. Group Management and other senior executives are responsable for internal controls in their individual areas of responsibility.

Risk assessment

The Audit Committee regularly assesses the Group's risks related to financial reporting, and reports to the Board. Its aim is to identify events in the market or within operations that could result in changes in the value of assets and liabilities. Another important part of risk assessment involves staying abreast of changes to accounting rules and ensuring that any changes are correctly conveyed in financial reporting. The CFO is responsible for the consulting on the Audit Committee's opinions and for operational monitoring of risks identified. The company's monthly financial reporting and the reports that are submitted each month by the Division Presidents and the managers that report directly to them are an important component of risk assessment.

Control activities

The control structures have been designed to manage the risks that the Board and management deem most material to operations and financial reporting. Addnode Group's control structures consist in part of an organisation with clear roles that facilitate the effective and suitable delegation of duties and responsibilities, and in part of instructions and specific control activities aimed at detecting or in time prevent risks of misstatement in reporting. sExamples of control activities include:

- Clear decision-making processes and authorisation instructions for important decisions (e.g., purchases, investments, agreements, and acquisitions and divestments).
- Monthly earnings and liquidity analyses with variance monitoring from budgets and forecasts.
- Monthly risk assessment of overdue accounts receivable and major projects.
- Automatic verifications in IT systems that are essential to financial reporting and other analytical monitoring and reconciliation.
- Self-assessment of internal controls in selected companies.

Monitoring
Control activities are monitored continuously to ensure that risks have been identified and addressed satisfactorily. Monitoring is conducted informally and formally, and involves reconciliation of monthly financial reports against budget, forecast and other predetermined targets. Monitoring to ensure the effectiveness of internal controls over financial reporting is conducted by the Board, the President, Group Management, and individuals in the Group's divisions and companies who are responsible for operations. A self-assessment process has also been created, where the group's subsidiaries assess the status of their internal control environment. The outcome is followed up at Division and Group levels, and by the Group's auditors. The outcome of these self-assessments are consolidated and presented to the Audit Committee.

The Audit Committee reviews reports on internal controls and financial reporting processes, as well as analysis by the Group and Divisional managements. The company's auditors report to the Audit Committee in tandem with their review of the Nine-month Interim Report, Year-end Report, and annual accounts. The Audit Committee also maintains regular contact with the company's auditors.

Information and communication
Guidelines governing financial reporting are communicated to employees through targeted communication initiatives, regular information meetings with controllers and financial managers within the Group, manuals, and Group-wide policies and codes that are published on Group-wide systems. Such information includes methodologies, instructions and practical checklists, descriptions of roles and responsibilities, and overarching timetables for budgets, forecasts, monthly reports, quarterly book-closings and work on the annual accounts, for example. The CFO is responsible for ensuring that information and training activities are conducted regularly with Divisional heads of finance/accounting and administration. The effectiveness of this communication is followed up on a regular basis to ensure receipt of information. In addition, there are informal channels for employees to communicate important information with relevant recipients – ultimately the Board of Directors where necessary. Addnode Group also has a whistleblower function that is accessible via the Group's website with contact information for the Audit Committee Chair, who in turn, is responsible for informing the Board about matters raised. For communication with external parties, an Insider Policy and Communication Policy state guidelines for external communication. The aim of these policies is to ensure correct and thorough compliance with all information obligations.

Financial reporting and information
Addnode Group's procedures and systems for issuing information are intended to provide the market with regular and accurate information about the Group's performance and financial position in accordance with applicable regulations and laws. Staff are provided with Group-wide policies, governance documents and manuals on Addnode Group's intranet.

Financial reporting and business information are provided on a regular basis through the following channels:
- Year-end and Interim Reports, which are published as press releases.
- Annual Report including Sustainability Report.
- Press releases on significant events.
- Presentations for financial analysts, investors and media on the same day that Year-end and Interim Reports are published and in tandem with the publication of other important information.
- Meetings with financial analysts and investors.

The Board monitors and assures the quality of the financial reporting through instructions on the segregation of duties between the President and the Board, and instructions for financial reporting to the Board. The Audit Committee is responsible for consultation on the Board's work on controls over the company's financial reporting. The Board also assures the quality of financial reporting by thoroughly reviewing Interim Reports, Year-end Reports and the annual accounts at Board meetings. The Board also reviews information on risk assessments, disputes and any impropriety. The Board has delegated responsibility to executive management for ensuring the quality of press releases with financial content as well as presentation material in tandem with meetings with the media, shareholders and financial institutions

BOARD OF DIRECTORS

STAFFAN HANSTORP

Born 1957. Director since 2017. Chairman since 2017. Chair of Remuneration Committee.

Education and experience:
M.Sc. (Eng.), Royal Institute of Technology, Stockholm. Over 35 years' experience as a Sales & Marketing VP, and President, in the IT sector. Founded TECHNIA in 1994, which Addnode Group acquired in 2004. President and CEO of Addnode Group 2007–2017.

Current assignments:
Chairman of Byggnadsfirman Viktor Hansson AB, Director of TechSverige, Almega and Carasent ASA.

Addnode Group shareholding:
Through companies, 50 per cent of Aretro Capital Group AB, which holds 2,041,328 class A shares and 5,198,496 class B shares. Personal holdings of 15,892 class B shares.

JAN ANDERSSON

Born 1959. Director since 2012 and Chair of Audit Committee.

Education and experience:
M.Sc. (Eng.) in computer engineering. Co-founder of Readsoft, President 1991–2011.

Current assignments:
Chairman of Mildef Group AB and DH Anticounterfeit, Director of companies including Entrepenörinvest AB, Innovum Invest AB, Localize Direct AB, Myloc AB and TimeZynk AB.

Addnode Group shareholding:
60,000 class B shares.

KRISTOFER ARWIN

Born 1970. Director since 2012 and member of Audit Committee.

Education and experience:
B.Sc. in business administration, finance, Stockholm University. Co-founder of TestFreaks, President 2006–2013. Founded Pricerunner in 1999, President 1999–2005. Director of TradeDoubler 2007–2013, Stagepool 2007–2012, and Alertsec 2007–2017. Director and member of Audit Committee of Kindred Group 2008–2019.

Current assignments:
Chairman of TestFreaks AB.

Addnode Group shareholding:
8,720 class B shares.

JOHANNA FRELIN

Born 1969. Director since 2017.

Education and experience:
Journalist, B.A. Luther College, USA, MBA, Stockholm School of Economics. 20 years' management experience, including 12 years in SVT's group management. President of Hyper Island and Tengbom.

Current assignments:
President of Riksbyggen, Director of Springtime AB and Folksam SAK.

Addnode Group shareholding:
None.

SIGRUN HJELMQUIST

Born 1956. Director since 2009 and member of Audit Committee.

Education and experience:
M.Sc. (Eng.) and licentiate's degree in engineering physics, Royal Institute of Technology, Stockholm. Active in the Ericsson group 1979–2000, most recently as President of Ericsson Components AB. Investment Manager at BrainHeart Capital 2000–2005. Since then, mainly directorships.

Current assignments:
Director of Eolus Vind AB and Ragnsellsbolagen AB.

Addnode Group shareholding:
4,000 class B shares. Spouse holds 4,000 class B shares.

THORD WILKNE

Born 1943. Director since 2008 and member of Remuneration Committee.

Education and experience:
Accounting qualifications. Co-founder of WM-data, President 1970–1997 and Chairman 1998–2004.

Current assignments:
Director of companies including Asia Growth Managment AB and Wilgot AB.

Addnode Group shareholding:
1,600,000 class B shares. Spouse holds 140,000 class B shares.

KRISTINA WILLGÅRD

Born 1965. Director since 2020.

Education and experience:
M.Sc. (Econ.) President & CEO of Addlife 2015–2022, CFO of Addtech, Finance Manager of Ericsson AB, CFO of Netwise, CFO of Frontec, Business Controller of Spendrups, auditor with Arthur Andersen, Director of Serneke Group AB and Nordic Waterproofing Holding A/S.

Current assignments:
Director of Mölnlycke Health Care and Ernströmgruppen.

Addnode Group shareholding:
2,000 class B shares.

AUDITOR

The AGM 2022 re-elected registered public accounting firm PricewaterhouseCoopers AB (PwC), with Authorised Public Accountant Anna Rosendal as senior auditor. Other audit assignments: Indutrade AB (publ.), Nobia AB (publ.) and Sdiptech Group AB (publ.)

MANAGEMENT

JOHAN ANDERSSON
Born 1974. President & CEO of Addnode Group AB. *Also Interim President of the Design Management Division effective 1 January 2022.*

Education and experience:
M.Sc. (Econ.), Uppsala University. Executive Management Programme, IFL/Stockholm School of Economics. Served in the Group since 2006 as Vice President of IR and M&A, and as CFO. President and CEO since 2017. Previous experience as an investment bank advisor for tech companies.

Current external assignments:
Chairman of Videnca AB.

Addnode Group shareholding:
393,912 class B shares and 18,000 call options on 72,000 class B shares.

ANDREAS WIKHOLM
Born 1974. Division President, Process Management.

Education and experience:
Degree in Public Health Science from Karolinska Institutet. Further educations in business management, accounting and business development. 25 years' IT sector experience as Division President, President and other senior positions. Active in the Group since 2015.

Current external assignments:
None outside the Group.

Addnode Group shareholding:
134,000 class B shares and 10,000 call options on 40,000 class B shares.

ELISABETH FORSLIN
Born 1971. Head of M&A of Addnode Group AB.

Education and experience:
B.Sc. business administration economics, Örebro University. Over 20 years' experience of senior positions in accounting and finance, including Head of Finance and Head of M&A of AFRY AB (publ). Active in the Group since 2023.

Current external assignments:
None outside the Group.

Addnode Group shareholding:
2,000 class B shares.

Elisabeth Forslin is a member of Management effective 3 January 2023.

LOTTA JARLERYD
Born 1966. CFO of Addnode Group AB.

Education and experience:
B.Sc. business administration & economics, and journalism degree, Stockholm University. Previous experience as Authorised Public Accountant, M&A advisor and CFO of companies including Protect Data AB (publ.) and Acando AB (publ.) Active in the Group since 2019.

Current external assignments:
Director of CellaVision AB.

Addnode Group shareholding:
8,000 call options on 32,000 class B shares.

JENS KOLLSERUD
Born 1979. President of Symetri AB.

Education and experience: Upper secondary school degree in economics. Further educations in business management and business development. Over 20 years' IT sector experience. Active in the Group since 2009 and President of Symetri AB since 2016.

Current external assignments:
None outside the Group.

Addnode Group shareholding:
8,000 call options on 32,000 class B shares.

MAGNUS FALKMAN
Born 1976. Division President, Product Lifecycle Management.

Education and experience:
M.Sc. (Eng.), Chalmers University of Technology, economics qualifications, Gothenburg School of Economics. Active in the Group since 2002 in various senior positions.

Current external assignments:
None outside the Group.

Addnode Group shareholding:
13,000 call options on 52,000 class B shares.

JONAS GEJER
Born 1963. Vice President of Business Development.

Education and experience: Upper secondary school degree in engineering and Market Economics degree, IHM Business School. One of three co-founders of TECHNIA 1994, which Addnode Group acquired in 2004. President of TECHNIA and President of the PLM Division PLM 2011–2020.

Current external assignments:
None outside the Group.

Addnode Group shareholding:
Through companies, 50 per cent of Aretro Capital Group AB, which holds 2,041,328 class A shares and 5,198,496 class B shares. Additional personal holdings of 15,892 class B shares and 13,000 call options on 52,000 class B shares.

SIGNATURES

Stockholm, Sweden, 22 March 2023

The Board of Directors

AUDITOR'S OPINION

To the general meeting of the shareholders of Addnode Group AB (publ), corp. ID no. 556291-3185

ENGAGEMENT AND RESPONSIBILITY
It is the Board of Directors who is responsible for the corporate governance statement for the year 2022 on pages 55–63 and that it has been prepared in accordance with the Annual Accounts Act.

THE SCOPE OF THE AUDIT
Our examination has been conducted in accordance with FAR's recommendation RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

OPINION
A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2–6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, Sweden, 27 March 2023
PricewaterhouseCoopers AB

Anna Rosendal
Authorised Public Accountant

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BOARD OF DIRECTORS' REPORT

The Board of Directors and President of Addnode Group AB hereby present the annual accounts and consolidated accounts for the financial year 1 January – 31 December 2022. Addnode Group AB (publ), with registered office in Stockholm, Sweden, is a public limited company with corporate identity number 556291-3185.

BUSINESS FOCUS

Addnode Group acquires, operates and develops entrepreneur-led companies that digitalise society. We are a leading provider of software and services for design and construction, product data information, project collaboration and facility management in Europe. The Group is also a leading provider of digital solutions for design and construction in the USA. Additionally, Addnode Group is a leading supplier of document and case management systems to Swedish public authorities.

The business is organised in three divisions:

- **Design Management**
  Digital solutions and services for design, BIM, product data and facility management.
- **Product Lifecycle Management**
  Digital solutions for the complete lifecycle of products and facilities – from idea, design, simulation and construction, to sale, aftermarket and recycling.
- **Process Management**
  Digital solutions for the public sector. These solutions help to streamline case management, simplify administration and quality-assure processes in contacts between authorities and the public.

NET SALES AND EARNINGS

Consolidated net sales in 2022 amounted to SEK 6,225 m (4,077), growth of 53 per cent, of which 17 per cent was organic. Currency-adjusted organic growth was 13 per cent. The Group's recurring revenue increased by 60 per cent to SEK 4,331 m, accounting for 70 per cent of total revenue.

EBITA increased to SEK 728 m (461) and the EBITA margin increased to 11.7 per cent (11.3). EBITA included a SEK 24 m capital gain related to the sale of an office property in Enfield, UK, included in the 2020 acquisition of Excitech, which was already intended for sale at the time of acquisition. In 2022, SEK 106 m (80) of expenditure for investments in proprietary software and applications were capitalised.

Scheduled amortisation of intangible non-current assets amounted to SEK -201 m (-156). Operating profit increased to SEK 527 m (305), corresponding to an operating margin of 8.5 per cent (7.5). Operating profit for 2022 was charged with SEK 14 m (4) of acquisition costs, mainly related to the acquisition of Microdesk. The Group's net financial items amounted to SEK -32 m (-20). Profit for the year increased to SEK 382 m (223), and earnings per share increased to SEK 2.86 (1.66). Historical key performance indicators based on the number of shares, as well as the number of shares itself, have been restated because of the 4:1 share split conducted in 2022.

DIVISIONAL PERFORMANCE

Design Management division

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 collaborations and facility management in the Nordic countries and UK.

Operations of the Design Management division are conducted by the subsidiaries Symetri, Microdesk, Tribia and Service Works Global (SWG). Symetri is a leading global provider of Autodesk software, peripheral software and services to construction and property companies, the manufacturing industry and its suppliers. Symetri has also developed complementary software for managing product data and local standards and norms in digital design processes, for example. In March 2022, Symetri acquired a business in the USA, Microdesk, with net sales of some SEK 1 billion and 300 employees. Tribia is a software company that delivers cloud-based collaborative tools for construction and civil engineering projects to contractors and construction companies in the Norwegian and Swedish markets. SWG is a software company that delivers digital solutions for property management and maintenance as well as workplace and facility services. The Nordic countries and the UK are the company's home markets, but SWG is also active in Australia and Canada.

The market conditions for Symetri's offering was strong through 2022, as reflected in its growth and earnings performance. Demand for property systems and collaborative solutions for construction and infrastructure projects made positive progress. Design Management's net sales increased to 3,494 m (1,852), 89 per cent growth. Organic growth was 24 per cent, and currency adjusted, 19 per cent. EBITA increased to SEK 398 m (204), and the EBITA margin widened to 11.4 per cent (11.0).

Product Lifecycle Management division

Product Lifecycle Management is a global provider of solutions to digitalise the complete lifecycle of a product or facility – from idea, design, simulation and construction, to sale, the aftermarket and recycling. This means shorter lead-times, greater innovation, superior efficiency and traceability.

Operations are conducted in the subsidiary TECHNIA, one of Europe's largest vendors of PLM software and consulting services. The division's markets are the Nordics, Benelux, Germany, Austria, Poland, France, the UK, the USA and Japan. Demand for the division's offerings was good on its main markets in the year. On several of the division's markets, customers are continuing to increasingly demand time-restricted leases of licenses instead of as previously, purchasing licenses with perpetual rights of use. Product Lifecycle Management's net sales increased to SEK 1,580 m (1,227), growth of 29 per cent. Organic growth was 14 per cent, and currency adjusted, 9 per cent. EBITA increased to SEK 158 m (117), and the EBITA margin increased to 10.0 per cent (9.5).

Process Management division

The Process Management division is a leading provider of software and digital solutions to the public sector in Sweden. These solutions help to streamline case management, simplify administration and quality-assure processes in contacts between authorities and the public.The division also offers solutions and services in GIS and the social services sector.

The division's operations are conducted via the subsidiaries Adtollo, Arkiva, Canella, Decerno, Decisive, Elpool, Evitbe, Forsler & Stjerna, Ida Infront, Intraphone, Kompanion, Netpublicator, S-GROUP Solutions, Sokigo, Stamford and Voice Provider.

Process Management progressed well in 2022 because of good demand for the division's offerings. The division's businesses are well positioned in public tenders thanks to their attractive digital solutions, rigorous experience and good references. Net sales increased to SEK 1,182 m (1,020), and organic growth was 9 per cent. EBITA increased to SEK 226 m (195), and the EBITA margin was 19.1 per cent (19.1)

KEY PERFORMANCE INDICATORS BY DIVISION

	Net sales		EBITA		Operating profit		Ave. no. employees	
SEK m	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Design Management	3,494	1,852	398	204	315	146	793	560
Product Lifecycle Mgt.	1,580	1,227	158	117	97	72	687	613
Process Management	1,182	1,020	226	195	168	142	648	595
Central functions[1]	14	15	–54	–55	–53	–55	9	8
Elimination	–45	–37	—	—	—	—	—	—
Addnode Group	**6,225**	**4,077**	**728**	**461**	**527**	**305**	**2,137**	**1,776**

[1] EBITA and operating profit of central functions for 2022 include a capital gain from the sale of an office property in the UK of SEK 24 m, and acquisition expenses of SEK 14 m (4).

ACQUISITIONS IN 2022

Addnode Group acquired five companies in 2022; Claytex Services Ltd. ("Claytex"), DESYS GmbH ("DESYS"), Microdesk LLC and M2 Technologies LLC ("Microdesk"), and Decisive AS ("Decisive"). The net assets of JBL Technologies were acquired for TECHNIA in October 2022.

Claytex

Claytex, a UK partner of Dassault Systèmes, was acquired in January 2022. This company specialises in advanced simulations and testing for the automotive industry, and also provides complementary proprietary software. The company's sales are approximately SEK 25 m, and it has 15 employees. Operations were consolidated as part of TECHNIA in the Product Lifecycle Management division effective January 2022.

DESYS

DESYS, a leading partner of Dassault Systèmes in Germany, was acquired on 1 March 2022. This company also offers complementary software solutions. DESYS has 45 employees and net sales of approximately SEK 170 m. Operations were consolidated as part of TECHNIA in the Product Lifecycle Management division effective March 2022.

Microdesk

Microdesk, an Autodesk Platinum Partner was acquired on 1 March 2022. This deal meant Design Management securing strong positioning in the US, and with the division's existing operations, makes Addnode Group one of the world's leading providers 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 the Design Management division in March 2022.

Decisive

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.

JBL Technologies

On 21 October 2022, Addnode Group acquired the net assets of JBL Technologies of the USA, with sales of some SEK 15 m, and is part of TECHNIA in the Product Lifecycle Management division.

Read more about acquisitions in 2022 in note 33 on pages 108–109

LIQUIDITY AND FINANCIAL POSITION

The Group's cash and cash equivalents were SEK 600 m (406) on 31 December 2022. Addnode Group's credit facility of SEK 1,600 m, arranged in June 2021, has a three-year term with a 1+1 year extension option. In June 2022, Addnode Group exercised this option and extended the facility by one year to 2025, with other terms and conditions unchanged. Interest-bearing liabilities for the used portion of the credit facility were SEK 878 m (669) as of 31 December 2022. Interest-bearing liabilities associated with leases of SEK 191 m (105) were additional. There were no interest-bearing promissory notes for completed acquisitions. This meant that the Group's interest-bearing liabilities totalled SEK 1,069 m (774). Accordingly, the Group's net debt was SEK 463 m (368) and the equity/assets ratio was 32 per cent (39).

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 development of working capital. 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 cash flow. As currently, revenue and costs for the whole contract term will continue to be recognised immediately when the contract commences. This change is scheduled to come into effect at the end of March 2023.

INVESTMENTS AND DEVELOPMENT OF SOFTWARE

Investments in intangible non-current assets and in property, plant and equipment amounted to SEK 230 m (157). In 2022, capital expenditure of SEK 106 m (80) in proprietary software and applications was capitalised. Expenditure for customer-financed development and certain other development work that do not meet the criteria for capitalisation was expensed in the Income Statement.

GOODWILL AND OTHER INTANGIBLE ASSETS

The Group's carrying amount of goodwill on 31 December 2022 was SEK 2,681 m (2,107). Goodwill increased by SEK 486 m (278), related to company acquisitions. Other intangible assets amounted to SEK 728 m (467) and relate mainly to customer contracts, trademarks, and software.

DEFERRED TAX ASSETS

Total reported deferred tax assets amounted to SEK 17 m (22) on 31 December 2022, of which SEK 8 m (11) relates to tax loss carry-forwards. As of 31 December 2022, the Group's accumulated tax loss carry-forwards amounted to approximately SEK 75 m (80). Deferred tax assets attributable to tax loss carry-forwards are reported as assets to the extent it is likely that the loss carry-forwards can be offset against surpluses in future taxation.

SHAREHOLDERS' EQUITY

Shareholders' equity on 31 December 2022 amounted to SEK 2,005 m (1,693), corresponding to SEK 15.02 (12.66) per share outstanding. In 2022, the dividend paid to shareholders was SEK 0.75 (0.63) per share, a total of SEK 100 m (84). There were SEK 23 m (72) of treasury share repurchases in 2022.

PROVISIONS

Provisions, which are reported in non-current and current liabilities in the Consolidated Balance Sheet, amounted to SEK 380 m (105) on 31 December 2022, of which SEK 361 m (92) related to estimated contingent consideration for completed company acquisitions. A total of SEK 54 m (31) of contingent consideration was paid in 2022.

EMPLOYEES

The average number of employees of the Group (full-time equivalents) increased to 2,137 (1,776) in 2022. The number of employees at year-end was 2,370 (1,897). Essentially, the increase is from acquired companies.

STOCK OPTION PROGRAMME

The AGM 2022 resolved on a share-based, long-term incentive programme for managers and senior executives, which involved 56,950 call options being issued to some 40 participants. The market-valued call option premium of SEK 49.70 implied a total purchase consideration of approximately SEK 3 m, which was added to equity. These options can be exercised for four class B shares in periods stipulated by agreement between 25 October 2025 and 10 June 2026.

PURCHASES, TRANSFERS AND HOLDINGS OF TREASURY SHARES

Addnode Group used the authorisation of the AGM 2022 for the purchase of class B shares. 230,000 shares were purchased in 2022 using this authorisation and all shares remain in treasury. The main purpose of holding a total of 1,030,000 (800,000) repurchased class B shares in treasury is to enable delivery of shares for Addnode Group's share-based incentive programme.

The AGM also 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 outstanding shares of the company increased to 133,498,232 which is also the number of outstanding shares as of 30 December 2022.

GOVERNMENT ASSISTANCE AND OTHER SUPPORT MEASURES

The Group received government assistance in the USA and Germany for reduced working-hours and sick pay totalling SEK 4 m (3), reported as a reduction of the Group's personnel costs. Pursuant to IAS 20, the effects of the government assistance measures were recognised net in the Group's personnel expense.

PARENT COMPANY

The Parent Company's operations include Group-wide functions for financial reporting and monitoring, finance, communication and investor relations.

Net sales amounted to SEK 26 m (24) in 2022 and related mainly to invoicing to subsidiaries for rents of premises and services rendered. Profit after financial items was SEK 282 m (200) including SEK 149 m (218) of dividends from subsidiaries, Group contributions of SEK 269 m (227) received from subsidiaries, impairment of shares in subsidiaries of –47 m (–168), and reversals of impairment of shares in subsidiaries of SEK – m (35). Cash and cash equivalents amounted to SEK 350 m (301) on 31 December 2022. Investments relating to shares in subsidiaries amounted to SEK 191 m (413). No significant investments were made in intangible non-current assets or in property, plant and equipment.

SENSITIVITY ANALYSIS

The following table shows the impact on earnings per share before tax of changes in various factors.

Impact factor	Change	Earnings effect[1]
Net sales	+/– 1%	SEK 0.24
Gross margin	+/– 1% point	SEK 0.47
Payroll costs	+/– 1%	SEK 0.15
Other operating expenses	+/– 1%	SEK 0.06

1 All other things being equal, profit before tax per share for the financial year 2022.

RISKS AND UNCERTAINTIES

In general, Addnode Group's earnings capacity and financial position are affected by customer demand, the ability to retain and hire competent employees, the integration of newly acquired businesses, and risks associated with individual customers and current assignments. The Group's financial risks relate mainly to changes in exchange rates, interest rates and customer solvency. The following does not claim to be comprehensive, and the risks and uncertainties are not listed in any order of significance.

Business cycle and macro risks

The general view of the external operating environment and economy may affect customers' willingness to invest and demand. Addnode Group manages these risks by conducting business in both the private and public sectors and in numerous geographical markets. A high share of recurring revenue and a balanced customer structure provide stable earnings over time.

Software and technology

New ways of working, behaviours and rapid technology transitions may lead to changes in customer requirements. Addnode Group manages this risk by collaborating closely with customers in software development in order to gain an understanding of their needs and changes in the market.

Partners

Partners may alter business models and terms, which affects our earnings capacity. Addnode Group manages this risk by having well-established and strategic collaborations with numerous suppliers of digital platforms and software.

Competition

Demand for and sales of our software and services may decline as a result of greater competition. Addnode Group manages competition risk by being a leading player in selected markets, as well as by maintaining close relationships with customers and continuously evolving its offering in collaboration with them.

Organisation and employees

To be able to grow, Addnode Group is dependent on its ability to hire and retain competent employees. Every subsidiary in the Group is responsible for its own competence succession. In their recruitment activities, individual companies benefit from entrepreneur-led brands while simultaneously belonging to a financially stable group.

Acquisitions

There is always a risk of Addnode Group being unsuccessful in assessing and integrating an acquired company or business. Addnode Group manages this risk by making acquisitions central to its strategy. Acquired companies are subject to a tried-and-tested acquisition process in which the Board of Directors and Management participate from the start and where calculations do not include synergies.

Compliance

Addnode Group closely monitors developments in legislation, regulations and statutes that apply for the respective markets where the Group has operations.

Project engagements

An inability to implement and deliver on projects may affect customer relationships and have negative effects on profitability and growth. Addnode Group continuously monitors its project engagements to evaluate and limit their associated risk.

IT and cybersecurity

Addnode Group is dependent on its ability to offer customers reliable digital solutions and having a secure internal IT structure. In addition, increased remote working during the pandemic has given rise to new challenges. Operational disruptions, cyberattacks and data theft may undermine the market's trust in Addnode Group and cause substantial financial losses. Addnode Group works continuously to prevent and counter these negative effects through a Group-wide strategy and actions in individual companies.

Pandemics

A pandemic could completely transform the conditions for conducting business activities in a short time.

Financial risks

The Group is exposed to various financial risks, including interest rate risk, financing and liquidity risk, currency risk, credit risk and other price risks. On the whole, the Group believes its overall exposure to financial risks continued to increase in the year as a result of the increasingly international scope of its business resulting from actions including foreign acquisitions. The Group's financial transactions and risks are managed centrally by the Parent Company. The overall objective of the Group's financial strategy is to support growth and maximise returns to shareholders based on secure and cost-efficient management of the financial risks that the Group is exposed to. See also note 36 on pages 109–112 for a description of the financial risks identified by Addnode Group and how they are managed.

Other

Addnode Group is party to certain agreements containing stipulations that agreements may be discontinued if control of Addnode Group changes as a result of a public takeover bid.

ENVIRONMENTAL IMPACT

The Group does not conduct any operations requiring permits according to applicable environmental regulations.

SUSTAINABILITY REPORT

The Group's Sustainability Report for 2022, which is presented on pages 32–51 of these annual accounts, has been prepared by Addnode Group AB (publ), corporate identity number 556291-3185, with registered office in Stockholm, Sweden.

ADDNODE GROUP'S SHARES AND OWNERSHIP

Addnode Group's Class B shares have been listed on Nasdaq Stockholm since 1999. Class A shares carry ten votes each, and Class B and C shares carry one vote each; only Class B shares are listed. Class C shares do not carry entitlement to dividends. On 30 December 2022, the number of Class A shares was 3,948,696, the number of Class B shares was 130,579,536 and the number of Class C shares was 0.

The largest shareholder in terms of voting rights is Aretro Capital Group AB, which at 30 December 2022 held 15.1 per cent of the votes and 5.4 per cent of the share capital. Aretro Capital Group AB is jointly owned via companies by Addnode Group's Chairman, Staffan Hanstorp, and Jonas Gejer, Vice President of Business Development for Addnode Group.

As far as the Board of Addnode Group AB is aware, there are no agreements between major shareholders that restrict the transferability of shares. Neither are there any restrictions on the transferability of shares posed by stipulations in law or the Articles of Association. There is no limitation on the number of votes each shareholder is entitled to at shareholders' meetings. According to the Articles of Association, the Board of Directors shall comprise of three to eight members, with a maximum of two deputy members. The Articles of Association do not contain any general stipulations concerning the appointment or dismissal of Board members or amendments to the Articles of Association.

CORPORATE GOVERNANCE

In accordance with the Annual Accounts Act and the Swedish Corporate Governance Code ("the Code"), a separate corporate governance report, which includes a section on internal controls, has been prepared and appended to these annual accounts, see pages 55–63. Addnode Group has no departures from the Code to report for 2022.

Authorisations

The Annual General Meeting (AGM) 2022 authorised the Board to:

- on one or more occasions during the period until the next AGM, decide on purchases of a maximum number of Class B shares so that the company's holding following such purchase is a combined maximum of 10 per cent of the total number of shares in the company at any given time. Until the date of publication of these annual accounts, 230,000 class B shares had been purchased using this authorisation, and all shares remain in treasury.
- on one or more occasions in the period until the next AGM, decide on the new issue of class B shares, with or without waiving shareholders' preferential rights. The total maximum number of class B shares that could be issued with support with this authorisation is 10 per cent of the outstanding class B shares of the company at the time of the first exercise of the authorisation. This authorisation should also include entitlement to decide on the new issue of class B shares with provisions on payment in kind, or shares to be subscribed with right of offset or other terms and conditions stated in chap. 13 §7 of the Swedish Companies Act. The reason for departing from shareholders' preferential rights is to enable private placements to execute acquisitions of all or parts of other companies or operations.

Guidelines for remuneration of senior executives

Introduction

The following guidelines were adopted by the AGM 2020 and are applicable until the AGM 2024 providing no amendments are proposed. No amendments have been proposed to the AGM 2023.

Senior executives mean the President of the Parent Company and other members of Group Management, which consisted of 7 people in 2022. The guidelines shall be applied for remuneration agreed after the guidelines were adopted by the AGM as well as to agreements to existing agreements on remuneration. The guidelines do not relate to remuneration approved by a shareholders' meeting.

The guidelines' promotion of the company's business strategy, long-term interests and sustainability

Addnode Group's strategy is to acquire, operate and develop entrepreneur-led companies that help digitalise society. The Group's financial targets are i) annual growth in net sales of at least 10 per cent, ii) an operating margin before amortisation and impairment of intangible assets (EBITA margin) of at least 10 per cent, and iii) that at least 30–50 per cent of consolidated profit after tax will be distributed to shareholders, provided that liquidity and the financial position are sufficient to operate and develop the business.

Successful implementation of the company's business strategy and safeguarding of the company's long-term interests, including its sustainability, requires the company being able to hire and retain qualified employees. The company will offer market-level and competitive remuneration and terms of employment to be able to hire and retain management with high skills levels and the capability to achieve targets set.

Forms of remuneration, etc.

Remuneration of the President of the Parent Company and other members of Group Management shall normally consist of a fixed salary, variable remuneration, share-based incentive programmes, pension and other customary benefits.

Fixed salary
Fixed salary is not conditional upon the achievement of any performance standards. However, individual employee performance and qualitative competence will be taken into account along with business performance when setting fixed salary and any increases to fixed salary. As a general rule, fixed salary is reviewed once a year.

Variable cash remuneration
In addition to fixed salary, variable cash remuneration may be payable. Variable remuneration shall be based on achieved results and/or individual and specific goals. In addition, variable remuneration shall be based on metrics based on the yearly business plan, which in turn is linked to Addnode Group's long-term business strategy and financial targets. These metrics shall include financial targets at Group and divisional levels (for relevant members of Group Management). Other metrics may include strategic targets, operational targets, targets for employee engagement or customer satisfaction, targets relating to sustainability and corporate social responsibility, or other leading indicators. The starting point is that most of the variable remuneration shall be based on metrics for that part of operations that the senior executive is responsible for.

An overall maximum of four targets may be assigned to an individual senior executive for a financial year. Financial targets shall account for at least 75 per cent of the possible target bonus, and at least 15 per cent shall be at the Group level. The minimum weight for a specific target shall be 10 per cent. The outcome of all targets shall be calculated based on a performance period of 12 months (the financial year). For the President and Chief Executive Officer, the maximum award of variable remuneration shall be an amount corresponding to 12 months' fixed salary. For other members of Group Management, the maximum award shall correspond to nine months' fixed salary.

Share-based incentive programmes
Share-based incentive programmes should ensure long-term commitment to the Group's development and promote a personal share ownership in the company, and should be implemented on market terms. Share-based incentive programmes require a resolution by a shareholders' meeting so are not covered by these guidelines.

Pension and other benefits
Pensions should always be defined contribution schemes in order to create predictability regarding the company's future obligations. Pension premiums shall be paid in an amount up to a maximum of 30 per cent of the employee's current, fixed yearly salary.
Other remuneration and benefits shall be in line with the going rate in the market and contribute to facilitating the executive's opportunities to perform his or her work duties and may amount to a maximum of 10 per cent of fixed yearly cash salary. Other benefits relate mainly to company cars or mileage allowance.

Termination of employment
Senior executives' employment contracts include stipulations on notice of termination of employment. The policy is that employment maybe terminated by either party with a notice period of at least six months and not more than 12 months. During the notice period, unchanged salary, remuneration and benefits shall be paid.

Salary and terms of employment for employees
When consulting on the Board's proposal for these remuneration guidelines, salary and terms of employment for the company's employees have been taken into account, whereby information on the employees' overall compensation, remuneration components, and the increase in compensation and rate of increase over time have made up part of the Remuneration Committee's and Board's decision-making documentation in evaluating the fairness of the guidelines and the limitations they impose.

Compensation of Directors in addition to Directors' fees approved by shareholders' meetings
In special circumstances, Directors will be able to receive fees and other compensation for service on the company's behalf in addition to service on the Board of Directors (consulting services etc. in Directors' individual areas of expertise). For such services, a fee that is in line with the going rate in the market, approved in advance by the Chairman of the Board or by two Directors, will be payable. These guidelines shall be applied for such remuneration.

Decision-making process for setting, reviewing and implementing the guidelines
The Board has established a Remuneration Committee. The Committee is tasked with consultative work on the Board's decisions on proposed guidelines for remuneration of senior executives and any decisions to depart from the guidelines. The Board shall draw up a proposal for new guidelines at least every four years and submit its proposal to the AGM for resolution. The guidelines shall remain in effect until new guidelines have been adopted by a shareholders' meeting. The Remuneration Committee shall also monitor and evaluate variable remuneration programmes for members of Group Management, the application of guidelines for remuneration of senior executives, and applicable remuneration structures and remuneration levels in the company. In the Board's consultation and decisions on remuneration-related matters, the President or other members of Group Management shall not be present for matters relating to their own compensation.

Departures from the guidelines
The Board may only depart from these guidelines temporarily in special circumstances in an individual case, and where such departure is necessary to protect the company's long-term interests, including its sustainability, or to safeguard the company's long-term economic viability. If the Board departs from the guidelines for remuneration of senior executives, this must be stated on in the remuneration report to the following AGM.

POST BALANCE SHEET EVENTS

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 one of Sweden's leading providers 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

Addnode Group's Board of Directors has decided to amend its current dividend policy, from a dividend to shareholders of at least 50 per cent of the Group's profit after tax to 30–50 per cent 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.

Acquisition of Key Performance

Addnode Group acquired Key Performance on 1 March 2023. This company operates in the USA and Sweden, and net sales are approximately SEK 25 m. Key Performance becomes part of Addnode Group company TECHNIA, and is being consolidated into the Product Lifecycle Management division effective March 2023.

Read more about acquisitions in 2023 in note 40 on page 113

ANTICIPATED FUTURE PROGRESS

The Board has not changed its assessment of the long-term future outlook since the publication of the Year-end Report for 2022. The Board provided the following future outlook in the Year-end Report:

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 an impact on the global economy that includes 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 only has a few 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.

PROPOSED APPROPRIATION OF EARNINGS

Profit for the year of SEK 214,660,100 and other non-restricted equity, totalling SEK 725,137,226, together totalling SEK 939,797,326, are at the disposal of the Annual General Meeting. The Board of Directors proposes that these earnings, SEK 939,797,326, be appropriated as follows;

Dividend to shareholders of SEK 1.00 per share [1]	133,498,232
Carried forward	806,299,094
Total	**939,797,326**

[1] The Parent Company has 134,528,232 registered shares as of the 28 February 2023, of which the number of shares entitled to dividend is 133,498,232.

The Board's reasoned statement regarding the proposed appropriation of earnings is available at the company's website: www.addnodegroup.com. It is also available from the company on request.

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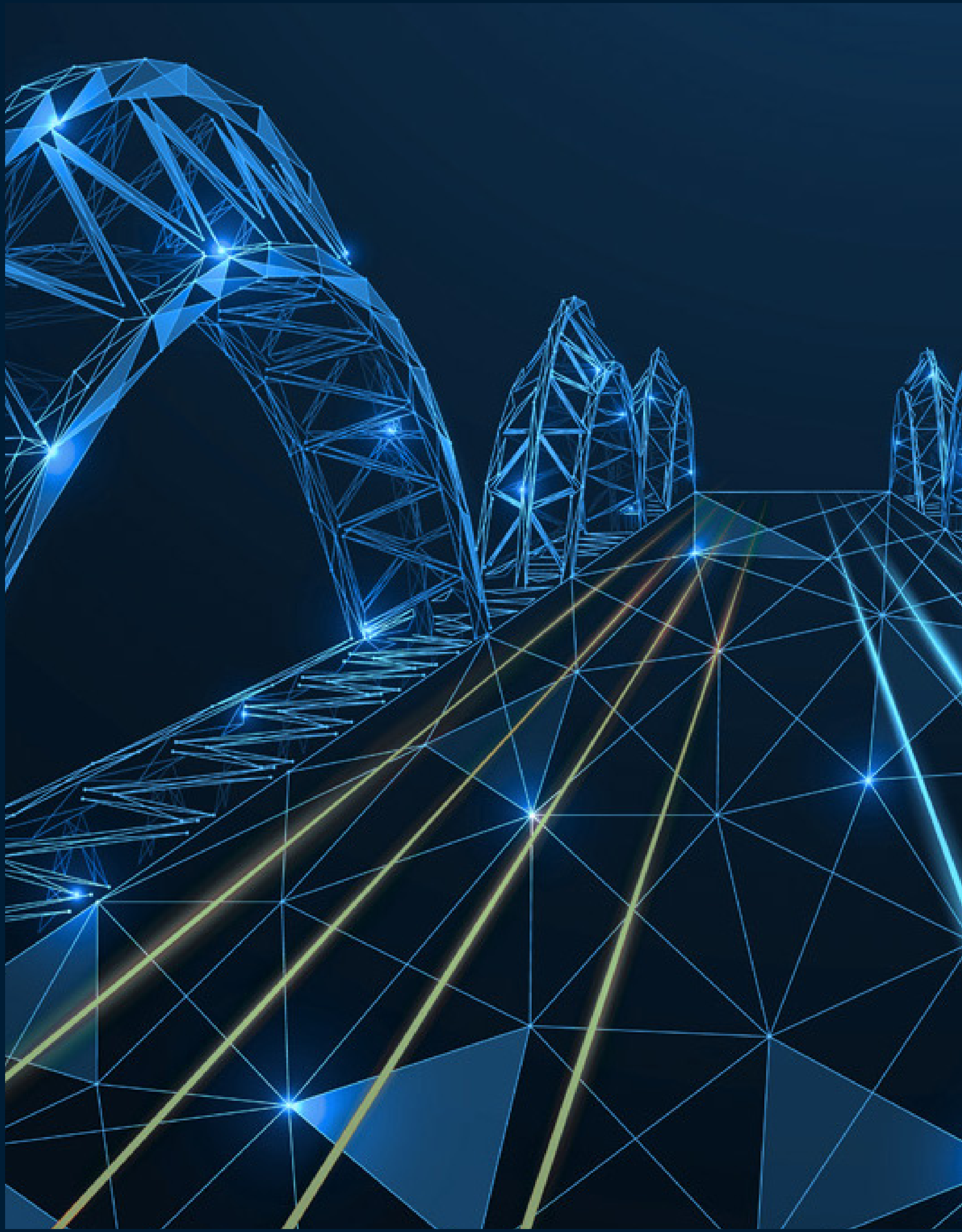

CONSOLIDATED INCOME STATEMENT

SEK m, 1 January – 31 December	Note	2022	2021
Net sales	2, 3, 38	6,225	4,077
Operating expenses			
Purchases of goods and services	38	–2,991	–1,768
Other external costs	6,17	–416	–285
Personnel costs	4,5	–2,114	–1,558
Capitalised work performed by the company for its own use	15	106	80
Depreciation/amortisation and impairment of			
– property, plant and equipment	16	–106	–86
– intangible non-current assets	15	–201	–156
Profit on sale of property/business		24	1
Operating profit		**527**	**305**
Financial income	9	11	2
Financial expenses	10	–48	–27
Remeasurement of contingent consideration	27	5	5
Profit after financial items		**495**	**285**
Current tax	11,12	–116	–71
Deferred tax	11,12	3	9
Profit for the year		**382**	**223**
Attributable to:			
Owners of the Parent Company		382	223

Share data			
Basic earnings per share, SEK	13	2.86	1.66
Diluted earnings per share, SEK	13	2.86	1.66
Shareholders' equity per share outstanding, SEK		15.02	12.66
Average number of shares outstanding before dilution		133,633,040	134,192,320
Average number of shares outstanding after dilution		133,644,956	134,192,320
Number of outstanding shares at end of year		133,498,232	133,728,232

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m, 1 January – 31 December	Note	2022	2021
Profit for the year		382	223
Other comprehensive income, items not reclassifiable to profit or loss:			
Actuarial gains and losses on pension obligations		4	0
Other comprehensive income, items reclassifiable to profit or loss:			
Exchange rate differences on translation of foreign operations		83	106
Hedge of net investment in foreign operations		–37	–52
Total other comprehensive income for the year, net after tax	11	**50**	**54**
Comprehensive income for the year		**432**	**277**
Attributable to:			
Equity holders of the parent		432	277

CONSOLIDATED BALANCE SHEET

SEK m, 31 December	Note	2022	2021
ASSETS			
Non-current assets			
Goodwill	15	2,681	2,107
Other intangible non-current assets	15	728	467
Property, plant and equipment	16, 17	229	162
Deferred tax assets	12	17	22
Long-term securities holdings	20	18	13
Non-current receivables	21	18	13
Total non-current assets		**3,691**	**2,784**
Current assets			
Inventories		2	0
Trade receivables		1,182	750
Tax assets		33	26
Other receivables		25	16
Prepaid expenses and accrued income	22	666	340
Cash and cash equivalents	34	600	406
Total current assets		**2,508**	**1,538**
TOTAL ASSETS		**6,199**	**4,322**

SEK m, 31 December	Note	2022	2021
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	24		
Share capital	24	404	404
Other paid-up capital		484	484
Reserves		68	22
Retained earnings (including profit for the year)		1,049	783
Total shareholders' equity		**2,005**	**1,693**
Non-current liabilities			
Non-current interest-bearing liabilities	26	987	718
Other non-current liabilities		3	—
Deferred tax liabilities	12	132	113
Long-term provisions	27	276	61
Total non-current liabilities		**1,398**	**892**
Current liabilities			
Current interest-bearing liabilities	26	82	58
Trade payables		626	303
Tax liabilities		64	42
Advances from customers		26	32
Other liabilities		275	175
Accrued expenses and deferred income	29	1,619	1,082
Short-term provisions	27	104	45
Total current liabilities		**2,796**	**1,737**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**6,199**	**4,322**

Pledged assets and contingent liabilities are reported in notes 30 and 31.

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK m, 1 January – 31 December	Note	2022	2021
Operating activities			
Operating profit		527	305
Depreciation/amortisation		308	242
Adjustments for other non-cash items	32	–14	–20
Sub-total		**821**	**527**
Interest received		4	0
Dividends received		2	0
Interest paid		–27	–17
Other financial income and expenses		–6	–4
Income tax paid		–117	–59
Cash flow from operating activities before changes in working capital		**677**	**447**
Changes in working capital:			
– increase/decrease in inventories		–2	1
– increase/decrease in receivables		–547	–238
– increase/decrease in current liabilities		586	227
Total changes in working capital		**37**	**–10**
Cash flow from operating activities		**714**	**437**

SEK m, 1 January – 31 December	Note	2022	2021
Investing activities			
Purchase of:			
– intangible non-current assets		–115	–100
– property, plant and equipment		–14	–8
– financial assets		–6	–4
– subsidiaries and operations	33	–513	–360
– cash and cash equivalents in acquired subsidiaries	33	92	71
Sale of:			
– property, plant and equipment		66	3
Cash flow from investing activities		**–490**	**–398**
Financing activities			
Dividend paid		–100	–84
Call options issued		3	6
Repurchase of treasury shares		–23	–72
Borrowings	35	304	770
Repayment of loan liabilities	35	–153	–855
Repayment of lease liabilities	35	–94	–70
Cash flow from financing activities		**–63**	**–305**
Change in cash and cash equivalents		**161**	**–266**
Cash and cash equivalents at beginning of year		406	644
Exchange rate difference cash and cash equivalents		33	28
Cash and cash equivalents at end of year	34	**600**	**406**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of the parent				
SEK m	**Share capital**	**Other paid-up capital**	**Reserves[1]**	**Retained earnings**	**Total share-holders' equity**
SHAREHOLDERS' EQUITY, ADOPTED BALANCE SHEET, 31 DEC. 2021	**404**	**484**	**22**	**783**	**1,693**
Comprehensive income					
Profit for the year				382	382
Other comprehensive income, items not reclassifiable to profit or loss:					
Actuarial gains and losses on pension obligations				4	4
Other comprehensive income, items reclassifiable to profit or loss:					
Exchange rate differences on translation of foreign operations			83		83
Hedge of net investment in foreign operations			–37		–37
Total other comprehensive income			**46**	**4**	**50**
Total comprehensive income			**46**	**386**	**432**
Transactions with shareholders					
Dividend				–100	–100
Call options issued				3	3
Repurchase of treasury shares				–23	–23
Total transactions with shareholders				**–120**	**–120**
SHAREHOLDERS' EQUITY, 31 DEC. 2022	**404**	**484**	**68**	**1,049**	**2,005**

[1] Exchange rate differences on the translation of foreign operations, and gains and losses related to hedges of net investment in foreign operations (see also note 24).

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY, cont.

	Attributable to equity holders of the parent				
SEK m	**Share capital**	**Other paid-up capital**	**Reserves**[1]	**Retained earnings**	**Total shareholders' equity**
SHAREHOLDERS' EQUITY, ADOPTED BALANCE SHEET, 31 DEC. 2020	**401**	**433**	**-32**	**710**	**1,512**
Comprehensive income					
Profit for the year				223	223
Other comprehensive income, items not reclassifiable to profit or loss:					
Actuarial gains and losses on pension obligations				0	0
Other comprehensive income, items reclassifiable to profit or loss:					
Exchange rate differences on translation of foreign operations			106		106
Hedge of net investment in foreign operations			-52		-52
Total other comprehensive income			**54**	**0**	**54**
Total comprehensive income			**54**	**223**	**277**
Transactions with shareholders					
Dividend				-84	-84
New share issue	3	51			54
Call options issued				6	6
Repurchase of treasury shares				-72	-72
Total transactions with shareholders	**3**	**51**		**-150**	**-96**
SHAREHOLDERS' EQUITY, 31 DEC. 2021	**404**	**484**	**22**	**783**	**1,693**

[1] Exchange rate differences on the translation of foreign operations, and gains and losses related to hedges of net investment in foreign operations (see also note 24).

PARENT COMPANY INCOME STATEMENT

SEK m, 1 January – 31 December	Note	2022	2021
Net sales	38	26	24
Operating expenses			
Other external costs	6, 38	–47	–42
Personnel costs	4	–39	–36
Depreciation/amortisation of intangible assets and property, plant and equipment	15, 16	0	0
Operating profit		**–60**	**–54**
Profit from financial items			
Profit from participations in Group companies	9	372	312
Interest income and similar profit/loss items	9	10	2
Interest expenses and similar profit/loss items	10	–40	–60
Profit after financial items		**282**	**200**
Appropriations			
Provision to tax allocation reserve		–38	–29
Profit before tax		**244**	**171**
Tax	11, 12	–29	–18
Profit for the year		**215**	**153**

PARENT COMPANY STATEMENT OF COMPREHENSIVE INCOME

SEK m, 1 January – 31 December	Note	2022	2021
Profit for the year		215	153
Total other comprehensive income for the year, net after tax		**0**	**0**
Comprehensive income for the year		**215**	**153**

PARENT COMPANY BALANCE SHEET

SEK m, 31 December	**Note**	**2022**	**2021**
ASSETS			
Non-current assets			
Intangible non-current assets			
Software	15	–	0
Total intangible non-current assets		**–**	**0**
Financial assets			
Participations in Group companies	18	2,885	2,710
Other long-term securities holdings	20	7	3
Deferred tax assets	12	0	0
Receivables from Group companies		50	2
Total financial assets		**2,942**	**2,715**
Total non-current assets		**2,942**	**2,715**
Current Assets			
Current receivables			
Receivables from Group companies	23	26	23
Other receivables		4	2
Prepaid expenses and accrued income	22	8	9
Total current receivables		**38**	**34**
Cash and bank balances	23	350	301
Total current assets		**388**	**335**
TOTAL ASSETS		**3,330**	**3,050**

SEK m, 31 December	**Note**	**2022**	**2021**
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	24		
Restricted equity			
Share capital	24	404	404
Statutory reserve		89	89
Non-restricted equity	14		
Share premium reserve		404	402
Retained earnings		320	291
Profit for the year		215	153
Total shareholders' equity		**1,432**	**1,339**
Untaxed reserves	25	**163**	**126**
Provisions	27	**90**	**93**
Non-current liabilities			
Liabilities to credit institutions	26	646	660
Current liabilities			
Trade payables		3	2
Liabilities to Group companies	23	942	799
Tax liabilities		15	4
Other liabilities		16	7
Accrued expenses and deferred income	29	23	20
Total current liabilities		**999**	**832**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**3,330**	**3,050**

Pledged assets and contingent liabilities are reported in notes 30 and 31.

PARENT COMPANY STATEMENT OF CASH FLOWS

SEK m, 1 January – 31 December	Note	2022	2021
Operating activities			
Operating profit		–60	–54
Depreciation/amortisation		0	0
Adjustments for other non-cash items		—	—
Sub-total		**–60**	**–54**
Interest received		5	1
Dividends received		151	218
Interest paid		–26	–14
Other financial income and expenses		–5	–5
Income tax paid		–18	–15
Cash flow from operating activities before changes in working capital		**47**	**131**
Changes in working capital:			
– change in current receivables		0	–1
– change in current liabilities		2	9
Total changes in working capital		**2**	**8**
Cash flow from operating activities		**49**	**139**

SEK m, 1 January – 31 December	Note	2022	2021
Investing activities			
Acquisitions of and investments in participations in Group companies		–214	–380
Sale of participations in Group companies		—	5
Acquisitions of other long-term securities holdings		–5	–1
Cash flow from investing activities		**–219**	**–376**
Financing activities			
Dividend paid		–100	–84
Call options issued		3	6
Repurchase of treasury shares		–23	–72
Borrowings		60	770
Repayment of liabilities		–80	–854
Change in intra-group receivables and liabilities		132	109
Group contributions received		227	151
Cash flow from financing activities		**219**	**26**
Change in cash and cash equivalents		**49**	**–211**
Cash and cash equivalents at beginning of year		301	518
Exchange rate difference cash and cash equivalents		0	–6
Cash and cash equivalents at end of year	23	**350**	**301**

PARENT COMPANY STATEMENT OF CHANGES IN EQUITY

SEK m	Restricted equity: Share capital	Restricted equity: Statutory reserve	Non-restricted equity	Total shareholders' equity
SHAREHOLDERS' EQUITY, 1 JAN. 2021	**401**	**89**	**791**	**1,281**
Comprehensive income				
Profit for the year			153	153
Total other comprehensive income			**0**	**0**
Total comprehensive income			**153**	**153**
Transactions with shareholders				
Dividend			–84	–84
New share issue	3		51	54
Call options issued			6	6
Repurchase of treasury shares			–72	–72
Total transactions with shareholders	**3**		**–99**	**–96**
SHAREHOLDERS' EQUITY, 31 DEC. 2021	**404**	**89**	**846**	**1,339**
SHAREHOLDERS' EQUITY, 1 JAN. 2022	**404**	**89**	**846**	**1,339**
Comprehensive income				
Profit for the year			215	215
Total other comprehensive income			**0**	**0**
Total comprehensive income			**215**	**215**
Transactions with shareholders				
Dividend			–100	–100
Call options issued			3	3
Repurchase of treasury shares			–23	–23
Total transactions with shareholders			**–120**	**–120**
SHAREHOLDERS' EQUITY, 31 DEC. 2022	**404**	**89**	**939**	**1,432**

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SUPPLEMENTARY DISCLOSURES AND NOTES

NOTE 1 ACCOUNTING AND VALUATION POLICIES

The critical accounting policies applied when preparing the consolidated accounts are stated below. These policies have been applied consistently for all years presented, unless otherwise indicated.

The consolidated accounts have been prepared in accordance with the Swedish Annual Accounts Act, Swedish Financial Reporting Board (RFR) recommendation RFR 1 Supplementary Accounting Rules for Groups, and International Financial Reporting Standards (IFRS) as endorsed by the EU. The consolidated accounts have been prepared in accordance with the cost method, except for remeasurement of financial assets and liabilities measured at fair value through other comprehensive income and financial assets and liabilities measured at fair value through profit or loss.

Preparing financial statements in conformity with IFRS requires the use of certain important accounting estimates. It also requires management to make certain judgements in applying the Group's accounting policies. The areas involving a high degree of judgement or complexity, or areas where assumptions and estimates are of significant importance for the consolidated accounts, are addressed in Note 37.

New and amended standards that came into effect in 2022

Amendments and interpretations of existing standards that came into effect in 2022 have not had any material effect on the Group's financial position or financial statements.

New standards that have not yet come into effect in 2022

Published new and amended standards and interpretations of existing standards that have not yet taken effect in 2022 nor have begun to be applied are not expected to have any material effect on the consolidated accounts.

CONSOLIDATED ACCOUNTS

The consolidated accounts cover the Parent Company and the companies over which the Parent Company, directly or indirectly, has controlling influence. The Parent Company has control of an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its influence over the entity.

The consolidated accounts have been prepared in accordance with the acquisition method, which entails that the shareholders' equity of subsidiaries on acquisition, determined as the difference between the fair value of the assets and the liabilities, is eliminated in its entirety. Only the part of the subsidiaries' shareholders' equity that accrued after the acquisition is included in the Group's shareholders' equity.

The purchase price for the acquisition of a subsidiary consists of the fair value of the assets transferred to the former owners of the acquired company, the liabilities incurred by the Group to the former owners, and the new shares issued by the Group. The purchase price also includes the fair value of assets or liabilities resulting from a contingent consideration arrangement. Subsequent changes in the fair value of contingent consideration are recognised through profit or loss. Transaction costs in conjunction with acquisitions are expensed in the Consolidated Income Statement when they arise.

Companies acquired during the year are included in the consolidated accounts in amounts relating to the period after the acquisition. The profit or loss from companies sold during the year is included in the Consolidated Income Statement for the period until the divestment date.

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (functional currency). The consolidated accounts are presented in Swedish kronor (SEK), which is the Parent Company's functional currency and presentation currency. All foreign subsidiaries are translated to SEK by applying the current method. This means that all of the assets and liabilities of foreign subsidiaries are translated at closing day rates. All items in the Income Statements are translated at the respective months' average rates of exchange. Translation differences are recognised in the Consolidated Statement of Comprehensive Income.

Intra-Group transactions and balance sheet items, as well as unrealised gains on transactions between Group companies, are eliminated in their entirety. Unrealised losses are also eliminated, unless the transaction provides evidence of impairment of the transferred asset. Where necessary, the accounting policies for subsidiaries have been adjusted to guarantee consistent application of the Group's policies.

The Consolidated Income Statement includes non-controlling interests (previously termed "minority shares") under net profit for the year. On the Consolidated Balance Sheet, non-controlling interests are reported as a separate item under the Group's shareholders' equity.

In connection with each individual company acquisition, the Group determines whether non-controlling interests are to be measured at either fair value or at the proportional share of net assets of the acquired company. Transactions with non-controlling interests that do not result in a change in control are reported in shareholders' equity. When the Group no longer has control, each remaining holding is measured at fair value at the date on which control ceased. Changes in carrying amounts are then recognised in the Consolidated Income Statement. The fair value subsequently forms the basis of future reporting of the remaining holding as an associated company, joint venture or financial asset.

REVENUE RECOGNITION

Revenue is recognised when the customer gains control over the sold product or service, which entails that the customer can decide on the use of the asset and draw benefit from it. Revenue is recognised in the manner that best reflects the transfer of the promised good or service to the customer at the amount that the company expects to be entitled to receive in exchange for the transferred product or service. This recognition is conducted with the help of a five-step model;

Step 1: Identify the contract with the customer
Step 2: Identify the various performance obligations in the contract
Step 3: Determine the transaction price
Step 4: Allocate the transaction price to the performance obligations
Step 5: Recognise revenue when the performance obligation is fulfilled

The Group's revenue is derived mainly from consulting services, licences for own and external vendors' software, and recurring revenue from software subscriptions, support and maintenance services, and SaaS solutions.

Service assignments performed on a current account basis are recognised as revenue in pace with performance of the services, i.e., both revenue and expenses are recognised in the period in which they are earned and consumed, respectively. Fees earned as of the reporting date that have not been invoiced are recognised as accrued income. When the outcome of a fixed-fee assignment can be measured reliably, income and expenses attributable to the assignment are recognised as revenue and expenses in proportion to the degree of completion as of the reporting date (percentage of completion). The degree of completion is primarily determined based on the number of hours as of the reporting date in proportion to the estimated total number of hours for the assignment. If it is difficult to calculate the earnings of an assignment, yet nevertheless probable that costs incurred will be covered by the customer, revenue is recognised as of the reporting date in an amount corresponding to the costs incurred for the assignment. Accordingly, no profit is recognised.

NOTE 1 ACCOUNTING AND VALUATION POLICIES, cont.

When the outcome of an assignment cannot be measured reliably, only the costs that the customer is expected to pay are recognised as revenue. No revenue is recognised if it is probable that expenses incurred will not be paid by the customer. An expected loss is immediately recognised as an expense to the extent that it can be calculated.

Fixed-fee assignments currently make up a small portion of the Group's net sales. Invoiced fees for fixed-fee service assignments that have not been performed are recognised as advances from customers.

Licence fees for software, which represent a distinct performance obligation, are recognised as revenue immediately upon delivery, as the customer gains control over the software. Licences for proprietary software may in certain cases be included as part of a larger implementation project with a high degree of customisation. If these performance obligations are determined to be so integrated that they each do not constitute distinct performance obligations, the licence revenue is recognised successively in pace with performance of the implementation services.

Software subscriptions and support and maintenance agreements where companies in the Group do not have any obligation to the customer are recognised as revenue immediately at the inception of the contract, as the performance obligation has been fulfilled. Software subscriptions and support and maintenance agreements where companies in the Group have an obligation to the customer are recognised as revenue on a straight-line basis during the contract period in pace with completion of the performance obligation. Revenue for SaaS solutions is recognised in pace with provision of the services.

If a customer contract contains several distinct performance obligations, the transaction price is allocated to each of the separate performance obligations based on their standalone sales prices. In cases where the standalone sales prices are not directly observable, the price is estimated based on the anticipated costs plus a profit margin.

Sales of products may arise to a limited extent and are recognised as revenue upon completion of delivery to the customer.

The Group's revenue from contracts with customers is described in more detail in Notes 2 and 3.

REPORTING OF GOVERNMENT ASSISTANCE

Government assistance is reported at fair value when there is reasonable certainty that the assistance will be received and that the Group will meet the conditions associated with the assistance. Government assistance that relates to cost coverage is allocated and recognised in the Income Statement in the same period as the costs that the assistance is intended to compensate. Pursuant to IAS 20, personnel-related government assistance has been recognised net in personnel costs (see note 4).

INCOME TAXES

Reported income taxes include tax to be paid or received for the current year, adjustments of current tax for previous years and changes in deferred tax.

Measurement of all tax liabilities/assets is at nominal amounts in accordance with the tax regulations and tax rates that have been decided on or announced, and which are likely to be adopted.

Tax is recognised through income statement, except when the tax relates to items recognised in other comprehensive income or directly in shareholders' equity. In such cases, tax is also recognised in other comprehensive income or shareholders' equity.

Deferred tax is calculated using the balance sheet method on all temporary differences arising between the recognised and tax values of assets and liabilities. Deferred tax assets relating to tax loss carry-forwards or other future tax deductions are recognised to the extent that it is likely that the deductions can be offset against surpluses in connection with future taxation.

RECEIVABLES, AND LIABILITIES IN FOREIGN CURRENCY

The distinguishing feature is that loan receivables and accounts receivable arise when the Group provides funds, goods or services directly to a customer without intending to trade in the receivables. They are included under current assets, with the exception of items falling due more than 12 months after the reporting date, which are classified as non-current assets. Loan receivables and trade receivables are initially measured at fair value and subsequently at amortised cost by applying the effective interest method, less any provisions for impairment. A reserve is established for impairment when the amount that is expected to be paid following an individual assessment is less than the carrying amount of the asset. A provision for anticipated credit losses is also made in accordance with IFRS 9.

Receivables and liabilities in foreign currency are measured at the exchange rate in effect on the reporting date. In cases where currency hedges have been applied, for example forward contracts, both the hedged item and the hedging instrument are measured at fair value. Transactions in foreign currency are translated at the spot rate on the transaction date. Exchange rate differences relating to operating receivables and liabilities are recognised in operating profit, while exchange rate differences relating to cash and cash equivalents and loans are recognised as financial income and expenses in the Income Statement. Remeasurement of liabilities at the exchange rate in effect on the reporting date for consideration paid and provisions for estimated contingent consideration in foreign currency as well as bank loans in foreign currency is recognised in the Consolidated Statement of Comprehensive Income if the requirements for hedge accounting of net investments in foreign operations are met.

NON-CURRENT ASSETS

Non-current assets are measured at cost less accumulated depreciation or amortisation, as well as any impairment.

When there are indicators that an asset is impaired, the asset's recoverable amount is measured. If the asset's carrying amount exceeds the recoverable amount, the asset is immediately impaired to its recoverable amount.

INTANGIBLE ASSETS

Costs for software development

Software development is conducted mainly within the framework of customer assignments.

Costs that are directly related to identifiable and unique software that is controlled by the Group are reported as intangible non-current assets if there is a clearly defined development project with specific plans for how and when the asset is to be used in the operations, the cost can be measured reliably, and the asset is expected to generate future financial benefits. In addition, it should also be technically possible to carry out the project, and the resources required to complete development must be available. Other development costs that do not meet these criteria are expensed as incurred. Development costs that were previously expensed are not reported as an asset in subsequent periods.

The cost of the intangible asset includes direct costs for, for example, consultants and personnel developing proprietary software, and a reasonable share of relevant indirect costs. Scheduled amortisation is on a straight-line basis over the estimated useful life, which is either three or five years. A three-year amortisation schedule is used for software that is developed as an additional component to an external provider's software or platform. A five-year amortisation schedule is used for entirely proprietary software that is not based on an external provider's software or platform. Amortisation is recognised from the date on which the software becomes operational.

Goodwill

Goodwill consists of the amount by which the cost for acquisition of companies or businesses exceeds the fair value of the acquired identifiable net assets on the acquisition date. In the allocation analysis, acquired intangible assets, such as customer relationships, software and trademarks & brands, are stated at market value before the remainder is attributed to goodwill.

Goodwill is measured at cost less any impairment. Scheduled amortisation is not conducted; instead, an impairment test is conducted yearly or more often if there is an indication of a decline in value.

NOTE 1 ACCOUNTING AND VALUATION POLICIES, cont.

Other intangible assets
Other intangible assets relate mainly to customer agreements, acquired software, trademarks and administrative software. These assets are recognised at cost less scheduled amortisation. Amortisation is done on a straight-line basis over the estimated useful life, which is either five or seven years. The amortisation period for the customer contracts of Microdesk LLC of the USA, acquired in 2022, is ten years.

PROPERTY, PLANT AND EQUIPMENT
Property, plant and equipment are reported at cost less depreciation. Costs for repairs and maintenance are expensed.

Property, plant and equipment are depreciated on a straight-line basis over the estimated useful life of the assets. The asset's residual value is taken into account when determining the depreciable amount of the asset. Equipment and installations are depreciated over a period of three to five years. Depreciation of buildings is at 4 per cent per year. No depreciation was applied in 2020 to the office building that was included in the acquisition of Excitech Ltd. in the UK in 2020, because the intention was divestment through a sale/leaseback transaction. 2 per cent depreciation was applied in 2021, and the office property was then divested in January 2022, with a capital gain of SEK 24 m (see note 16).

LEASES
The Group's leases consist mainly of rental contracts for premises and leases for company cars. Starting on 1 January 2019, all leases where the Group is the lessee, except for short-term leases and leases with a low value, are recognised on the Balance Sheet as right-of-use assets and corresponding financial liabilities. The right-of-use assets are included in property, plant and equipment, and the financial liabilities are included in interest-bearing liabilities. In the Consolidated Income Statement, an expense is recognised for depreciation of the leased asset along with interest expense for the financial liability.

Assets and liabilities arising out leases are initially recognised at the present value of the future lease payments when the leased asset is available for use by the Group. The future lease payments are discounted using the lease's implicit rate. If this interest rate cannot be easily determined, the lessee's incremental borrowing rate is used. The lease payments are divided into amortisation of principal and payment of interest. The interest is recognised through profit or loss over the term of the lease in a way that conveys a fixed interest rate for the lease liability that is recognised during the respective period.

Right-of-use assets are ordinarily depreciated on a straight-line basis over the shorter of the useful life and the lease term. Payments for short-term leases and leases where the underlying assets are of low value are expensed on a straight-line basis in the Income Statement. A more detailed description of the Group's lease activities and reporting of these is provided in Note 17.

FINANCIAL INSTRUMENTS
Financial instruments include cash and cash equivalents, securities holdings, receivables, operating liabilities, liabilities under leases, borrowings and any derivative instruments. Purchases and sales of securities and derivative instruments are recognised on the trade date, i.e., the date on which a binding purchase or sale contract was signed. The fair value of market-listed securities is based on the purchase price on the reporting date.

Securities intended to held in the long term and any short-term investments are attributed to the measurement categories of either financial assets at fair value through other comprehensive income, financial assets at fair value through profit or loss, or financial assets at amortised cost. The measurement category is determined separately for each holding of securities based on the nature of the contractual cash flows and the company's business model for asset management, i.e., based on the nature and the purpose of the holding.

For financial assets measured at fair value through profit or loss, changes in fair value are recognised as financial income and financial expenses, respectively, in profit or loss. However, changes in value on any forward exchange contracts are recognised in operating profit (see below).

Changes in fair value of financial assets measured at fair value through other comprehensive income are recognised in the Consolidated Statement of Comprehensive Income during the holding period. Upon divestment of the instrument, no reclassification of accumulated changes in value is made to financial income and financial expense in the Income Statement.

For the category financial liabilities at fair value through profit or loss (mainly provisions for estimated contingent consideration), changes in value are recognised as financial items in the Income Statement. Other financial liabilities are recognised at amortised cost. However, liabilities relating to leases are recognised at the present value of the remaining lease payments.

Any outstanding forward exchange contracts are measured at fair value. Forward exchange contracts relate to hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedges). Hedge accounting according to IFRS 9 can be applied for certain forward exchange contracts. This means that unrealised changes in value are recognised in the Consolidated Statement of Comprehensive Income until the hedged item is to be recognised in the Consolidated Income Statement, at which point the profit or loss for the corresponding foreign exchange forward contract is recognised in the Consolidated Income Statement. When the formal conditions for hedge accounting are not met, outstanding forward exchange contracts are measured as independent financial instruments on their respective reporting dates, for which both realised and unrealised changes in value are recognised in operating profit. The Group had no outstanding forward exchange contracts on either 31 December 2022 or 31 December 2021.

INVENTORIES
Inventories are measured at the lower of cost or net realisable value. Cost is calculated through application of the first-in, first-out (FIFO) principle. Net realisable value consists of the sales price in the operating activities less the estimated selling costs.

SHAREHOLDERS' EQUITY
Common shares are classified as shareholders' equity. Transaction costs directly attributable to the issuance of new shares are recognised, net after tax, in shareholders' equity as a deduction from the issue proceeds.

When any Group company purchases Parent Company shares (a share repurchase), the purchase price paid, including any directly attributable transaction costs (net after tax), reduces the profit brought forward until the shares are extinguished or sold. If these shares are subsequently sold, the amount received for them (net after any transaction costs and tax effects) is recognised in profit brought forward.

STOCK OPTION PROGRAMME
The Group's incentive programme enables managers and senior executives to acquire class B shares of the company by investing in call options. Employees have paid a market premium for these call options. The premium received is recognised in shareholders' equity as transactions with shareholders.

PROVISIONS
Provisions are defined as obligations that are attributable to the financial year or previous financial years and that are certain or likely to arise as of the reporting date, but for which the amount or the date on which the obligations are to be realised are uncertain. Provisions for estimated contingent consideration for acquisitions of businesses and for restructuring measures that have been decided on are recognised on the Balance Sheet. A provision for restructuring costs is reported when a detailed plan for the implementation of the measures exists and when this plan has been communicated to those affected.

NOTE 1 ACCOUNTING AND VALUATION POLICIES, cont.

PENSIONS

The Group's pension plans are administered almost exclusively by various insurance institutions. The Group primarily has defined contribution pension plans, although defined benefit pension plans also exist to a certain extent. The Group's payments toward defined contribution plans are recognised as personnel costs in the Income Statement during the period in which the employee performed the services and that the contributions relate to.

The defined benefit plans relate in all essential respects to obligations for retirement pensions and family pensions for salaried employees in Sweden, which are secured through insurance with Alecta. According to a statement from the Swedish Financial Reporting Board, UFR 10, this is classified a defined benefit multi-employer plan. For the financial year 2022, the Group did not have access to the type of information required for recognising these plans as defined benefit plans. As a result, the ITP (individual supplementary pension) plans that are secured through insurance with Alecta are reported as defined contribution plans. Contributions are recognised as personnel costs in profit or loss when they fall due for payment. Fees for pension insurance arranged with Alecta amounted to SEK 9 m (10) in 2022 and are expected to be comparable in 2023. Alecta's surplus can be distributed to the policyholders and/or insured parties. At year-end 2022, Alecta's surplus in the form of its collective funding ratio was 172 per cent (172). The collective funding ratio is defined as the market value of Alecta's assets as a percentage of its insurance obligations calculated using Alecta's actuarial assumptions, which are not compatible with IAS 19.

The German subsidiary TECHNIA GmbH has defined benefit pension obligations for five employees. The provision reported on the Balance Sheet for these pension obligations corresponds to the present value of the obligations on the reporting date and has been calculated in accordance with IAS 19 by an independent actuary. The provision as of 31 December 2022 amounted to SEK 7 m (10) (see Note 27). Actuarial gains and losses are recognised in the Consolidated Statement of Comprehensive Income in the periods in which they arise.

LIABILITIES TO CREDIT INSTITUTIONS

Liabilities to credit institutions are recognised at fair value. These liabilities are classified as non-current liabilities if the Group has an unconditional right to defer payment of the liability for at least 12 months after the reporting date.

TRADE PAYABLES

Trade payables are commitments to pay for goods or services acquired in operating activities from vendors. Trade payables are classified as current liabilities if they fall due within one year after the reporting date; otherwise they are classified as non-current liabilities. Trade payables are initially measured at fair value and thereafter at amortised cost by applying the effective interest method.

IMPAIRMENT

Assets with indefinite useful life, such as goodwill, are not amortised but are tested at least yearly for impairment. When impairment tests are performed, goodwill is distributed between the cash-generating units or groups of cash-generating units, determined in accordance with the Group's operating segments that are expected to benefit from the business combination in which the goodwill item arose.

Depreciated/amortised assets are assessed with regard to any decrease in value whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less selling costs and its value in use.

REPORTING BY OPERATING SEGMENT

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is the function that is responsible for allocating resources and assessing the performance of the operating segments. For the Group, this function has been identified as the President of the Parent Company.

STATEMENT OF CASH FLOWS, CASH AND CASH EQUIVALENTS

The Statement of Cash Flows is prepared in accordance with the indirect method. The reported cash flows include only transactions that involve cash inflows and outflows.

Cash and cash equivalents include cash, bank balances and short-term investments with a remaining term of less than three months from the acquisition date.

PARENT COMPANY

The Parent Company's accounts are prepared in accordance with the Swedish Annual Accounts Act and Swedish Financial Reporting Board recommendation RFR 2 Accounting for Legal Entities. The recommendation entails that legal entities whose securities are listed on a Swedish stock exchange on the reporting date are, as a main rule, to apply the IFRSs used in the consolidated accounts along with certain exemptions and additions stated in the recommendation.

The accounting policies and calculation methods for the Parent Company are unchanged compared with the preceding year.

Financial instruments, such as long-term securities holdings, are measured at fair value. Changes in fair value are recognised in accordance with the same principles as for the Group (see the description above). Participations in Group companies are reported at cost less any impairment. The cost of participations in Group companies includes transaction costs that arose in conjunction with the acquisition. Contingent consideration is recognised as a part of cost if it is probable that such consideration will be paid. Any remeasurement of estimated contingent consideration in subsequent periods is recognised as a change in the cost of participations in Group companies. Liabilities for consideration in foreign currency and provisions for estimated contingent consideration in foreign currency may in certain cases be treated in the accounts as a hedge of net investments in foreign operations. In such case the Parent Company recognises the liabilities and provisions at the exchange rate in effect on the acquisition date until they are settled, at which point realised exchange rate differences are recognised as a change in the cost of participations in Group companies. Certain bank loans in foreign currency are also treated for accounting purposes as hedges of net investments in foreign currency, entailing that such bank loans are stated at cost. Other assets and liabilities are stated at historical cost less depreciation/amortisation and any impairment. Dividends received and Group contributions received are reported as financial income.

In the Parent Company, all leases are recognised as rental contracts, whereby the lease payments are expensed in the Income Statement on a straight-line basis over the lease term.

NOTE 2 OPERATING SEGMENTS

Addnode Group's operations are organised and managed on the basis of 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 develop and deliver digital solutions and services for industries such as construction and real estate, manufacturing, automotive, and life sciences as well as the public sector. The solutions that Addnode Group provides enable the Group's customers to adopt digital ways of working to rationalise their operations, quality-assure their production and communicate more seamlessly with customers and the public. No changes were made in the segment breakdown in 2022. The segment breakdown is based on the Group's software and services. Design Management sells digital solutions for design, projects and facility management. Product Lifecycle Management offers digital solutions for design and product data management. The operations of Process Management are focused on digital solutions for document and case management. Investor relations, financial reporting and control, financing, tax issues, business development and company acquisitions are conducted centrally.

A breakdown of the Group's net sales by the various types of revenue is provided in Note 3. All divisions receive revenue from licences, recurring revenue, services and other revenue. Revenue for central units primarily relates to invoicing to subsidiaries for rents of premises and services performed. Transactions between the divisions are normally conducted in accordance with normal commercial terms, which also apply for external parties.

The segment report earnings according to the same accounting policies as the Group. The difference between the sum of the segments' operating profit and consolidated profit before tax relates to financial income of SEK 11 m (2), financial expenses of SEK –48 m (–27), and remeasurement of contingent consideration, totalling SEK 5 m (5).

Operating capital is defined as the sum of goodwill and other intangible non-current assets, property, plant and equipment including leases, financial assets, trade receivables and other operating assets less trade payables and other operating liabilities.

	Design		PLM		Process		Central		Elimination		Group	
SEK m	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Revenue and profit or loss												
Revenue from external customers	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**
Operating profit	**315**	**146**	**97**	**72**	**168**	**142**	**–53**	**–55**	**—**	**—**	**527**	**305**
Other disclosures												
Total net operating assets	1,367	868	799	596	910	853	10	–11	—	—	3,086	2,306
Investments in intangible non-current assets and property, plant and equipment	143	51	79	62	79	44	3	0	—	—	304	157
Depreciation/amortisation and impairment of intangible non-current assets and property, plant and equipment	–129	–84	–90	–71	–81	–78	–8	–9	—	—	–308	–242
Average number of employees	793	560	687	613	648	595	9	8	—	—	2,137	1,776

The following information on revenue from external customers is based on where Group companies are domiciled.

	Revenue from external customers		Intangible non-current assets and property, plant and equipment	
SEK m	**2022**	**2021**	**2022**	**2021**
Sweden	1,949	1,746	1,451	1,437
Norway	412	321	318	226
Finland	213	185	55	51
Denmark	55	43	24	22
Netherlands	72	75	26	26
Germany	723	526	351	214
UK	1,322	974	710	678
Ireland	78	31	30	28
USA	1,242	37	617	1
Other countries	237	170	86	81
Group	**6,225**	**4,077**	**3,638**	**2,736**

Geographical information

The Group conducts business primarily in the Nordic countries, Germany, the UK and the USA. Most of the Group's business is in Sweden, where all of the divisions conduct business. Business in Norway and the USA is mainly conducted by Design Management, but also Product Lifecycle Management and Process Management. Business in Finland and the UK is conducted by Design Management and Product Lifecycle Management. Business in Germany is conducted by Product Lifecycle Management.

NOTE 3 REVENUE FROM CONTRACTS WITH CUSTOMERS

The Group's net sales consist of the following main revenue streams per operating segment.

	Design		PLM		Process		Central		Elimination		Group	
SEK m	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Licenses	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**

Recurring revenue means revenue of a yearly recurring nature, such as revenue from support and maintenance contracts, and revenue from software subscriptions, rental agreements and SaaS solutions.

Design Management

Product and service	Description of the nature, invoicing and timing of satisfaction of performance obligations, as well as revenue recognition and important payment terms	
Licenses	**Proprietary software and external software vendors** Revenue for perpetual right of use for software is recognised immediately at the delivery date, when the customer gains control of the software. New sales of Autodesk software are in the form of software subscriptions (see below).	Customers are invoiced on contract signing/delivery, and payment terms are normally 30 days. There are payment terms of 60 days in the USA.
Recurring revenue	**Software subscriptions and lease contracts** Revenue from software subscriptions and lease contracts related to time-restricted rights of use and updates of the Group's proprietary software, where Group companies have an obligation to the customer, is recognised on a straight-line basis over the contract term as the performance obligation is satisfied. The contract term is typically one year, but can be up to three years. Revenue for software subscriptions and lease contracts relating to time-restricted rights of use and updates of software from Autodesk and other external vendors, where Group companies do not have an obligation to the customer, is recognised immediately at the start of the contract. The contract term is typically one year but can be up to three years. **Support and maintenance agreements** Revenue from support and maintenance agreements where Group companies do not have an obligation to the customer is recognised immediately at the start of the contract. The contract term is usually one year, but can be up to three years.	Revenue from support and maintenance agreements where Group companies have an obligation to the customer is recognised on a straight-line basis over the contract term as the performance obligation is satisfied. The contract term is typically one year, but can in certain cases be up to ten years. For software subscriptions, lease contracts, and support and maintenance agreements, customers are usually invoiced in advance, where the time invoiced may be all or part of the contract term. Amounts invoiced in advance are recognised as deferred income in the Balance Sheet. Payment terms are normally 30 days. There are payment terms of 60 days in the USA. **SaaS services** Revenue for SaaS solutions is recognised as services are performed. Customers are invoiced and typically pay for services rendered monthly in arrears.
Services	Revenue from services assignments is recognised as services are performed. Customers are invoiced and typically pay for services rendered monthly in arrears. Fixed fee assignments are negligible.	

NOTE 3 REVENUE FROM CONTRACTS WITH CUSTOMERS, cont.

Product Lifecycle Management

Product and service	Description of the nature, invoicing and timing of satisfaction of performance obligations, as well as revenue recognition and important payment terms	
Licenses	**Proprietary software and external software vendors** Revenue from perpetual rights of use for software is recognised immediately at the delivery date, when the customer gains control of the software. Sales of Dassault Systèmes' software are now conducted to a greater extent in the form of software subscriptions (see below).	Customers are invoiced on contract signing/delivery, and payment terms are normally 30 days.
Recurring revenue	**Software subscriptions and lease contracts** Revenue from software subscriptions and lease contracts relating to time-restricted rights of use and updates, where Group companies have an obligation to the customer, is recognised on a straight-line basis over the contract term as the performance obligation is satisfied. The contract term is typically one year, but can vary between a quarter and in some cases several years. **Support and maintenance agreements** Revenue from support and maintenance agreements, where Group companies have an obligation to the customer is recognised on a straight-line basis over the contract term as the performance obligation is satisfied. The contract term is typically one year, but can vary between one quarter and in some cases several years.	For software subscriptions, lease contracts and support and maintenance agreements, customers are typically invoiced in advance, whereby the period of time being invoiced can relate to either the entire or part of the contract term. Amounts invoiced in advance are recognised as deferred income in the Balance Sheet. Payment terms are normally 30 days. **SaaS services** Revenue for SaaS solutions is negligible and is recognised in pace with provision of the services. Customers are invoiced and typically pay for services performed monthly in arrears.
Services	Revenue for services performed on current account is recognised as services are performed. Customers are typically invoiced and pay monthly in arrears. There are some fixed-price assignments, where revenue is recognised on a percentage of completion basis on the reporting date.	Invoiced fees for fixed-fee assignments relating to services that have not yet been performed are recognised as customer advances in the Balance Sheet

Process Management

Product and service	Description of the nature, invoicing and timing of satisfaction of performance obligations, as well as revenue recognition and important payment terms	
Licenses	Revenue from perpetual rights of use for software that constitutes a distinct performance obligation is recognised immediately at the delivery date, when the customer gains control of the software, and has confirmed receipt.	Customers are invoiced on contract signing/delivery, and payment terms are normally 30 days.
Implementation of system solutions (combination of licences and services)	Licences for proprietary software can in certain cases be included as part of a larger implementation project with a high degree of customisation. If these performance obligations are considered to be so integrated that they do not constitute a distinct performance obligation, the licence revenue is recognised as the implementation services are performed.	In these cases, invoicing and payment terms are often based on specific agreements with the customer.
Recurring revenue	**Support and maintenance agreements** Revenue from support and maintenance agreements where Group companies have an obligation to the customer is recognised on a straight-line basis over the contract term as the performance obligation is satisfied. The contract term is typically one year, but can be several years. There are some maintenance agreements relating to external vendors' software where Group companies do not have an obligation to the customer, where revenue is recognised immediately at the start of the agreement, when the performance obligation has been satisfied.	Customers are typically invoiced in advance, where the time invoiced may be all or part of the contract term. Amounts invoiced in advance are recognised as deferred income in the Balance Sheet. Payment terms are normally 30 days. **SaaS services** Revenue from SaaS solutions is recognised as services are rendered. Customers are invoiced and typically pay for services performed either monthly in advance or in arrears. Amounts invoiced in advance are recognised as deferred income on the Balance Sheet. Terms of payment are normally 30 days.
Services	Revenue for services performed on current account is recognised as services are performed. Customers are invoiced and typically pay monthly in arrears. There are some fixed-fee assignments, where revenue is recognised on a percentage of completion basis.	Invoiced fees for fixed-fee assignments relating to services that have not yet been rendered are recognised as customer advances in the Balance Sheet.

NOTE 3 REVENUE FROM CONTRACTS WITH CUSTOMERS, cont.

Contract assets and contract liabilities
Addnode Group recognises trade receivables when there is an unconditional right to payment for services rendered. Accrued income is recognised for earned fees and other payment for services rendered that have not yet been invoiced on the reporting date. Contracts invoiced in advance are recognised as deferred income on the Balance Sheet. Invoiced fees for fixed-fee assignments for services that have not yet been performed are recognised as customer advances.

Accrued income
Of the year's opening balance of SEK 58 m (56), SEK 56 m (49) was invoiced in 2022. No significant impairment was recognised for accrued income at the beginning of the year. SEK 61 m (42) of revenue recognised in 2022 is included in accrued income at year-end.

Deferred income
Of the year's opening balance of SEK 771 m (509), SEK 762 m (488) was recognised as revenue in 2022. Companies acquired in 2022 increased deferred income by SEK 3 m (78), with SEK 3 m (68) of this revenue recognised in 2022. Deferred income of SEK 1,193 m (740) of agreements advance invoiced in 2022 was included in deferred income at the end of the year.

Customer advances
Of the year's opening balance of SEK 31 m (28), SEK 28 m (24) was revenue recognised in 2022. SEK 21 m (26) of fees invoiced on fixed-fee assignments for services not yet performed are included in the closing balance for the year.

Trade receivables and possible and expected credit losses
Addnode Group has historically had very low costs for bad debt. The provision for bad debt on the reporting date of 31 December 2022 was SEK 28 m (8), which corresponds to 2.4 per cent (1.0) of total trade receivables. Profit for 2022 was impacted negatively by SEK 2 m (0) due to provisions and reversals of previous provisions for possible and expected credit losses. The Group's trade receivables are divided over a large base of counterparties. In terms of monetary amounts, the effects of the model for calculating the provision for anticipated credit losses according to IFRS 9 have been negligible.

Contract fees
Addnode Group has not reported any assets due to fees for receiving or fulfilling contracts with customers.

Transaction price allocated to remaining performance obligations
The following table shows revenue to be recognised in future relating to unsatisfied or partly satisfied performance obligations on the reporting date, and when revenue is expected to be recognised (SEK m).

	31 Dec. 2022	31 Dec. 2021
Within one year of reporting date	314	217
Later than one year but within five years of reporting date	222	227
Later than five years from reporting date	10	10
Total	**546**	**454**

The table does not include performance obligations that are part of a contract with an original anticipated term of not more than one year or a contract under which the company has a right to variable compensation based on its completed performance, such as consulting contracts where compensation is at a fixed rate per hour of completed work (according to IFRS 15 points 121 and B16).

Parent Company
The Parent Company's net sales relate mainly to invoicing to subsidiaries for rents of premises and services performed.

NOTE 4 SALARIES, OTHER BENEFITS AND SOCIAL SECURITY COSTS

	Group		Parent Company	
SEK m	**2022**	**2021**	**2022**	**2021**
Salaries and other benefits to:				
– boards of directors, presidents and senior executives	203	168	22	21
– other employees	1,372	980	6	5
Government assistance for reduced working-hours and sick pay	–4	–3	—	—
Pension costs for:				
– boards of directors, presidents and senior executives	23	22	3	3
– other employees	93	80	1	1
Other social security costs	356	274	9	9
Total	**2,043**	**1,521**	**41**	**39**
The above salaries and other benefits to boards of directors, presidents and senior executives include the following bonuses etc.	36	31	8	8
The number of people included in boards of directors, presidents and senior executives above	153	142	12	12

Government assistance
As stated in the table above, the Group received government assistance in the USA and Germany totalling SEK 4 m (3) for reduced working hours and sick pay, reported as a decrease in the Group's personnel costs. The accounting policies for government assistance are described in more detail in note 1.

Stock option programme
The AGM 2022 approved a long-term incentive programme (LTIP 2022) for managers and senior executives of Addnode Group. This programme consists of call options on Addnode Group's repurchased shares, with each call option conferring entitlement to acquire four repurchased class B shares. The option premium of the programme has been set using an accepted valuation methodology, Black-Scholes. The conditions for computation set the exercise price at 126 per cent of the calculated average of the high and low share prices quoted during the day over the measurement period, volatility was based on statistical historical data, the risk-free interest rate was based on the yield on government bonds, the term and exercise period pursuant to the terms & conditions of the programme, and dividend according to financial analysts' estimates available, balanced with the Group's dividend policy.

In June 2022, 56,950 call options on class B shares were issued to some 40 participants. Granting varied between 100–5,000 options per person. The measurement period for determining the average share price, which was SEK 91.60, was 5–19 May 2022. The exercise price of the call options was set at SEK 115.80. The market-valued call option premium was SEK 49.70 per option. The programme has three exercise periods, which are after 3, 3.5 and 4 years respectively. Exercise is possible in three periods; (i) from and including the day after the company publishes its Interim Report for the period 1 July 2025 – 30 September 2025, but no earlier than 25 October 2025, and up to and including 10 December 2025, (ii) after the company publishes its Year-end Report for the period 1 January 2025 – 31 December 2025, but no earlier than the 25 January 2026, and up to and including 10 March 2026, (iii) after the company publishes its Interim Report for the period 1 January 2026–31 March 2026, but no earlier than 25 April 2026, and up to and including 10 June 2026.

The AGM 2021 approved an incentive programme (LTIP 2021) for managers and senior executives of Addnode Group. This programme consists of call options on Addnode Group's repurchased shares, with each call option conferring entitlement to acquire four repurchased class B shares. The option premium of the programme has been set using an accepted valuation methodology, Black-Scholes. The conditions for computation set the exercise price at 126 per cent of the calculated average of the high and low share prices quoted during the day over the measurement period, volatility was based on statistical historical data, the risk-free interest rate was based on the yield on government bonds, the term and exercise period pursuant to the terms & conditions of the programme, and dividend according to financial analysts' estimates available, balanced with the Group's dividend policy.

The programme covered 60 people and a total of 195,800 call options were granted. Granting varied between 100–13,000 options per person. The measurement period for determining the average share price, which was SEK 74.39, was 7–21 May 2021. The exercise price of the call options was set at SEK 93.73. The exercise price and share price were recalculated because of the 4:1 share split conducted in 2022. The market value of the call options was set at SEK 29.80 per option. The programme has three exercise periods, which are after 3, 3.5 and 4 years respectively. Exercise is possible in three periods; (i) from and including the day after the company publishes its Interim Report for the period 1 July 2024 – 30 September 2024, but no earlier than 25 October 2024, and up to and including 10 December 2024, (ii) after the company publishes its Year-end Report for the period 1 January 2024 – 31 December 2024, but no earlier than the 25 January 2025, and up to and including 10 March 2025, (iii) after the company publishes its Interim Report for the period 1 January 2025 – 31 March 2025, but no earlier than 25 April 2025, and up to and including 10 June 2025.

For complete terms and conditions, please refer to the convening notices for the AGMs 2021 and 2022, which are at addnodegroup.com

The following two call option programmes were outstanding at year-end:

Share option programme	No. outstanding options	Exercise price (SEK)
LTIP 2021	195,800[1]	93.73
LTIP 2022	56,950[1]	115.80
Total	**252,750**	

[1] One option entitles the holder to purchase four shares.

In 2022 and 2021, the President acquired a total of 5,000 and 13,000 call options on class B shares of Addnode Group AB under the incentive programmes approved by the AGMs of 2022 and 2021 respectively.

In 2022 and 2021, other senior executives acquired a total of 14,800 and 39,200 call options on class B shares of Addnode Group AB under the incentive programmes approved by the AGMs of 2022 and 2021 respectively.

NOTE 5 REMUNERATION OF THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES

Remuneration and other benefits in 2022

SEK thousand	Basic salary/fee	Variable remuneration	Other benefits	Pension costs	Total 2022
Chairman of the Board Staffan Hanstorp	539	–	–	–	539[1]
Director Jan Andersson	384	–	–	–	384
Director Kristofer Arwin	343	–	–	–	343
Director Johanna Frelin	248	–	–	–	248
Director Sigrun Hjelmquist	343	–	–	–	343[2]
Director Thord Wilkne	290	–	–	–	290
Director Kristina Willgård	248	–	–	–	248[3]
Chief Executive Officer Johan Andersson	3,777	3,660	113	1,065	8,615
Other senior executives (6 people)	12,635	7,459	1,858	2,752	24,704
Total	**18,807**	**11,119**	**1,971**	**3,817**	**35,714**

1 In 2022, Chairman of the Board Staffan Hanstorp invoiced the Parent Company SEK 2,422 000 of fees from a company for consulting services related to the Group's acquisition opportunities, financing matters, strategic partnerships and overarching strategic matters. This amount is not included in the table above.

2 Director Sigrun Hjelmquist invoiced the Parent Company SEK 20 000 from a company for administering and compiling an appraisal of the Board of Directors. This amount is not included in the table above.

3 Director Kristina Willgård invoiced the Parent Company SEK 37 000 from a company for participation in evaluating Group development projects. This amount is not included in the table above.

Remuneration and other benefits in 2021

SEK thousand	Basic salary/fee	Variable remuneration	Other benefits	Pension costs	Total 2021
Chairman of the Board Staffan Hanstorp	456	–	–	–	456[1]
Director Jan Andersson	328	–	–	–	328
Director Kristofer Arwin	292	–	–	–	292
Director Johanna Frelin	217	–	–	–	217
Director Sigrun Hjelmquist	292	–	–	–	292[2]
Director Thord Wilkne	240	–	–	–	240
Director Kristina Willgård	217	–	–	–	217
Chief Executive Officer Johan Andersson	3,344	3,300	113	990	7,747
Other senior executives (6 people)	12,371	6,306	414	2,346	21,437
Total	**17,757**	**9,606**	**527**	**3,336**	**31,226**

1 In 2021, Chairman of the Board Staffan Hanstorp invoiced the Parent Company SEK 2,462,000 of fees from a company for consulting services related to the Group's acquisition opportunities, financing matters, strategic partnerships and overarching strategic matters. This amount is not included in the table above.

2 Board member Sigrun Hjelmquist invoiced the Parent Company SEK 20,000 from a company for administering and compiling an appraisal of the Board of Directors. This amount is not included in the table above.

REMUNERATION GUIDELINES FOR SENIOR EXECUTIVES

Remuneration guidelines for senior executives, as approved by the AGM in May 2020 and applicable until the AGM 2024, providing no amendments are proposed, are stated in the Board of Directors' Report, pages 70–71. No amendments are proposed for the AGM 2023.

REMUNERATION AND BENEFITS FOR THE BOARD OF DIRECTORS AND SENIOR EXECUTIVES IN 2022

Parent Company Board of Directors

For the time between the AGM 2022 and AGM 2023, a fixed fee of SEK 520,000 is payable to the Chairman of the Board and SEK 260,000 to each of the other Board members. A fee of SEK 140,000 is payable to the Audit Committee chair, and a fee of SEK 100,000 is payable to each of the two other members of the Audit Committee. A fee of SEK 50,000 is payable to each of the two members of the Board's Remuneration Committee. In 2022, Chairman of the Board Staffan Hanstorp was contracted on a consulting basis for work with the Group's acquisition opportunities, financing matters, strategic partnerships and overarching strategic matters. Fees invoiced for the consulting services rendered by Staffan Hanstorp were a maximum of SEK 237,000 per month (based on an invoiced amount including social security contributions). Board member Sigrun Hjelmquist invoiced the Parent Company SEK 20,000 from a company for administering and compiling an appraisal of the Board of Directors. Director Kristina Willgård invoiced the Parent Company SEK 37,000 from a company for participation in evaluating Group development projects. No other fees were paid in 2022 for service on the Board of Directors or the Audit or Remuneration Committees. There are no agreements on pensions, severance pay or other benefits for Board members.

Subsidiary Boards of Directors

No separate fee is paid to Board members of the Group's subsidiaries, nor any pension or other benefits.

President of the Parent Company

The President, Johan Andersson, is employed by the Parent Company. Under his employment contract, remuneration is paid in the form of base salary of SEK 305,000 per month, variable remuneration, other benefits and occupational pension premiums. Variable remuneration is the expensed bonus for 2022, which will be paid in 2023. Variable remuneration is based on growth of consolidated net sales, EBIT and earnings per share. The variable remuneration component is capped at 12 months' fixed salary on a yearly basis. Other benefits consist primarily of a car mileage allowance. Pension costs relate to the cost that affects net profit for the year. Occupational pension premiums are paid at an amount corresponding to 30 per cent of fixed salary.

The President's employment contract has a mutual notice period of six months with continued service. In the event the company serves notice, severance pay equivalent to six months' fixed salary is payable.

In 2022 and 2021, the President acquired a total of 5,000 and 13,000 call options on class B shares of Addnode Group AB under the incentive programmes approved by the AGMs of 2022 and 2021 respectively (see notes 1 and 4).

Remuneration of the President of the Parent Company is considered and specified by the Board's Remuneration Committee.

Other senior executives

For 2022, other senior executives in the above table includes Group Management, except for the President of the Parent Company, as in the Corporate Governance Report on page 63. Group Management also included Adam Nilsson, the Head of M&A, until April 2022 inclusive. Remuneration of other senior executives consists of a basic salary, variable remuneration, other benefits and occupational pension premiums. For the financial year 2022, variable remuneration is the expensed bonus, which will be paid in 2023. For division Presidents, variable remuneration is largely based on the own division's net sales growth, EBITA and before work performed by the company for its own use and capitalised for each division. Variable remuneration is capped at nine months' fixed salary. The other benefits in the table above are largely reimbursement and expenses related to one of the senior executive's work with a group company in the USA, as well as mileage allowance or car benefits. Pension costs are the costs that affected net profit for the year. Occupational pension premiums are paid at a maximum of approximately 30 per cent of fixed salary.

The employment contracts have a mutual notice period of 3 to 12 months with continued service.

In 2022 and 2021, other senior executives acquired a total of 14,800 and 39,200 call options on class B shares of Addnode Group AB under the incentive programmes approved by the AGMs of 2022 and 2021 respectively (see notes 1 and 4).

Remuneration of other senior executives in the Group is considered and specified by the President of the Parent Company after consultation with the Board's Remuneration Committee.

NOTE 6 AUDITORS' FEES

SEK thousand	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Audit				
PricewaterhouseCoopers	5,275	3,177	920	995
– of which to PricewaterhouseCoopers AB[1]	2,373	2,297		
Other auditors	2,170	1,878	–	–
Auditing activities in addition to the audit				
PricewaterhouseCoopers	125	94	20	50
– of which to PricewaterhouseCoopers AB[1]	125	94		
Other auditors	265	48	–	–
Tax consultancy				
PricewaterhouseCoopers	85	112	85	112
– of which to PricewaterhouseCoopers AB[1]	85	112		
Other auditors	79	123	–	–
Other services				
PricewaterhouseCoopers	238	276	–	–
– of which to PricewaterhouseCoopers AB[1]	5	276		
Other auditors	506	94	–	–
Total	**8,743**	**5,802**	**1,025**	**1,157**

[1] The proportion of the Group's total reimbursement of auditors relating to the audit firm in Sweden appointed by the AGM.

The audit fee includes summary reviews of interim financial statements.

NOTE 7 EXCHANGE RATE DIFFERENCES

Consolidated operating profit includes exchange rate differences attributable to operating receivables and operating liabilities of SEK –5 m (0) net. Some currency forward contracts are used to a certain extent to hedge amounts for future payment flows in foreign currencies. Any outstanding forward exchange contracts are measured at fair value. Forward exchange contracts relate to hedges of a particular risk associated with a reported asset or liability or a highly probable forecast transaction (cash flow hedges). Hedge accounting according to IFRS 9 may apply to certain forward exchange contracts. This means that unrealised changes in value are recognised in the Consolidated Statement of Comprehensive Income, until the hedged item is to be recognised in the Consolidated Income Statement, at which point the gain or loss for the corresponding forward exchange contract is recognised in the Consolidated Income Statement. The purpose of hedge accounting is thus for the gain or loss for the hedged item and the corresponding forward exchange contract to be recognised through profit or loss during the same period. In cases where formal conditions for hedge accounting are not satisfied, both realised and unrealised changes in value of forward exchange contracts are recognised in operating profit. No forward exchange contracts were outstanding as of 31 December 2022 or 31 December 2021.

More information on the currency hedging policy is provided in note 36, Financial risks and risk management.

NOTE 8 RESEARCH AND DEVELOPMENT

Research and development costs for the year amounted to SEK 34 m (26). SEK 106 m (80) of expenditure for investments in proprietary software and applications were capitalised in 2022, (see note 15). SEK 73 m (60) of expenditure for proprietary software and applications capitalised in the year and the previous years where amortised in 2022.

NOTE 9 FINANCIAL INCOME

SEK m	Group 2022	Group 2021
Interest income	4	0
Share dividends	2	0
Exchange rate differences	4	2
Other financial income	1	0
Total	**11**	**2**

SEK m	Parent Company 2022	Parent Company 2021
Profit from participations in Group companies		
Share dividends	149	218
Group contributions received	269	227
Impairment	–46	–168
Reversal of previous impairment	–	35
Total	**372**	**312**

SEK m	Parent Company 2022	Parent Company 2021
Profit/loss from other securities that are non-current assets		
Share dividends	2	–
Interest income and similar profit/loss items		
External interest income	4	0
Interest income from Group companies	2	1
Exchange rate differences	2	1
Total	**8**	**2**

NOTE 10 FINANCIAL EXPENSES

	Group	
SEK m	2022	2021
Interest expenses	–37	–16
Exchange rate differences	–6	–7
Other financial expenses	–5	–4
Total	**–48**	**–27**

	Parent Company	
SEK m	2022	2021
Interest expenses and similar profit/loss items		
External interest expenses	–21	–13
Interest expenses to Group companies	–8	0
Exchange rate differences	–6	–43
Other financial expenses	–5	–4
Total	**–40**	**–60**

NOTE 11 TAX

	Group		Parent Company	
SEK m	2022	2021	2022	2021
Current tax on profit for the year	–114	–73	–29	–18
Adjustments relating to previous years	–2	2	—	—
Deferred tax (see note 12)	3	9	0	0
Total	**–113**	**–62**	**–29**	**–18**

The tax effect attributable to the components of other comprehensive income for the Group for 2022 are a total of SEK 2 m (7), of which SEK 1 m (7) is hedging of net investments in foreign operations, and SEK 1 m (0) is actuarial gains and losses on pension obligations.

The difference between tax computed at the nominal Swedish tax rate on profit before tax and effective tax as reported in the Income Statement arises as follows:

	Group		Parent Company	
SEK m	2022	2021	2022	2021
Profit after financial items/profit before tax	**495**	**285**	**244**	**171**
Tax calculated according to nominal Swedish tax rate of 20.6% (20.6%)	–102	–59	–50	–35
Non-deductible expenses	–9	–3	–10	–35
Dividend from Group companies	—	—	31	45
Other tax-exempt income	10	2	0	7
Use of loss carry-forwards and temporary differences for which no deferred tax asset was previously capitalised	3	2	—	—
Decrease in deferred tax assets for loss carry-forwards and temporary differences	–1	0	—	—
Increase in loss carry-forwards and temporary differences for which no deferred tax asset has been capitalised	–1	0	—	—
Remeasurement of deferred tax assets and deferred tax liabilities due to changes in tax rates	—	–2	—	—
Effect of foreign tax rates	–11	–4	—	—
Adjustments relating to previous years	–2	2	—	—
Tax according to Income Statement	**–113**	**–62**	**–29**	**–18**

In 2022 and 2021, the non-deductible expenses of the Parent Company include impairment of participations in Group companies and tax-exempt income in 2021 includes reversal of previous impairment of participations in Group companies.

NOTE 12 DEFERRED TAX

Deferred tax assets and deferred tax liabilities relate to temporary differences and tax loss carry-forwards. Temporary differences exist for cases where the carrying amount and tax values of the assets and liabilities are different. Deferred tax assets relating to tax loss carry-forwards or other tax deductions are recognised only to the extent that it is likely that the deductions can be offset against surpluses in conjunction with future taxation.

Deferred tax assets and deferred tax liabilities relate to temporary differences and tax loss carry-forwards on the respective reporting dates as follows:

	Group		Parent Company	
SEK m	**2022**	**2021**	**2022**	**2021**
Deferred tax assets				
Intangible non-current assets	2	2	–	–
Property, plant and equipment	1	2	–	–
Temporary differences in receivables and liabilities	6	6	0	0
Lease liabilities	1	1	–	–
Loss carry-forwards	8	11	–	–
Total deferred tax assets	**18**	**22**	**0**	**0**
Deferred tax liabilities	8	6	–	–
Capitalised development expenditure	78	69	–	–
Customer agreements, software and similar rights	2	–	–	–
Untaxed reserves	44	38	–	–
Total deferred tax liabilities	**132**	**113**	**–**	**–**
Deferred tax assets and deferred tax liabilities, net	**–114**	**–91**	**0**	**0**

The net amount of deferred tax assets and deferred tax liabilities changed during the year as follows:

	Group		Parent Company	
SEK m, as of 31 December	**2022**	**2021**	**2022**	**2021**
Opening balance	–91	–73	0	0
Acquired Group companies	–26	–25	–	–
Recognised in profit or loss (see note 11)	3	9	0	0
Translation difference	0	–2	–	–
Closing balance	**–114**	**–91**	**0**	**0**

The amounts recognised in the Balance Sheet include the following:

	Group	
SEK m	**2022**	**2021**
Deferred tax assets that can be used after 12 months at the earliest	6	15
Deferred tax liabilities that must be paid after 12 months at the earliest	–100	–91

Deferred tax assets not reported as assets

The Group's total tax loss carry-forwards were approximately SEK 75 m (80) on 31 December 2022. SEK 8 m (11) of deferred tax assets are recognised n the Consolidated Balance Sheet as the value of these loss carry-forwards. The deferred tax assets relating to loss carry-forwards are recognised as assets to the extent it is likely that the loss carry-forwards may be deducted against surpluses in future taxation. The Group's tax loss carry-forwards largely relate to foreign companies, where the scope for use may be limited because the Group does not currently conduct any operations with taxable profit in those countries where these loss carry-forwards exist. Deferred tax assets that have not been recognised as assets were approximately SEK 8 m (7) on 31 December 2022. There are no established maturity dates for the Group's tax loss carry-forwards on 31 December 2022.

NOTE 13 EARNINGS PER SHARE

	Group	
SEK	**2022**	**2021**
Basic and diluted earnings per share	**2.86**	**1.66**

A 4:1 share split was conducted in the year after an AGM resolution. At year-end, there were 134,528,232 registered shares. Because of the share split, the historical number of shares and earnings per share have been recalculated.

The number of outstanding shares at year-end 2022 was 133,498,232, after the repurchase of 1,030,000 shares in the years 2021 and 2022.

Basic earnings per share
The calculation of basic earnings per share for 2022 was based on profit for the year of SEK 382 m (223), and a weighted average number of outstanding ordinary shares in 2022 of 133,633,040 (134,192,320).

No. of shares	**2022**	**2021**
Total number of outstanding shares on 1 January	133,728,232	133,709,024
New share issue	—	614,408
Repurchase of shares	–95,192	–131,112
Weighted average number of basic shares in the year	**133,633,040**	**134,192,320**

Diluted earnings per share
The calculation of diluted earnings per share for 2022 was based on profit for the year of SEK 382 m (223), and a weighted number of outstanding ordinary shares in 2022 of 133,644,956 (134,192,320).

No. of shares	**2022**	**2021**
Weighted average number of basic shares in the year	133,633,040	134,192,320
Computed number of potential shares related to call option programmes	11,916	0
Weighted average number of shares in the year after dilution	**133,644,956**	**134,192,320**

NOTE 14 PROPOSED APPROPRIATION OF PROFIT

Profit for the year of SEK 215 m and other non-restricted equity of SEK 724 m, a total of SEK 939 m, is at the disposal of the Annual General Meeting. The Board of Directors proposes that these funds be appropriated as follows:

Dividend to shareholders, SEK 1.00 per share	133
Carried forward	806
Total	**939**

A dividend of SEK 0.75 per share was paid in 2022, making a total of SEK 100 m.

NOTE 15 INTANGIBLE NON-CURRENT ASSETS

SEK m	**Goodwill**	**Customer agreements and similar rights**	**Acquired software**	**Expenditure for software development**	**Group**
1 January – 31 December 2022					
Opening book value	2,107	158	142	167	2,574
Purchases in the year[1]	486	279	48	106	919
Amortisation in the year	—	–80	–48	–73	–201
Translation difference	88	24	2	3	117
Closing book value	**2,681**	**381**	**144**	**203**	**3,409**
As of 31 December 2022					
Cost	2,711	664	314	524	4,213
Accumulated amortisation and impairment	–30	–283	–170	–321	–804
Closing book value	**2,681**	**381**	**144**	**203**	**3,409**

1 Through business development and acquisitions, the proportion of proprietary software and applications has Increased in the IT solutions to Group offers to customers. In 2022, expenditure for investments in proprietary software and applications that satisfy capitalisation criteria amounted to SEK 106 m (80).

SEK m	**Goodwill**	**Customer agreements and similar rights**	**Acquired software**	**Expenditure for software development**	**Group**
1 January – 31 December 2021					
Opening book value	1,763	135	100	145	2,143
Purchases in the year[1]	278	71	79	80	508
Sales/retirements in the year	—	–1	–1	—	–2
Amortisation in the year	—	–55	–40	–61	–156
Translation difference	66	8	4	3	81
Closing book value	**2,107**	**158**	**142**	**167**	**2,574**
As of 31 December 2021					
Cost	2,137	361	264	415	3,177
Accumulated amortisation and impairment	–30	–203	–122	–248	–603
Closing book value	**2,107**	**158**	**142**	**167**	**2,574**

1 Through business development and acquisitions, the proportion of proprietary software and applications has Increased in the IT solutions to Group offers to customers. In 2021, expenditure for investments in proprietary software and applications that satisfy capitalisation criteria amounted to SEK 80 m (80).

NOTE 15 INTANGIBLE NON-CURRENT ASSETS, cont.

Goodwill impairment testing
Goodwill is allocated to the Group's cash-generating units identified by operating segments. The division of goodwill at operating segment and country levels is summarised in the following tables:

	Design		PLM		Process		Group	
SEK m, as of 31 December	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**	**2022**	**2021**
Sweden	146	146	95	95	820	820	1,061	1,061
Norway	181	176	–	–	62	–	243	176
Finland	23	21	29	26	–	–	52	47
Denmark	23	21	–	–	–	–	23	21
Germany	–	–	271	187	–	–	271	187
Netherlands	–	–	19	18	–	–	19	18
UK	356	345	253	195	–	–	609	540
Ireland	23	21	–	–	–	–	23	21
USA	341	–	–	–	–	–	341	–
Other	–	–	33	31	6	5	39	36
Total	**1,093**	**730**	**700**	**552**	**888**	**825**	**2,681**	**2,107**

Impairment testing of goodwill is conducted yearly or more often if there is an indication of impairment.

The recoverable amount of a cash-generating unit is determined based on calculations of value in use. These calculations use pre-tax cash flow projections based on financial budgets and forecasts approved by management. The cash flow forecasts are based on an assessment of the anticipated growth rate and progress of the EBITA margin (operating margin before amortisation and impairment of intangible assets), starting from the budget for the next year, and forecasts for the next four years. Estimated value in use is most sensitive to changes in the assumptions on the growth rate, the EBITA margin and discount rate.

The assumptions applied are based on previous experience and progress on the market. Cash flow forecasts for 2 to 5 years are based on a yearly growth rate of 2.0 per cent (2.0) for all cash-generating units. A yearly nominal growth rate of 2.0 per cent (2.0) after the forecast period is applied to all cash-generating units. The growth rate does not exceed the long-term growth rate stated in trade reports for the markets where each cash-generating unit operates. The discount rate used for calculating the recoverable amount is 9.7 per cent (9.7) before tax. The required rate of return is based on the Group's current capital structure and reflects the risks that apply to the various operating segments.

According to the impairment tests conducted, there is no impairment of goodwill as of 31 December 2022. A separate sensitivity analysis has been prepared for each cash-generating unit. Individually, a two percentage point increase in the discount rate, decreasing the EBITA margin by two percentage points, or decreasing the assumed long-term growth rate by two percentage points would not cause any impairment of any of the cash-generating units as of 31 December 2022.

	Parent Company	
SEK m	**31 Dec. 2022**	**31 Dec. 2021**
Software		
Opening cost	1	1
Closing accumulated cost	**1**	**1**
Opening amortisation	–1	–1
Amortisation for the year	0	0
Closing accumulated amortisation	**–1**	**–1**
Closing plan residual value	**–**	**0**

NOTE 16 PROPERTY, PLANT AND EQUIPMENT

	Group		Parent Company	
SEK m	31 Dec. 2022	31 Dec. 2021	31 Dec. 2022	31 Dec. 2021
Equipment, tools, fixtures and fittings				
Opening cost	92	122	0	0
Additional from acquired companies	9	0	–	–
Purchases in the year	14	8	–	–
Sales/retirements	-15	-43	–	–
Translation difference	7	5	–	–
Closing accumulated cost	**107**	**92**	**0**	**0**
Opening depreciation	-67	-91	0	0
Sales/retirements	14	42	–	–
Depreciation for the year	-15	-14	0	0
Translation difference	-6	-4	–	–
Closing accumulated depreciation	**-74**	**-67**	**0**	**0**
Closing plan residual value	**33**	**25**	**–**	**0**

	Group	
SEK m	31 Dec. 2022	31 Dec. 2021
Right-of-use assets		
Opening cost	266	241
Additional from acquired companies	82	4
Additional rights of use	96	44
Sales/retirements	-42	-28
Translation difference	7	5
Closing accumulated cost	**409**	**266**
Opening depreciation	-158	-112
Sales/retirements	40	27
Depreciation for the year	-91	-71
Translation difference	-5	-2
Closing accumulated depreciation	**-214**	**-158**
Closing plan residual value	**195**	**108**

	Group	
SEK m	31 Dec. 2022	31 Dec. 2021
Buildings and land		
Opening cost	30	27
Sales/retirements	-30	–
Translation difference	0	3
Closing accumulated cost	**0**	**30**
Opening depreciation	-1	0
Depreciation for the year	0	0
Translation difference	1	-1
Closing accumulated depreciation	**0**	**-1**
Closing plan residual value	**0**	**29**

Most of the buildings and land item related to an office property in the UK included in the acquisition of Excitech Ltd. in 2020, which was divested in January 2022, with a capital gain of approximately SEK 24 m.

NOTE 17 LEASES

This note states information on leases where the Group is lessee.

Carrying amounts in the Balance Sheet
The following amounts related to leases are reported in the Balance Sheet:

	Group	
SEK m	31 Dec. 2022	31 Dec. 2021
Right-of-use assets		
Office premises	183	99
Company vehicles	12	9
Total	**195**	**108**
Lease liabilities		
Current lease liabilities	82	58
Non-current lease liabilities	108	47
Total	**190**	**105**

Additional rights of use in 2022 amounted to SEK 178 m (48).

NOTE 17 LEASES, cont.

Carrying amounts in the Income Statement
The following amounts related to leases are reported in the Income Statement:

	Group	
SEK m	**2022**	**2021**
Depreciation of rights of use assets:		
Office premises	–82	–63
Company vehicles	–9	–8
Total depreciation (included in depreciation of property, plant and equipment)	**–91**	**–71**
Interest expenses (included in financial expenses)	–3	–2
Expenditure related to short-term leases (included in other external costs)	–1	–1
Expenditure related to leases where the underlying asset is of low value and that are not short-term leases (included in other external costs)	–5	–4
Expenditure related to variable lease payments not included in lease liabilities (included in other external costs)	–16	–12

The total cash flow related to leases in 2022 was SEK –109 m (–83).

The Group's leases and their accounting
The Group's leases are mainly on office premises and company vehicles. Leases are normally entered for fixed terms of between six months and five years, but in individual cases, maybe up to ten years. Leases may have extension options, which are described below.

Effective 1 January 2019, leases are accounted as right-of-use assets, and a corresponding liability on the date the leased asset is available for use by the Group. A lease may include both lease and non-lease components. The Group allocates the payments in accordance with the leasing agreement, where possible, to lease and non-lease components based on their relative, independent prices.

Terms are negotiated separately for each lease and include a large number of different contractual terms. Leases do not contain any special restrictions other than that the lessor retains the rights to pledge leased assets. The leased assets may not be used as collateral for loans.

Assets and liabilities that arise from leases are initially recognised at present value. The lease liabilities include the present value of the following lease payments:

- Fixed fees (including fixed fees in substance) after deducting any benefits in connection with the signing of the lease.
- Variable lease payments that are dependent on an index or a price that is initially set with the help of an index or the price at the inception date of the lease.
- Amounts that are expected to be paid out by the lessee in accordance with residual value guarantees.
- The exercise price for a call option if the Group is reasonably certain it will exercise such an option.
- Penalty fees payable upon termination of the lease if the lease term reflects that the Group will exercise an option to terminate the lease.

Lease payments that are made to reasonably ensure extension options are also included in the valuation of the lease liability.

The lease payments are discounted using the implicit rate of the lease. If this interest rate cannot be determined easily, the lessee's incremental borrowing rate is used, which is the interest rate that the individual lessee would have to pay to borrow the necessary funds to purchase an asset of similar value as the right of use in a similar economic environment with similar terms and collateral. The Group determines the incremental borrowing rate as the risk-free rate adjusted for credit risk and the specific terms of the lease, such as the lease term, country and currency.

The Group is exposed to possible future increases in variable lease payments based on an index or interest rate, which are not included in the lease liability until they take effect. When adjustments of lease payments based on an index or interest rate take effect, the lease liability is remeasured and adjusted to the right of use.

Lease payments are divided between amortisation of principal and payment of interest. The interest is reported in the Income Statement over the lease term in a way that conveys a fixed interest rate for the reported lease liability during the respective periods.

Right-of-use assets are measured at cost, which includes the following:

- The amount at which the lease liability was originally measured.
- Lease fees paid on or before the inception date after deducting any benefits received on signing the lease.
- Initial direct fees.
- Fees for restoring the asset to the condition prescribed in the terms of the lease.

Rights of use are normally depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term.

Payments for short-term leases and all leases with a low value are expensed on a straight-line basis in the Income Statement. Short-term leases are leases with a term of 12 months or less. Leases with a low value include parking spaces, and IT and office equipment.

Variable lease payments
The Group has no sales-based rents in current leases.

Options to extend and terminate leases
Options to extend and terminate leases are included in a number of the Group's leases. The majority of the options that provide an option to extend and cancel a lease may be used by the Group and the lessors.

NOTE 18 PARTICIPATIONS IN GROUP COMPANIES

All Group companies are consolidated. The operations of Group companies are mainly conducted in those countries were their registered offices are located. There are no significant limitations to accessing Group companies' assets and settling their liabilities.

	Parent Company	
SEK m	**31 Dec. 2022**	**31 Dec. 2021**
Opening cost	3,155	2,746
Investments in subsidiaries in the year[1]	191	413
Paid-up capital to subsidiaries	28	8
Sales of subsidiaries[2]	—	–5
Remeasurement of contingent consideration	3	–7
Closing accumulated cost	**3,377**	**3,155**
Opening impairment	–445	–312
Impairment in the year	–47	–168
Reversal of previous impairment in the year	—	35
Closing accumulated impairment	**–492**	**–445**
Closing book value	**2,885**	**2,710**

1 The year's investments in subsidiaries include estimated contingent consideration totalling SEK 58 m (12). The outcome is dependent on the financial performance of acquired companies.

2 Sales in 2021 were to other Group companies pre-merger.

NOTE 18 PARTICIPATIONS IN GROUP COMPANIES, cont.

Corporate name	Corporate identity number	Registered office	Number of shares	Equity/vote, %	Book value, 31 Dec. 2022	Book value, 31 Dec. 2021
Mogul Holding AB	556300-0073	Stockholm, Sweden	10,275,103	100	341	328
Evitbe AB	556557-7599	Stockholm, Sweden	20,000	100	—	—
Symetri Ltd	3239798	Newcastle, UK	500,000	100	—	—
Microdesk Ltd	09750999	Taunton, Somerset, UK	100			
Addnode Balkan d.o.o	17598732	Belgrade, Serbia	1	100	—	—
Optosof GmbH	HRB 731607	Karlsruhe, Germany	3	100	—	—
Kartena AB	556751-4749	Stockholm, Sweden	1,320	100	—	—
Technia Holding AB	556516-7367	Stockholm, Sweden	4,533,500	100	189	172
TECHNIA AB	556481-3193	Stockholm, Sweden	5,000	100	—	—
Addnode India Private Limited[1]	U72200MH2012FTC229607	Thane, India	100	100	—	—
TECHNIA AS	880 823 582	Oslo, Norway	250	100	—	—
TECHNIA Oy	0755401-4	Esbo, Finland	77	100	—	—
Symetri Europe AB	556524-6989	Borlänge, Sweden	1,000	100	—	—
Mogul Sweden AB	556511-2975	Stockholm, Sweden	1,000	100	—	—
Addnode Inc	75-3269017	Naperville, IL, USA	100	100	—	—
Addnode Germany GmbH	HRB 732456	Karlsruhe, Germany	1	100	156	156
Transcat GmbH	HRB 110416	Karlsruhe, Germany	25,000	100	—	—
TECHNIA GmbH	HRB 109117	Karlsruhe, Germany	1	100	—	—
TECHNIA Slovakia s.r.o.	34196/B	Bratislava, Slovakia	1	100	—	—
TECHNIA GmbH	FN 399981 h	Linz, Austria	1	100	—	—
Technia B.V.	08095732	Loenen, Apeldoorn, Netherlands	10,136	100	18	18
TECHNIA Ltd	04286171	Milton Keynes, UK	101	100	174	174
Claytex Services Ltd	03539836	Leamington Spa, UK	211	100	82	—
Claytex USA inc	81-5036506	Cornelius, NC, USA	1,000	100	—	—
Strategic Simulation and Analysis Ltd	06433279	Charlbury, UK	1,000	100	0	0
Simuleon B.V.	55204982	Bruchem, Netherlands	18,000	100	10	10
TECHNIA SAS	488 343 401	Paris, France	1,000	100	33	33
TECHNIA K.K.	0100-1-198112	Tokyo, Japan	1,000	100	—	—
Budsoft Sp. z o.o.	0000140361	Poznan. Poland	100	100	18	18
Scanscot Technology AB	556435-1038	Lund, Sweden	1,400	100	0	10
Symetri AB	556359-5429	Borlänge, Sweden	10,000	100	157	157
Symetri AS	957 168 868	Oslo, Norway	200	100	71	71
Symetri Oy	1058681-8	Helsinki, Finland	3,000	100	37	37
Symetri A/S	13 737 436	Copenhagen, Denmark	60	100	1	1
Addnode USA Holding Co	35-2742278	Wilmington, DE, USA	1,000	100	0	—
Microdesk LLC	04-3238199	Boston, MS, USA	1,000	100	—	—
Excitech Ltd	01894184	Middlesex, UK	286,540	100	20	50
Micro Concepts Ltd	03008091	Middlesex, UK	100	100	—	—
Computer Aided Business Systems Ltd	03523862	Middlesex, UK	30,040	100	—	—
Symetri Ltd	554 759	Limerick, Ireland	51	100	35	35
Tribia AS	983 443 117	Oslo, Norway	3,644	100	125	125
Tribia AB	556657-7176	Stockholm, Sweden	1,001	100	21	20

[1] This company is 99 per cent owned by TECHNIA AB and 1 per cent owned by TECHNIA Oy.

NOTE 18 PARTICIPATIONS IN GROUP COMPANIES, cont.

Corporate name	Corporate identity number	Registered office	Number of shares	Equity/vote, %	Book value, 31 Dec. 2022	Book value, 31 Dec. 2021
UniZite AS	999 574 327	Lysaker, Norway	1,166	100	22	27
UniZite AB	559148-2004	Karlstad, Sweden	500	100	–	–
Cadassist Ltd	01994562	Bramhall, Stockport, UK	12,105	100	7	7
d2m3 Ltd	04309261	Bramhall, Stockport, UK	105	100	8	21
Service Works Global Ltd	04915250	London, UK	33,094,051	100	157	157
Service Works International Ltd	04915227	London, UK	1	100	–	–
Service Works Global Pty. Ltd	11 108 665 818	Melbourne, VIC, Australia	200,001	100	–	–
Service Works Global (Asia Pacific) Pty. Ltd	49 144 482 995	Melbourne, VIC, Australia	10	100	–	–
Service Works Global Ltd	3222235	Halifax, Canada	30,000	100	–	–
Service Works Global (North America) Inc	3268696	Halifax, Canada	100	100	–	–
Service Works Global Inc	35-2653333	Camden, DE, USA	1,000	100	–	–
Service Works Group Ltd	06975966	London, UK	100	100	–	–
Service Works Global Nordic AB	556535-3918	Eskilstuna, Sweden	4,586,000	100	17	13
Ida Infront AB	556316-2469	Linköping, Sweden	5,894,650	100	121	119
Ida Infront AS	988 393 568	Oslo, Norway	100	100	1	1
Stamford AB	556325-7913	Stockholm, Sweden	1,000	100	75	75
Elpool i Umeå AB	556423-0000	Umeå, Sweden	1,020	100	18	18
Decerno AB	556498-5025	Stockholm, Sweden	10,000	100	44	43
Decerno Väst AB	556564-9885	Gothenburg, Sweden	28,000,000	100	17	17
Decisive AS	928 720 691	Oslo, Norway	216,051	100	109	–
Sokigo AB	556550-6309	Köping, Sweden	5,000	100	173	167
Arkiva AB	556313-5952	Västerås, Sweden	1,000	100	7	7
Adtollo AB	556476-6813	Stockholm, Sweden	2,400	100	38	37
Forsler & Stjerna Konsult AB	556412-4849	Lund, Sweden	1,000	100	28	28
Svenska ITKompanion AB	556710-4244	Malmö, Sweden	185,795	100	10	10
IntraPhone Solutions AB	559186-3674	Malmö, Sweden	500	100	45	45
Netpublicator Apps AB	556861-8127	Jönköping, Sweden	834	83.4	100	100
S-GROUP Solutions AB	556214-2900	Karlskrona, Sweden	2,214,000	100	342	342
UAB S-Group Lietuva	111 549 859	Vilnius, Lithuania	900	100	–	–
Canella IT Products AB	556818-6927	Stockholm, Sweden	500	100	38	38
Voice Provider Sweden AB	556598-3276	Stockholm, Sweden	215,960	100	19	19
Mittbygge AB	556586-1555	Varberg, Sweden	1,000	100	1	4
Total book value					**2,885**	**2,710**

NOTE 19 DISCLOSURES ON FINANCIAL INSTRUMENTS

The carrying amount of the Group's financial instruments, divided between IFRS 9 measurement categories, is summarised in the table below. No financial assets or liabilities are recognised at a value that departs materially from fair value. More detail on certain items is in separate notes as indicated below. Financial risks and risk management are described in note 36.

		Group	
SEK m	**Note**	**31 Dec. 2022**	**31 Dec. 2021**
ASSETS			
Financial assets measured at amortised cost			
Non-current receivables	21	18	13
Trade receivables		1,182	750
Other receivables		25	16
Financial assets measured at fair value via other comprehensive income			
Long-term securities holdings[1]	20	18	13
Cash and cash equivalents	34	600	406
LIABILITIES			
Financial liabilities measured at fair value via profit or loss			
Provisions for estimated contingent considerations[2]	27	361	92
Other financial liabilities			
Non-current and current interest-bearing liabilities	26	1,069	776
Trade payables		626	303

[1] Long-term securities holdings are unlisted shares and participations, and are in level 3 of the fair value hierarchy of IFRS 13. Level 3 means fair value measurement is not based on observable market data. The opening carrying amount of unlisted shares and participations in the year was SEK 13 m (9), investments in the year were SEK 5 m (4), sales in the year were SEK 0 m (0), translation differences in the year were SEK 0 m (0) and the closing carrying amount for the year was SEK 18 m (13) (see note 20). Dividends received from unlisted shares and holdings of participations of SEK 2 m (0) were recognised as financial income in profit or loss. For holdings of shares and participations remaining as of 31 December 2022, no gains or losses were recognised in profit or loss or other comprehensive income for 2022 or 2021, apart from dividends. Carrying amounts of unlisted holdings of shares and participations on 31 December 2022 correspond to the cost of each holding. Reasonable possible alternative assumptions for estimating fair value would not have any material impact on the Group's accounting.

[2] Provisions for estimated contingent considerations for acquisitions are in level 3 in the fair value hierarchy of IFRS 13. Provisions have been measured at fair value based on an estimate of the future financial performance of acquired companies. The opening carrying amount of provisions for the year for contingent considerations was SEK 92 m (111), the additional provisions on acquisitions for the year were SEK 328 m (12), contingent considerations paid in the year were SEK –54 m (–31), revaluations in the year were SEK –5 m (–5), reclassifications as current liabilities in the year were SEK –2 m (–), exchange rate differences in the year were SEK 2 m (5), and closing carrying amounts for the year were SEK 361 m (92). In 2022, profit/loss from revaluations of contingent considerations of SEK 5 m (5) was recognised in profit or loss. More information on contingent considerations and their valuation is in notes 27 and 33.

	Group 2022			Group 2021		
SEK m	**Gain/ loss**	**Interest income**	**Interest expense**	**Gain/ loss**	**Interest income**	**Interest expense**
Financial assets measured at amortised cost						
Non-current receivables and other current receivables	–	0	–	–	0	–
Financial assets measured at fair value via other comprehensive income						
Long-term securities holdings[3]	2	–	–	–	–	–
Cash and cash equivalents	–	4	–	–	0	–
Other financial liabilities						
Interest expense on liabilities to credit institutions	–	–	–29	–	–	–13
Interest expense on discounted contingent considerations	–	–	–5	–	–	–
Interest expense according to leases	–	–	–3	–	–	–2
Other interest expenses	–	–	0	–	–	0
Total	**2**	**4**	**–37**	**–**	**0**	**–15**

[3] The profit/loss amount for 2022 refers to a dividend, reported as financial income in the Income Statement.

NOTE 20 LONG-TERM SECURITIES HOLDINGS

	Group		Parent Company	
SEK m	**31 Dec. 2022**	**31 Dec. 2021**	**31 Dec. 2022**	**31 Dec. 2021**
Opening cost	13	9	3	2
Investments in the year	5	4	4	1
Translation difference	0	0	–	–
Closing accumulated cost	**18**	**13**	**7**	**3**
Closing book value	**18**	**13**	**7**	**3**

Company	**Corporate identity number**	**Registered office**	**Number of shares**	**Share of equity/ votes %**	**Book value, 31 Dec. 2022**	**Book value, 31 Dec. 2021**
Walter Sar AB	559208-9618	Stockholm, Sweden	18,519	37.04	3	3
Matterlab Ltd	12180284	London, UK	53	4.32	4	–
Total holding in Parent Company					**7**	**3**
Additional, Group:						
Optimdata SAS	809 999 188	Nanterre, France	416,667	19.75	7	7
Upwave Technologies AS	918 835 881	Oslo, Norway	61,647	9.10	3	3
Other					1	0
Closing book value					**18**	**13**

The Group's securities holdings are reported at cost for each holding. The equity method has not been applied to these holdings, because the effects on the Group's accounting would not be material. Information on companies' profit or loss and equity are of no significance considering the requirement of a true and fair view.

NOTE 21 OTHER NON-CURRENT RECEIVABLES

	Group		Parent Company	
SEK m	**31 Dec. 2022**	**31 Dec. 2021**	**31 Dec. 2022**	**31 Dec. 2021**
Opening cost	13	13	–	–
Additional from acquired companies	7	0	–	–
Loans granted	0	2	–	–
Amortisation and repayment	-3	0	–	–
Reclassifications	0	-3	–	–
Exchange rate difference	1	1	–	–
Closing accumulated cost	**18**	**13**	**–**	**–**
Closing book value	**18**	**13**	**–**	**–**

Non-current receivables become due for payment within five years of each reporting date. Interest-bearing receivables were SEK 6 m (0) on 31 December 2022.

NOTE 22 PREPAID EXPENSES AND ACCRUED INCOME

	Group		Parent Company	
SEK m	**31 Dec. 2022**	**31 Dec. 2021**	**31 Dec. 2022**	**31 Dec. 2021**
Prepaid rent and lease payments	3	2	3	2
Prepaid licenses and service agreements	528	227	2	3
Other prepaid expenses	71	53	3	4
Accrued income	64	58	–	–
Total	**666**	**340**	**8**	**9**

NOTE 23 CASH AND CASH EQUIVALENTS IN GROUP ACCOUNT

	Parent Company	
	31 Dec. 2022	**31 Dec. 2021**
Cash and cash equivalents in Group account	350	301

Cash and cash equivalents in the Group account consist of cash and cash equivalents that are invested in bank accounts through the Parent Company in a Group-wide central account system. These funds are available without advance notice. At year-end 2022, the used portion of the Group account system was SEK 0 m (0) (see also note 28).

SEK 12 m (10) relating to the Group account is included in current receivables from Group companies, of which SEK 0 m (0) had been offset against the Parent Company's liabilities to the same Group companies. SEK 1,096 m (989) relating to the Group account is included in current liabilities to Group companies, of which SEK 157 m (206) had been offset against the Parent Company's receivables from the same Group companies.

NOTE 24 SHAREHOLDERS' EQUITY

A specification of changes in shareholders' equity are in the Consolidated and Parent Company Statement of Changes in Shareholders' Equity (see pages 77–78 and 82 respectively). A 4:1 share split was conducted in the year after an AGM resolution. At year-end, there were 134,528,232 registered shares. Because of the share split, the historical number of shares and earnings per share have been recalculated. Changes in the number of outstanding shares are in the following table:

	Class A shares	Class B shares	Total number of shares outstanding
Number on 31 Dec. 2020	**3,948,696**	**129,760,328**	**133,709,024**
New share issue	–	819,208	819,208
Repurchase of treasury shares	–	–800,000	–800,000
Number on 31 Dec. 2021	**3,948,696**	**129,779,536**	**133,728,232**
Repurchase of treasury shares		–230,000	–230,000
Number on 31 Dec. 2022	**3,948,696**	**129,549,536**	**133,498,232**

The quota value of shares is SEK 3. Class A shares carry 10 votes and class B shares carry one vote per share. All shares are fully paid up.

	Group	
SEK m	**31 Dec. 2022**	**31 Dec. 2021**
Exchange rate differences in shareholders' equity		
Opening balance	78	–28
Change in the year's translation of foreign subsidiaries	83	106
Closing balance	**161**	**78**
Hedge of net investment in foreign operations recognised in shareholders' equity		
Opening balance	–56	–4
Remeasurement at fair value	–37	–52
Closing balance	**–93**	**–56**

Disclosures on equity
Total equity is computed as shareholders' equity in the Consolidated Balance Sheet. The Group's equity/assets ratio, defined as total shareholders' equity in relation to total assets, was 32 per cent (39) at 31 December 2022. The Group's dividend policy is stated on page 125.

Acquisitions, transfers and holdings of treasury shares
In June 2022, Addnode Group's Board of Directors decided to repurchase class B treasury shares with authorisation from the AGM 2022. The main purpose of the Board of Directors' decision to exercise the AGM's authorisation was to enable delivery of shares associated with the implementation of Addnode Group's share-based incentive programme. The repurchase of 230,000 (800,000) class B shares had been executed before 31 December 2022. The Group's holdings of treasury shares as of 31 December 2022 were 1,030,000 repurchased class B shares.

Call options issued
In 2022, Addnode Group AB issued 56,950 (195,800) call options to managers and senior executives of the Group (see note 4).

NOTE 25 UNTAXED RESERVES

	Parent Company	
SEK m	**31 Dec. 2022**	**31 Dec. 2021**
Tax allocation reserve 2017 tax year	–	10
Tax allocation reserve 2018 tax year	21	21
Tax allocation reserve 2019 tax year	19	19
Tax allocation reserve 2020 tax year	22	22
Tax allocation reserve 2021 tax year	25	25
Tax allocation reserve 2022 tax year	29	29
Tax allocation reserve 2023 tax year	47	–
Total	**163**	**126**

NOTE 26 INTEREST-BEARING LIABILITIES

	Group		Parent Company	
SEK m	**31 Dec. 2022**	**31 Dec. 2021**	**31 Dec. 2022**	**31 Dec. 2021**
Non-current interest-bearing liabilities				
Liabilities to credit institutions	878	671	646	660
Lease liabilities according to IFRS 16	109	47	–	–
Total	**987**	**718**	**646**	**660**
Current interest-bearing liabilities				
Lease liabilities according to IFRS 16	82	58	–	–
Total	**82**	**58**	**–**	**–**
Total	**1,069**	**776**	**646**	**660**

Interest-bearing liabilities
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. The utilised portion of the credit facility has been classified as non-current interest-bearing liabilities.

Non-current liabilities become due for payment as follows:

	Group		Parent Company	
SEK m	**31 Dec. 2022**	**31 Dec. 2021**	**31 Dec. 2022**	**31 Dec. 2021**
Between 1 and 2 years after the reporting date	45	28	–	–
Between 2 and 5 years after the reporting date	942	690	646	660
Total	**987**	**718**	**646**	**660**

Fair values
The carrying amount of interest bearing liabilities are a good approximation of the fair value of these liabilities.

NOTE 27 PROVISIONS

SEK m	Group 31 Dec. 2022	Group 31 Dec. 2021	Parent Company 31 Dec. 2022	Parent Company 31 Dec. 2021
Estimated contingent considerations for acquisitions	361	92	90	93
Decided restructuring measures	1	2	–	–
Guarantee provisions	2	2	–	–
Pension obligations (see below)	7	10	–	–
Other provisions	9	–	–	–
Total	**380**	**106**	**90**	**93**
Of which to be settled within 12 months	**104**	**45**	**34**	**44**
Of which to be settled after more than 12 months	**276**	**61**	**56**	**49**

SEK m	Group 31 Dec. 2022	Group 31 Dec. 2021	Parent Company 31 Dec. 2022	Parent Company 31 Dec. 2021
Opening balance	106	142	93	117
Provisions for restructuring measures in the period	0	0	–	–
Used in the period	–1	–18	–	–
Estimated contingent consideration for acquisitions	328	12	56	12
Remeasurement of contingent considerations	–5	–5	–5	–5
Contingent considerations paid	–54	–31	–54	–31
Changes in provisions for pension obligations	–2	1	–	–
Changes in guarantee provisions	0	0	–	–
Reclassification to other current liabilities	–2	–	–	–
Other provisions	9	–	–	–
Exchange rate differences	1	5	0	0
Closing balance	**380**	**106**	**90**	**93**

Estimated contingent considerations for acquisitions

Provisions for estimated contingent considerations on 31 December 2022 mainly relate to the acquisitions of Microdesk LLC, Claytex Ltd., Decisive AS, Netpublicator Apps AB and Procad Ltd. Payments corresponding to provisions as of 31 December 2022 are scheduled for 2023–2025.

Additionally, the office property in Enfield, UK, included in the acquisition of Excitech Ltd in 2020, was divested in January 2022. The remaining purchase consideration to the sellers of the shares of Excitech was definitively settled in conjunction with this transaction.

Provisions for restructuring measures and utilisation in the period

Amounts for the period's provisions and portion utilised in the period are expenses for personnel.

Pension obligations

The German subsidiary TECHNIA GmbH has pension obligations for defined-benefit pension plans for five employees. The provision for these pension obligations corresponded to SEK 7 m (10) as of 31 December 2022, computed according to IAS 19 by an independent actuary using the projected unit credit method and a discount rate of 3.70 per cent (1.00).

NOTE 28 OVERDRAFT FACILITY

At 31 December 2022 Group companies had committed overdraft facilities of a total of SEK 50 m (50) within the revolving credit facility. The overdraft facility was unutilised as of 31 December 2022 and 31 December 2021.

NOTE 29 ACCRUED EXPENSES AND DEFERRED INCOME

SEK m	Group 31 Dec. 2022	Group 31 Dec. 2021	Parent Company 31 Dec. 2022	Parent Company 31 Dec. 2021
Personnel-related expenses	293	240	14	14
Other accrued expenses	122	71	9	6
Deferred income	1,204	771	–	–
Total	**1,619**	**1,082**	**23**	**20**

NOTE 30 PLEDGED ASSETS

SEK m	Group 31 Dec. 2022	Group 31 Dec. 2021	Parent Company 31 Dec. 2022	Parent Company 31 Dec. 2021
For rental contracts				
Non-current receivables	15	11	–	–
Current receivables	0	0	–	–
Total	**15**	**11**	**–**	**–**

NOTE 31 CONTINGENT LIABILITIES

SEK m	Group 31 Dec. 2022	Group 31 Dec. 2021	Parent Company 31 Dec. 2022	Parent Company 31 Dec. 2021
Payment guarantee for trade payables	–	–	114	74
Sureties for bank guarantees	3	3	3	3
Conditional government assistance	–	15	–	–
Sureties for Group companies	20	22	20	22
Total	**23**	**40**	**137**	**99**

NOTE 32 ADJUSTMENTS FOR OTHER NON-CASH ITEMS

SEK m	Group 2022	Group 2021	Parent Company 2022	Parent Company 2021
Capital gain/loss	–22	–1	–	–
Unrealised exchange rate differences	1	–2	–	–
Changes to provisions	8	–18	–	–
Change in allowance for doubtful debt	–1	1	–	–
Total	**–14**	**–20**	**–**	**–**

NOTE 33 ACQUISITIONS OF SUBSIDIARIES AND OPERATIONS

Acquisitions in 2022

All the shares of five companies were acquired; Claytex Services Limited ("Claytex"), DESYS GmbH ("DESYS"), Microdesk LLC and M2 Technologies LLC ("Microdesk"), as well as Decisive AS ("Decisive"). In 2022, these acquisitions contributed net sales of SEK 1,365 m and EBITA of SEK 104 m. SEK 13 m (4) of costs for completing the acquisitions are included in the Group's other external costs, and mainly related to the acquisition of Microdesk. If the acquisitions had been conducted as of 1 January 2022, the group's net sales in 2022 would have been approximately SEK 6,462 m and EBITA approximately SEK 741 m.

Design Management

Microdesk was acquired on 1 March 2022, with yearly sales of approximately USD 110 m. The company is a Platinum Partner of Autodesk, and this acquisition means the Design Management division securing strong positioning on the US market.

Product Lifecycle Management

Claytex was acquired on 11 January, and has yearly sales of approximately SEK 25 m. The company specialises in advanced simulation and testing for the automotive industry.

DESYS was acquired on 1 March, and has yearly sales of approximately SEK 170 m. The company is a leading partner of Dassault Systèmes in Germany, and also offers proprietary complementary software solutions.

The net assets of JBL Technologies of the USA were acquired on 21 October. The acquired assets were mainly customer contracts. This operation has sales of approximately SEK 15 m and is part of TECHNIA in the Product Lifecycle Management division.

Process Management

Decisive was acquired on 1 June, with yearly sales of approximately SEK 57 m. This company is a leading provider of rule-based digital decision management systems for the Norwegian public sector.

The following tables state purchase considerations, identifiable net assets and goodwill.

SEK m	MICRODESK	Other acquisitions	Total acquisitions in 2022
Purchase consideration			
Cash paid in 2022	225	215	440
Current and non-current liabilities to sellers	42	19	61
Estimated contingent considerations[1]	235	58	293
Total purchase consideration	**502**	**292**	**794**
Identifiable net assets (see below)	–192	–116	–308
Goodwill	**310**	**176**	**486**

[1] The acquisition of Microdesk includes estimated discounted non-current 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. The acquisition of Claytex includes non-current 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.

The acquired companies are knowledge businesses, and accordingly, goodwill relates to the accumulated skills of staff and employees' aggregate knowledge of the relevant software and digital solutions, as well as to some extent, synergy effects.

The fair value of the identifiable assets and liabilities included in acquisitions were as follows:

SEK m	MICRODESK	Other acquisitions	Total acquisitions in 2022
Customer agreements, software, trademarks & brands	201	106	307
Other intangible non-current assets	2	—	2
Property, plant and equipment	8	—	8
Financial assets	1	—	1
Receivables[2]	197	43	240
Cash and cash equivalents	12	83	95
Current liabilities	–229	–90	–319
Deferred tax, net	—	–26	–26
Identifiable net assets	**192**	**116**	**308**

[2] Essentially, contracted gross amounts correspond to the above fair values of acquired receivables.

Acquisitions in 2021

All the shares of four companies were acquired; S-GROUP Solutions AB ("S-GROUP"), Elpool i Umeå AB ("Elpool"), Procad Ltd ("Procad") and Budsoft Sp. z.o.o. ("Budsoft"). In 2021, these acquisitions contributed net sales of SEK 151 m and EBITA of SEK 29 m. SEK 4 m (4) of costs for completing the acquisitions are included in the Group's other external costs in 2021. If the acquisitions had been conducted as of 1 January 2021, the group's net sales in January–December 2021 would have been approximately SEK 4,152 m and EBITA approximately SEK 474 m.

Design Management

Procad was acquired on 1 June 2021, with yearly sales of approximately SEK 60 m. The company is a leading Autodesk provider on the Irish market.

Product Lifecycle Management

Budsoft was acquired on 1 September 2021, and has yearly sales of approximately SEK 20 m on acquisition. The company is a leading partner of Dassault Systèmes in Poland, and offers advanced simulation solutions including consulting services, training and support.

Process Management

S-GROUP was acquired on 1 April 2021, with yearly sales of approximately SEK 150 m on acquisition. This company specialises in business-related GIS solutions for municipalities, water utilities and surveyors. Elpool, with yearly sales of approximately SEK 6 m, was acquired on 3 May 2021. This company brings skills in digital solutions for extending and maintaining power networks.

The following tables state purchase considerations, identifiable net assets and goodwill.

SEK m	S-GROUP	Other acquisitions	Total acquisitions in 2021
Purchase consideration			
Cash paid in 2021	286	50	336
Fair value of issued shares	54	—	54
Non-current and current liabilities to sellers	—	7	7
Estimated contingent considerations[1]	—	12	12
Total purchase consideration	**340**	**69**	**409**
Identifiable net assets (see below)	–102	–29	–131
Goodwill	**238**	**40**	**278**

[1] Provisions for contingent considerations are scheduled to be paid in cash in 2022–2023. Outcomes mainly depend on the progress of revenue and earnings of acquired companies.

The acquired companies are knowledge businesses, and accordingly, goodwill relates to the accumulated skills of staff and employees' aggregate knowledge of the relevant software and digital solutions, as well as to some extent, synergy effects. The fair value of issued shares is based on the closing price paid for Addnode Group's Class B share on Nasdaq Stockholm on 1 April 2021.

NOTE 33 ACQUISITIONS OF SUBSIDIARIES AND OPERATIONS, cont.

The fair value of the identifiable assets and liabilities included in acquisitions were as follows:

SEK m	S-GROUP	Other acquisitions	Total acquisitions in 2021
Customer agreements, software, trademarks & brands	116	14	130
Other intangible non-current assets	0	—	0
Property, plant and equipment	0	1	1
Financial assets	1	1	2
Receivables[2]	43	20	63
Cash and cash equivalents	54	17	71
Current liabilities	–88	–22	–110
Deferred tax, net	–24	–2	–26
Identifiable net assets	**102**	**29**	**131**

[2] Essentially, contracted gross amounts correspond to the above fair values of acquired receivables.

NOTE 34 CASH AND CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS

Cash and cash equivalents in the Group and Parent Company included no holdings of short-term investments on 31 Dec. 2022 or 31 Dec. 2021.

NOTE 35 CHANGES IN LIABILITIES RELATING TO FINANCING ACTIVITIES

SEK m	Liabilities to credit institutions	Lease liabilities	Group
Opening balance, 1 January 2021	**669**	**126**	**825**
Cash flow for the year, 2021:			
Borrowings	770	—	770
Repayment of liabilities	–855	–70	–925
Non-cash items 2021:			
New and terminated leases	—	47	47
Exchange rate differences	55	2	57
Closing balance, 31 December 2021	**669**	**105**	**774**
Cash flow for the year, 2022:			
Borrowings	304	—	304
Repayment of liabilities	–153	–94	–247
Non-cash items 2022:			
New and terminated leases	—	179	179
Exchange rate differences	58	1	59
Closing balance, 31 December 2022	**878**	**191**	**1,069**

NOTE 36 FINANCIAL RISKS AND RISK MANAGEMENT

FINANCIAL RISKS

In the course of its international operations Addnode Group is exposed to various types of financial risk that can affect earnings, cash flow and shareholders' equity. These risks include:

- Interest rate risks for loans and liquid assets
- Financing and liquidity risks associated with the Group's capital requirement
- Currency risks associated with commercial flows and net investments in foreign subsidiaries
- Credit risks associated with financial and commercial activities
- Other price risks

Addnode Group has a Group-wide finance policy adopted by the Board of Directors of Addnode Group AB. The finance policy defines interest rate, financing, liquidity, currency and credit risks, and assigns responsibility and authorisation for management of these risks. The finance policy stipulates that the purpose of financial risk management is to minimise the impact on the Group's earnings and financial position.

In the Group's decentralised organisation, finance operations are centralised to the Parent Company, which has overarching responsibility for the Group's financial risk management in order to be able to firstly monitor the Group's overall financial risk positions, secondly achieve cost-efficiency, and promote Group-wide interests.

No significant changes have been made in the Group's targets, policies or methods for managing financial risks compared to the preceding year. The Board evaluates the Group's targets, policies and methods for managing financial risks on a regular basis.

INTEREST RATE RISK

Interest rate risk is defined as the risk that changes in market interest rates will have a negative effect on the Group's earnings and cash flow.

The Group is exposed to interest rate risk through interest-bearing loans and cash and cash equivalents. Changes to interest rates have a direct impact on the Group's net interest income. The Group's borrowings and debt management are managed within the Parent Company. Interest-bearing borrowings consist mainly of bank loans within the auspices of the credit facility.

At present the Group does not use derivative instruments to manage interest rate risk. The average term of fixed interest at 31 December 2022 was 0.3 years (0.4).

The Group's interest expense are mainly affected by changes in market interest rates for outstanding loans in USD, GBP and EUR.

The table below shows the Group's interest-bearing net debt on each reporting date. Based on interest-bearing net debt, excluding lease liabilities according to IFRS 16, an unfavourable 1 percentage point change in interest rates would have an earnings impact of SEK –3 m (–3).

	Group	
SEK m	31 Dec. 2022	31 Dec. 2021
Interest-bearing net debt		
Cash and cash equivalents	–600	–406
Interest-bearing receivables	–6	0
Interest-bearing liabilities	1,069	774
Net debt (+)/receivables (–)	**463**	**368**

NOTE 36 FINANCIAL RISKS AND RISK MANAGEMENT, cont.

LIQUIDITY RISK

Liquidity risk is defined as the risk of the Group on a given occasion not having sufficient liquid assets or other means of payment to be able to meet its regular payment obligations. To secure its solvency, Addnode Group's goal is to maintain a liquidity buffer of a minimum of 5 per cent of the Group's rolling annual sales. The liquidity buffer is defined as bank balances and short-term investments plus unutilised, committed bank overdraft facilities. The liquidity reserve target was satisfied as of 31 December 2022.

The Parent Company works actively to ensure optimal management of the Group's liquidity by centralising liquidity in the Parent Company via Group accounts and internal loans. Surplus liquidity should primarily be used to amortise external debt. Any additional cash and cash equivalents should be held in bank accounts or invested in fixed-income instruments with high liquidity.

The Parent Company has a SEK 1,600 m revolving credit facility. SEK 878 m (669) of this credit facility had been utilised as of 31 December 2022. This meant available credit of SEK 722 m. The utilised portion of the credit facility was classified under non-current liabilities.

	Group	
SEK m	**31 Dec. 2022**	**31 Dec. 2021**
Cash and cash equivalents	600	406
Granted credit facility/overdraft facility	1,600	1,600
Utilised amount	–878	–669
Available liquidity	**1,322**	**1,337**

FINANCING RISK

Financing risk is defined as the risk that it will be difficult and/or costly to obtain new financing or to refinance existing debt at a given point in time.

Financing risk is managed through the use of long-term credit facilities. In June 2021, Addnode Group entered an agreement on a revolving credit facility of SEK 1,600 m with Nordea and SEB. This multi-currency facility can be utilised to refinance existing loans, acquisitions and other working capital finance. This facility has a 3-year term with a 1+1 year extension option. In June 2022, Addnode Group exercised its option to extend the credit facility by 1 year to June 2025, with other terms & conditions unchanged. Utilised draw-downs in the credit facility are accounted as long-term loans. Each bank loan may have a maturity of either 1, 3 or 6 months, but the debt amount can then be re-borrowed wholly within the overall total of the credit facility. Of the Group's liabilities to credit institutions at 31 December 2022, SEK 415 m (475) was denominated in GBP, SEK 270 m (194) was denominated in EUR, and SEK 193 m (0) was denominated in USD. Interest rates are adjusted on the roll-over of each loan. SEK 878 m (669) of this credit facility had been utilised as of 31 December 2022.

The facility is conditional on the satisfaction of certain covenants, including certain financial KPIs such as net debt/EBITDA and interest coverage ratio, which may not depart from levels stipulated in the agreement. Earnings metrics should apply to the most recent rolling 12-month period, and are computed pro forma as if any acquisitions or divestments of operations had occurred on the first day of the relevant 12-month period. Management and the Board of Directors continuously monitor the Group's forecast performance in relation to the covenants. The loan covenants were satisfied as of 31 December 2022 and are expected to remain so in 2023.

The following table shows non-discounted future cash flows including future interest payments.

	Due for payment			
SEK m	**Within 1 year**	**Between 1 and 2 yrs**	**Between 2 and 5 yrs**	**After more than 5 yrs**
Provisions and financial liabilities as of 31 Dec. 2022				
Provisions for contingent considerations	94	83	194	–
Provisions for decided restructuring measures	1	–	–	–
Other provisions	–	2	–	7
Interest-bearing liabilities, excluding lease liabilities according to IFRS 16	5	–	879	–
Interest-bearing lease liabilities according to IFRS 16	82	45	61	4
Liabilities for purchase considerations, non-interest-bearing	67	–	–	–
Trade payables and other financial liabilities	627	1	–	1
Total	**875**	**131**	**1 134**	**13**

	Due for payment			
SEK m	**Within 1 year**	**Between 1 and 2 yrs**	**Between 2 and 5 yrs**	**After more than 5 yrs**
Provisions and financial liabilities as of 31 Dec. 2021				
Provisions for contingent considerations	43	49	–	–
Provisions for decided restructuring measures	2	–	–	–
Other provisions	–	2	–	10
Interest-bearing liabilities, excluding lease liabilities according to IFRS 16	0	–	669	–
Interest-bearing lease liabilities according to IFRS 16	59	27	16	4
Liabilities for purchase considerations, non-interest-bearing	6	1	–	–
Trade payables and other financial liabilities	303	–	–	1
Total	**413**	**79**	**685**	**15**

CURRENCY RISK

Currency risk means the risk of unfavourable changes in exchange rates having a negative impact on the Group's earnings and financial position. The Group is exposed to currency risks through continuing business transactions in various currencies (transaction exposure). The Group is also affected by translation effects when foreign subsidiaries' earnings and net assets in foreign currencies are translated to Swedish kronor (translation exposure).

Transaction exposure

Transaction exposure arises when a company has cash flows in currencies other than the local currency (functional currency). Exchange rate movements affect cash flow in foreign currencies and entail a risk of the Group's profitability being negatively affected.

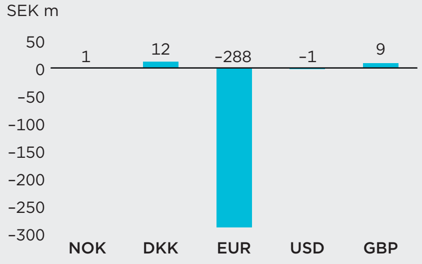
The Group's subsidiaries mainly operate on their individual local markets, with revenue and expenses in local currency, which reduces transaction exposure. The transaction exposure that has arisen in the Group relates mainly to purchases in EUR where the sale is conducted in another currency. Historically, a high share has been managed through pricing.

Decisions on possible hedges of transaction exposure through currency derivatives are made centrally by the Parent Company. In 2022, no transaction flows in foreign currency were hedged through forward exchange contracts.

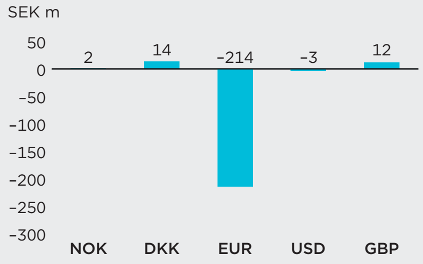
NOTE 36 FINANCIAL RISKS AND RISK MANAGEMENT, cont.

The following chart shows net transaction exposure (revenue less expenses) in the most significant surplus and deficit currencies.

TRANSACTION EXPOSURE, 2022



TRANSACTION EXPOSURE, 2021



Based on net flows in 2022, the following table illustrates a sensitivity analysis of the effect on profit after tax of a 10 per cent weaker SEK in relation to other currencies, with all other variables remaining constant.

SEK –10% against:	SEK m
EUR	–22
DKK	1
GBP	1
NOK	0
USD	0

Translation exposure
On consolidation to the Group's presentation currency SEK, net assets in foreign subsidiaries give rise to a translation difference that impacts consolidated shareholders' equity. In certain cases, the Group can hedge translation exposure in net assets by these assets being financed with debt in the same currency.

The table illustrates the net assets that were denominated in foreign currency as on 31 December 2022. If the exchange rates of the EUR, GBP, USD and NOK appreciated/depreciated by 10 per cent against the SEK, the Group's total shareholders' equity would increase/decrease by approx. SEK 18 m related to the EUR, approx. SEK 34 m related to GBP, approximately SEK 6 m related to the USD, and approx. SEK 30 m related to the NOK. At present, some of these net assets are currency hedged through liabilities in the corresponding currency, which are accounted against the translation difference in other comprehensive income in shareholders' equity. In those cases where the net assets are not currency hedged by loans in the same currency, an exposure arises, which is accounted in other comprehensive income in shareholders' equity.

Currency	Net assets	Currency hedge	2022
DKK	28	–	28
EUR	410	–226	184
GBP	801	–460	341
NOK	321	–25	296
USD	59	–	59
Other currencies	11	–	11
Total	**1,630**	**–711**	**919**

Currency	Net assets	Currency hedge	2021
DKK	24	–	24
EUR	403	–202	201
GBP	728	–511	217
NOK	257	–5	252
USD	10	–	10
Other currencies	60	–	60
Total	**1,482**	**–718**	**764**

OTHER PRICE RISKS
As of 31 December 2022 there were no significant assets or liabilities with exposure to other price risks.

CREDIT RISK
Credit risk is the risk of losses due to the Group's customers or counterparties in financial contracts failing to meet their payment obligations. Accordingly, credit risk is divided between financial credit risk and business-related credit risk.

Financial credit risk
Financial credit risk in the form of counterparty risks arises in connection with investments of cash and cash equivalents and trading in derivative instruments. Investment of surplus liquidity are only permitted with counterparties with high credit ratings and that meet the Group's minimum rating requirement. The maximum credit risk corresponds to the carrying amount of financial assets on the Consolidated Balance Sheet.

Business-related credit risk
Addnode Group's business-related credit risk primarily relates to trade receivables and is managed in the respective divisions and subsidiaries. Trade receivables are divided between a large number of counterparties. Of total trade receivables at 31 December 2022, 39 per cent (51) were for amounts of less than SEK 1 m per customer. Guidelines have been set to ensure sales are only made to customers with satisfactory credit histories. Historically the Group has incurred very low costs for bad debt. The provision for bad debt amounted to SEK 28 m (8) on the reporting date of 31 December 2022, corresponding to 2.4 per cent (1.0) of total trade receivables. Earnings for 2022 were negatively affected by SEK 2 m (0) through provisions for bad debt.

	Group			
	31 Dec. 2022		31 Dec. 2021	
SEK m	**Amount**	**Prop.,%**	**Amount**	**Prop.,%**
Concentration of trade receivables				
Trade receivables < 1 SEK m, per customer	465	39	379	51
Trade receivables 1–5 SEK m, per customer	306	26	250	33
Trade receivables > 5 SEK m, per customer	411	35	121	16
Total	**1,182**	**100**	**750**	**100**

NOTE 36 FINANCIAL RISKS AND RISK MANAGEMENT, cont.

The following table shows the age structure of the trade receivables that were past due on the reporting date, but for which no need to recognise impairment was identified. The Group works actively to reduce working capital tied-up, which includes a focus on collecting customer payments to free up cash and reduce the share of overdue trade receivables.

	Group	
SEK m	**31 Dec. 2022**	**31 Dec. 2021**
Overdue trade receivables		
Trade receivables overdue 1–29 days	150	112
Trade receivables overdue 30–59 days	49	21
Trade receivables overdue 60–89 days	17	7
Trade receivables overdue 90 days or more	24	8
Total	**240**	**148**

DERIVATIVE INSTRUMENTS

The Group had no outstanding forward exchange contracts or other held or issued derivative instruments on 31 December 2022 or 31 December 2021.

MEASUREMENT OF FAIR VALUE

No financial assets or liabilities are recognised at a value that differs significantly from fair value.

NOTE 37 IMPORTANT ESTIMATES AND ASSESSMENTS FOR ACCOUNTING PURPOSES

Preparation of financial statements and application of accounting policies are often based on assessments, estimations and assumptions that are considered reasonable and well-considered at the time they are made. With other assessments, assumptions or estimations, outcomes may be different, and events can occur that may require significant adjustment of the carrying amount of the relevant asset or liability.

The most important accounting policies, whose application is based on such assessments, and the most important sources of estimation uncertainty that the Group believes may have the most significant impact on the Group's reported earnings and financial position relate mainly to goodwill and other acquisition-related intangible assets, provisions for contingent consideration, and deferred tax assets and liabilities.

With respect to goodwill and other acquisition-related intangible assets (see note 15), this relates mainly to the impairment testing that is conducted on a regular basis. Carrying amounts can be affected by changes in the applied discount rate as well as by estimations of the future development of prices, costs and demand for the goods and services that form the basis of cash flow forecasts.

For certain company acquisitions, contingent consideration (earn-out payments) may account for a large portion of the total consideration for the acquired company and may also amount to considerable sums. Contingent considerations are normally dependent on the future earnings performance and/or revenue growth of the acquired company. At the time of acquisition, provisions for estimated contingent consideration are reported based on forecasts of future revenue and earnings performance of the acquired companies (see notes 27 and 33). According to IFRS 3, subsequent remeasurements of provisions for contingent consideration and the differences between the reported provision and the actual outcome are to be recognised in the Consolidated Income Statement. This means that future remeasurements of reported provisions may significantly affect consolidated earnings, both positively and negatively, in coming years.

Reporting of deferred tax assets relating to tax loss carry-forwards and other future tax deductions is based on assessments of the opportunity for future use. Deferred tax assets are reported only to the extent it is likely that the deductions can be offset against surpluses in future taxation (see note 12).

NOTE 38 RELATED PARTY DISCLOSURES

On 31 December 2022, Aretro Capital Group AB's ownership amounted to 5.4 per cent (5.4) of the share capital and 15.1 per cent (15.1) of the votes in Addnode Group AB (publ). Aretro Capital Group AB is owned jointly via companies by Staffan Hanstorp and Jonas Gejer. Staffan Hanstorp is Chairman of the Board of Addnode Group. Jonas Gejer was President of TECHNIA AB, and of the Product Lifecycle Management division in the period 2011–2020, and is thereafter Vice President Business Development of Addnode Group and a continued member of Group Management. There were no transactions between Aretro Capital Group AB and companies in the Group in which Addnode Group AB (publ) is the Parent Company.

Chairman of the Board Staffan Hanstorp invoiced the Parent Company SEK 2,422,000 (2,462,000) of fees from a company for consulting services related to the Group's acquisition opportunities, financing matters, strategic partnerships and overarching strategic matters in 2022. Board member Sigrun Hjelmquist invoiced the Parent Company SEK 20,000 (20,000) from a company for administering and compiling an appraisal of the Board of Directors. Director Kristina Willgård invoiced the Parent Company SEK 37,000 from a company for participation in evaluating Group development projects. These amounts are not included in the following table.

	Group	
SEK thousand	**2022**	**2021**
Remuneration of the Board of Directors and senior executives:		
Salaries and other short-term employment benefits (see also note 5)	35,714	31,226
Total	**35,714**	**31,226**

Sales to and purchases from other companies in Addnode Group

For the Parent Company Addnode Group AB (publ), 100 per cent (100) of net sales for the year and 16 per cent (18) of purchases for the year related to its subsidiaries. For sales and purchases between Group companies, the same principles apply for pricing as in transactions with external parties.

NOTE 39 AVERAGE NUMBER OF EMPLOYEES ETC.

	2022		2021	
	Average number of employees	Of which women	Average number of employees	Of which women
Parent Company	10	3	8	3
Subsidiaries				
Sweden	912	246	863	221
Norway	116	24	102	17
Finland	56	7	58	6
Denmark	13	6	12	4
Germany	187	43	154	39
Poland	6	2	1	–
Lithuania	11	1	9	1
Slovakia	26	3	25	4
Serbia	8	2	7	1
Austria	4	–	4	–
France	35	6	32	5
Netherlands	20	2	23	2
UK	272	66	266	63
Ireland	23	12	11	6
USA	229	64	11	2
Canada	4	2	4	2
India	188	46	169	39
Japan	5	–	6	–
Australia	12	5	11	5
Total, subsidiaries	**2,128**	**537**	**1,768**	**417**
Group total	**2,137**	**540**	**1,776**	**420**

	2022		2021	
Board members and senior executives	Number on reporting date	Of which women	Number on reporting date	Of which women
Parent Company				
Board members	7	3	7	3
President and other senior executives	4	2	4	1

NOTE 40 POST BALANCE SHEET EVENTS

On 2 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.

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

In February 2023, Addnode Group's Board of Directors decided to amend its current dividend policy, from a dividend to shareholders of at least 50 per cent of the Group's profit after tax to 30–50 per cent 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.

Addnode Group acquired Key Performance on 1 March 2023. This company operates in the USA and Sweden, and net sales are approximately SEK 25 m. Key Performance becomes part of Addnode Group company TECHNIA, and is being consolidated into the Product Lifecycle Management division effective March 2023.

NOTE 41 INFORMATION ON ADDNODE GROUP AB (PUBL)

Addnode Group AB (publ) has its registered office in Stockholm, Sweden, and the address of the Company's head office is Hudiksvallsgatan 4B, SE-113 30 Stockholm. The Parent Company's Class B shares are listed on Nasdaq Stockholm.

These annual accounts and consolidated accounts were approved for publication by the Board of Directors on 22 March 2023.

The Income Statements and Balance Sheets for the Parent Company and the Group will be presented for adoption at the Annual General Meeting on 4 May 2023.

SIGNATURES

The Board of Directors and President certify that the consolidated accounts were prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU, and give a true and fair view of the Group's financial position and results of operations. The annual accounts were prepared in accordance with generally accepted accounting practice and give a true and fair view of the Parent Company's financial position and results of operations.

The Board of Directors' report of the Group and the Parent Company give a true and fair view of the Group's and the Parent Company's operations, financial position and results of operations, and describes the significant risks and uncertainties facing the Parent Company and the companies in the Group.

Staffan Hanstorp
Chairman of the Board

Jan Andersson
Director

Kristofer Arwin
Director

Johanna Frelin
Director

Sigrun Hjelmquist
Director

Thord Wilkne
Director

Kristina Willgård
Director

Johan Andersson
CEO

Stockholm, Sweden, 22 March 2023

Our Audit Report was presented on 27 March 2023
PricewaterhouseCoopers AB

Anna Rosendal
Authorised Public Accountant
Auditor in Charge

AUDIT REPORT

Unofficial translation.
To the general meeting of the shareholders of Addnode Group AB (publ), corporate identity number 556291-3185.

REPORT ON THE ANNUAL ACCOUNTS AND CONSOLIDATED ACCOUNTS

Opinions

We have audited the annual accounts and consolidated accounts of Addnode Group AB (publ) for the year 2022. The annual accounts and consolidated accounts of the company are included on pages 66-114 in this document.

In our opinion, the annual accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the parent company and the Group as of 31 December 2022 and its financial performance and cash flow for the year then ended in accordance with the Annual Accounts Act. The consolidated accounts have been prepared in accordance with the Annual Accounts Act and present fairly, in all material respects, the financial position of the Group as of 31 December 2022 and their financial performance and cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS), as adopted by the EU, and the Annual Accounts Act.

A corporate governance statement has been prepared and is in agreement with the Annual Accounts Act. The statutory administration report and the corporate governance statement are consistent with the other parts of the annual accounts and consolidated accounts.

We therefore recommend that the general meeting of shareholders adopts the income statement and balance sheet for the parent company and the Group.

Our opinions in this report on the annual accounts and consolidated accounts are consistent with the content of the additional report that has been submitted to the parent company's audit committee in accordance with the Audit Regulation (537/2014) Article 11.

Basis for opinions

We conducted our audit in accordance with International Standards on Auditing (ISA) and generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements. This includes that, based on the best of our knowledge and belief, no prohibited services referred to in the Audit Regulation (537/2014) Article 5.1 have been provided to the audited company or, where applicable, its parent company or its controlled companies within the EU.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Our audit approach

Audit scope

We designed our audit by determining materiality and assessing the risks of material misstatement in the consolidated financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the group operates.

Addnode Group acquires, operates and develops enterprise-driven IT companies that provide software and services to markets in which they have, or can take, market-leading positions. The Group's revenue streams primarily come from consulting, service and licensed products. The company's development has been both organic and acquisition driven, and revenue is mainly contractual and recurring.

An extensive part of Addnode Group's operations are based in Sweden. In addition, large operations are carried out via subsidiaries in Norway, Finland, Germany, Great Britain and the US. For the purpose of expressing an opinion on the consolidated accounts taken as a whole, we decided that the most significant subsidiaries in these countries should be in scope for the Group audit. Most subsidiaries in the Group are also subject to statutory audit requirements. For entities in the Group audit scope, we have issued detailed instructions and obtained reporting and performed follow-up discussions and meetings with local teams to determine if sufficient audit evidence has been obtained to support our auditors' opinion.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Key audit matters

Key audit matters of the audit are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts and consolidated accounts of the current period. These matters were addressed in the context of our audit of, and in forming our opinion thereon, the annual accounts and consolidated accounts as a whole, but we do not provide a separate opinion on these matters.

Audit Report, cont.

KEY AUDIT MATTER	HOW OUR AUDIT ADDRESSED THE KEY AUDIT MATTER
Valuation of goodwill In the consolidated balance sheet, externally acquired goodwill is presented and represents a significant asset for the Group. In addition, valuation of goodwill is influenced by management's judgments. Based on this, we consider valuation of goodwill as a Key audit matter in our audit. Management conducts an impairment test of goodwill annually to determine whether or not there is a need for write-down. Assumptions and judgments include forecasts of growth and operating margin, investment needs and applied discount rate. If the actual performance deviates negatively from applied assumptions and judgments, an impairment need may arise. In note 15 there is additional information about the impairment test of goodwill including the most significant assumptions and judgments applied.	Our audit included but was not limited to the following activities: • Tested, with the support of valuation specialists at PwC, the group's model for impairment testing and evaluated significant assumptions used to determine forecasted cash flows and discount rates when calculating the assets' values in use. In the evaluation, we have compared with the operations' history, the group's forecasts and strategic planning, as well as with external data sources where possible and relevant. • Traced disclosure information to accounting records and other supporting documentation.
Accounting for acquisitions During the year, the Group has acquired four companies with a contribution to net revenue in 2022 with SEK 1,365 million. Accounting for acquisitions is associated with significant estimates and judgments with respect to the value of acquired assets and liabilities. In connection with preparation of purchase price allocations, the company has allocated the purchase price to acquired assets, where the majority is goodwill. This by identifying acquired assets and determining fair value based on acceptable valuation principles and models. Additional information about acquisitions during the year and purchase price allocations are found in note 33.	Our audit included but was not limited to the following activities: • Evaluated whether the purchase price allocations of the significant acquisitions made during the year meet the requirements of IFRS and have been prepared according to generally accepted practices. Assessed that significant assumptions used to measure values of acquired assets are reasonable. • Verified disclosure information to accounting records and other supporting documentation.

Other Information than the annual accounts and consolidated accounts

This document also contains other information than the annual accounts and consolidated accounts and is found on pages 1 to 65 and 119 to 128, and the statutory sustainability report on pages 32 to 51. This other information also contains the Remuneration report that we expect to receive after the release of the Auditors' report. The Board of Directors and the Managing Director are responsible for this other information.

Our opinion on the annual accounts and consolidated accounts does not cover this other information and we do not express any form of assurance conclusion regarding this other information.

In connection with our audit of the annual accounts and consolidated accounts, our responsibility is to read the information identified above and consider whether the information is materially inconsistent with the annual accounts and consolidated accounts.

In this procedure we also take into account our knowledge otherwise obtained in the audit and assess whether the information otherwise appears to be materially misstated. If we, based on the work performed concerning this information, conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the annual accounts and consolidated accounts and that they give a fair presentation in accordance with the Annual Accounts Act and, concerning the consolidated accounts, in accordance with IFRS as adopted by the EU. The Board of Directors and the Managing Director are also responsible for such internal control as they determine is necessary to enable the preparation of annual accounts and consolidated accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts and consolidated accounts, The Board of Directors and the Managing Director are responsible for the assessment of the company's and the Group's ability to continue as a going concern. They disclose, as applicable, matters related to going concern and using the going concern basis of accounting. The going concern basis of accounting is however not applied if the Board of Directors and the Managing Director intend to liquidate the company, to cease operations, or has no realistic alternative but to do so.

The Audit Committee shall, without prejudice to the Board of Director's responsibilities and tasks in general, among other things oversee the company's financial reporting process.

Auditor's responsibility

Our objectives are to obtain reasonable assurance about whether the annual accounts and consolidated accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts and consolidated accounts.

Audit Report, cont.

A further description of our responsibility for the audit of the annual accounts and consolidated accounts is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor´s report.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinions

In addition to our audit of the annual accounts and consolidated accounts, we have also audited the administration of the Board of Director's and the Managing Director of Addnode Group AB (publ) for the year 2022 and the proposed appropriations of the company's profit or loss.

We recommend to the general meeting of shareholders that the profit be appropriated in accordance with the proposal in the statutory administration report and that the members of the Board of Director's and the Managing Director be discharged from liability for the financial year.

Basis for Opinions

We conducted the audit in accordance with generally accepted auditing standards in Sweden. Our responsibilities under those standards are further described in the Auditor's Responsibilities section. We are independent of the parent company and the Group in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinions.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors is responsible for the proposal for appropriations of the company's profit or loss. At the proposal of a dividend, this includes an assessment of whether the dividend is justifiable considering the requirements which the company's and the Group's type of operations, size and risks place on the size of the parent company's and the Group' equity, consolidation requirements, liquidity and position in general.

The Board of Directors is responsible for the company's organization and the administration of the company's affairs. This includes among other things continuous assessment of the company's and the Group's financial situation and ensuring that the company´s organization is designed so that the accounting, management of assets and the company's financial affairs otherwise are controlled in a reassuring manner. The Managing Director shall manage the ongoing administration according to the Board of Directors' guidelines and instructions and among other matters take measures that are necessary to fulfill the company's accounting in accordance with law and handle the management of assets in a reassuring manner.

Auditor's responsibility

Our objective concerning the audit of the administration, and thereby our opinion about discharge from liability, is to obtain audit evidence to assess with a reasonable degree of assurance whether any member of the Board of Directors or the Managing Director in any material respect:

- has undertaken any action or been guilty of any omission which can give rise to liability to the company, or
- in any other way has acted in contravention of the Companies Act, the Annual Accounts Act or the Articles of Association.

Our objective concerning the audit of the proposed appropriations of the company's profit or loss, and thereby our opinion about this, is to assess with reasonable degree of assurance whether the proposal is in accordance with the Companies Act.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with generally accepted auditing standards in Sweden will always detect actions or omissions that can give rise to liability to the company, or that the proposed appropriations of the company's profit or loss are not in accordance with the Companies Act.

A further description of our responsibility for the audit of the administration is available on Revisorsinspektionen's website: www.revisorsinspektionen.se/revisornsansvar. This description is part of the auditor's report.

THE AUDITOR'S EXAMINATION OF THE ESEF REPORT

Opinion

In addition to our audit of the annual accounts and consolidated accounts, we have also examined that the Board of Directors and the Managing Director have prepared the annual accounts and consolidated accounts in a format that enables uniform electronic reporting (the Esef report) pursuant to Chapter 16, Section 4 a of the Swedish Securities Market Act (2007:528) for Addnode Group AB (publ) for the financial year 2022.

Our examination and our opinion relate only to the statutory requirements.

In our opinion, the Esef report has been prepared in a format that, in all material respects, enables uniform electronic reporting.

Basis for Opinion

We have performed the examination in accordance with FAR's recommendation RevR 18 Examination of the Esef report. Our responsibility under this recommendation is described in more detail in the Auditors' responsibility section. We are independent of Addnode Group AB (publ) in accordance with professional ethics for accountants in Sweden and have otherwise fulfilled our ethical responsibilities in accordance with these requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Board of Director's and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the Esef report in accordance with the Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), and for such internal control that the Board of Directors and the Managing Director determine is necessary to prepare the Esef report without material misstatements, whether due to fraud or error.

Audit Report, cont.

Auditor's responsibility
Our responsibility is to obtain reasonable assurance whether the Esef report is in all material respects prepared in a format that meets the requirements of Chapter 16, Section 4(a) of the Swedish Securities Market Act (2007:528), based on the procedures performed.

RevR 18 requires us to plan and execute procedures to achieve reasonable assurance that the Esef report is prepared in a format that meets these requirements.

Reasonable assurance is a high level of assurance, but it is not a guarantee that an engagement carried out according to RevR 18 and generally accepted auditing standards in Sweden will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Esef report.

The audit firm applies ISQC 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with professional ethical requirements, professional standards and legal and regulatory requirements.

The examination involves obtaining evidence, through various procedures, that the Esef report has been prepared in a format that enables uniform electronic reporting of the annual accounts and consolidated accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement in the report, whether due to fraud or error. In carrying out this risk assessment, and in order to design procedures that are appropriate in the circumstances, the auditor considers those elements of internal control that are relevant to the preparation of the Esef report by the Board of Directors and the Managing Director, but not for the purpose of expressing an opinion on the effectiveness of those internal controls. The examination also includes an evaluation of the appropriateness and reasonableness of assumptions made by the Board of Directors and the Managing Director.

The procedures mainly include a validation that the Esef report has been prepared in a valid XHTML format and a reconciliation of the Esef report with the audited annual accounts and consolidated accounts.

Furthermore, the procedures also include an assessment of whether the consolidated statement of financial performance, financial position, changes in equity, cash flow and disclosures in the Esef report has been marked with iXBRL in accordance with what follows from the Esef regulation.

PricewaterhouseCoopers AB, Torsgatan 21, 113 97 Stockholm, was appointed auditor of Addnode Group AB (publ) by the general meeting of the shareholders on May 4, 2022 and has been the company's auditor since the general meeting of the shareholders on April 9, 2003.

Stockholm, Sweden, 27 March 2023
PricewaterhouseCoopers AB

Anna Rosendal
Authorised Public Accountant

FIVE-YEAR SUMMARY

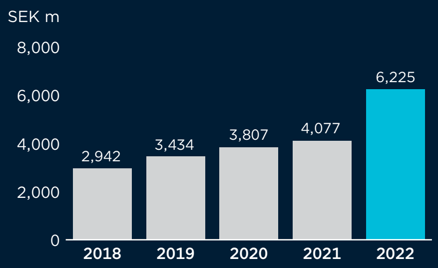
	2022	2021	2020	2019	2018
INCOME STATEMENT (SEK m)					
Net sales	6,225	4,077	3,807	3,434	2,942
of which outside Sweden	4,276	2,331	2,365	1,956	1,585
Operating profit before depreciation/amortisation	834	547	444	412	314
EBITA	728	461	356	327	298
Operating profit	527	305	229	218	203
Net financial items	-32	-20	-18	-43	-6
Profit before tax	495	285	211	175	197
Tax	-113	-62	-48	-46	-45
Profit for the year	382	223	163	129	152
BALANCE SHEET (SEK m)					
intangible non-current assets	3,409	2,574	2,143	1,894	1,803
Property, plant and equipment	229	162	187	169	37
Financial assets	53	48	40	30	28
Inventories	2	0	1	1	1
Other receivables	1,906	1,132	803	781	819
Cash and cash equivalents	600	406	644	294	387
Total assets	**6,199**	**4,322**	**3,818**	**3,169**	**3,075**
Shareholders' equity	2,005	1,693	1,512	1,410	1,339
Non-current liabilities	1,398	892	235	155	93
Current liabilities	2,796	1,737	2,071	1,604	1,643
Total shareholders' equity and liabilities	**6,199**	**4,322**	**3,818**	**3,169**	**3,075**

	2022	2021	2020	2019	2018
CASH FLOW (SEK m)					
Cash flow from operating activities	714	437	579	413[1]	285
Cash flow from investing activities	-490	-398	-375	-321	-166
Cash flow from financing activities	-63	-305	193	-204	90
– of which dividend to shareholders	-100	-84	—	-84	-68
Total cash flow	**161**	**-266**	**397**	**-112**	**209**
RETURN METRICS					
Change in net sales, %	53	7	11	17	17
Return on capital employed, %	19.6	13.0	10.6	10.0	12.3
Return on equity, %	20.7	13.9	11.2	9.4	13.1
EBITA margin, %	11.7	11.3	9.4	9.5	10.1
Operating margin, %	8.5	7.5	6.0	6.3	6.9
Profit margin, %	8.0	7.0	5.5	5.1	6.7
FINANCIAL METRICS					
Interest coverage ratio, multiple	11	12	11	9	13
Equity/assets ratio, %	32	39	40	44	44
Debt/equity, multiple	0.23	0.22	0.12	0.23	0.12
Net debt, SEK m	463	368	182	321	158
Shareholders' equity, SEK m	2,005	1,693	1,512	1,410	1,339
EMPLOYEES					
Number of employees, 31 December	2,370	1,897	1,833	1,714	1,583
Average number of employees	2,137	1,776	1,758	1,590	1,471
Net sales per employee, SEK thousand	2,913	2,296	2,166	2,160	2,000

[1] SEK 67 m of the SEK 128 m increase in cash flow from operating activities compared to 2018 is due to the adoption of IFRS 16 Leases.

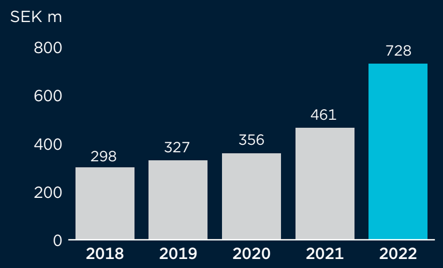
Five-year summary, cont.

Net sales



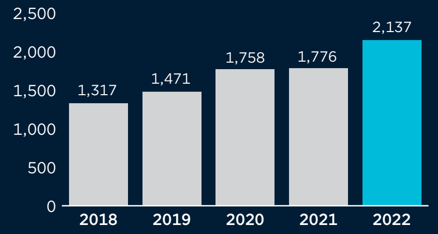
Net sales increased from SEK 2,942 m to SEK 6,225 m over the five-year period. This equates to average yearly growth of 21 per cent. The Group's target is to grow by at least 10 per cent per year.

EBITA



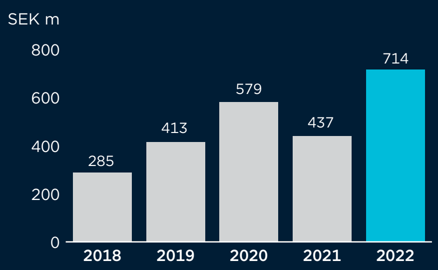
EBITA increased from SEK 298 to 728 m over the five-year period, equivalent to yearly growth of 25 per cent. The earnings increase is partly due to higher demand for the Group's software and services, and partly to contributions from companies acquired in the period.

Average number of employees



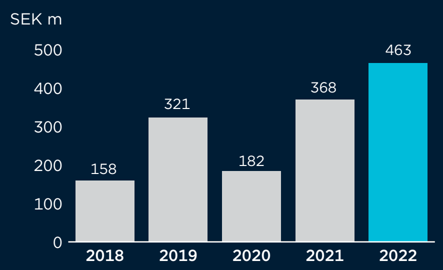
The average number of employees increased by 13 per cent per year over the five-year period, mainly related to acquisitions.

Cash flow from operating activities



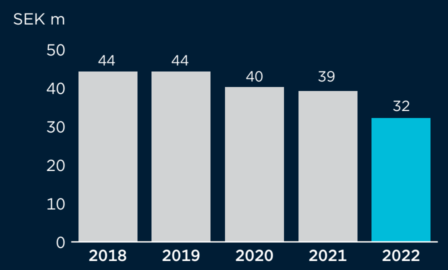
Addnode Group's business model with a high share of support and maintenance agreements, software leasing and SaaS services paid in advance, means that operations tie up relatively low capital. Historically, cash flow from operating activities has been in parity with EBITA. In 2020, cash flow was positively impacted by temporary improved payment terms from suppliers and customers, as well as government support measures. The increase in 2022 related mainly to improved operating profit, but also to the favourable progress of working capital.

Net debt



Addnode Group has a SEK 1,600 m multi-currency credit facility. This facility can be used to refinance existing loans, acquisitions and other business finance. As of 31 December 2022, SEK 878 SEK m had been utilised. The increase in net debt in 2022 was mainly because of utilising the credit facility for acquisitions.

Equity/assets ratio



The equity/assets ratio averaged 40 per cent over the five-year period.

KEY PERFORMANCE INDICATORS

Use and reconciliation of alternative performance measures
The European Securities and Markets Authority (ESMA) issued guidelines for disclosures on Alternative Performance Measures (APMs) for companies with securities listed on a regulated market within the EU, which should be applied to Alternative Performance Measures in published mandatory information. Alternative Performance Measures mean financial measures of the historical or future progress of earnings, financial position, financial results or cash flows that are not defined or stated in applicable rules on financial reporting. Certain performance measures are used in this Annual Report that are not defined in IFRS to give investors, financial analysts and other stakeholders clear and relevant information on the company's business and performance. The use of these performance measures and reconciliation with the financial statements are presented below.

Definitions are on page 122

EBITA
EBITA is a measure that the Group considers relevant to investors, financial analysts and other interested parties 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.

Reconciliation of EBITA, SEK m	2022	2021
Operating profit	527	305
Amortisation and impairment of intangible non-current assetsr	201	156
EBITA	**728**	**461**

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

Reconciliation of net debt, SEK m	31 Dec. 2022	31 Dec. 2021
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

Financial terms

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, recalculated at the preceding year's exchange rate, excluding entities acquired in the most recent 12-month period.

Debt/equity ratio
Net debt in relation to shareholders' equity (including equity attributable to non-controlling interests).

Earnings per share
Net profit 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.

Interest coverage ratio
Profit before tax plus financial expenses divided by financial expenses.

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.

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 during the last 12-month period.

P/E multiple
Share price in relation to earnings per share.

Profit margin
Profit before tax as a percentage of net sales.

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. See also note 3 on pages 89–91.

Return on capital employed
Profit before tax plus financial expenses as a percentage of the average capital employed. Based on profit for the last 12 months and the average of the opening and closing balances of capital employed.

Return on equity
Net profit 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.

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.

Share price/shareholders' equity
Share price in relation to shareholders' equity per share.

DEFINITIONS

Glossary

AEC (Architecture, Engineering & Construction)
The companies and sectors that provide services in building design, technical design and construction.

BIM (Building Information Modelling)
An IT solution that enables digital representation and information management of buildings and facilities, such as buildings, roads, railways, tunnels, bridges and water pipelines. BIM systems enable teams, workflows and data to interconnect throughout project lifecycles – from design and construction – to building and operation.

CSDDD (Corporate Sustainability Due Diligence Directive)
A draft directive from the EU to increase corporate accountability for human rights, the environment and governance through mandatory due diligence in the value chain. In this context, due diligence means a process to identify, prevent, alleviate and be accountable for material and actual impact on the environment and people related to the company's operations. This Directive is scheduled to come into effect at some point between 2024 and 2026.

CSRD (Corporate Sustainability Reporting Directive)
The new EU regulation on corporate sustainability reporting expected to apply effective the financial year 2024 onwards. On the introduction of CSRD, new, more detailed reporting standards for sustainability data will be implemented, called ESRS, European Sustainable Reporting Standards.

Digital twin
A digital representation of an asset, system, product or entity. Digital twin representation is often extended to other technologies such as simulation, optimisation and machine learning.

e-Archiving
A digital solution for long-term storage and sustainable management of digital information.

The EU Taxonomy Regulation
The EU framework for what is perceived as environmentally sustainable economic activity. The legislation covers various types of reporting obligation for companies and financial institutions, with the purpose of helping investors to identify and compare environmentally sustainable investments.

FM (facility management)
A collective term for the care, management and development of the resources and services necessary for real estate or other facilities to function well and effectively.

GHG Protocol
Global standard used to facilitate an organisation's reporting of greenhouse gas emissions. This standard covers the six greenhouse gases: CO2, CH4, N2O, SF6, HFCs and PFCs.

GIS (geographic information system)
A digital solution to collect, process and analyse data based on geography. GIS interconnects most types of data, analyses spatial factors and processes data layers into visualisations in the form of maps and 3D representations.

PLM (product life-cycle management)
Digital solutions including:
- Tools to capture, create manage, disseminate, visualise, analyse, model and document information on products, buildings and facilities.
- Tools to plan collaboration, processes, resources, production layouts, and an analyse and simulate production processes.

A PLM system manages complete product lifecycles. This covers the whole process—from developing an idea, product development, manufacture, marketing, use, service and maintenance, product upgrades—to end-of-life, and if necessary, recycling.

SaaS (Software as a Service)
A model for offering software as a service, where users gain access to applications via the Internet, i.e. without owning the software themselves, or having the system, service or program installed on their own computer or server.

Simulation
Various scenarios are tested in virtual copies, such as digital twins, to find a solution to a problem. The best possible solution can then be applied to the digital twin's physical counterpart, for example.

TCFD (Task Force on Climate-related Financial Disclosures)
Issues recommendations on the type of information enterprises should report to support investors, lenders and insurance advisors to evaluate and price a specific set of climate change-related risks appropriately.

THE SHARE

Addnode Group's class B share is listed on Nasdaq Stockholm, where it trades with the ticker ANOD B. On 30 December 2022, Addnode Group had 6,874 shareholders (7,074), and the proportion of foreign-held shares was 22 per cent (20). Institutional ownership was 76 per cent (75). Addnode Group's share has been in Nasdaq Stockholm's Large Cap segment since January 2023.

SHARE PRICE PERFORMANCE
At year-end, 2022, Addnode Group's share was quoted at SEK 98.40 (107.25), an 8 per cent share price decrease. The share's progress can be compared to the Stockholm stock exchange overall, which fell by 25 per cent in 2022. The OMX Stockholm Technology sector index, which Addnode Group is a constituent of, fell by 35 per cent in 2022.

The highest price paid for the share in 2022 was SEK 111.25 on 3 January, and the lowest price paid was SEK 73.40, on 3 October.

Total share turnover on Nasdaq Stockholm in 2022 was 46,007,110 (45,603,628), corresponding to average daily turnover of 181,130 (180,252) shares per trading day. The share's turnover rate in 2022 was 34 per cent. At year-end, Addnode Group's market capitalisation was SEK 13 billion (14).

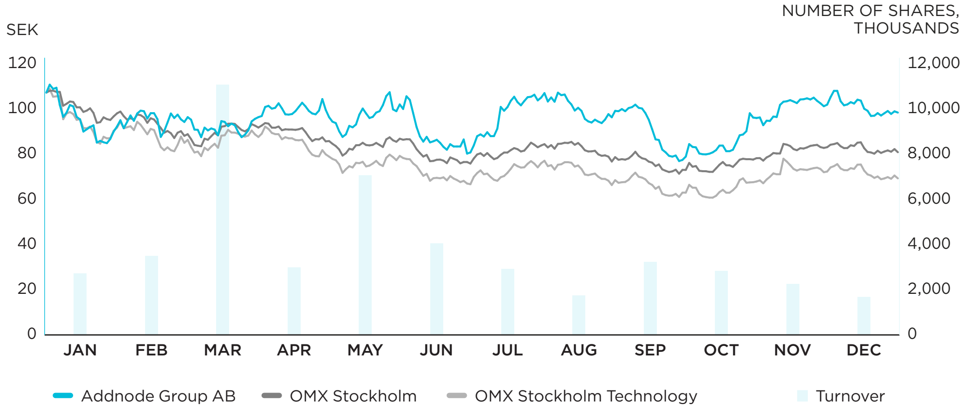
SHARE DATA
The AGM 2022 approved the Board of Directors' proposal on a 4:1 share split. The first day of trading in the company's shares after the share split was 17 May 2022. The number of shares and historical KPIs based on the number of shares reported in this share section on pages 125–127 have been recalculated to consider the share split.

In June 2022, the Board of Directors decided to repurchase class B shares with authorisation from the AGM 2022. The main purpose of exercising the authorisation was to enable delivery of shares associated with the implementation of Addnode Group's share-based incentive programme. 230,000 class B shares were repurchased on Nasdaq Stockholm in July–August 2022, and remained in treasury as of 31 December 2022.

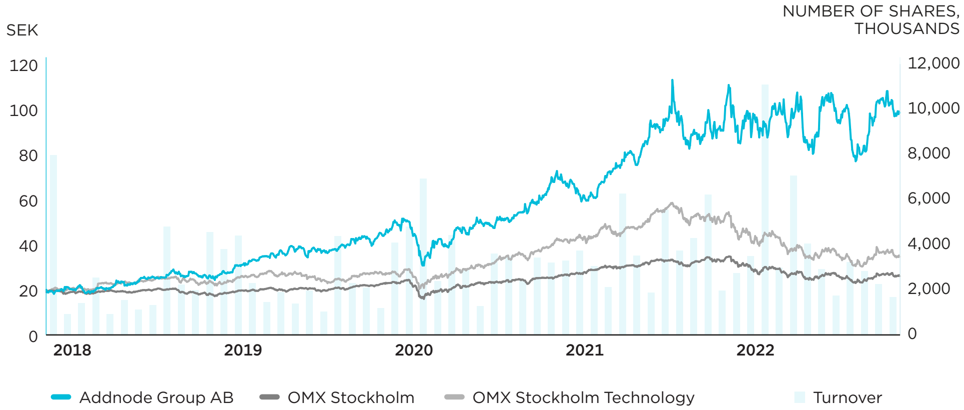
The number of registered Addnode Group shares on 30 December 2022 was 134,528,232 (134,528,232), of which 130,579,536 class A shares and 3,948,696 class B shares. On the same date, the number of outstanding shares was 133,498,232 (133,728,232), and Addnode Group held 1,030,000 (800,000) class B shares in treasury. Each class A share carries ten votes, and each class B share carries one vote. Addnode Group's shares are denominated in SEK, and the quotient value per share is SEK 3. Class A and B shares are entitled to dividends.

OWNERSHIP
The largest shareholders of Addnode Group AB as of 30 December 2022 are stated in the table on page 125. The number of shareholders as of 30 December 2022 was 6,874 (7,074).

Share price and trading volume, 2022



Share price and trading volume, 2018–2022



The share, cont.

STOCK OPTION PROGRAMMES

The AGM 2022 resolved on a share-based, long-term incentive programme ("LTIP 2022") for managers and senior executives. 56,950 call options were issued to some 40 participants in June 2022. The market-valued call option premium of SEK 49.70 implied a total purchase consideration of approximately SEK 3 m, which was added to consolidated equity. These options can be exercised for class B shares in periods stipulated by agreement between 25 October 2025 and 10 June 2026. The exercise price of the call options is SEK 115.80. For full terms & conditions, please refer to the Invitation to the AGM 2022, which is available at addnodegroup.com.

See notes 4 and 5 on pages 92–93 for more information on all outstanding incentive programmes.

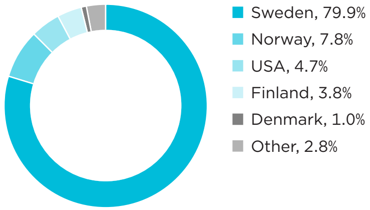
DIVIDEND POLICY

The dividend policy was amended in early-2023, from the previous target of distributing at least 50 per cent of the Group's profit after tax to shareholders, to the new target of 30–50 per cent of the Group's profit after tax, providing that liquidity and the financial position are sufficient to operate and develop the business.

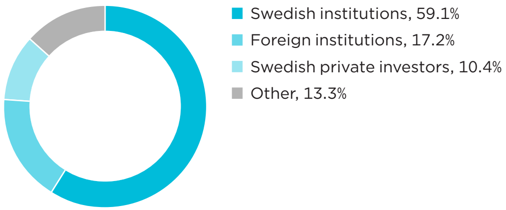
PROPOSED DIVIDEND

The Board of Directors is proposing that the AGM resolves on a dividend of SEK 1.00 (0.75) per share for the financial year 2022, equating to a total dividend of SEK 133 m (100). The Board's opinion is that after the proposed dividend, the company will have sufficient funds to be able to achieve its financial targets. The proposed record date for dividends is Monday, 8 May 2023. If the AGM approves this proposal, dividends will be scheduled for disbursement on Thursday 11 May 2023.

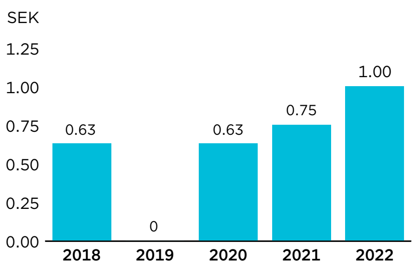
Shareholders by country, 30 Dec. 2022
Share of capital



Shareholders by type, 30 Dec. 2022
Share of capital



Dividend per share



SHARE DATA[1]

	2022	2021	2020	2019	2018
Average no. of shares outstanding before and after dilution, million	133.6	134.2	133.6	133.6	128.0
Total no. of outstanding shares, million	133.5	133.7	133.7	133.7	133.7
Total no. of registered shares, million	134.5	134.5	133.7	133.7	133.7
Basic and diluted earnings per share, SEK	2.86	1.66	1.22	0.97	1.19
Cash flow from operating activities per share, SEK	5.34	3.27	4.33	3.09	2.23
Equity per share, SEK	15.02	12.66	11.31	10.55	10.01
Dividend per share, SEK	1.00[2]	0.75	0.63	0.00	0.63
Closing share price, SEK	98.40	107.25	71.50	44.63	25.88
Share price/equity per share	7	8	6	4	3
P/E ratio	34	65	59	46	22

1 The number of shares and historical KPIs based on the number of shares have been recalculated because of the 4:1 share split conducted in May 2022.
2 Board of Directors' proposal to AGM.

SHAREHOLDERS, 30 DECEMBER 2022

Shareholder	No. of class A shares	No. of class B shares	Share of capital,%	Share of vote, %
Aretro Capital Group AB[1]	2,041,328	5,198,496	5.38	15.06
Verg AB	1,446,668		1.08	8.51
SEB Fonder		13,657,323	10.15	8.03
Lannebo Fonder		10,952,265	8.14	6.44
Swedbank Robur Fonder		8,603,901	6.40	5.06
Aeternum Capital AS	460,000	2,169,134	1.95	3.98
Second AP (Swedish National Pension Insurance) fund		6,656,608	4.95	3.91
Odin Fonder		6,500,000	4.83	3.82
Fourth AP (Swedish National Pension Insurance) fund		6,341,088	4.71	3.73
Cliens fonder		5,947,292	4.42	3.50
Other shareholders[2]	700	64,553,429	47.99	37.96
Total	**3,948,696**	**130,579,536**	**100.00**	**100.00**

1 Aretro Capital Group AB is held jointly through companies by Addnode Group's Chairman, Staffan Hanstorp, and Jonas Gejer, Addnode Group's Vice President of Business Development.
2 Other shareholders include Addnode Group's holdings of 1,030,000 shares, which are 0.77% of the capital and 0.61% of the votes.

The share, cont.

Our CEO Johan Andersson during his address at Addnode Group's AGM in 2022.

DIVISION OF SHAREHOLDINGS, 30 DEC. 2022

Size of shareholding	No. of shareholders	Holding, %	Voting share, %
1–500	4,994	0.40	0.32
501–1,000	563	0.32	0.26
1,001–2,000	498	0.58	0.46
2,001–5,000	392	0.99	0.78
5,001–10,000	183	0.99	0.78
10,001–20,000	86	0.92	0.73
20,001–50,000	66	1.49	1.18
50,001–100,000	37	2.11	1.67
100,001–500,000	25	3.94	3.12
500,001–1,000,000	3	2.47	1.95
1,000,001–	27	83.51	86.95
Anonymous ownership	–	2.28	1.80
Total	**6,874**	**100.00**	**100.00**

INVESTOR RELATIONS
Addnode Group's share is monitored by five investment banks: ABG Sundal Collier (Daniel Thorsson and Simon Granath), Carnegie Investment Bank (Aline Ghatan and Robert Redin), Handelsbanken (Daniel Djurberg and Fredrik Lithell), Redeye (Fredrik Nilsson), and SEB (Erik Larsson). Redeye monitors Addnode Group's share on assignment, and is compensated by Addnode Group.

Addnode Group streams its interim report presentations. In addition, Addnode Group participates in investor conferences arranged by banks and securities institutions.

DISTRIBUTION POLICY
The printed Annual Report is available to order prior to the AGM, and is also available as a downloadable pdf file from addnodegroup.com.

CALENDAR

Interim Report January–March	28 April 2023
AGM	4 May 2023
Interim Report January–June	14 July 2023
Interim Report January–September	27 October 2023
Year-end Report January–December	2 February 2024

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