



CORPORATE GOVERNANCE

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CHAIRMAN'S STATEMENT

A YEAR OF HIGH ACTIVITY LEVELS IN MANY FIELDS

Supported by the Board of Directors, Addnode Group's Management has navigated the company through an unusual period that now appears to be nearing its end. We can conclude that things went well; in 2021, Addnode Group reported its best earnings to date. Encouraged by our successes, we are now looking ahead to keep evolving our operations.

Looking back at a period that now appears to be nearing its end, I can conclude that in the first year of the Covid-19 pandemic, we were really occupied with the acute phase of the crisis. We worked on risk scenarios modelling differing courses of events. Many of these issues were about cost savings, and how we could protect our colleagues without this simultaneously impacting our business. In the past year, 2021, we were able to shift our focus back to our business and capitalise on a robust market recovery. Sales and profitability performance accelerated through 2021, and we are now prioritising forward-looking strategic issues.

In 2021, the Board of Directors formulated a proposal on a long-term share-based incentive programme for senior executives, that was then submitted to, and adopted by, the AGM. The intention of this programme is that with a personal investment, Addnode Group executives will be able to benefit from, and work for, positive value growth of the company's shares. This programme should also create the potential to retain and hire skilled professionals for the Group, and offer them competitive compensation.

Cybersecurity is a segment that a growing number of companies are being compelled to focus on. During the Covid-19 pandemic, society's digitalisation accelerated, working from home expanded, and new digital ways of working appeared, which combined, have created scope for a growing number of more sophisticated cyber attacks. Over the past year, Addnode Group sharpened its focus on these issues. We developed and consolidated our processes and reporting structures, while also scaling up technology surveillance.

"In the past year, 2021, we were able to shift our focus back to our business and capitalise on a robust market recovery. **Sales and profitability performance accelerated through 2021**, and we are now prioritising forward-looking strategic issues."

The digital solutions Addnode Group companies deliver are used by customers to help realise a more sustainable society in a wide variety of ways, everything from resource and energy efficiency, to improved health, infrastructure and accessibility. This segment is important to us, both because we want to remain relevant to our customers, but also because as a business and employer, we want to nurture our people and the environment in our own operations. In 2020, the Group prepared its first collective Code of Conduct and Sustainability Policy, adopted by the Board in early-2021.

In the year, the Board of Directors dealt with renewing the Group's credit facility, which expands our acquisition capacity, but also devoted more resources to screening new acquisition targets. We can conclude that there are more opportunities, and the number of companies we are currently screening increased continuously through 2021.

Encouraged by our successes in 2021, and our sights set on new opportunities, I'm looking forward to continuing to work towards the successful execution of our strategy alongside the rest of the Board of Directors and Management: using sound risk-taking to acquire and develop cutting edge enterprises that digitalise society.



STAFFAN HANSTORP,
CHAIRMAN OF THE BOARD



CORPORATE GOVERNANCE REPORT

ADDNODE GROUP

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 2021.

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 2021.

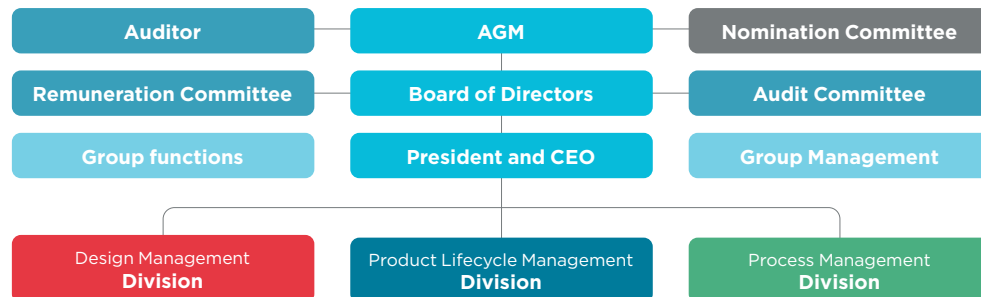
FOR MORE INFORMATION

- Nasdaq Stockholm, [nasdaqomxnordic.com](https://www.nasdaqomxnordic.com)
- The Swedish Code of Corporate Governance, [bolagsstyrning.se](https://www.bolagsstyrning.se)
- The Swedish Financial Supervisory Authority, [fi.se](https://www.fi.se)
- Addnode Group's website, [addnodegroup.com](https://www.addnodegroup.com)

SIGNIFICANT EVENTS IN 2021

- Magnus Falkman became President of TECHNIA and President of the PLM division on 1 January 2021. He succeeded Jonas Gejer, who then became a new member of Group Management as Vice President of Business Development.
- In tandem with completing the acquisition of S-GROUP Solutions AB on 1 April 2021, Addnode Group's Board of Directors decided to issue 204,802 new class B shares as part of the total purchase consideration. The non-cash issue was conducted with previous AGM authorisation.
- In May 2021, Aeternum Capital AS acquired 285,000 class B shares and 115,000 class A shares of Addnode Group AB from principal shareholder Aretro Capital Group AB. As of 30 December 2021, Aeternum Capital held 115,000 class A shares and 994,000 class B shares, or 3.3 per cent of the capital and 5.0 per cent of the votes of Addnode Group.
- After a resolution by Addnode Group's AGM in May 2021, Addnode Group created a long-term incentive programme for some 60 managers and senior executives.
- With authorisation from the AGM 2021, in September 2021, the Addnode Group's Board of Directors decided to repurchase class B treasury 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. 200,000 shares were repurchased on Nasdaq Stockholm on 29 October 2021, which remained in treasury as of 30 December 2021.
- In December 2021, Addnode Group announced that Rolf Kjaernsli, President of the Design Management division, had decided to leave Addnode Group. CEO & President Johan Andersson became Interim Division President effective 1 January 2022. In tandem with this, Jens Kollserud, President of the subsidiary Symetri, became a member of Addnode Group's Group Management.

GOVERNANCE



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 their holder, class A shares can be converted to class B shares.

On 30 December 2021, Addnode Group had 7,145 shareholders, and the proportion of foreign ownership was 22 per cent. The proportion of institutional ownership, including equity funds, was 69 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. Verg AB is the second largest owner, with 1.1 per cent of the share capital and 8.5 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.

Corporate Governance Report, cont.

NOMINATION COMMITTEE

The AGM 2021 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 2021, to each appoint a representative who is not a member of the company's Board, to form the Nomination Committee for the AGM 2021 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.

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 2022

The composition of the Nomination Committee was announced in a press release that was published on 20 October 2021 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
- Hans Christian Bratterud, appointed by Odin Fonder
- Marianne Nilsson, appointed by Swedbank Robur Fonder
- Robert Vicsai, appointed by SEB Investment Management
- 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 2022, the Nomination Committee met on four occasions until the date of publication of this Annual Report. The Nomination Committee represented approximately 33 per cent of the vote as of 30 December 2021. 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

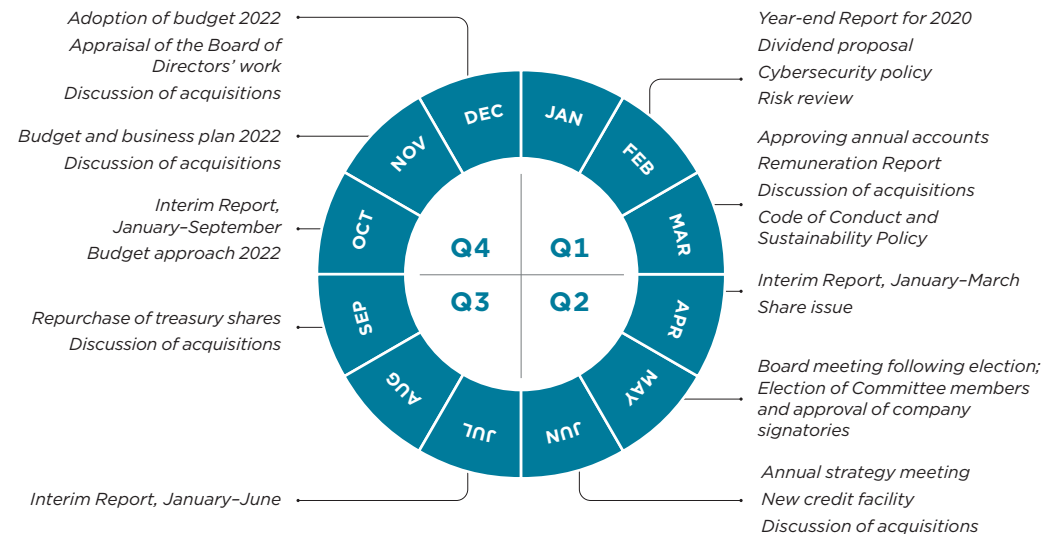
The Annual General Meeting (AGM) is Addnode Group's chief decision-making body. Shareholders exercise their right to make decisions on Addnode Group's affairs at AGMs or, where applicable, Extraordinary General Meetings (EGMs). The AGM is normally held in April or May.

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 2021





Corporate Governance Report, cont.

AGM 2021

The AGM 2021 was held on 6 May 2021. Chairman of the Board Staffan Hanstorp was elected as Chairman of the AGM, in accordance with the Nomination Committee's proposal. The minutes of the AGM are available from 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 Hjelmqvist, 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 2.50 per share for the financial year 2020.

The AGM also resolved on the adoption of a long-term share-based incentive programme (the "LTIP 2021"), 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 225,000, or approximately 0.67 per cent of the total number of shares and approximately 0.53 per cent of the total number of votes of Addnode Group. Each call option confers entitlement to purchase one (1) repurchased class B share of the company in specific stated periods from the day after publication of the Interim Report for July–September 2024, the Year-end Report for 2024, and the Interim Report for January–March 2025, although no later by than 10 June 2025 inclusive.

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, 200,000 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. The corresponding authorisation from the AGM 2020 was exercised in tandem with completing the acquisition of S-GROUP Solutions AB on 1 April 2021, when 204,802 new class B shares were issued as part of the purchase consideration.

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 President
- 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.

*Corporate Governance Report, cont.***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 2021

The Board held 13 meetings in 2021, 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, 2021

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	13/13	510,332	1,303,597
Jan Andersson	Director	Chair of Audit Committee	2012	Yes/Yes	13/13	—	15,000
Kristofer Arwin	Director	Member of Audit Committee	2012	Yes/Yes	13/13	—	2,180
Johanna Frelin	Director	—	2017	Yes/Yes	13/13	—	—
Sigrun Hjelmquist ²⁾	Director	Member of Audit Committee	2009	Yes/Yes	13/13	—	2,000
Thord Wilkne ³⁾	Director	Member of Remuneration Committee	2008	Yes/Yes	13/13	—	435,000
Kristina Willgård	Director	—	2020	Yes/Yes	13/13	—	500
						510,332	1,758,277

¹⁾ Including 510,332 class A shares and 1,299,624 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 1,000 shares.

³⁾ Including spouse's holding of 35,000 shares.

All Directors' shareholdings are as of 30 December 2021. Fees to the Chairman and Directors are stated in note 5 of the annual accounts.



Corporate Governance Report, cont.

In addition, the Board dealt with a number of other matters at its meetings in 2021, with special attention on the following:

- Strategy and acquisition matters
- The Covid-19 pandemic and its impact on operations
- Refinancing
- 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 metrics covering business and market risks, as well as sustainability issues
- Cybersecurity
- New issue for acquisitions, 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 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 2021 to 2022, a fixed fee of SEK 450,000 (400,000) is payable to the Chairman of the Board, and SEK 225,000 (200,000) 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 85,000 (55,000) is payable to each of the two regular members of the Board's Audit Committee, and a fee of SEK 125,000 (85,000) is payable to the Chair of the Audit Committee. A fee of SEK 25,000 (20,000) 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 four meetings in 2021.

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 2021. 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



Corporate Governance Report, cont.

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 2021 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 auditor, for both audit and non-audit-related assignments, are specified in Note 6 of the annual accounts, Audit fees.

PRESIDENT AND CEO

The President and 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

The President appoints the other members of Group Management, who consist of the CFO, the VP of M&A, VP of Business Development, and the Presidents of the three divisions, Design Management, Product Lifecycle Management and Process Management. The President of the subsidiary Symetri is also a member of Group Management effective 1 January 2022. 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 monthly to review the Group's financial performance, acquisitions and Group-wide matters, 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 accountable 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. 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, accountability 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 accountable 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 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.



Corporate Governance Report, cont.

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 preventing risks of misstatement in reporting in a timely fashion.

Examples 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 environments. 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 the Group's controllers and financial managers, and manuals, Group-wide policies and codes that are published on Group-wide systems. Such information includes methodologies, instructions and practical checklists, descriptions of roles and respon-

sibilities, 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, published in press releases
- Annual Reports including Sustainability Reports
- Press releases on significant events
- Presentations for financial analysts, investors and the 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 510,332 class A shares and 1,299,624 class B shares. Personal holdings of 3,973 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 Entreprenörinvest AB, Innovum Invest AB, Localize Direct AB, Myloc AB and TimeZynk AB.

Addnode Group shareholding: 15,000 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: 2,180 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. Currently Executive Partner of Facesso AB.

Current assignments: Chairman of Teqniq AB and Tracendent Group AB. Director of Eolus Vind AB and Ragnsellsbolagen AB.

Addnode Group shareholding: 1,000 class B shares. Spouse holds 1,000 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 Management AB and Wilgot AB.

Addnode Group shareholding: 400,000 class B shares. Spouse holds 35,000 class B shares.



KRISTINA WILLGÅRD

Born 1965. Director since 2020.

Education and experience: M.Sc. (Econ.). 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: President and CEO of AddLife since 2015 samt Director of Mölnlycke Health Care.

Addnode Group shareholding: 500 class B shares.

AUDITOR

The AGM 2021 re-elected registered public accounting firm PricewaterhouseCoopers AB (PwC), with Authorised Public Accountant Anna Rosendal as senior auditor. Other audit assignments: Indutrade AB (publ.) and Dometic Group AB (publ.)



MANAGEMENT



JOHAN ANDERSSON

Born 1974. President and CEO of Addnode Group AB. *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:

98,478 class B shares and 13,000 call options on class B shares.



ANDREAS WIKHOLM

Born 1974. President of the Process Management Division.

Education and experience:

Public health graduate, Karolinska Institute. Post-graduate qualifications 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:

40,000 class B shares and 7,000 call options on class B shares.



ADAM NILSSON

Born 1984. Vice President of M&A.

Education and experience:

M.Sc. (Econ.), Stockholm University. Previous experience as a consultant in transactions and financial analysis. Active in the Group since 2018.

Current external assignments:

None outside the Group.

Addnode Group shareholding:

1,250 class B shares and 7,000 call options on class B shares.



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:

None outside the Group.

Addnode Group shareholding:

7,000 call options on class B shares.



JENS KOLLSERUD

Born 1979. President of Symetri AB.

Education and experience:

Accounting qualifications. Post-graduate business management and development qualifications. 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:

5,000 call options on class B shares.

Jens Kollserud is a member of Management effective 1 January 2022.



ROLF KJÆRNSLI

Born 1958. President of the Design Management Division.

Education and experience:

M.Sc. (Eng.), Norwegian Institute of Technology. Over 30 years' experience as head of R&D and President in the IT sector. Active in the Group since 2005.

Current external assignments:

Director of WK Entreprenør AS.

Addnode Group shareholding:

4,498 class B shares via company.

Rolf Kjærnsli resigned as President of the Design Management Division on 31 December 2021, and accordingly left Management.



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:

9,100 call options on class B shares.



JONAS GEJER

Born 1963. Vice President of Business Development.

Education and experience:

Engineering qualifications and Market economics graduate of 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 2011–2020.

Current external assignments:

None outside the Group.

Addnode Group shareholding:

Through companies, 50 per cent of Aretro Capital Group AB, which holds 510,332 class A shares and 1,299,624 class B shares. Personal holdings of 3,973 class B shares, and 9,100 call options on class B shares.



SIGNATURES

Staffan Hanstorp
Chairman of the Board

Jan Andersson
Director

Kristofer Arwin
Director

Johanna Frelin
Director

Sigrun Hjelmquist
Director

Thord Wilkne
Director

Kristina Willgård
Director

Stockholm, Sweden, 23 March 2022

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 2021 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.

OPINIONS

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.

Anna Rosendal

Authorised Public Accountant
PricewaterhouseCoopers AB

Stockholm, Sweden, 25 March 2022