ADDNODE GROUP

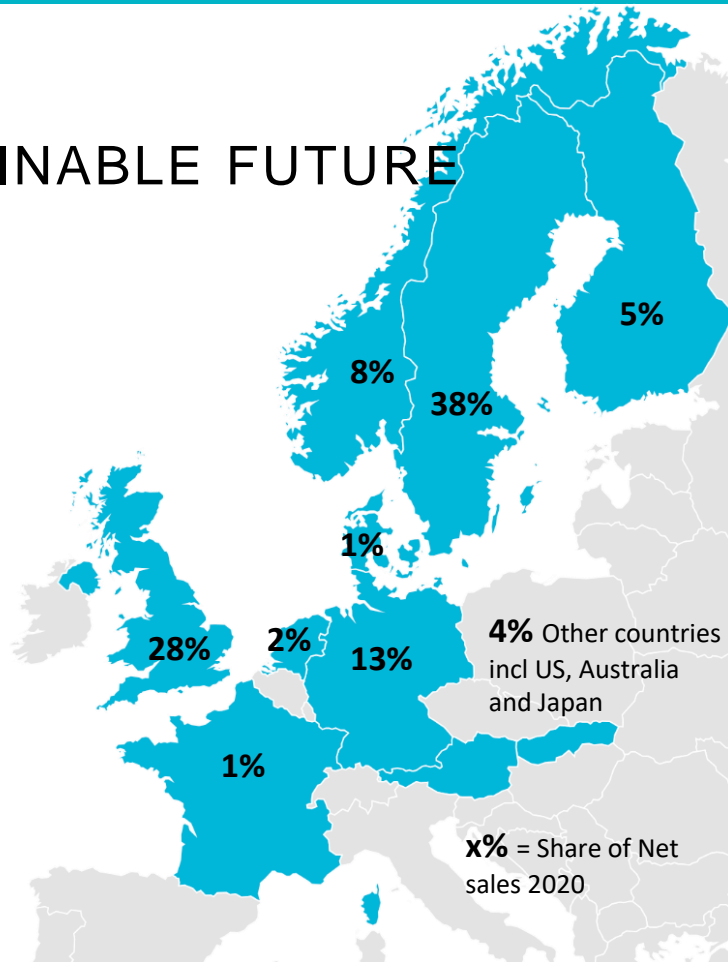## ANNUAL GENERAL MEETING 2021

AGENDA

1. Introduction to Addnode Group
2. Addnode Group in 2020
    – Strategy for profitable growth
    – Targets and achievements
    – Sustainability
3. Q1 2021
4. Acquisitions
5. Addnode as an investment

ADDNODE GROUP
DIGITAL SOLUTIONS FOR A SUSTAINABLE FUTURE

Net sales of 3,8 billion SEK and 1,800 employees in 19 countries, main markets are Sweden, UK, Germany, Norway and Finland.

- **Design Management -** smarter design, construction, and management of products, buildings, assets and infrastructure.

- **Product Lifecycle Management** - simulation, design and product lifecycle management, from research, development and design to production, sales, aftermarket and recycling.

- **Process Management -** business processes for central and local government.

5%

8%

38%

1%

4% Other countries incl US, Australia and Japan

28%

2%

13%
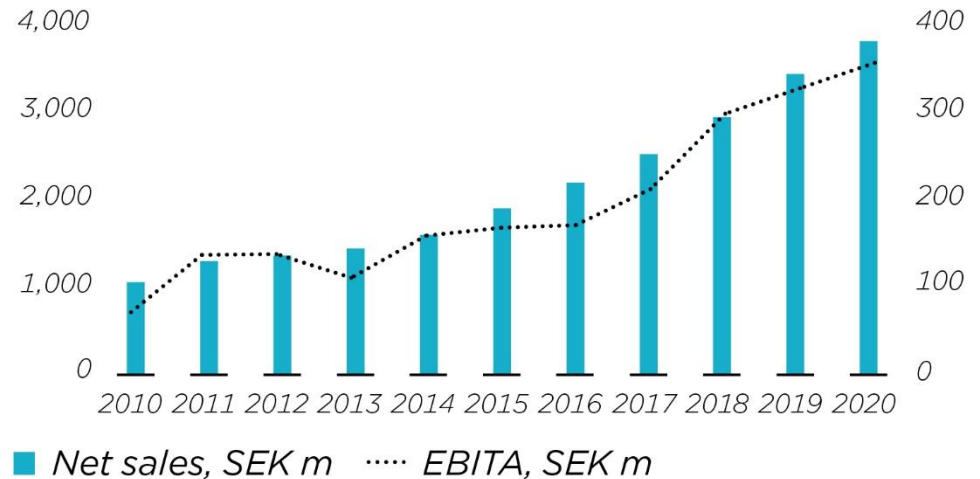
1%

x% = Share of Net sales 2020

STRATEGY FOR PROFITABLE GROWTH

OUR STRATEGY We create sustainable growth in value by acquiring and developing cutting edge enterprises that digitalise society.
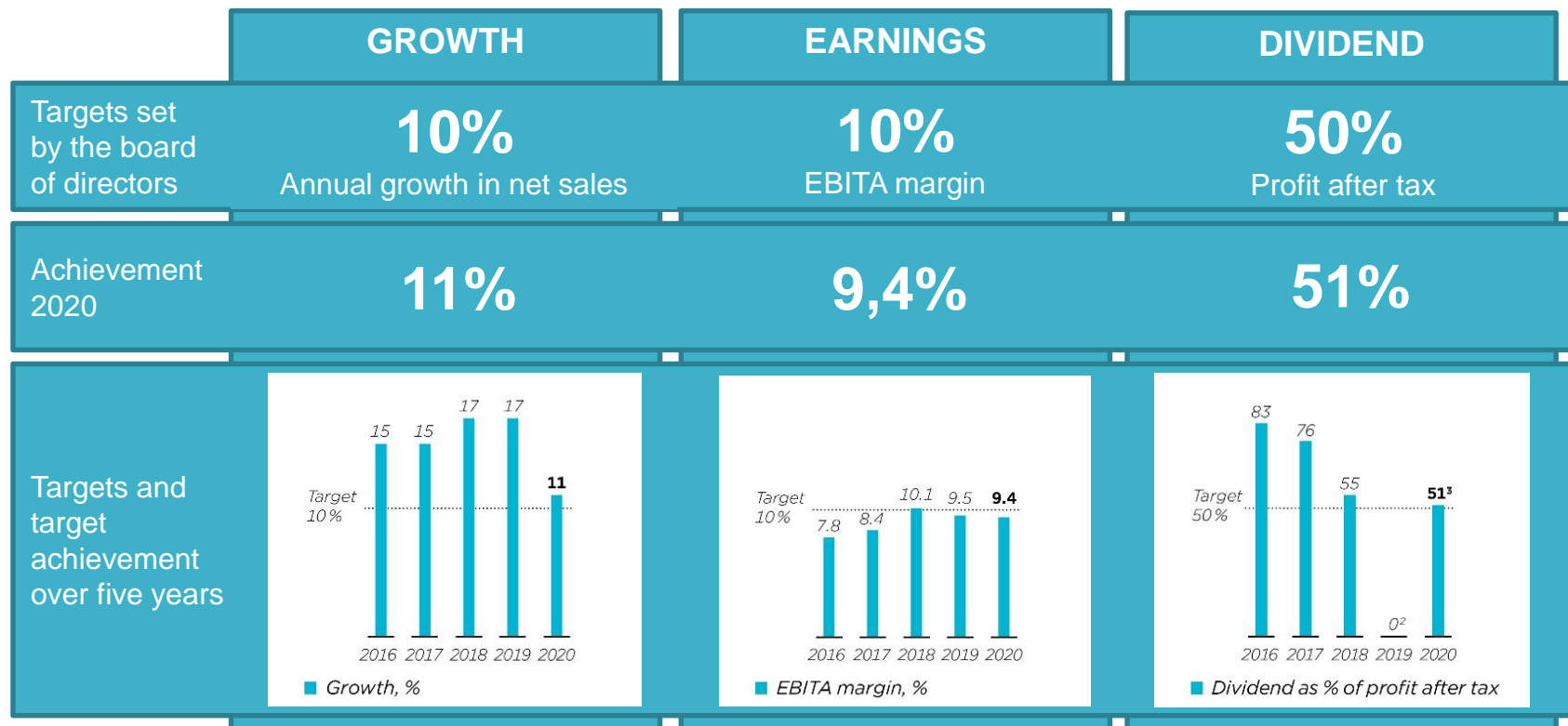
SUSTAINABLE GROWTH IN VALUE

ACQUISITIONS
Complementary businesses or markets. Values-based leadership. Attractive valuation.

ORGANIC GROWTH
Decentralised responsibility and authority. Strategic support. Synergies and collaborations.

Chart axes: left 0, 1,000, 2,000, 3,000, 4,000; right 0, 100, 200, 300, 400; years 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020

■ Net sales, SEK m   ⋯⋯ EBITA, SEK m

DEVELOPMENT 2020

	GROWTH	EARNINGS	DIVIDEND
Targets set by the board of directors	**10%** Annual growth in net sales	**10%** EBITA margin	**50%** Profit after tax
Achievement 2020	**11%**	**9,4%**	**51%**
Targets and target achievement over five years			

Growth, % — Target 10%: 2016: 15, 2017: 15, 2018: 17, 2019: 17, 2020: **11**

EBITA margin, % — Target 10%: 2016: 7.8, 2017: 8.4, 2018: 10.1, 2019: 9.5, 2020: **9.4**

Dividend as % of profit after tax — Target 50%: 2016: 83, 2017: 76, 2018: 55, 2019: 0[2], 2020: **51[3]**

LONG-TERM SUSTAINABILITY FOCUS AREAS

1

Digital solutions that contribute to sustainable development

Innovation for sustainability, Ensuring privacy and integrity, Designing for sustainable development and circular economy, Simulations for environmental and health benefits, Improved citizen involvement and dialogue

2

Care for people and the planet in our own operations

Diversity and gender equality, Employee well-being and safety, Attracting and retaining talent: values based, Proactive and engaged employees committed to making a difference, Environmental initiatives to reduce travel and impacts from office space

3

The way we work with our partners and suppliers

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

4

Long-term financial viability

Organic growth, Acquisitions, Decentralised business model, Recurring revenue

5

Sustainability management and governance
Code of Conduct and Sustainability policy, Certifications, Communication, Reporting

The UN's Global Goals with the closest connection to Addnode Group's focus areas

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
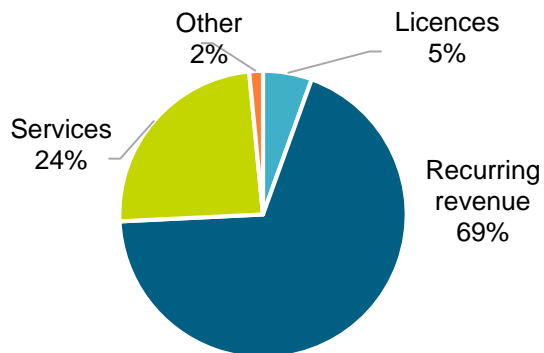
11 SUSTAINABLE CITIES AND COMMUNITIES

13 CLIMATE ACTION

ADDNODE GROUP   6

ADDNODE GROUP Q1 2021

	Q1 2021	Q1 2020	Change, %	R12 20/21
Net sales, SEK m	1,036	1,234	-16%	3,609
EBITA, SEK m	107	108	-1%	355
EBITA margin, %	10.3	8.8		9.8

Net sales distribution


Other 2%
Licences 5%
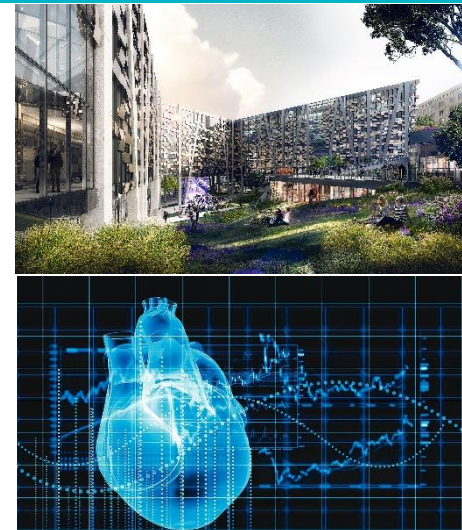Services 24%
Recurring revenue 69%

Highlights

- Net sales -16%, organic growth -17%, currency adjusted -14%

- Covid-19 still had an effect, Q1 2020 was a record quarter

- Adjustments of the cost structure contributed to improved EBITA margin

- Division Process Mgt showed organic growth

- Lower demand in UK and US in Division Design and PLM

- Acquisition of S-GROUP Solutions

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ADDNODE GROUP Q1 2021
Divisions

	Net sales			EBITA		
	2021 Q1	2020 Q1	Change, %	2021 Q1	2020 Q1	Change, %
Design Management	**533**	722	-26	**61**	76	-20
Product Life Cycle Management	**283**	304	-7	**18**	10	80
Process Management	**225**	214	5	**39**	36	8
Elemination/ central cost	**-5**	-6		**-11**	-14	
Addnode Group	**1,036**	1,234	-16	**107**	108	-1
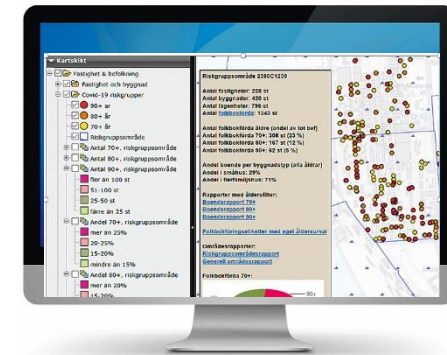
ACQUISITIONS 2020

Excitech

Largest Autodesk partner in UK market and leading provider of design software and consulting services for the construction and manufacturing industries.

Division
Design Management

New employees
150

Annual net sales
550 SEK M

Unizite

Norwegian developer of a mobile field tool that makes 3D models and other digital information available to everyone at a construction site.

Division
Design Management

New employees
10

Annual net sales
7 SEK M

Netpublicator

Develops digital services for efficient document and meeting management in conjunction with public administration meetings in Sweden.

Division
Process Management

New employees
6

Annual net sales
20 SEK M

Scanscot Technology

Develops digital services for efficient document and meeting management in conjunction with public administration meetings in Sweden.

Division
Product Lifecycle Management

New employees
15

Annual net sales
40 SEK M

ACQUISITIONS 2021 YTD

S-Group Solutions

Specialised in business-related GIS solutions for municipalities, water and sewage organizations and land surveying operations.

Division
Process Management

New employees
66

Annual sales
144 SEK M

ADDNODE GROUP AS AN INVESTMENT

1 · Acquisition driven growth

Our strategy is to create growth by continuously acquiring new businesses and actively supporting our companies to drive organic growth.

CAGR 2010–2020 : 14%

Profitable growth

2 · Sustainable digital solutions

We provide digital solutions for design, simulation, product data information and case management. Global trends such as digitalisation, urbanisation and sustainability are driving demand for our solutions.

3 · Attractive business model

High share of recurring revenues. Customers return for advice, development and integration. Strong cash flow generation owing to large share of advance payments at start of year. Low capex need other than product development.

Revenue by type

- Recurring revenue, SEK 2,560 m
- Services, SEK 963 m
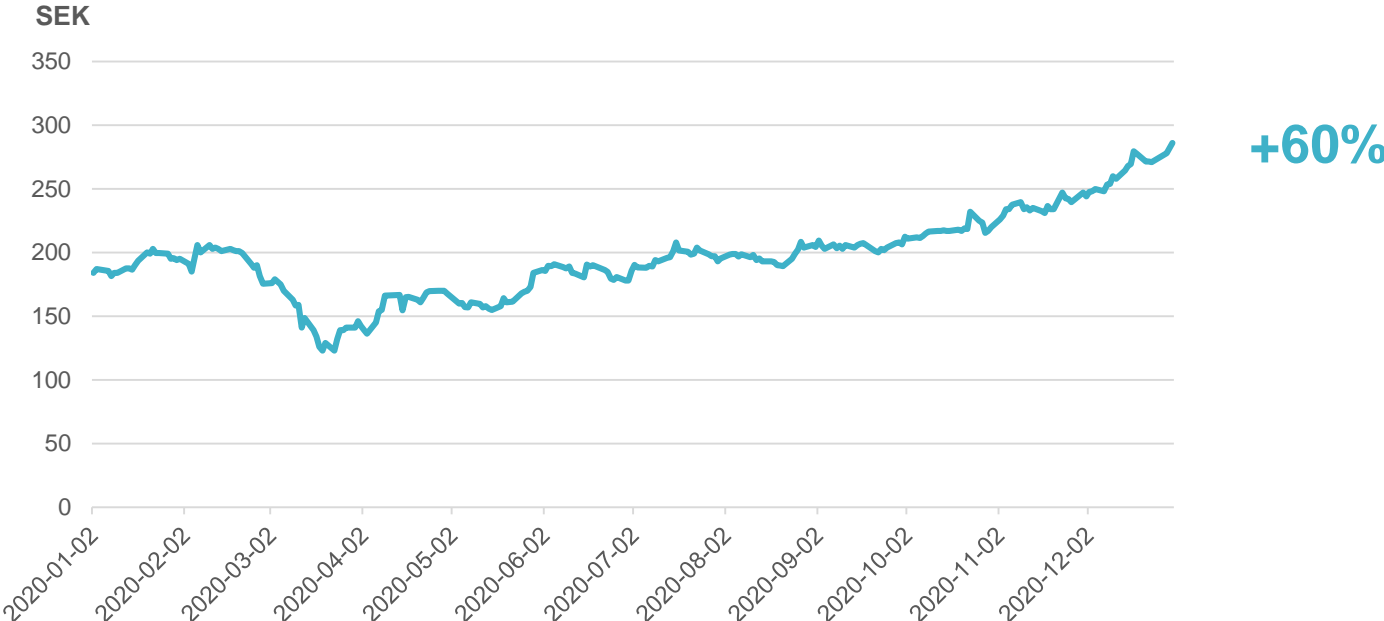- Licences, SEK 221 m
- Other, SEK 63 m

4 · Diversification spreads risk

We are active in numerous geographic markets, private and public sectors and in many different industries. We are not dependent on individual customers, but we have many long-term customer relationships

Revenue by customer size

- 10 largest customers, 9%
- 11–50, 15%
- 51–100, 9%
- 101–, 67%
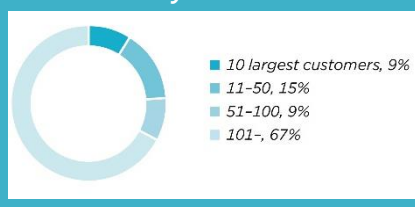
ADDNODE GROUP SHARE 2020

+60%

Thank You