

INTERIM REPORT 1 JANUARY–31 MARCH 2021

This is a translation of the Swedish original of Addnode Group's interim report for the period 1 January–31 March 2021. In the event of any discrepancies between the two versions, the original Swedish version shall apply.

FIRST QUARTER SUMMARY, JANUARY–MARCH 2021

- Net sales decreased by 16 per cent to SEK 1,036 m (1,234), of which -17 per cent organic. Currency-adjusted organic growth was -14 per cent.
- EBITA was SEK 107 m (108), and the EBITA margin increased to 10.3 per cent (8.8).
- Operating profit was SEK 73 m (77), with an operating margin of 7.0 per cent (6.2).
- Profit after tax was SEK 54 m (57).
- Earnings per share were SEK 1.62 (1.71).
- Cash flow from operating activities decreased to SEK 150 m (276).
- Agreement signed to acquire S-GROUP Solutions AB, with net sales of SEK 144 m in 2020.

SUMMARY OF SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- Issue of 204,802 Class B shares in connection with the acquisition of S-GROUP Solutions AB.

-16%

Net sales growth Q1 2021 compared with Q1 2020

10.3%

EBITA margin Q1 2021

69%

Share of recurring revenue Q1 2021

KEY FIGURES

	First quarter		Rolling 12 m	Full year
	2021 Jan-Mar	2020 Jan-Mar	Apr 2020- Mar 2021	2020
Net sales, SEK m	1,036	1,234	3,609	3,807
EBITA, SEK m	107	108	355	356
EBITA margin, %	10.3	8.8	9.8	9.4
Operating profit, SEK m	73	77	225	229
Operating margin, %	7.0	6.2	6.2	6.0
Profit for the period, SEK m	54	57	160	163
Earnings per share, SEK	1.62	1.71	4.79	4.88
Cash flow from operating activities, SEK m	150	276	453	579
Return on shareholders' equity, %	10.4	12.0	10.4	11.2
Return on capital employed, %	9.7	11.2	9.7	10.6
Shareholders' equity per share, SEK	48.01	44.01	48.01	45.23

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



“We are still not through the Covid-19 pandemic, but there is stable demand for our digital solutions and many exciting acquisition opportunities. All in all this entails good conditions for continued strong development of Addnode Group.”

IMPROVED EBITA MARGIN AND CONDITIONS FOR GROWTH

Cost-cutting raised EBITA margin

Net sales decreased by 16 per cent to SEK 1,036 m compared with the same period a year ago. Considering that the first quarter last year was a record quarter in terms of net sales and EBITA, the outcome this year is strong. Our cost-cutting measures have generated results and we delivered EBITA at the same level as last year. All divisions contributed to an improvement of the EBITA margin to 10.3 per cent (8.8). Completed cost-savings are mostly enduring, but costs for e.g., travel are expected to rise as societies are opening up, albeit at a lower level than pre-Covid. A high share of recurring revenue is contributing to stability in revenue, which accounted for 69 per cent of total during the quarter.

The Process Management division, with focus on the public sector in Sweden, has had continued organic growth and an EBITA margin at a stable high level. Net sales among industrial customers in the Design Management and PLM divisions have been negatively affected by lower demand in the UK and the USA, while the Nordic countries and Germany were stable.

Acquisitions that complement and develop our offering

Acquisitions are part of our business model, and at all times we are engaged in a large number of dialogues with interesting acquisition candidates. We have strong cash flow and a strong financial position, which gives us favourable conditions to further expand Addnode Group.

In 2020 we carried out four acquisitions which together increased the Group's net sales by SEK 570 m. Thus far this year we have carried out one acquisition – the software firm S-GROUP Solutions, which had sales of SEK 144 m

and EBITDA of SEK 27 m in 2020. S-GROUP Solutions will be part of the Process Management division and strengthens our offering to the public sector, especially Swedish municipalities.

Conditions for growth

Even though the Covid-19 pandemic has had a negative impact on our industrial customers and thereby also on us, our assessment is that this is transitory. Underlying there is an unchanged need to invest in the digital solutions for simulation, design and product data management that we deliver.

Architects and technical consultants have continued to invest in digital design and BIM models to create buildings and infrastructure that can be built and managed in a sustainable way. In the public sector, growth is being driven by favourable demand for document and case management systems and municipal technology systems.

We are still not through the Covid-19 pandemic, but there is stable demand for our digital solutions and many exciting acquisition opportunities. All in all this entails good conditions for continued strong development of Addnode Group.

Johan Andersson
President and CEO

SIGNIFICANT EVENTS

DURING THE FIRST QUARTER OF 2021

Agreement signed to acquire software company S-GROUP Solutions

On 30 March 2021 Addnode Group announced that the company signed an agreement to acquire all of the shares in S-GROUP Solutions AB, which specialises in spatial information and geographical information systems (GIS) for municipalities, water and sewage networks and land surveying operations. The acquisition strengthens the Group's offering in municipal technology systems and geodata-based solutions. The company had sales of SEK 144 m in 2020 and will be part of the Process Management division.

AFTER THE END OF THE REPORTING PERIOD

Issue in kind in connection with acquisition of S-GROUP Solutions

In connection with transfer of possession 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 consideration for the acquisition. The remainder was paid in cash. The issue in kind was resolved in accordance with the authorization from Addnode Group's Annual General Meeting. The issue corresponded to a dilution of the share capital by 0.61 per cent and of the number of votes in Addnode Group by 0.48 per cent. The number of shares in Addnode Group thereby increased from 33,427,256 to 33,632,058 in total.

ADDNODE GROUP IN BRIEF

WHAT WE DO

Addnode Group is a listed group that acquires, operates and develops cutting edge enterprises that digitalise society. The Group had sales of approximately SEK 3.8 bn in 2020.

FOR WHOM

Our subsidiaries develop and provide digital solutions to customers in industries such as construction and real estate, manufacturing, automotive and life sciences as well as in the public sector.

TO WHAT BENEFIT

The solutions that Addnode Group provides make it possible for our customers by digital means to improve the efficiency of their operations, quality-assure their production and communicate better with customers and citizens.

WHERE WE ARE ACTIVE

Addnode Group has 1,800 employees in 19 countries. The company's shares are listed on Nasdaq Stockholm.

FINANCIAL TARGETS

We aim to achieve annual growth in net sales of at least 10 per cent. The operating margin before amortisation and impairment of intangible assets (EBITA margin) shall be at least 10 per cent. At least 50 per cent of consolidated profit after tax is to be distributed to the shareholders, provided that net cash is sufficient to operate and develop the business.

FINANCIAL CALENDAR



CONSOLIDATED NET SALES, EARNINGS AND CASH FLOW

FIRST QUARTER, JANUARY-MARCH 2021

The Group’s operations have gradually adapted to a reality in which the Covid-19 pandemic is part of the business conditions. The first quarter a year ago was a record quarter for net sales and EBITA, which makes for challenging comparisons. During the first quarter of 2021 the Design Management and Product Lifecycle Management divisions continued to be affected by lower demand from industrial customers and challenging market conditions in the UK. Demand for the Process Management division’s solutions and services for the public sector remained good. Even though the Group’s net sales were lower in the first quarter of 2021, EBITA was maintained at the same level due to adjustment of the cost structure.

Net sales amounted to SEK 1,036 m (1,234), representing a decrease of 16 per cent, of which organic growth was -17 per cent. The currency-adjusted reduction of net sales was -14 per cent.

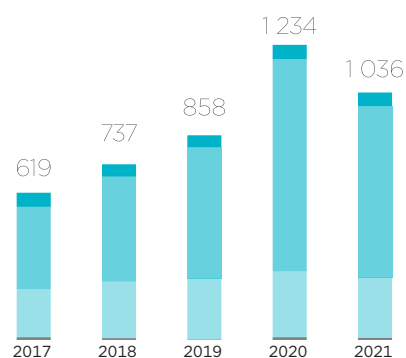
Licence revenue decreased to SEK 57 m (60), recurring revenue decreased to SEK 712 m (882), service revenue decreased to SEK 251 m (273), and other revenue amounted to SEK 16 m (19). The share of recurring revenue was 69 per cent (71).

EBITA was SEK 107 m (108), and the EBITA margin strengthened to 10.3 per cent (8.8).

Net financial items amounted to SEK -3 m (-2). Profit for the period after tax was SEK 54 m (57). Earnings per share were SEK 1.62 (1.71).

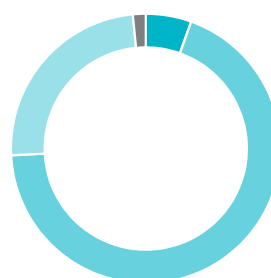
Cash flow from operating activities amounted to SEK 150 m (276). The decrease is mainly attributable to a lower contribution from the change in working capital than during the corresponding quarter in 2020. However, at the end of the period, working capital continued to be negative and was lower than at the same point in time a year ago.

BREAKDOWN OF REVENUE, Q1 2017-2021



- Licences
- Recurring revenue
- Services
- Other

BREAKDOWN OF REVENUE, Q1 2021



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

DEVELOPMENT PER DIVISION

NET SALES AND EBITA, Q1

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

Addnode Group conducts operations in three divisions: Design Management, Product Lifecycle Management and Process Management. Every subsidiary conducts and develops its business activities in accordance with strategies, guidelines and joint-Group values.

The decentralised governance model entails that business-critical decisions are made close to the customers and markets. The divisions make up the Group's operating segments, according to which Addnode Group monitors business development.

DESIGN MANAGEMENT DIVISION

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

QUARTERLY DEVELOPMENT

Net sales during the first quarter of 2021 amounted to SEK 533 m (722). The decrease in net sales was entirely organic and amounted to 26 per cent. Adjusted for currency effects the decrease was -23 per cent. Demand for design and BIM systems for architects and technical consultants showed continued stable development, while demand from industrial customers was lower. At the same time, the market conditions in the UK were more challenging than a year ago. This entailed, among other things, lower sales of three-year licence agreements. Revenue for time-limited licence agreements for Autodesk solutions is recognised entirely at the start of the agreement and is classified as recurring revenue. This can result in variations between quarters, both with respect to growth and the amount of recurring revenue. The division’s offerings, based on internally developed digital solutions for facility management and collaboration solutions for construction and infrastructure projects showed continuing stable development. The cost structure has been adjusted to meet lower net sales.

EBITA decreased to SEK 61 m (76), and the EBITA margin strengthened to 11.4 per cent (10.5).

NEW BUSINESS

During the quarter the division secured agreements with customers such as Afry, Atlas NHS Blackpool, Cedervall, Sellafeld, Serneke, Sitowise and Viking Aqua.

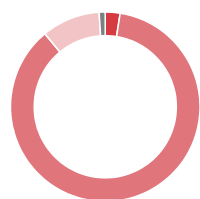
MARKET

Customers’ willingness to invest is driven by urbanisation and the need to build efficiently and sustainably. To be more efficient, customers are digitalising their processes and adopting new ways of working. Regulatory authorities are requiring greater use of digital work processes based on BIM, i.e., digital models of a building or infrastructure along with the accompanying assets during the entire life-cycle.



Symetri is contributing to innovative urban buildings in the Økern Portal project – a sustainable office building full of innovative solutions in one of Oslo’s newest city areas.

NET SALES Q1 2021 BY TYPE OF REVENUE



- Licences, 3%
- Recurring revenue, 86%
- Services, 10%
- Other, 1%

NET SALES GROWTH Q1 2021 COMPARED WITH Q1 2020

-26%

EBITA Q1 2021 COMPARED WITH Q1 2020

-20%

KEY FIGURES

SEK m	Q1 2021	Q1 2020	Change %
Net sales	533	722	-26
EBITA	61	76	-20
EBITA margin, %	11.4	10.5	
Operating profit	47	61	-23
Operating margin, %	8.8	8.4	
Average no. employees	570	562	1

PRODUCT LIFECYCLE MANAGEMENT DIVISION

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

QUARTERLY DEVELOPMENT

Net sales decreased by 7 per cent during the first quarter of 2021 to SEK 283 m (304). Acquired growth was 2 per cent. Organic growth was -9 per cent, but -5 per cent adjusted for currency effects. The division has noted continued lower demand from customers in the manufacturing industry, but saw greater interest from the life sciences and auto industries. Business in the Nordic countries, Benelux and Germany was stable, with a number of large licence agreements during the quarter. The market conditions in the UK and the USA were more challenging, however.

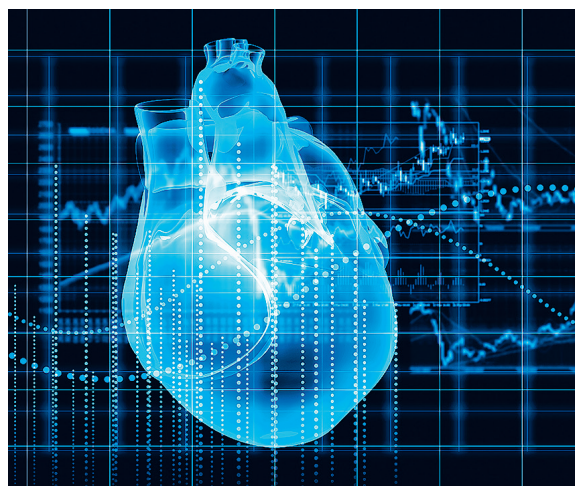
EBITA increased to SEK 18 m (10), and the EBITA margin strengthened to 6.4 per cent (3.3). The restructuring programme that was carried out in 2020 has yielded the intended cost savings.

NEW BUSINESS

During the quarter the division secured agreements with customers such as Cytiva, Dräxlmaier, EDAG, Etteplan, Koenigsegg, Lightyear One, Safran, Trützschler, Vestas, Väderstad and Woodhall Nicholson.

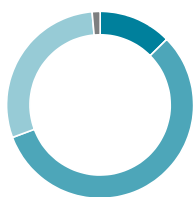
MARKET

The division's operations are conducted through the company TECHNIA, one of Europe's leading suppliers of PLM software and consulting services. Customers' willingness to invest is driven by a need to develop and design products, maintain product information during an entire lifecycle and comply with authorities' requirements.



In a unique partnership with Skåne University Hospital, TECHNIA is contributing to research and development in simulation methodologies with the goal to predict heart valve function following surgery.

NET SALES Q1 2021 BY TYPE OF REVENUE



- Licences, 13%
- Recurring revenue, 57%
- Services, 29%
- Other, 1%

NET SALES GROWTH Q1 2021 COMPARED WITH Q1 2020

-7%

EBITA Q1 2021 COMPARED WITH Q1 2020

+80%

KEY FIGURES

SEK m	Q1 2021	Q1 2020	Change %
Net sales	283	304	-7
EBITA	18	10	80
EBITA margin, %	6.4	3.3	
Operating profit	9	2	350
Operating margin, %	3.2	0.7	
Average no. employees	607	685	-11

PROCESS MANAGEMENT DIVISION

Process Management is a leading provider of digital solutions to the public sector. The solutions contribute to smoother case management, simplified administration and quality-assured processes in contacts between authorities and citizens. The division is also a strong actor in the social services segment.

QUARTERLY DEVELOPMENT

Net sales increased by 5 per cent during the first quarter of 2021, to SEK 225 m (214). Organic growth was 4 per cent. Demand for the division’s solutions for document and case management, citizen services and municipal technical systems and peripheral services remained good during the quarter. The division’s businesses are well positioned for public sector tenders owing to attractive digital solutions, solid experience and good references.

EBITA increased to SEK 39 m (36), and the EBITA margin strengthened to 17.3 per cent (16.9).

NEW BUSINESS

During the quarter the division secured agreements with customers such as Dynamic Code, Hallands Hamnar, Kungälv Municipality, Nybro Swedlock lås, Oslo University Hospital, Sala Municipality and Svevind.

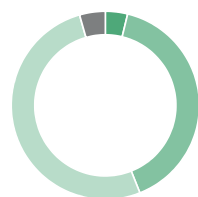
MARKET

The division is a leading provider of software and digital solutions to the public sector in Sweden. Customers’ willingness to invest is driven by automation, simplification of administration and more effective communication with citizens. More and more authorities and municipalities are looking for a long-term partner in their work on developing innovative operations that are in conformity with the rule of law.



Ida Infront is achieving international success with IIPAX, its proprietary case management system. The IIPAX case management solution for DNA analyses is being used or is currently being implemented by Swedish, Norwegian and Danish authorities.

NET SALES Q1 2021 BY TYPE OF REVENUE



- Licences, 4%
- Recurring revenue, 40%
- Services, 52%
- Other, 4%

NET SALES GROWTH Q1 2021 COMPARED WITH Q1 2020

+5%

EBITA Q1 2021 COMPARED WITH Q1 2020

+8%

KEY FIGURES

SEK m	Q1 2021	Q1 2020	Change %
Net sales	225	214	5
EBITA	39	36	8
EBITA margin, %	17.3	16.9	
Operating profit	29	28	4
Operating margin, %	12.9	13.1	
Average no. employees	539	534	1

CONSOLIDATED BALANCE SHEET AND CASH FLOW

LIQUIDITY AND FINANCIAL POSITION

The Group's available liquidity amounted to SEK 879 m (659). This includes, in addition to cash and cash equivalents of SEK 779 m (559), an unutilised bank overdraft facility of SEK 100 m. In addition, the Group has a multi-currency revolving credit facility of up to SEK 1,000 m (1,000) to finance acquisitions, of which SEK 252 m (410) was unutilised as per 31 March 2021. Liabilities pertaining to promissory notes and other liabilities for completed acquisitions amounted to SEK 3 m (173), and estimated contingent consideration for completed company acquisitions amounted to SEK 108 m (25). The Group's interest-bearing liabilities amounted to SEK 868 m (734) on 31 March 2021, of which lease liabilities amounted to SEK 117 m (132). Net debt amounted to SEK 88 m (175), and the equity/assets ratio was 39 per cent (38).

CASH FLOW

Cash flow from operating activities amounted to SEK 150 m (276) during the quarter. The decrease is mainly attributable to a lower contribution from the change in working capital than during the same quarter in 2020. However, working capital remained negative at the end of the period and was lower than at the same point in time a year ago.

Investments in subsidiaries and businesses resulted in a negative cash flow of SEK 6 m (79), of which SEK 6 m pertains to company acquisitions carried out in previous years. Cash flow from investing activities also includes outgoing payments of SEK 20 m (20) for proprietary software.

No new bank borrowing was raised during the first quarter of 2021. Cash flow from financing activities was negatively affected by SEK 18 m (17) in amortisation of lease liabilities. The Board of Directors has proposed to the 2021 Annual General Meeting a dividend of SEK 2.50 per share (-) for the 2020 financial year, which corresponds to a total dividend of SEK 84 m (-). If the Annual General Meeting resolves in favour of the proposal, dividends are expected to be paid out on Friday, 14 May 2021.

INVESTMENTS

Investments in intangible non-current assets and in property, plant and equipment amounted to SEK 30 m (51), of which SEK 20 m (20) pertained to proprietary software.

GOODWILL AND OTHER INTANGIBLE ASSETS

The Group's carrying amount of goodwill on 31 March 2021 was SEK 1,821 m (1,751). Other intangible assets amounted to SEK 380 m (368) and pertain mainly to customer contracts, trademarks and software.

DEFERRED TAX ASSETS

Deferred tax assets amounted to SEK 19 m (30) on 31 March 2021, of which SEK 12 m (6) pertains to tax loss carryforwards. As per 31 March 2021 the Group's accumulated tax loss carryforwards amounted to approximately SEK 80 m (70).

SHAREHOLDERS' EQUITY

Shareholders' equity on 31 March 2021 amounted to SEK 1,605 m (1,471), corresponding to SEK 48.01 (44.01) per share outstanding. The Board of Directors has proposed that the Annual General Meeting on 6 May 2021 resolve in favour of share dividend amounting to SEK 84 m in total. No share-savings, option or convertible programmes were outstanding as per 31 March 2021. The number of Class B shares has increased by 204,802 through an issue in kind after the end of the reporting period.

EMPLOYEES

The average number of employees in the Group decreased to 1,723 (1,788). The number of employees at the end of the period was 1,820 (1,833 as per 31/12/2020).

DISCLOSURES OF ACQUISITIONS

Acquisitions after the end of the reporting period

After the reporting period, on 1 April 2021, all of the shares were acquired in the software company S-GROUP Solutions AB. The company specialises in spatial information and geographical information systems (GIS) for municipalities, water and sewage networks, and land surveying operations. The acquisition strengthens the Group's offering in municipal technology systems and geodata-based solutions. S-GROUP Solutions AB reported net sales of SEK 144 m in 2020 and EBITDA of SEK 27 m. Consideration for the acquisition consisted in part of a cash payment and in part of new Class B shares issued to the seller. The number of newly issued Class B shares was 204,802, which after the issue corresponds to dilution of 0.61 per cent of the share capital and 0.48 per cent of the number of votes in Addnode Group. The number of shares in Addnode Group has thereby increased from 33,427,256 to 33,632,058 in total. S-GROUP Solutions will be consolidated as from April 2021 in the Process Management division.

RELATED PARTY TRANSACTIONS

During 2021 the Chairman of the Board, Staffan Hanstorp, via a company, invoiced the Parent Company SEK 0.7 m (0.7) in fees for consulting services associated with the Group's acquisition opportunities, financing matters, strategic partnerships and overarching strategic matters.

PARENT COMPANY

Net sales in 2021 amounted to SEK 3 m (1) and pertained mainly to invoicing to subsidiaries for rents of premises and performed services. Profit after financial items totalled SEK -18 m (-15). Cash and cash equivalents amounted to SEK 672 m (421) on 31 March 2021. Investments pertaining to shares in subsidiaries amounted to SEK 0 m (155). No significant investments have been made in intangible non-current assets or in property, plant and equipment.

SEASONAL VARIATIONS

The fourth quarter historically has the highest level of revenue and EBITA, but in pace with growth in the share of recurring revenue, the Group's seasonal variations are levelling out.

ACCOUNTING POLICIES

General

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and the Swedish Annual Accounts Act. The Parent Company's accounts have been prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities. Amendments and interpretations of existing standards that became effective in 2021 have not had any impact on the Group's financial position or the financial statements. The accounting policies and calculation methods are unchanged compared with the description in the 2020 Annual Report.

Deferred tax assets

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

Disclosures of financial instruments

Measurement of financial assets and liabilities shows that there is no significant difference between their carrying amounts and fair value. The Group had no outstanding currency forward contracts as per 31 March 2021.

Government assistance

During 2020 the Group accepted government assistance as part of the measures taken by the authorities in response to the Covid-19 pandemic in several countries in Europe in which the Group's companies are active. The government assistance pertains to short-term furloughs, reductions in social security taxes and compensation for sick pay. The use of government assistance measures decreased successively during the second half of 2020, and during the first quarter of 2021 only limited government assistance was accepted, related to short-term furloughs in companies outside of Sweden. Approximately 20 employees (corresponding to approximately 15 full-time equivalents) were covered by the short-term furloughs. In accordance with IAS 20, the effects of the government assistance measures, totalling just under SEK 2 m, have been reported net in the Group's personnel costs.

SIGNIFICANT RISKS AND UNCERTAINTIES

Addnode Group's significant risks and uncertainties are described in the 2020 Annual Report on pages 28, 44-45 and in the section "Risks and uncertainties" on pages 58-59, as well as in notes 36 and 37 on pages 109-113.

Uncertainty remains regarding the extent of the Covid-19 pandemic's impact on society in general and on the global economy. It is also hard to estimate how long the pandemic will last. However, the Group's operations are diversified with respect to the offerings, customer segments and geographies, which by themselves entail a diversification of risk. These have proved to be a strength in challenging times, as they have also during the Covid-19 pandemic. To counter the lower sales volumes, the level of costs has been reduced through restructuring programmes and other reviews of the cost structure.

FUTURE OUTLOOK

The Board has not changed its assessment of the long-term future outlook compared with the preceding quarter. In the year-end report for 2020 the Board communicated the following outlook: In the long-term, the areas in which Addnode Group is active are deemed to have strong underlying potential. Addnode Group's growth strategy is to grow organically and through acquisitions of new businesses in the aim of adding new, complementary offerings and additional expertise.

As uncertainty remains regarding how extensive and enduring the ongoing Covid-19 pandemic will be, the Board of Directors notes that there may be a risk of a financial impact for Addnode Group also in coming quarters.

The decision to not issue a forecast stands firm.

Stockholm, 29 April 2021

The Board of Directors

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

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENTS

SEK m	2021 Jan-Mar	2020 Jan-Mar	2020 Full year
Net sales	1,036	1,234	3,807
Purchases of goods and services	-476	-631	-1,715
Other external costs	-64	-81	-270
Personnel costs	-387	-411	-1,461
Capitalised work performed by the company for its own use	20	19	80
Depreciation/amortisation and impairment of			
- tangible non-current assets	-22	-22	-88
- intangible non-current assets	-34	-31	-127
Profit/loss on sale of business	-	-	3
Operating profit	73	77	229
Financial income	1	3	3
Financial expenses	-4	-5	-21
Remeasurements of contingent earn-out payments	-	0	0
Profit before taxes	70	75	211
Current tax	-19	-21	-47
Deferred tax	3	3	-1
Net profit for the period	54	57	163
<i>Attributable to:</i>			
Owners of the Parent Company	54	57	163
Share data			
Earnings per share before and after dilution, SEK	1,62	1,71	4,88
Average number of shares outstanding:			
Before and after dilution	33,427,256	33,427,256	33,427,256

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	2021 Jan-Mar	2020 Jan-Mar	2020 Full year
Net profit for the period	54	57	163
<i>Other comprehensive income, items that will not be reclassified to profit or loss:</i>			
Actuarial gains and losses on pension obligations	-	-	0
<i>Other comprehensive income, items that may be reclassified to profit or loss:</i>			
Exchange rate difference upon translation of foreign operations	92	9	-124
Hedge of net investments in foreign operations	-53	-5	63
Total other comprehensive income after tax for the period	39	4	-61
Comprehensive income for the period	93	61	102
<i>Attributable to:</i>			
Owners of the Parent Company	93	61	102

CONSOLIDATED BALANCE SHEETS

SEK m	2021 31 Mar	2020 31 Mar	2020 31 Dec
Assets			
Goodwill	1,821	1,751	1,763
Other intangible non-current assets	380	368	380
Property, plant and equipment	178	229	187
Financial assets	38	52	40
Total non-current assets	2,417	2,400	2,370
Inventories	0	2	1
Current receivables	869	881	803
Cash and cash equivalents	779	559	644
Total current assets	1,648	1,442	1,448
Total assets	4,065	3,842	3,818
Shareholders' equity and liabilities			
Shareholders' equity	1,605	1,471	1,512
Non-current liabilities	222	192	235
Current liabilities	2,238	2,179	2,071
Total shareholders' equity and liabilities	4,065	3,842	3,818
Interest-bearing receivables amount to	1	0	1
Interest-bearing liabilities amount to	868	734	827
Pledged assets	9	10	8
Contingent liabilities	18	2	18

SHAREHOLDERS' EQUITY AND NUMBER OF SHARES

Specification of changes in shareholders' equity, SEK m	2021 Jan-Mar	2020 Jan-Mar	2020 Full year
Shareholders' equity, opening balance	1,512	1,410	1,410
Dividend	-	-	-
Comprehensive income for the period	93	61	102
Shareholders' equity, closing balance	1,605	1,471	1,512
Shareholders' equity attributable to:			
Owners of the Parent Company	1,605	1,471	1,512
Number of shares outstanding, opening and closing balance	33,427,256	33,427,256	33,427,256

Addnode Group had no holdings of treasury shares on 31 March 2021 nor 31 December 2020.

CONSOLIDATED STATEMENTS OF CASH FLOWS

SEK m	2021 Jan-Mar	2020 Jan-Mar	2020 Full year
Operating activities			
Operating profit	73	77	229
Adjustment for non-cash items	44	52	242
Total	117	129	471
Net financial items	-5	-2	-18
Tax paid, etc.	-11	-13	-38
Cash flow from operating activities before changes in working capital	101	114	415
Total change in working capital	49	162	164
Cash flow from operating activities	150	276	579
Investing activities			
Purchases and sales of intangible assets and property, plant and equipment	-23	-25	-104
Acquisitions of subsidiaries and operations	-6	-133	-343
Cash and cash equivalents in acquired companies	-	54	72
Cash flow from investing activities	-29	-104	-375
Financing activities			
Paid dividend	-	-	-
Borrowings	-	101	263
Repayment of loans	-18	-17	-70
Cash flow from financing activities	-18	84	193
Change in cash and cash equivalents	103	256	397
Cash and cash equivalents at start of period	644	294	294
Exchange rate difference in cash and cash equivalents	32	9	-47
Cash and cash equivalents at end of period	779	559	644

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENTS

SEK m	2021 Jan-Mar	2020 Jan-Mar	2020 Full year
Net sales	3	1	18
Operating expenses	-18	-15	-59
Operating profit	-15	-14	-41
Profit/loss from participations in Group companies	-	-	97
Other financial income	0	4	5
Financial expenses	-3	-5	-17
Profit after financial items	-18	-15	44
Provision to tax allocation reserve	-	-	-25
Profit before taxes	-18	-15	19
Tax	-	-	-16
Net profit for the period	-18	-15	3

PARENT COMPANY BALANCE SHEETS

SEK m	2021 31 Mar	2020 31 Mar	2020 31 Dec
Assets			
Intangible non-current assets	0	0	0
Financial assets	2,432	2,223	2,438
Current receivables	54	43	50
Cash and cash equivalents	672	421	518
Total assets	3,158	2,687	3,006
Shareholders' equity and liabilities			
Shareholders' equity	1,264	1,264	1,281
Untaxed reserves	96	72	96
Provisions	110	24	117
Current liabilities	1,688	1,327	1,512
Total shareholders' equity and liabilities	3,158	2,687	3,006

OPERATING SEGMENTS

The figures below refer to the first quarter of the respective years.

REVENUE AND PROFIT

SEK m	Design Management		PLM		Process Management		Central		Eliminations		Addnode Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Revenue												
External sales	532	721	281	303	223	210	0	0	-	-	1,036	1,234
Transactions between segments	1	1	2	1	2	4	3	1	-8	-7	0	0
Total revenue	533	722	283	304	225	214	3	1	-8	-7	1,036	1,234
EBITA	61	76	18	10	39	36	-11	-14			107	108
EBITA margin, %	11.4	10.5	6.4	3.3	17.3	16.9					10.3	8.8
Operating profit	47	61	9	2	29	28	-12	-14			73	77
Operating margin, %	8.8	8.4	3.2	0.7	12.9	13.1					7.0	6.2
Average number of employees	570	562	607	685	539	534	7	7			1,723	1,788

REVENUE DISTRIBUTION

SEK m	Design Management		PLM		Process Management		Central		Eliminations		Addnode Group	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
Licences	14	21	35	34	9	5	-	-	-	-	57	60
Recurring revenue	460	620	161	176	90	88	-	-	-	-2	712	882
Services	53	70	83	90	116	115	-	-	-1	-2	251	273
Other	6	11	4	4	10	6	3	1	-7	-3	16	19
Total revenue	533	722	283	304	225	214	3	1	-8	-7	1,036	1,234

Addnode Group's operations are organised and governed based on the Design Management, Product Life-cycle Management (PLM) and Process Management divisions, which make up the Group's operating segments. Within Addnode Group's three divisions the subsidiaries deliver software and digital solutions to customers in sectors such as construction and real estate, manufacturing, the auto industry, life sciences and the public sector. The solutions that Addnode Group provides make it possible for our customers, with the help of digital work methods, to improve the efficiency of their operations, quality-assure their production and communicate more effectively with customers and citizens. The segment breakdown is based on the Group's products and services.

No changes have been made in the segment breakdown since the most recently published annual report.

The difference between the sum of the segments' operating profits and consolidated profit before tax pertains to financial income of SEK 1 m (3) and financial expenses of SEK -4 m (-5).

No significant changes have taken place regarding the segments' operating capital compared with the information provided in the most recent annual report. Operating capital is defined as the sum of goodwill and other intangible non-current assets, property, plant and equipment excluding leases, financial assets, trade receivables and other operating assets less trade payables and other operating liabilities.

KEY FIGURES – QUARTERLY

SEK m	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Net sales, SEK m	1,036	921	806	846	1 234	933	779	864
Design Management	533	384	375	379	722	382	299	336
Product Lifecycle Management	283	312	258	267	304	334	311	335
Process Management	225	231	177	205	214	223	174	199
EBITA, SEK m	107	108	84 ¹	56 ¹	108	100	71	74
Design Management	61	36	42	36	76	38	30	35
Product Lifecycle Management	18	39	17 ¹	-9 ¹	10	33	23	29
Process Management	39	45	33	37	36	38	25	22
EBITA margin, %	10.3	11.7	10.4 ¹	6.6 ¹	8.8	10.7	9.1	8.6
Design Management	11.4	9.4	11.2	9.5	10.5	9.9	10.0	10.4
Product Lifecycle Management	6.4	12.5	6.6 ¹	-3.4 ¹	3.3	9.9	7.4	8.7
Process Management	17.3	19.5	18.6	18.0	16.9	17.0	14.4	11.1
Average number of employees	1,723	1,740	1,756	1,789	1,788	1,629	1,607	1,596
Design Management	570	566	580	569	562	405	406	416
Product Lifecycle Management	607	628	646	682	685	680	662	642
Process Management	539	539	523	531	534	539	533	530
Net sales per employee, SEK 000s	601	529	459	473	690	573	485	541
Change in net sales, %	-16	-1	3	-2	44	11	20	21
Operating margin, %	7.0	8.3	6.5	2.8	6.2	7.8	5.5	5.3
Equity, SEK m	1,605	1,512	1,484	1,447	1,471	1,410	1,372	1,332
Return on shareholders' equity, % ²	10.4	11.2	11.1	10.9	12.0	9.4	11.0	11.0
Equity/assets ratio, %	39	40	41	40	38	44	46	43
Return on capital employed, % ²	9.7	10.6	10.6	10.6	11.2	10.0	11.2	11.0
Net debt, SEK m	88	182	271	117	175	321	427	429
Investments in equipment, SEK m	3	4	3	2	5	8	7	5

¹ In Q2 and Q3 2020, EBITA was charged with one-off costs of SEK 20 m and SEK 8 m, respectively, attributable to adaptation of the organisation and cost structure in the Product Lifecycle Management division. Excluding these restructuring costs, consolidated EBITA would have amounted to SEK 76 m and SEK 92 m, respectively, for an EBITA margin of 9.0 per cent and 11.4 per cent, respectively. EBITA for the Product Lifecycle Management division in Q2 and Q3 2020 would have amounted to SEK 11 m and SEK 25 m, respectively, for an EBITA margin of 4.1 per cent and 9.7 per cent, respectively.

² Key ratios are adjusted to reflect returns on a yearly basis.

SHARE DATA

	2021	2020				2019		
	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
Average number of shares outstanding before and after dilution, millions	33.4	33.4	33.4	33.4	33.4	33.4	33.4	33.4
Total number of shares outstanding, millions	33.4	33.4	33.4	33.4	33.4	33.4	33.4	33.4
Total number of registered shares, millions	33.4	33.4	33.4	33.4	33.4	33.4	33.4	33.4
Earnings per share before and after dilution, SEK	1.62	1.65	1.11	0.42	1.71	1.50	0.93	0.99
Cash flow from operating activities per share, SEK	4.49	5.41	-1.97	5.62	8.26	5.18	0.96	-0.60
Shareholders' equity per share, SEK	48.01	45.23	44.39	43.29	44.01	42.18	41.04	39.85
Share price at end of period, SEK	262.00	286.00	206.50	178.00	146.00	178.50	158.50	154.00
Share price/shareholders' equity	5.46	6.32	4.65	4.11	3.32	4.23	3.86	3.86

ALTERNATIVE PERFORMANCE MEASURES USE AND RECONCILIATION

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

Definitions are provided on page 18.

EBITA

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

NET DEBT

The Group considers this key ratio as useful for the readers of the financial statements as a complement in order to evaluate the dividend potential, to execute strategic investments and to assess the Group's possibilities to meet financial obligations. The key ratio is an expression of the level of financial borrowing in absolute amount after deducting cash and cash equivalents.

RECONCILIATION OF EBITA

	2021 Jan-Mar	2020 Jan-Mar	2020 Full year
Operating profit	73	77	229
Amortisation and impairment of intangible non-current assets	34	31	127
EBITA	107	108	356

RECONCILIATION OF NET DEBT

	2021 31 Mar	2020 31 Mar	2020 31 Dec
Non-current liabilities	222	192	235
Current liabilities	2,238	2,179	2,071
Noninterest-bearing non-current and current liabilities	-1,592	-1,637	-1,479
Total interest-bearing liabilities	868	734	827
Cash and cash equivalents	-779	-559	-644
Other interest-bearing receivables	-1	0	-1
Net debt (+)/receivable (-)	88	175	182

DEFINITIONS

Average number of employees

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

Capital employed

Total assets less noninterest-bearing liabilities and noninterest-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 acquired entities during the last 12-month period.

Earnings per share

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

EBITA

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

EBITA margin

EBITA as a percentage of net sales.

Equity/assets ratio

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

Net debt

Interest-bearing liabilities less cash and cash equivalents and other interest-bearing receivables. According to this definition, 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.

Recurring revenue

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

Return on capital employed

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

Return on shareholders' equity

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

Share price/shareholders' equity

Share price in relation to shareholders' equity per share.

Shareholders' equity

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

Shareholders' equity per share

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

ADTOLLO

ADDNODE GROUP

ARKIVA

ADDNODE GROUP

CANELLA

ADDNODE GROUP

DECERNO

ADDNODE GROUP

EVITBE

ADDNODE GROUP

FORSLER STJERNA

ADDNODE GROUP

IDA INFRONT

ADDNODE GROUP

INPORT

ADDNODE GROUP

INTRAPHONE

ADDNODE GROUP

KOMPANION

ADDNODE GROUP

MITTBYGGE

ADDNODE GROUP

NETPUBLICATOR

ADDNODE GROUP

S-GROUP SOLUTIONS

ADDNODE GROUP

SERVICE WORKS GLOBAL

ADDNODE GROUP

SOKIGO

ADDNODE GROUP

STAMFORD

ADDNODE GROUP

SYMETRI

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