

Interim Report 1 January-31 March 2018

FIRST QUARTER SUMMARY, JANUARY-MARCH 2018

- Net sales increased to SEK 737 m (619), up 19 per cent.
- EBITA increased to SEK 66 m (52), for an EBITA margin of 9.0 per cent (8.4).
- Operating profit increased to SEK 44 m (35), for an operating margin of 6.0 per cent (5.7).
- Profit after tax increased to SEK 29 m (26).
- Earnings per share after dilution increased to SEK 0.95 (0.85).
- Cash flow from operating activities increased to SEK 205 m (180).

SUMMARY OF SIGNIFICANT EVENTS DURING THE FIRST QUARTER, JANUARY-MARCH 2018

- Acquisition of CAD and PDM company MCAD.
- Acquisition of software company InPort.
- The Board of Directors proposes an unchanged dividend of SEK 2.25 (2.25) per share.
- City of Stockholm chooses Addnode Group's work place and facility management solution.

59%

SHARE OF RECURRING
REVENUE IN Q1 2018

+19%

GROWTH Q1 2018
COMPARED WITH Q1 2017

SEK 2,638 m

NET SALES
LTM APRIL 17 - MARCH 18

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This information is inside information that Addnode Group AB (publ) is obligated to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out to the left, at 8.30 a.m. CET on 26 April 2018.

This is Addnode's first interim report prepared in accordance with IFRS 15. Comparison figures have been recalculated.

All amounts are presented in 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 will be presented as 0.



GROWTH, HIGHER EARNINGS AND STRONG CASH FLOW IN Q1

STRONG START OF 2018

We have started 2018 strongly. Net sales rose to SEK 737 m, up 19 per cent compared with the corresponding period a year ago, of which organic growth was 2 per cent. EBITA, totalling SEK 66 m, is an improvement of 27 per cent, and earnings per share increased by 12 per cent. Cash flow from operations is in line with our historical quarterly pattern and is very strong relative to reported earnings, owing to advance payments on a large share of our annual maintenance contracts.

THREE STRONG DIVISIONS CREATE DIGITAL SOLUTIONS

We are well positioned towards companies and authorities that have digitalisation high up on their agendas. All divisions posted good growth in net sales during the quarter with improved EBITA compared with the corresponding period a year ago.

Design Management's net sales growth was 16 per cent, and the EBITA margin improved to 9.1 per cent (8.2). Good demand primarily from the construction and real estate sectors, but also from manufacturing industries, led to organic growth of 5 per cent. The margin was positively affected by a larger share of proprietary software and services in the product mix.

Product Lifecycle Management's net sales growth was 27 per cent, with an EBITA margin of 6.0 per cent (6.1). Growth during the quarter is attributable to the acquisition of Intrinsic, and customer demand remained stable.

Process Management's net sales growth was 14 per cent, and the EBITA margin improved to 17.4 per cent (15.8). Organic growth was 2 per cent during the quarter. The public sector in Sweden is showing a high willingness to invest in digitalising operations. Demand for case management systems and e-archiving services among government authorities and municipalities has been good.

TALKS ON SEVERAL ACQUISITIONS

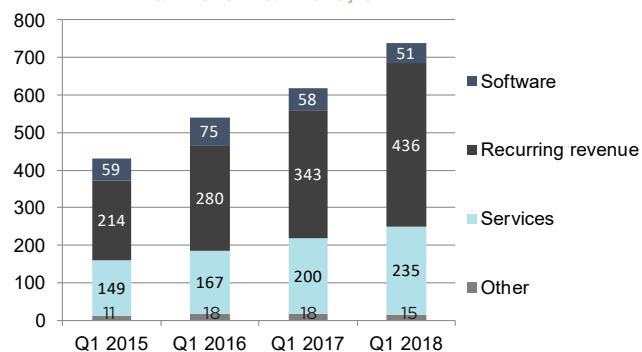
The majority of our acquisitions concern entrepreneurs who run complementary businesses to ours and who want to continue to be active in their businesses following the acquisition. We are currently engaged in a number of acquisition talks that may lead to deals in 2018.

ADDNODE GROUP STANDING STRONG

We are steadily winning new business, which confirms that we are doing the right things for our customers. By investing in software and services that meet our customers' needs, we are the partner our customers turn to first. Addnode Group is standing stronger than ever, and I am looking forward to the rest of 2018 with confidence.

Johan Andersson, President and CEO

Earnings distribution, Q1 2015 - Q1 2018, SEK M



SIGNIFICANT EVENTS DURING THE FIRST QUARTER OF 2018

Acquisition of CAD and PDM company MCAD

MCAD delivers CAD and PDM solutions to medium-sized and large companies in the manufacturing and process industries. The company's offering includes both products and services. MCAD had sales of SEK 31 m in its 2016/2017 financial year. Transfer of possession took place on 2 January 2018, and the company is part of Addnode Group's Design Management division.

Acquisition of software company InPort

InPort develops logistics solutions for ports, terminals and shipping companies. The company is the Nordic region's leading supplier in its market segment and had sales of SEK 25 m during the last 12-month period. Transfer of possession took place on 2 January 2018, and the company is part of Addnode Group's Process Management division.

Board of Directors proposes unchanged dividend of SEK 2.25 per share

The Board of Directors proposes an unchanged dividend of SEK 2.25 (2.25). The Board is of the opinion that, after payment of the proposed dividend, the company will have sufficient funds to meet its financial targets.

City of Stockholm chooses Addnode Group's workplace and facility management solution

The City of Stockholm, one of Sweden's largest property owners, has chosen Symetri, a subsidiary of Addnode Group, as a partner for new IT support for its property office. Based on Symetri's concept, Symetri Efficient Facility IWMS, which combines traditional facility management systems with workplace services, graphical visualisation of building models and document management, the City of Stockholm will obtain good support for business processes in a uniform solution. The contract has a term of six years for an initial value of SEK 17.5 m, with an option for a nine-year extension.



CONSOLIDATED NET SALES AND EARNINGS

First quarter, January-March 2018

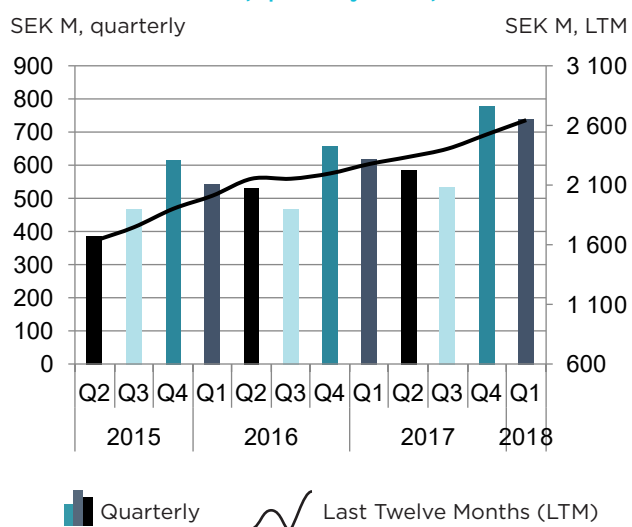
Net sales amounted to SEK 737 m (619), an increase of 19 per cent, of which 2 per cent was organic growth. Software revenue (licences) totalled SEK 51 m (58), recurring revenue increased to SEK 436 m (343), service revenue increased to SEK 235 m (200), and other revenue totalled SEK 15 m (18). Compared with the corresponding quarter a year ago, the increase in recurring revenue is mainly attributable to the PLM division but also increased in other divisions. EBITA was SEK 66 m (52), corresponding to an EBITA margin of 9.0 per cent (8.4).

Design Management’s growth of 16 per cent and improved earnings can be credited to good demand from customers and a favourable revenue mix with a larger share of sales of services and proprietary products primarily to the construction and real estate sectors.

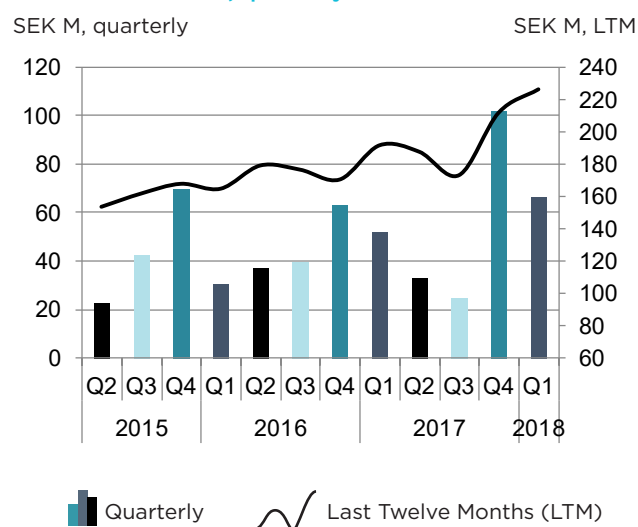
Product Lifecycle Management had stable demand during the quarter. Its growth of 27 per cent was driven by the acquisition of Intrinsys. Process Management had growth of 14 per cent compared with the corresponding quarter a year ago, of which 2 per cent was organic. The general business situation for the division remains favourable, especially for its case management and system development offerings.

Cash flow from operating activities was SEK 205 m (180). The strong cash flow is mainly attributable to advance payments on a large share of maintenance contracts during the quarter. Net financial items amounted to SEK -6 m (-1). Reported tax on profit for the period was SEK -10 m (-8), and profit after tax was SEK 29 m (26). Earnings per share after dilution were SEK 0.95 (0.85).

Net sales, quarterly trend, SEK M



EBITA, quarterly trend SEK M





DESIGN MANAGEMENT

IT solutions for design, construction and property management

Quarterly development

Net sales increased to SEK 287 m (247) during the first quarter, representing growth of 16 per cent. Organic growth was 5 per cent. EBITA increased to SEK 26 m (20), for an EBITA margin of 9.1 per cent (8.2). Demand for Autodesk products remained strong, and the changeover from licence sales to a subscription model is going faster than planned. The construction industry as well as the real estate sector in Sweden continued to make a strong contribution. We have strengthened our position in the manufacturing industries in the UK and won new business. The acquisition of MCAD in January has contributed as planned and strengthened the position among several large industrial companies. Our SaaS solutions for project management continue to attract a growing number of users.

New business

The division secured agreements with customers such as Kone, Lady Cilento Childrens Hospital, Sellafeld, The City of Stockholm and Tengbomgruppen.



PRODUCT LIFECYCLE MANAGEMENT

IT solutions for design and product data information

Quarterly development

Net sales increased to SEK 252 m (198) during the first quarter, representing entirely acquired growth of 27 per cent. EBITA increased to SEK 15 m (12), for an EBITA margin of 6.0 per cent (6.1). Demand from customers in the UK, the Nordic countries and Germany remained stable for our broad PLM offering. Capacity utilisation was favourable for the delivery organisation, and recurring revenue increased. As a result of completed acquisitions the division has gained a presence in several geographic markets and become a world-leading partner to Dassault Systèmes, which has generated keen interest from larger customers with global organisations.

New business

The division secured agreements with customers such as Husqvarna, National Composites Centre, OKG, Parker Hannifin, PPW Engineering, Siebenwurst, Stadler Rail and Vanderlande.



PROCESS MANAGEMENT

IT solutions for document and case management

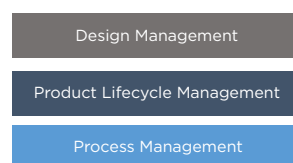
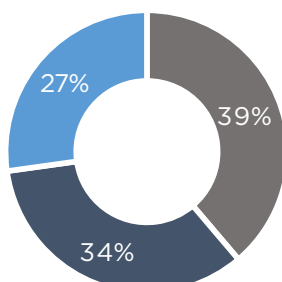
Quarterly development

Net sales increased to SEK 201 m (176) during the first quarter, representing growth of 14 per cent. Organic growth was 2 per cent. EBITA increased to SEK 35 m (28), for an EBITA margin of 17.4 per cent (15.8). The general business climate for the division remains favourable. The case management, e-archives and system development offerings in particular performed strongly, and the utilisation rate for the division's consultants was good. Completed acquisitions are contributing to the positive earnings performance.

New business

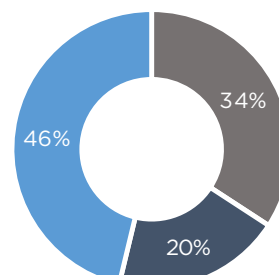
The division secured agreements with customers such as Högländsförbundets IT, Jönköping Municipality, Norrköping Municipality, the City of Stockholm, the Swedish Accident Investigation Authority, the Swedish National Courts Administration, Södra Cell and Volvo.

Net sales by division, share during the quarter, % ¹⁾



1) Before elimination of invoicing between the business areas and central costs.

EBITA by division, share during the quarter, % ¹⁾



DEVELOPMENT OF DIVISIONS

Net sales, SEK M	2016	2016	2016	2017	2017	2017	2017	2018	LTM	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Apr 2017 March 2018	Full Year 2017
Design Management	204	156	243	247	209	173	277	287	946	906
Product Lifecycle Management	179	186	237	198	205	213	304	252	974	920
Process Management	147	127	181	176	176	151	202	201	729	705
Elim/central	-2	-2	-2	-2	-2	-2	-4	-3	-11	-10
Addnode Group	528	467	659	619	588	535	778	737	2,638	2,520

EBITA, SEK M	2016	2016	2016	2017	2017	2017	2017	2018	LTM	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Apr 2017 March 2018	Full Year 2017
Design Management	15	9	18	20	13	12	31	26	82	76
Product Lifecycle Management	11	17	25	12	11	8	41	15	75	72
Process Management	18	19	27	28	18	18	38	35	109	101
Elim/central	-7	-6	-7	-8	-9	-13	-8	-9	-38	-37
Addnode Group	37	40	63	52	33	25	102	66	227	212

EBITA margin, %	2016	2016	2016	2017	2017	2017	2017	2018	LTM	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Apr 2017 March 2018	Full Year 2017
Design Management	7.4%	5.8%	7.5%	8.2%	6.1%	7.1%	11.1%	9.1%	8.7%	8.4%
Product Lifecycle Management	6.2%	9.3%	10.5%	6.1%	5.1%	3.7%	13.6%	6.0%	7.7%	7.8%
Process Management	12.1%	15.1%	15.2%	15.8%	10.4%	11.7%	18.7%	17.4%	14.9%	14.3%
Addnode Group	7.0%	8.5%	9.6%	8.4%	5.6%	4.7%	13.1%	9.0%	8.6%	8.4%

Average number of employees	2016	2016	2016	2017	2017	2017	2017	2018	Full Year	
	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	2017	
Design Management	320	320	322	309	317	367	391	412	345	
Product Lifecycle Management	420	443	443	460	498	526	544	543	508	
Process Management	396	393	424	445	443	428	477	491	457	
Central	7	8	9	8	8	7	8	7	7	
Addnode Group	1,143	1,164	1,198	1,222	1,266	1,358	1,420	1,453	1,317	

Seasonal variations

Net sales and EBITA have historically been highest during the fourth quarter.

CONSOLIDATED BALANCE SHEET AND CASH FLOW

Liquidity, cash flow and financial position

The Group's cash and cash equivalents amounted to SEK 384 m on 31 March 2018, an increase of SEK 211 m compared with SEK 173 m on 31 December 2017. Cash flow from operating activities was SEK 205 m (180) during the first quarter. The good cash flow is largely attributable to advance payments from customers for support and maintenance contracts. Cash flow from investing activities in 2018 includes payment of SEK 2 m in contracted and previously expensed earn-out payments for company acquisitions carried out in previous years. It also includes payments of SEK 14 m (11) for proprietary software. The Group's interest-bearing liabilities amounted to SEK 700 m on 31 March 2018, compared with SEK 621 m at year-end 2017. Net debt was SEK 316 m, compared with SEK 448 m on 31 December 2017. The equity/assets ratio was 36 per cent (37) on 31 March 2018. The proposed shareholder dividend is expected to entail an outgoing payment of SEK 68 m in May 2018. The Parent Company has an existing bank overdraft facility of SEK 100 m. In addition, the Parent Company has an agreement for a credit facility of up to SEK 750 m to finance acquisitions, of which SEK 630 m has been utilised as per the date of publication of this interim report.

Investments

Investments in intangible non-current assets and in property, plant and equipment amounted to SEK 18 m (16), of which SEK 14 m (11) pertains to proprietary software and SEK 3 m (3) to equipment

Goodwill and other intangible assets

The Group's carrying amount of goodwill on 31 March 2018 was SEK 1,447 m, compared with SEK 1,358 m on 31 December 2017. Other intangible assets amounted to SEK 312 m (297) and pertain mainly to customer contracts and software.

Deferred tax assets

Total reported deferred tax assets amounted to SEK 13 m on 31 March 2018, of which SEK 10 m pertains to tax loss carryforwards. The Group's accumulated tax loss carryforwards amounted to approximately SEK 80 m on 31 March 2018. 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.

Shareholders' equity and number of shares

Shareholders' equity on 31 March 2018 amounted to SEK 1,041 m, compared with SEK 982 m on 31 December 2017, corresponding to SEK 34.24 (32.30) per share outstanding. The Board of Directors has recommended that the Annual General Meeting on 26 April 2018 resolve in favour of a total dividend of SEK 68 m. No share-savings, option or convertible programmes were outstanding as per 31 March 2018.

Provisions

Provisions, which are included in non-current and current liabilities on the consolidated balance sheet, amounted to SEK 122 m on 31 March 2018, of which SEK 107 m pertains to estimated contingent earn-out payments for completed company acquisitions.

EMPLOYEES

The average number of employees in the Group during the first quarter of 2018 was 1,453 (1,222). The number of employees at the end of the period was 1,542 (1,317 as per 31/12/2017).

DISCLOSURES OF SUBSIDIARY ACQUISITIONS

On 29 November 2017 an agreement was signed to acquire all of the shares in the Swedish software company MCAD Sverige AB, with transfer of possession on 2 January 2018. The company provides CAD and PDM solutions to medium-sized and large companies in the manufacturing and process industries. The acquisition strengthens the Group's offering in these areas. The company has annual net sales of approximately SEK 30 m and is consolidated in the Design Management division starting in 2018. According to the preliminary purchase price allocation analysis, goodwill and other acquisition-related intangible assets arising in connection with the acquisition amount to approximately SEK 37 m, entailing a deferred tax liability of approximately SEK 2 m. Other acquired assets and liabilities pertain mainly to trade receivables, cash and cash equivalents, and other liabilities. A contingent cash earn-out payment ranging from zero up to a maximum undiscounted amount of SEK 13 m may be made, of which SEK 8 m is reported as a provision on the consolidated balance sheet as per 31 March 2018. The ultimate earn-out actually paid is mainly dependent on growth in gross profit in 2018.

On 11 December 2017 an agreement was signed to acquire all of the shares in the Swedish software company InPort, Intelligent Port Systems AB, with transfer of possession on 2 January 2018. The company develops logistics solutions for ports, terminals and shipping companies, and is the Nordic region's leading supplier in its market segment. Annual net sales amount to approximately SEK 25 m, and the company is consolidated from 2018 in the Process Management division, where several companies are currently working in the same system environment as InPort. According to the preliminary purchase price allocation analysis, goodwill and other acquisition-related intangible assets arising in connection with the acquisition amount to approximately SEK 29 m, entailing a deferred tax liability of approximately SEK 2 m. Other acquired assets and liabilities pertain mainly to trade receivables, cash and cash equivalents, and deferred income.

Acquisitions carried out thus far in 2018 have contributed approximately SEK 13 m to consolidated net sales but has not had a significant impact on consolidated profit after tax.

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 2018.

RELATED PARTY TRANSACTIONS

The Chairman of the Board, Staffan Hanstorp, has invoiced the Parent Company for fees for consulting services in the amount of SEK 0.8 m related to the Group's acquisition opportunities, financing matters, strategic partnerships and overarching strategic matters during the period January–March 2018.

PARENT COMPANY

Net sales amounted to SEK 1 m (0) during the first quarter of 2018, which pertains mainly to invoicing to subsidiaries for rents of premises and performed services. Profit after financial items totalled SEK -18 m (-10). Cash and cash equivalents amounted to SEK 144 m on 31 March 2018 (0 as per 31/12/2017), and utilised credit facilities amounted to SEK 0 m (42). Investments in shares in subsidiaries amounted to SEK 73 m, and transfers of shares in subsidiaries to other Group companies totalled SEK 10 m. No significant investments were made in intangible non-current assets or in property, plant and equipment. The proposed share dividend is expected to entail an outgoing payment of SEK 68 m in May 2018. Provisions for estimated, contingent earn-out payments have increased by SEK 8 m in connection with company acquisitions carried out in 2018. New bank borrowing of SEK 42 m was taken out during the first quarter of 2018 within the framework of existing credit facilities. The Parent Company has an existing bank overdraft facility of SEK 100 m. In addition, the Parent Company also has an agreement for a credit facility of up to SEK 750 m to finance acquisitions, of which SEK 630 m has been utilised as per the date of publication of this interim report.

ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated accounts have been prepared in accordance with the 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.

IFRS 15 Revenue from Contracts with Customers and IFRS 9 Financial Instruments are applied starting on 1 January 2018. The changeover to the new standards has not had any material impact on the Group's earnings or financial position. The Group applies IFRS 15 retrospectively, which entails that comparison figures for 2017 have been recalculated and that all periods prior to 2017 have been recalculated through adjustment of the opening balance as per 1 January 2017. The significance of IFRS 15 and IFRS 9, their effects on Addnode Group, and transitional effects are described on page 54 of the 2017 Annual Report. The other new standards, amendments and interpretations of existing standards that have become effective in 2018 have not had any impact on the Group's financial position or the financial statements. Apart from implementation of IFRS 15 and IFRS 9, the accounting principles and calculation methods are unchanged compared with the description in the 2017 Annual Report.

IFRS 16 Leases will be applied starting in 2019. The purport of this standard is described on pages 54-55 of the 2017 Annual Report. Implementation of IFRS 16 will have effects on the Group's financial reporting, and the Group is currently evaluating the effect of application of this standard.

SIGNIFICANT RISKS AND UNCERTAINTIES

Addnode Group's significant risks and uncertainties are described in the 2017 Annual Report on pages 30-31 and in the section "Risks and uncertainties" on pages 43-44, as well as in notes 39 and 40 on pages 78-81. No significant changes have subsequently taken place.

FUTURE OUTLOOK

The Board has not changed its assessment of the future outlook compared with the preceding quarter. In the year-end report for 2017 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. The decision of not issuing a forecast stands firm.

Stockholm, 26 April 2018

The Board of Directors

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

ADDNODE GROUP

Addnode Group is a listed group that acquires, operates and develops entrepreneur-driven IT companies that help digitalise society. Our strategies for value creation build upon leading positions in our business areas, innovative product and service offerings, efficiency in everything we do, decentralised management and acquisitions.

LEADERSHIP IN OUR AREAS OF OPERATION

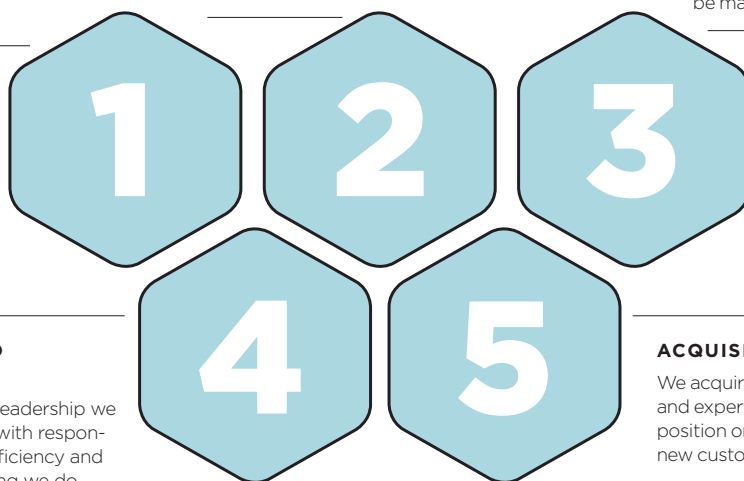
We will be leaders in selected markets.

INNOVATIVE PRODUCT AND SERVICE OFFERINGS

We continuously develop innovative solutions that offer enhanced customer value and lower production costs.

EFFICIENCY IN EVERYTHING WE DO

Addnode Group is distinguished by entrepreneurship; we are convinced that there are always improvements to be made.



DECENTRALISED MANAGEMENT

Through supportive leadership we encourage freedom with responsibility to enhance efficiency and simplicity in everything we do.

ACQUISITIONS

We acquire businesses, technology and expertise that strengthen our position or enable faster expansion to new customers and markets.

FINANCIAL TARGETS



FINANCIAL CALENDAR 2018

26 APRIL 2018
Annual General Meeting

25 OCTOBER 2018
Nine-month report 2018

20 JULY 2018
Interim report for the first half of 2018

6 FEBRUARY 2019
Year-end report for 2018



CONSOLIDATED INCOME STATEMENT

(SEK M)	Jan - March		Full-year
	2018	2017	2017
Net sales	737	619	2,520
Operating expenses:			
Purchases of goods and services	-292	-249	-968
Other external costs	-79	-68	-312
Personnel costs	-310	-257	-1,058
Capitalized work performed by the company for its own use	14	11	46
Depreciation/amortization and impairment of			
- tangible fixed assets	-4	-4	-16
- intangible fixed assets	-23	-17	-82
Total operating expenses	-693	-584	-2,390
Operating profit	44	35	130
Financial income	1	0	2
Financial expenses	-6	-1	-13
Profit before taxes	38	34	119
Current tax	-11	-8	-31
Deferred tax	1	0	1
NET PROFIT FOR THE PERIOD	29	26	90
Attributable to:			
Owners of the Parent Company	29	26	90
Non-controlling interests	-	0	0
Earnings per share before and after dilution, SEK	0.95	0.85	2.96
Average number of shares outstanding:			
Before and after dilution	30,427,256	30,427,256	30,427,256

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK M)	Jan - March		Full-year
	2018	2017	2017
Net profit for the period	29	26	90
Other comprehensive income, items that will not be reclassified to the consolidated income statement:			
Actuarial gains and losses on pension obligations	-	-	0
Other comprehensive income, items that may be reclassified to the consolidated income statement:			
Exchange rate difference upon translation of foreign operations	57	-4	13
Hedge of net investments in foreign operations	-27	0	-16
Total other comprehensive income after tax for the period	30	-4	-3
COMPREHENSIVE INCOME FOR THE PERIOD	59	22	87
Attributable to:			
Owners of the Parent Company	59	22	87
Non-controlling interests	-	0	0

CONSOLIDATED BALANCE SHEET

(SEK M)	March 31, 2018	March 31, 2017	Dec 31, 2017
Goodwill	1,447	987	1,358
Other intangible fixed assets	312	198	297
Tangible fixed assets	39	36	40
Financial fixed assets	28	33	28
Inventories	1	1	1
Current receivables	718	587	729
Cash and cash equivalents	384	274	173
TOTAL ASSETS	2,930	2,116	2,626
Shareholders' equity	1,041	986	982
Non-current liabilities	155	68	193
Current liabilities	1,735	1,063	1,451
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,930	2,116	2,626
Interest-bearing receivables amount to	0	0	0
Interest-bearing liabilities amount to	700	208	621
Pledged assets	8	6	6
Contingent liabilities	1	1	1

SHAREHOLDERS' EQUITY AND NUMBER OF SHARES

	Jan - March 2018	2017	Full-year 2017
Specification of changes in shareholders' equity	2018	2017	2017
Shareholders' equity, opening balance	982	965	965
Adjustment for changed accounting policy, IFRS 15		-1	-1
Dividend	-	-	-69
Comprehensive income for the period	59	22	87
Shareholders' equity, closing balance	1,041	986	982
Shareholders' equity attributable to:			
Owners of the Parent Company	1,041	986	982
Non-controlling interests (minority interests)	-	0	0
Specification of number of shares outstanding			
Number of shares outstanding, opening and closing balance	30,427,256	30,427,256	30,427,256

Addnode Group had no holdings of own shares on December 31, 2017 or March 31, 2018.

CONSOLIDATED CASH FLOW STATEMENT

(SEK M)	Jan - March		Full-year
	2018	2017	2017
Operating activities			
Operating profit	44	35	130
Adjustment for non-cash items	21	20	104
Total	65	55	234
Net financial items	-3	-1	-10
Tax paid, etc.	-13	-6	-29
Cash flow from operating activities before changes in working capital	49	48	195
Total change in working capital	156	132	-48
Cash flow from operating activities	205	180	147
Cash flow from investing activities ¹⁾	-52	-48	-439
Cash flow from financing activities ²⁾	41	31	352
Change in cash and cash equivalents	194	163	60
Cash and cash equivalents, opening balance	173	111	111
Exchange rate difference in cash and cash equivalents	17	0	2
Cash and cash equivalents, closing balance	384	274	173
1) Specification of investing activities:			
Purchases and sales of intangible and tangible fixed assets	-15	-15	-62
Acquisition of financial fixed assets	-	-	-2
Acquisition of subsidiaries and operations	-50	-33	-550
Cash and cash equivalents in acquired companies	13	0	175
Repayment of receivables	-	-	0
Total	-52	-48	-439
2) Specification of financing activities:			
Paid dividend	-	-	-68
Borrowings	42	32	423
Repayment of loans	-1	-1	-3
Total	41	31	352

KEY FIGURES

	Jan - March		Full-year
	2018	2017	2017
Net sales, SEK M	737	619	2,520
Average number of employees	1,453	1,222	1,317
Net sales per employee, SEK 000s	507	507	1,913
Change in net sales, %	19	15	15
EBITA margin, %	9.0	8.4	8.4
Operating margin, %	6.0	5.7	5.2
Profit margin, %	5.2	5.5	4.7
Equity/assets ratio, %	36	47	37
Acid-test ratio, %	64	81	62
Shareholders' equity, SEK M	1,041	986	982
Return on shareholders' equity,%	9.2	9.9	9.4
Return on capital employed, %	9.6	11.6	10.0
Net debt, SEK M	316	-66	448
Investments in equipment, SEK M	3	3	16

SHARE DATA

	Jan - March		Full-year
	2018	2017	2017
Average number of shares outstanding after dilution, millions	30,427,256	30,427,256	30,427,256
Total number of shares outstanding, millions	30,4	30,4	30,4
Total number of registered shares, millions	30,4	30,4	30,4
Earnings per share after dilution, SEK	0.95	0.85	2.96
Cash flow per share, SEK	6.74	5.92	4.83
Shareholders' equity per share, SEK	34.24	32.43	32.30
Dividend per share, SEK	-	-	2.25 ¹⁾
Share price at end of period, SEK	77.60	67.25	75.75
P/E ratio	-	-	26
Share price/shareholders' equity	2.27	2.07	2.35

1) According to proposal from the board

QUARTERLY FINANCIAL OVERVIEW

(SEK M)	2018	2017					2016				
	Q1	Total	Q4	Q3	Q2	Q1	Total	Q4	Q3	Q2	Q1
Net sales	737	2,520	778	535	588	619	2,195	659	467	528	541
EBITA	66	212	102	25	33	52	171	63	40	37	31
Operating profit	44	130	77	3	15	35	114	48	25	23	18
Profit before taxes	38	119	73	2	11	34	109	47	23	22	17
Profit after taxes	29	90	55	1	8	26	82	37	17	16	13
EBITA margin	9.0%	8.4%	13.1%	4.7%	5.6%	8.4%	7.8%	9.6%	8.5%	7.0%	5.7%
Operating margin	6.0%	5.2%	9.9%	0.6%	2.6%	5.8%	5.2%	7.2%	5.3%	4.4%	3.4%
Cash flow from operating activities	205	147	65	-79	-19	180	158	73	-37	-28	150
Average number of employees	1,453	1,317	1,420	1,358	1,266	1,222	1,160	1,198	1,164	1,143	1,117

OPERATING SEGMENTS

The figures below refer to the first quarter of each full-year.

(SEK M)	DESIGN MGT		PLM MGT		PROCESS MGT		CENTRAL		ELIMINATION		ADDNODE GROUP	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
REVENUE												
External sales	287	246	252	197	199	175	0	0	-	-	737	619
Transactions between segments	1	1	0	1	2	1	1	1	-4	-4	0	0
Total revenue	287	247	252	198	201	176	1	1	-4	-4	737	619
EBITA	26	20	15	12	35	28	-9	-8			67	52
EBITA margin	9.1%	8.2%	6.0%	6.1%	17.4%	15.8%					9.0%	8.4%
Operating profit	16	14	9	9	28	21	-9	-8			44	36
Operating margin	5.6%	5.7%	3.6%	4.5%	13.9%	11.9%					6.0%	5.7%
Average number of employees	412	309	543	460	491	445	7	8			1,453	1,222

Comparison figures regarding division Process Management have been recalculated according to IFRS 15.

Addnode Group's operations are organised and managed based on the Design Management, Product Lifecycle Management (PLM) and Process Management divisions, which make up the Group's operating segments. No changes have taken place in the segment breakdown or calculation of segment results since the most recently published annual report. Segments are reported according to the same accounting principles as the Group. The difference between the sum of the segments' operating profit and consolidated profit before tax is attributable to financial income of SEK 1 M (0) and financial expenses of SEK -6 M (-1). No significant changes have taken place in the segments' assets compared to the information in the most recent annual report.

REVENUE DISTRIBUTION

The figures below refer to the first quarter of each full-year.

(SEK M)	DESIGN MGT		PLM MGT		PROCESS MGT		CENTRAL		ELIMINATION		ADDNODE GROUP	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Software	13	11	30	40	8	9	-	-	-	-	51	60
Recurring revenue	216	191	143	88	79	65	-	-	-2	-1	436	343
Services	50	40	77	63	108	98	-	-	-	-1	235	200
Other	8	5	2	7	6	5	1	1	-2	-2	15	18
Total revenue	287	247	252	198	201	177	1	1	-4	-4	737	619

PARENT COMPANY INCOME STATEMENT

(SEK M)	Jan - March		Full-year
	2018	2017	2017
Net sales	1	0	10
Operating expenses	-12	-10	-37
Operating result	-11	-10	-27
Financial income	1	1	143
Financial expenses	-8	-1	-10
Profit after financial items	-18	-10	106
Transfer to tax allocation reserve	-	-	-21
Profit before taxes	-18	-10	85
Tax	-	-	-14
NET PROFIT FOR THE PERIOD	-18	-10	71

PARENT COMPANY BALANCE SHEET

(SEK M)	March 31,	March 31,	Dec 31,
	2018	2017	2017
Intangible fixed assets	1	1	1
Financial fixed assets	1,835	1,212	1,772
Current receivables	74	97	128
Cash and cash equivalents	144	251	0
TOTAL ASSETS	2,054	1,561	1,901
Shareholders' equity	836	841	854
Untaxed reserves	31	10	31
Provisions	98	41	91
Non-current liabilities	11	4	11
Current liabilities	1,078	665	914
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	2,054	1,561	1,901

USE AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES

Guidelines for information about Alternative Performance Measures (APM) for companies with securities listed on a regulated market within EU have been issued by the European Securities and Markets Authority (ESMA) and shall be applied for alternative performance measures in published compulsory information. Alternative performance measures refer to financial measures regarding historical or future development of result, financial position, financial result or cash-flow which are not defined or stated in applicable rules for financial reporting. In the interim-report, some performance measures are used, which are not defined in IFRS, with the purpose to give investors, analysts and other interested parties clear-out and relevant information about the company's operations and development. The use of these performance measures and reconciliation to the financial statements is presented below. Definitions are stated on page 17.

EBITA

EBITA is a measure which the group consider as relevant for investors, analysts and other interested parties in order to understand the development of the result before investments in intangible fixed assets. The measure is an expression for operating profit before amortization and impairment of intangible fixed assets.

Net debt

The group consider the key-ratio as useful for the users of the financial statements as a complement in order to evaluate the possibilities for dividend, to execute strategical investments and to evaluate the group's possibilities to comply with financial commitments. The key-ratio is an expression for the level of financial borrowing in absolute amount with deduction of cash and cash equivalents

Reconciliation of EBITA

(SEK M)	Jan - Mar		Full-year
	2018	2017	2017
Operating profit	44	35	130
Amortization and impairment of intangible fixed assets	23	17	82
EBITA	66	52	212

Reconciliation of net debt

(SEK M)	March 31,	March 31,	Dec 31,
	2018	2017	2017
Non-current liabilities	155	68	193
Current liabilities	1,735	1,063	1,451
Non interest-bearing non-current and current liabilities	-1,190	-923	-1,022
Total interest-bearing liabilities	700	208	621
Cash and cash equivalents	-384	-274	-173
Other interest-bearing receivables	0	0	0
Net debt(+)/receivables(-)	316	-66	448

DEFINITIONS

Acid test ratio

Current assets excluding inventories as a percentage of current liabilities.

Average number of employees

Average number of full-time employees during the period.

Capital employed

Total assets less noninterest-bearing liabilities and noninterestbearing provisions including deferred tax liabilities.

Cash flow per share

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

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 as a percentage of total assets.

LTM (Last Twelve Month)

Outcome for the last twelve-month period.

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 (fulltime equivalents).

Operating margin

Operating profit as a percentage of net sales.

Organic growth

Change in net sales excluding acquired entities during the last twelve-month period.

Profit margin

Profit before tax as a percentage of net sales.

P/E multiple

Share price in relation to earnings per share.

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 the average capital employed. Is based on the profit for the last 12-months and the average of opening and closing balance of capital employed.

Return on shareholder's equity

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

Share price/shareholder's equity

Share price in relation to shareholders' equity per share.

Shareholder's equity

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

Shareholder's 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

ESSVISION

ADDNODE GROUP

EVITBE

ADDNODE GROUP

FORSLER STJERNA

ADDNODE GROUP

IDA INFRONT

ADDNODE GROUP

INPORT

ADDNODE GROUP

INTRINSYS

ADDNODE GROUP

KOMPANION

ADDNODE GROUP

MITTBYGGE

ADDNODE GROUP

SERVICE WORKS GLOBAL

ADDNODE GROUP

SOKIGO

ADDNODE GROUP

STAMFORD

ADDNODE GROUP

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