

ADDNODE GROUP

INTERIM REPORT JANUARY – SEPTEMBER 2023
27 OCTOBER 2023



A stylized logo for '20 YEARS' where the '2' is formed by a top arc and a bottom-left horizontal line, and the '0' is a full circle.

ADDNODE GROUP
20 YEARS

PRESENTATION OF ADDNODE GROUP'S Interim report January – September 2023



JOHAN ANDERSSON
CEO

johan.andersson@addnodegroup.com
+46 70 420 58 31



LOTTA JARLERYD
CFO

lotta.jarleryd@addnodegroup.com
+46 72 247 92 01

AGENDA

Interim report January – September 2023

1. Addnode Group in brief
2. Q3 2023
3. Sustainability
4. Q&A
5. Appendix
 - a) Investment case
 - b) Acquisitions 2023, 2022, 2021, 2020
 - c) Shareholders, September 30, 2023
 - d) Share performance, 1 year

ADDNODE GROUP

Digital Solutions for a Sustainable Future

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

We are organised in three divisions:

- Design Management
- Product Lifecycle Management
- Process Management

The divisions provide digital solutions for sustainable design and product lifecycle management, efficient management of real estate and facilities, and effective public administration.

R12 Q3 2023 Full year 2022

Net Sales

SEK M

7,120

6,225

EBITA

SEK M

644

728

EPS

SEK

2.07

2.86

Recurring

Revenue

69%

70%

ADDNODE GROUP

Q3 2023: WEAKER USA FIGURES CLOUD OUTLOOK

Highlights

- Net sales increased by 11% to SEK 1,808 m
 - Currency adjusted organic growth -9%
 - Recurring revenue reached SEK 1,283 m (1,193)
- EBITA, adjusted for restructuring costs, down to SEK 137 m
 - Design was impacted by weaker demand for Autodesk solutions in USA, with significantly lower sales of 3yr-agreements
 - PLM and Process reported organic growth, and both divisions delivered improved EBITA (adj. for restr. costs)
- Cash flow from operating activities SEK -139 m (89)
- The acquisition of Team D3 was closed in July

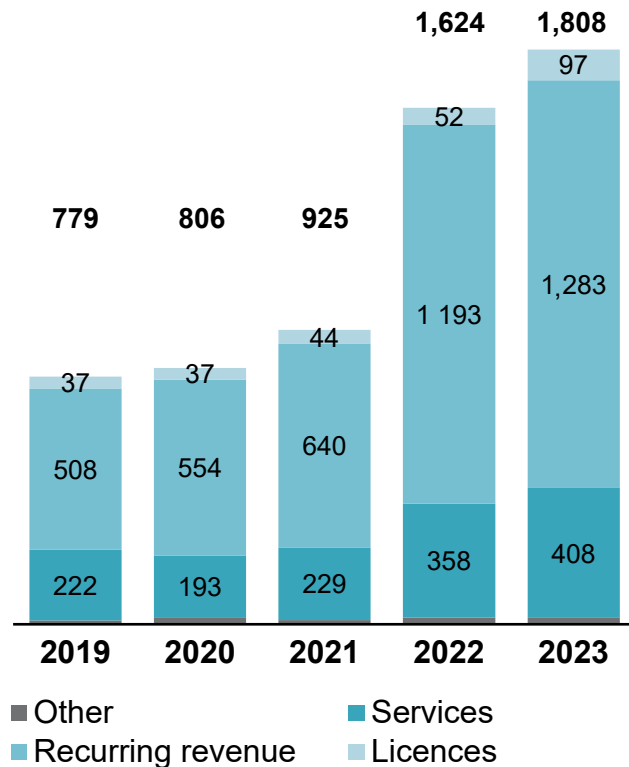
	Q3	Q3		Rolling
	2023	2022	Change	12m
Net sales, SEK M	1,808	1,624	11%	7,120
EBITA, SEK M	132	194	-32%	644
EBITA margin, %	7.3	11.9		9.0
Earnings per share, SEK	0.26	0.77	-66%	2.07

»The structural underlying demand for the digital solutions offered by our various companies extends beyond and across economic cycles, driven by customer needs for digitalisation, automation, urbanisation and sustainability.«

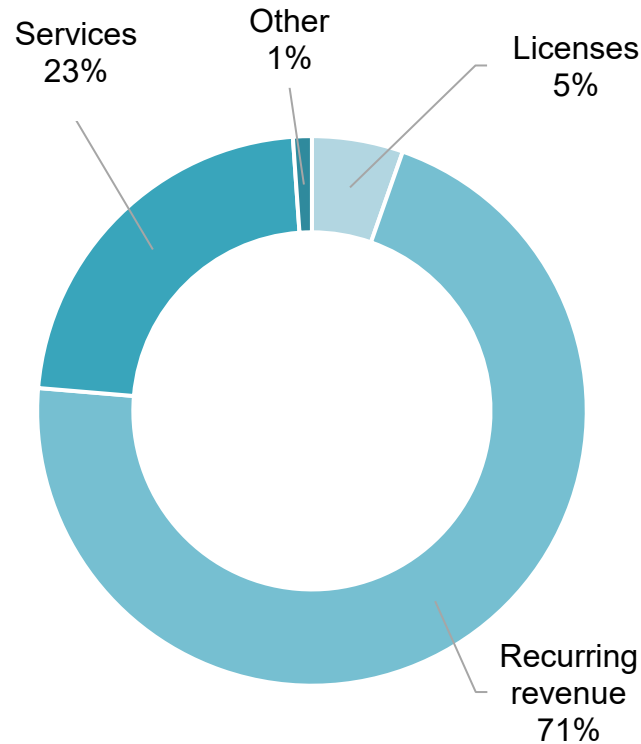
ADDNODE GROUP

Continued high share of recurring revenue, 71% of net sales in Q3'23

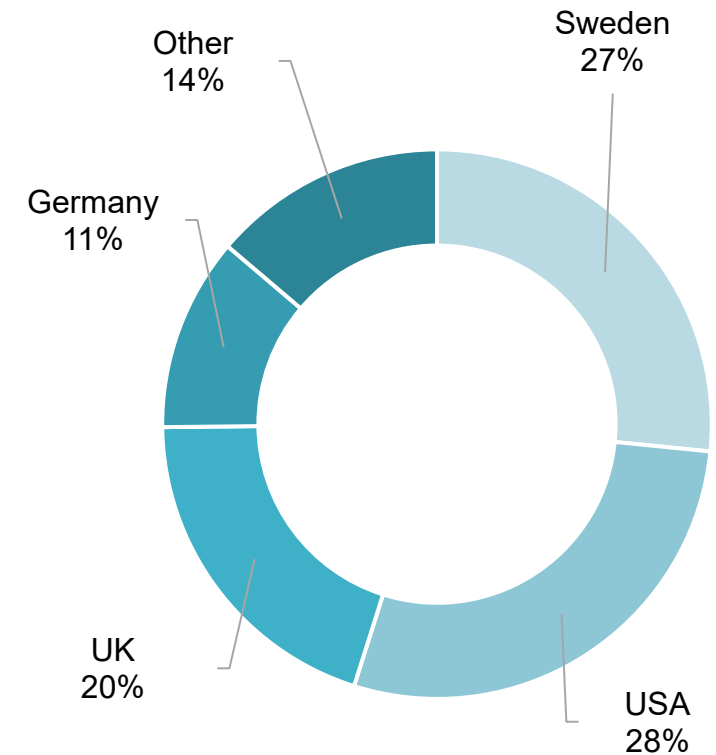
Breakdown of net sales, SEK m
Q3 2019–2023



Breakdown of net sales by
category, Q3'23



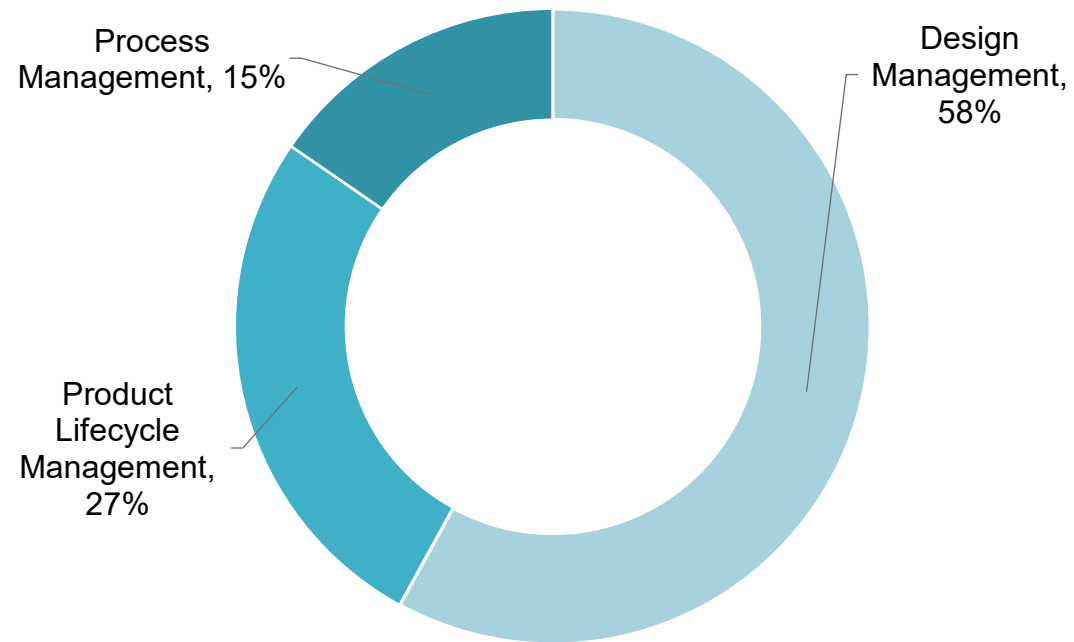
Breakdown of net sales by
geography, Q3'23



ADDNODE GROUP

Three divisions

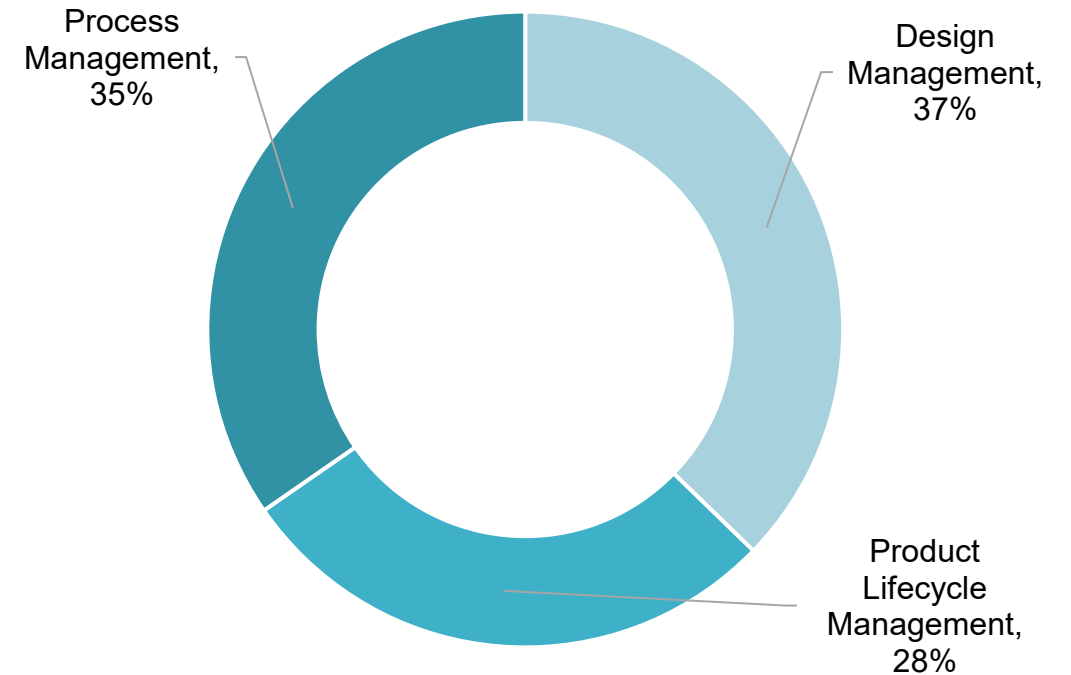
Share of Net Sales* Q3 2023



Addnode Group Net sales Q3 2023: SEK 1,808 m

* Before eliminations

Share of EBITA* Q3 2023



Addnode Group EBITA Q3 2023: SEK 132 m

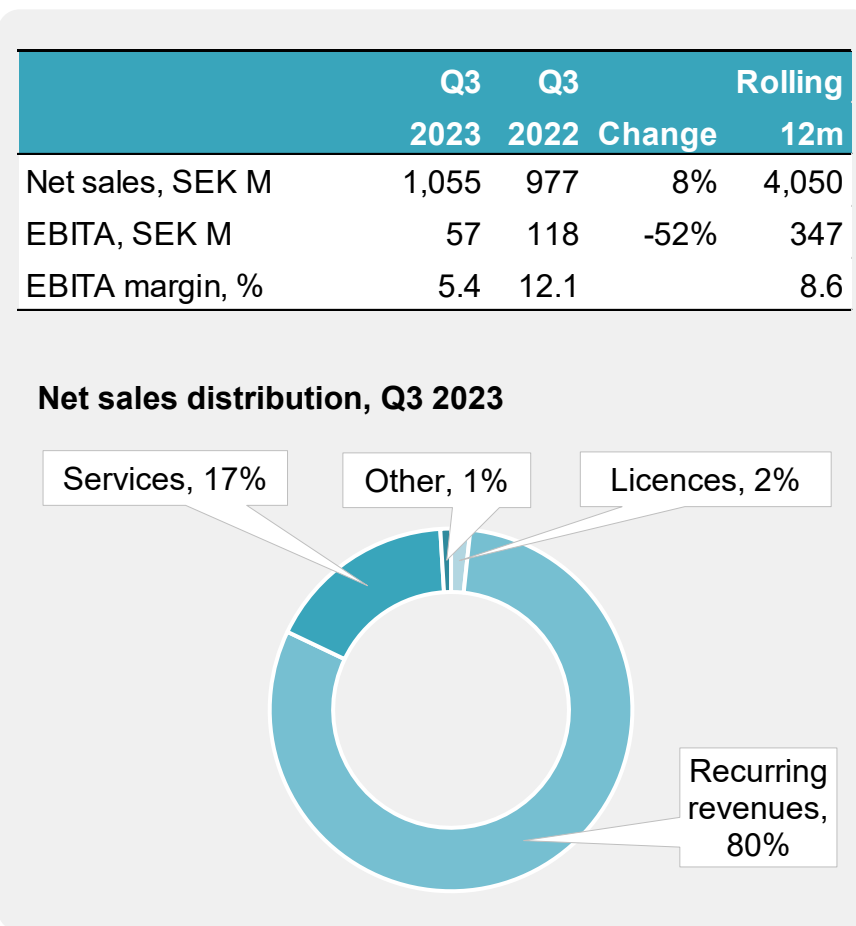
* Before eliminations / central costs

DESIGN MANAGEMENT

Weaker US market and high comps

Highlights

- Net sales increased by 8% to SEK 1,055 m, currency adjusted organic growth -21%
 - Symetri
 - Weaker net sales of Autodesk solutions, particularly from customers in the construction industry in the US
 - Solid performance in the Nordics, while demand in the UK was slightly weaker
 - High comps following record-breaking sales of 3yr agreements in Q3'22
 - The number of customers and the annual value of the underlying contract database, which is the basis for future contract renewals, continue to increase
 - SWG and Tribia made stable progress
- EBITA decreased to SEK 57 m (118) and the EBITA margin declined to 5.4 per cent (12.1)
- The acquisition of Team D3 was closed in July

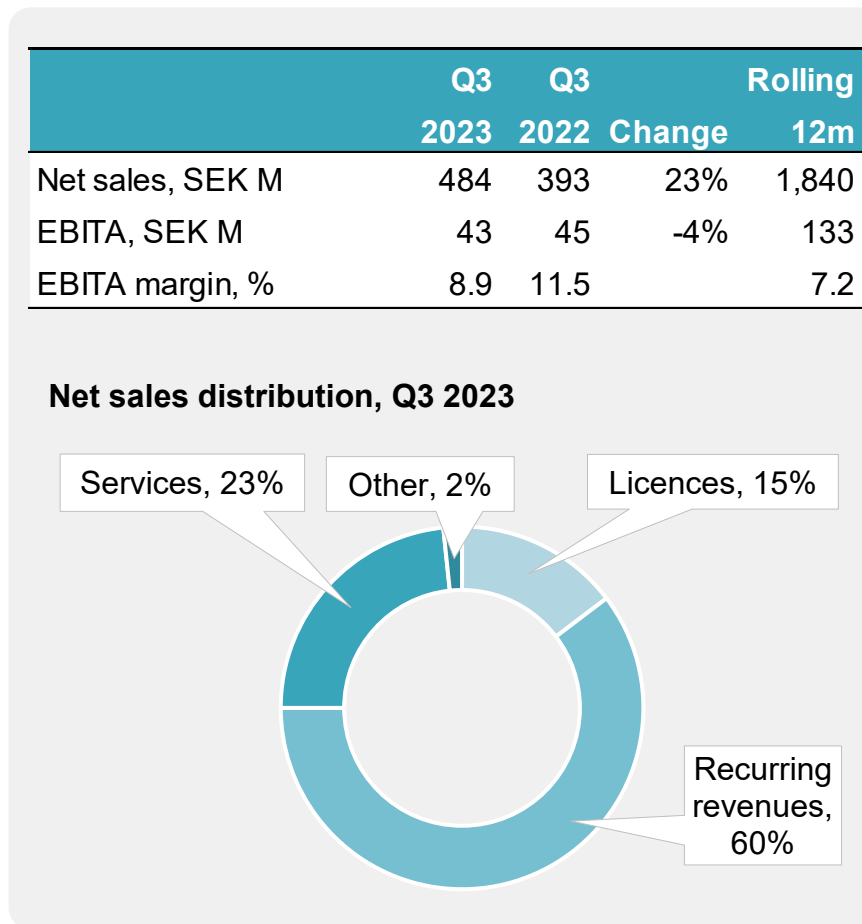


PRODUCT LIFECYCLE MANAGEMENT

Stronger business performance and restructuring measures

Highlights

- Net sales increased by 23% to SEK 484 m, currency adjusted organic growth 10%
 - Market conditions in Germany, the UK and the US were stable in Q3'23, while demand in the Nordics was weaker
 - Strong licence sales in Q3'23
- EBITA was SEK 43 m (45), and the EBITA margin was 8.9% (11.5)
 - SEK 5 m of restructuring costs recognised in Q3'23, final SEK 5 m will be recognised in the Q4'23
 - Estimated yearly cost saving is around SEK 40 m, with full effect from Q1'24

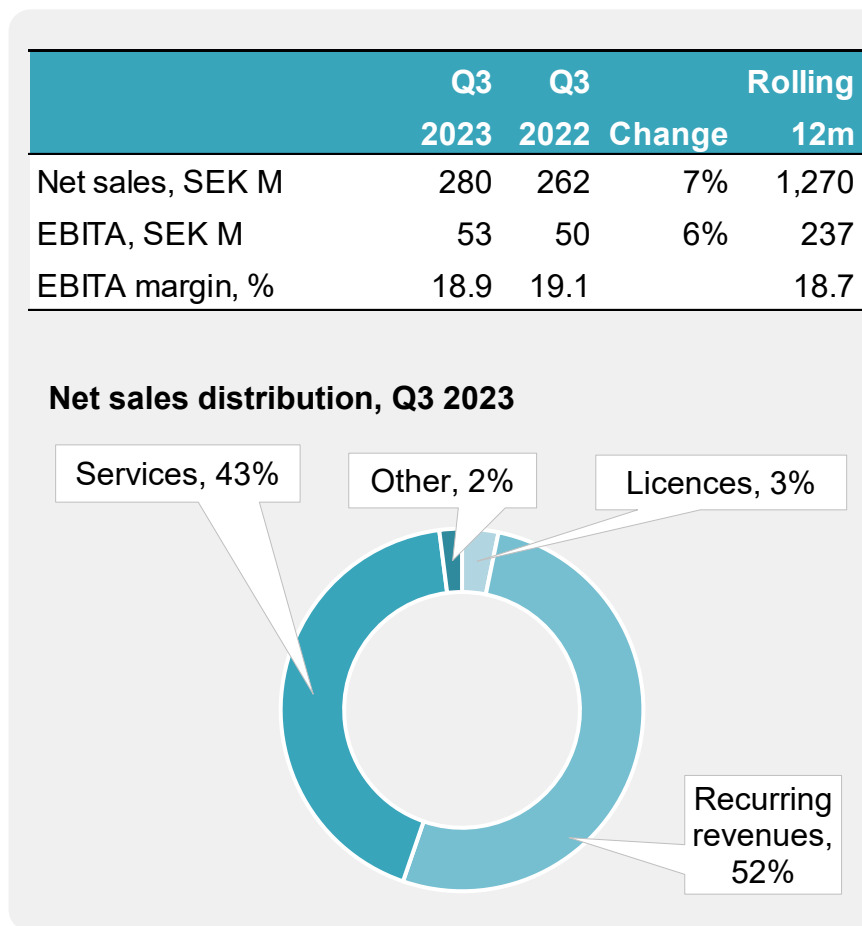


PROCESS MANAGEMENT

Continued profitable organic growth

Highlights

- Net sales increased by 7% to SEK 280 m, organic growth 7%
 - Demand for the division's consulting offerings was good, especially for services related to customer-specific solutions
 - Municipalities and public authorities continued to show some restraint in terms of investment
 - The division's businesses are well positioned in public sector tenders owing to their attractive digital solutions, in-depth experience and good references
- EBITA increased to SEK 53 m (50), and the EBITA margin was 18.9% (19.1)



CONSOLIDATED CASH FLOW

Q3 2023

Cash flow, SEK m	Q3 2023	Q3 2022	Change	YTD Sep 2023	YTD Sep 2022	Change
Operating profit	70	143	-73	275	378	-103
Adjustments for non-cash items	90	86	4	264	210	54
Other	-41	-38	-3	-127	-99	-28
Cash flow from operations before working capital changes	119	191	-72	412	489	-77
Changes in working capital	-258	-102	-156	-155	-36	-119
Cash flow from operating activities	-139	89	-228	257	453	-196
Cash flow from investing activities	-373	-84	-289	-610	-445	-165
Cash flow from financing activities	-82	-62	-20	300	101	199
Total cash flow	-594	-57	-537	-53	109	-162

CONSOLIDATED FINANCIAL POSITION

September 30, 2023

Balance sheet, SEK m	Sep 30, 2023	Sep 30, 2022	Change	Dec 31, 2022	Change
Intangible non-current assets	4 038	3 423	615	3 409	629
Other non-current assets	322	344	-22	276	46
Net working capital	-495	-521	26	-598	102
Total assets	3 865	3 246	619	3 087	778
Equity	2 056	1 890	166	2 005	51
Provisions, taxes and other debt	706	697	9	619	87
Net debt	1 103	659	444	463	640
Total equity & liabilities	3 865	3 246	619	3 087	778
Equity ratio	31%	34%	-2%	32%	-1%
Return on capital employed (ROCE)	13	18	-5	20	-7
Term loan	1 000	0	1 000	0	1 000
Revolving credit facility	1 600	1 600	0	1 600	0
<i>Whereof unutilized</i>	<i>1 133</i>	<i>579</i>	<i>554</i>	<i>722</i>	<i>411</i>

SUSTAINABILITY AGENDA

1

Digital solutions that contribute to sustainable development

2

Care for people and the planet in our own operations

3

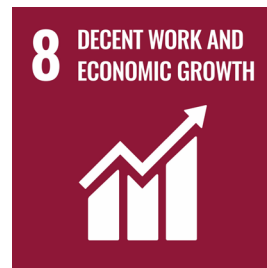
The way we work with our partners and suppliers

4

Long-term financial viability

5

Sustainability management and governance



SUSTAINABILITY CASES Q3 2023

Full versions at <https://www.addnodegroup.com/en/sustainability>

Interaxo improves and facilitates documentation and coordination



Tribia, in the Design Management division, has supported Peab with the project management tool Interaxo for the development of Tåsenhjemmet nursing home in Norway. Tåsenhjemmet is one of Oslo's most ambitious sustainability projects in property development, it aims for BREEAM Excellent and ZeroCO2 certifications. Interaxo offers seamless management of documentation, flow of information between different parties and full control over the entire project. Other benefits of systems such as Interaxo is that they reduce risks of mistakes and misunderstandings that can lead to design problems and waste during the construction process.



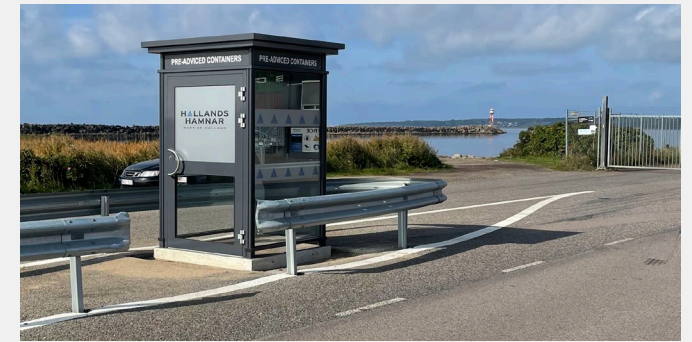
Modelling and simulation solutions for optimised energy use in EV



TECHNIA, in the PLM division, has delivered the modelling and simulation solutions Dymola and VeSyMA to McMurtry, one of motorsport's leading electric car manufacturers. McMurtry needed deeper understanding of how the systems in its cars interacted with each other to be able to further optimise the cars' performance. McMurtry now has resources to better optimise the efficiency and energy use in the cars. Experience and solutions from motorsport have traditionally been transferred to commercial vehicle applications. There is therefore good potential for McMurtry's investments to contribute to continued development of the commercial electric car market and society's overall sustainability transition.



Notification tools for port logistics help to reduce idling



Stamford, in the Process Management division, has implemented a notification system for Hallands-Hamnär Halmstad's container operations. The port had a major need for a good overview of its container flows as well as a robust planning tool. Stamford's proprietary software solution, Preadvice, which the port has deployed, enables freight companies and operators to proactively notify the port's customer service department of upcoming deliveries. This has contributed to a significant increase in resource efficiency. Preadvice has also made it possible to plan and predict workloads and transportation, which in turn has shortened idle times of trucks, thereby reduced CO2 emissions from the port's operations.



ADDNODE GROUP AS AN INVESTMENT

1

Sustainable digital solutions

- We provide digital solutions for design, simulation, product data information and case management.
- Customers in construction and real estate sectors, manufacturing, the automotive industry, life sciences and the public sector.
- Global trends such as digitalisation, urbanisation and sustainability are driving demand for our solutions.

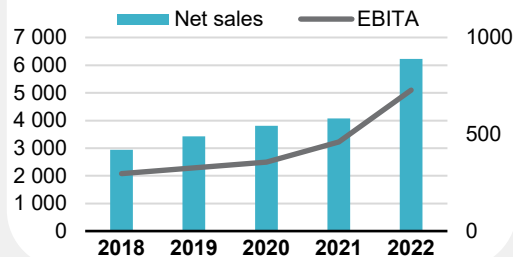


2

Organic and acquisition-led growth

- Our strategy is to create value by continuously acquiring new businesses and actively supporting our companies to drive organic growth.
- Net Sales and EBITA CAGR 5yr: 21% and 25%, respectively

Profitable growth, 2018–2022, SEK M

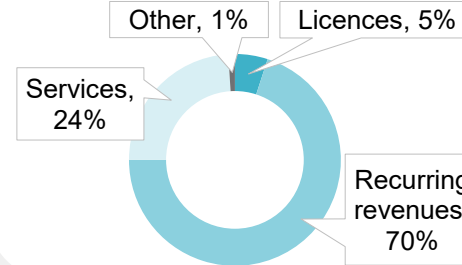


3

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, 2022

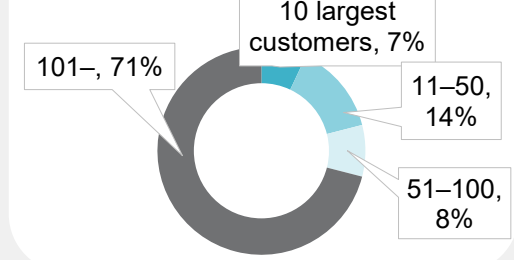


4

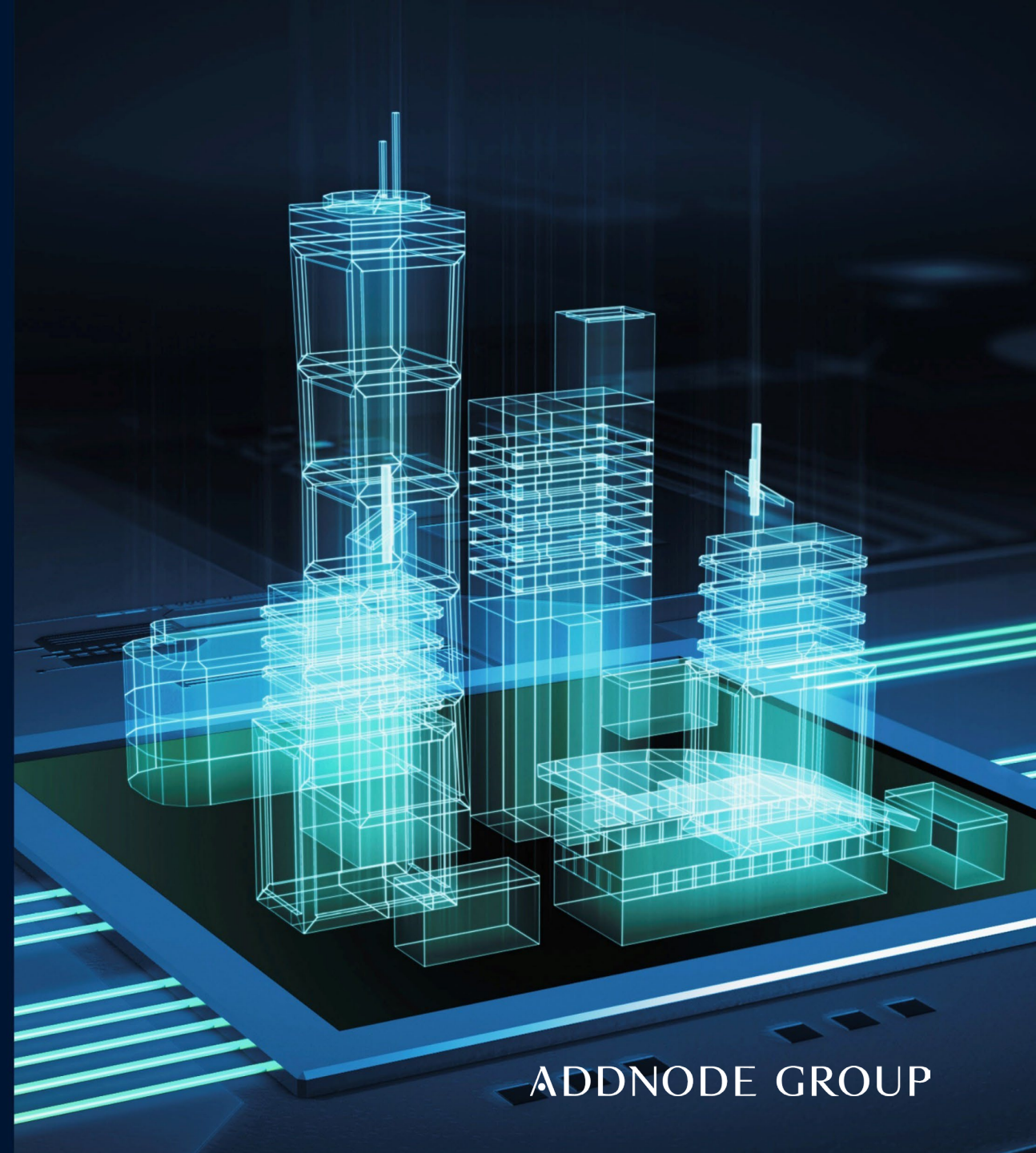
Diversification spreads risk

- 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, 2022



QUESTIONS & ANSWERS



APPENDIX



ADDNODE GROUP

Organic and acquisition-led growth strategy

ORGANIC

Decentralised responsibility and authority

Strategic support

Synergies and collaboration

ACQUISITIONS

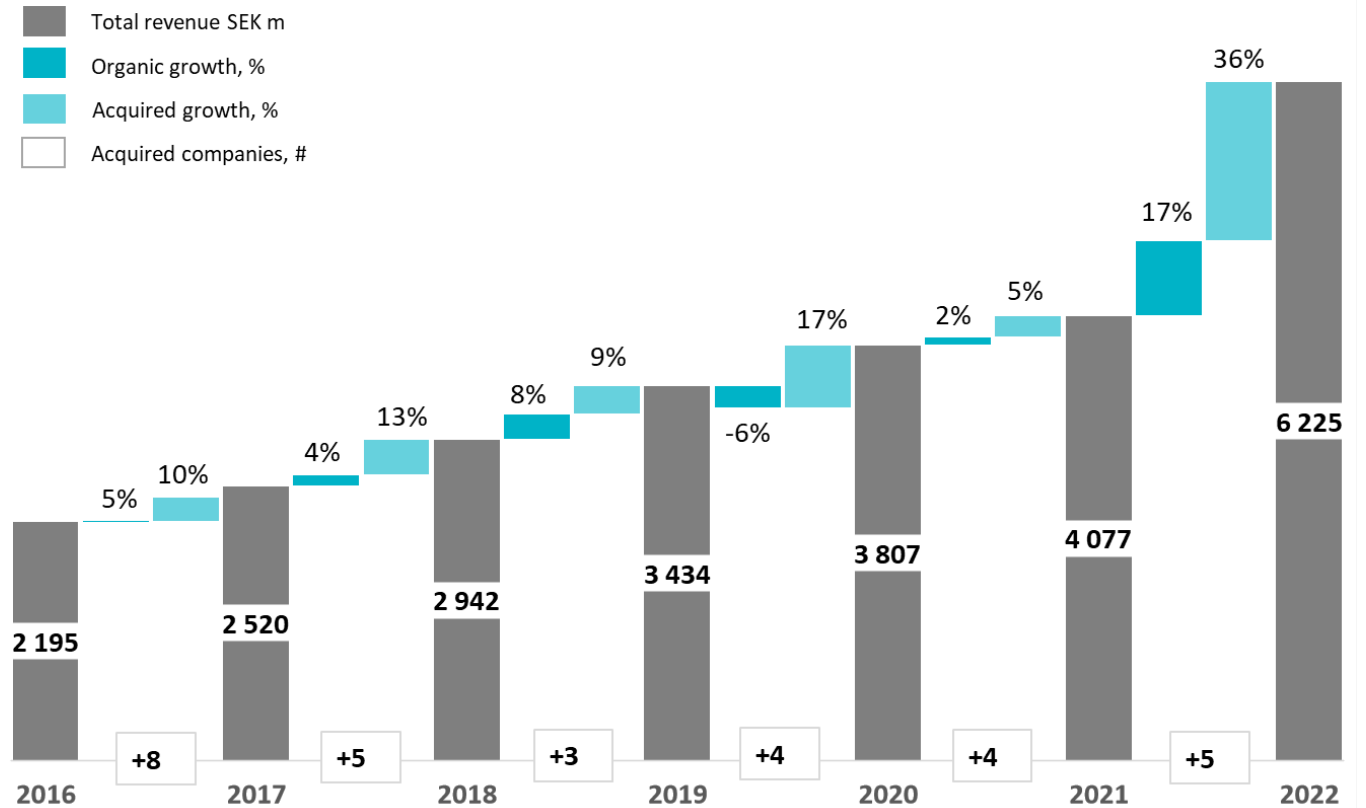
Complementary business or markets

Values based leadership

Attractive valuation

OUR STRATEGY

We create sustainable growth in value by acquiring and developing cutting edge enterprises that digitalise society



ACQUISITIONS

2023 YTD



FAST2

Leading Swedish supplier of business systems for real estate companies. Its proprietary business system is used by nine out of 13 of the largest public housing companies in Sweden.

Division Design Management

New employees

50

Annual sales

80 SEK M



Key Performance

Partner to Dassault Systèmes, operating in North America and Europe. Focused on Model-Based Systems Engineering consultancy, software, training, and certifications.

Division Product Lifecycle Management

New employees

3

Annual sales

25 SEK M



Team D3

One of the largest Autodesk partners in the US, with a focus in the Manufacturing, AEC and Power & Process industries. Geographically primarily based in the Midwest part of the US.

Division Design Management

New employees

200

Annual sales

1,300 SEK M

ACQUISITIONS 2022



Claytex

Claytex specializes in advanced simulation and virtual testing, with focus on systems engineering and autonomous vehicles in the automotive and motorsport space.

**Division Product
Lifecycle Management**

New employees

15

Annual sales

25 SEK M



Desys

DESYS service offering is based on Dassault Systèmes' platform, and includes own software products as well as a broad range of training, consulting, support and IT-services.

**Division
Product Lifecycle Management**

New employees

45

Annual sales

170 SEK M



Microdesk

Microdesk is a Platinum partner to Autodesk and provides consulting services, training, data management and customized solutions. Microdesk has 13 offices in US and London.

**Division
Design Management**

New employees

300

Annual sales

1,000 SEK M



Decisive

Rule-based decision management systems. Assists customers all the way from system design to development, implementation, training and then support and further development.

**Division
Process Management**

New employees

25

Annual sales

57 SEK M

ACQUISITIONS

2022, cont.



JBL

JBL's service offering is based on Dassault Systèmes' platform, the team adds resources and competence within oil and gas, infrastructure and renewable energy.

Division
Product Lifecycle Management

New employees

2

Annual sales

15 SEK M

ACQUISITIONS

2021



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



Elpool

Develops digital solutions that offers many features that is used by players active in expansion and maintenance of electricity networks.

Division
Process Management

New employees

2

Annual sales

6 SEK M



Procad

Autodesk partner and a trusted advisor to many of Ireland's largest design, construction and manufacturing organisations.

Division
Design Management

New employees

18

Annual sales

50 SEK M



Budsoft

Budsoft is a Poland based, Dassault Systèmes partner, providing advanced simulation solutions.

Division
Product Lifecycle Management

New employees

7

Annual sales

20 SEK M

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 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 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 sales

20 SEK M



Scanscot Technology

Swedish Dassault Systèmes partner. Nordic leader in advanced simulation for customers in infrastructure, research and energy.

Division
Product Lifecycle Management

New employees

15

Annual sales

40 SEK M

SHAREHOLDERS

September 30, 2023

Owner	Shares class A	Shares class B	Share capital, %	Voting rights, %
Aretro Capital Group AB	2,501,328	4,738,496	5.4	17.5
Verg AB	1,446,668		1.1	8.5
Lannebo Fonder		12,888,516	9.6	7.6
SEB Fonder		12,610,280	9.4	7.4
Swedbank Robur Fonder		12,088,416	9.0	7.1
Andra AP-fonden		7,516,473	5.6	4.4
Cliens fonder		7,190,792	5.3	4.2
Fjärde AP-fonden		6,176,528	4.6	3.6
ODIN Fonder		5,000,000	3.7	2.9
Nordea Funds		4,881,098	3.6	2.9
<i>Subtotal, 10 largest shareholders</i>	3,947,996	73,090,599	57.3	66.2
Other shareholders	700	57,488,937	42.7	33.8
Total	3,948,696	130,579,536	100%	100%

*Aretro Capital Group AB is controlled by Staffan Hanstorp, Chairman, and Jonas Gejer, Vice President, Business development.

Managements shareholdings

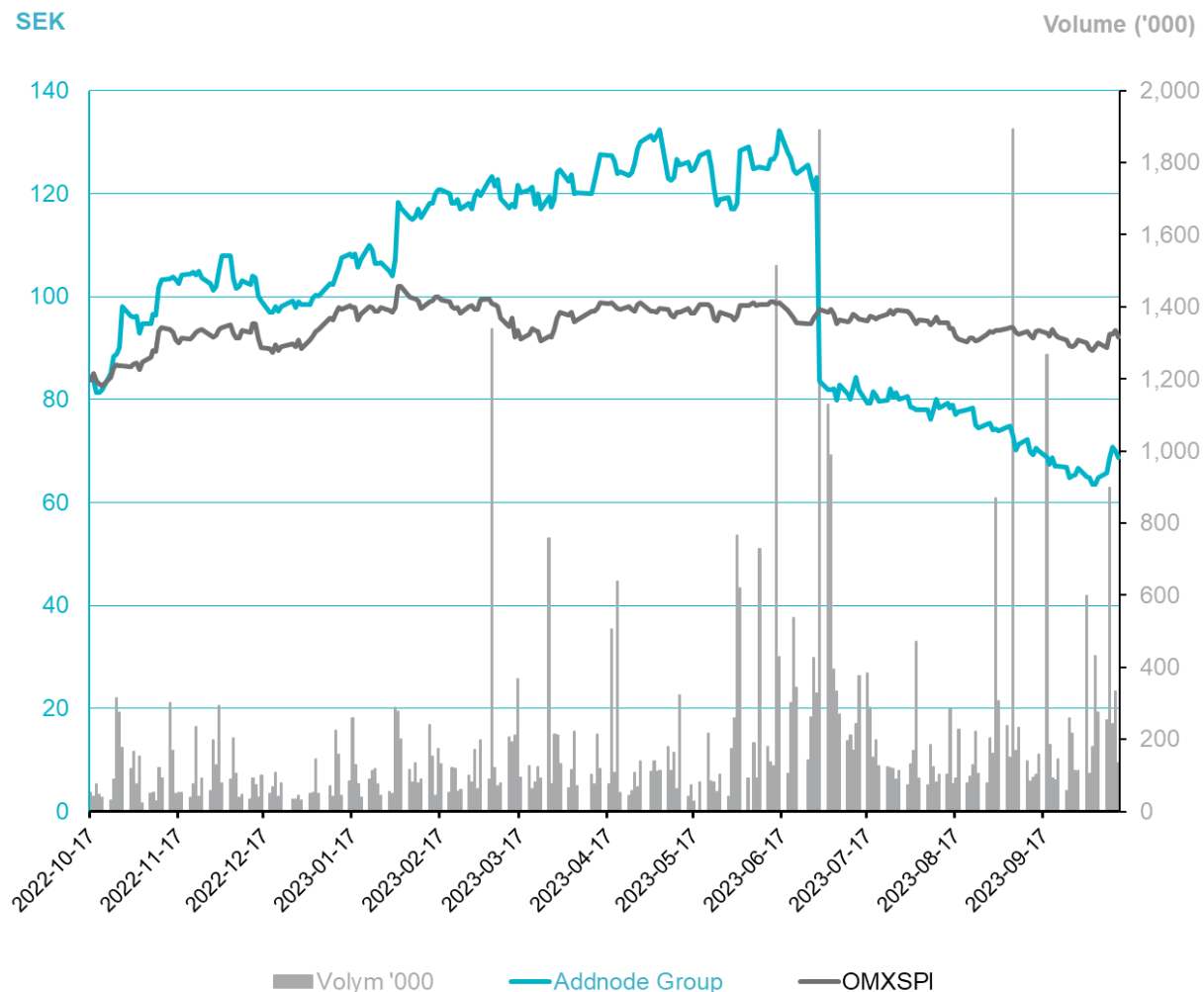
- Johan Andersson, CEO, 400,000 shares and 38,000 call options for 92,000 B-shares
- Other members of GMT, 124,892 shares and 98,600 call options for 254,600 B-shares
- Senior executives in LTIP2021, LTIP 2022 and LTIP 2023 holds call options valid for approximately 1 200 000 class B-shares

Addnode Group's shareholdings

Addnode Group AB's holdings of treasury shares as of 30 September 2023 were 1,210,000 class B shares, corresponding to 0.9 per cent of the number of shares and 0.7 per cent of the number of votes. The main purpose for Addnode Group's holding of treasury shares is to enable delivery of shares associated with Addnode Group's share-based incentive programme.

ADDNODE GROUP, SHARE PRICE DEVELOPMENT

1 Year (2022-10-17 – 2023-10-13)



	22-10-17	23-10-13	Change, %
Addnode Group	83,80	68,65	-18
Nasdaq Stockholm	728,48	801,05	10

- Average daily traded volume in Q3 2023 reached 238 thousand shares, down from 246 thousand in Q2 2023
- Total number of shareholders was down from 8,207 by June 30, 2023, to 7,556 by September 30, 2023
- Indexes that Addnode Group is included in are OMX Stockholm Benchmark and OMX Stockholm Technology