

ADDNODE GROUP

INTERIM REPORT JANUARY – MARCH 2023
28 APRIL 2023



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



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AGENDA

Interim report January – March 2023

1. Addnode Group in brief
2. Q1 2023
3. Sustainability
4. Investment case
5. Q&A
6. Appendix
 - a) Acquisitions 2023, 2022, 2021, 2020
 - b) Shareholders, March 31, 2023
 - c) Share performance, 2023 YTD

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

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

R12 Q1 2023 (Full year 2022)

Net Sales

6,871
SEK M
(6,225)

EBITA

750
SEK M
(728)

EPS

2.84
SEK
(2.86)

**Recurring
revenue**

71%
(70)

ADDNODE GROUP

Q1 2023 – ROBUST GROWTH AND IMPROVED EBITA

Highlights

- Net sales increased by 49% to SEK 1,972 m
 - Symetri and Microdesk in the Design Management division continued to drive sales and earnings growth
 - TECHNIA, in the PLM division, faced challenges that had an impact on earnings
 - Demand from the public sector in Process Management division develops well
- Currency adjusted organic growth 19%
- Recurring revenue increased by 57% to SEK 1,428 m
- EBITA up by 12% to SEK 202 m
 - EBITA adjusted for capital gains from a property sale last year up by 29%
- Earnings per share SEK 0.78 (0.79)

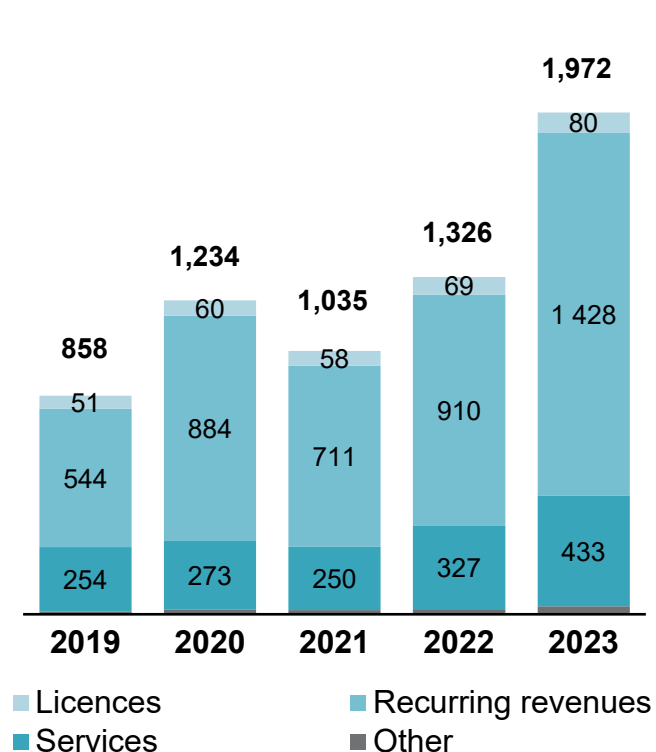
	Q1 2023	Q1 2022	Change	Rolling 12m
Net sales, SEK M	1,972	1,326	49%	6,871
EBITA, SEK M	202	180	12%	750
EBITA margin, %	10.2	13.6		10.9
Earnings per share, SEK	0.78	0.79	-1%	2.84

“Addnode Group has started 2023 strongly, with robust growth and improved EBITA. Demand was stable on most of our markets. Net sales up by 49 per cent to SEK 1,972 m, and currency-adjusted organic growth amounted to 19 per cent.”

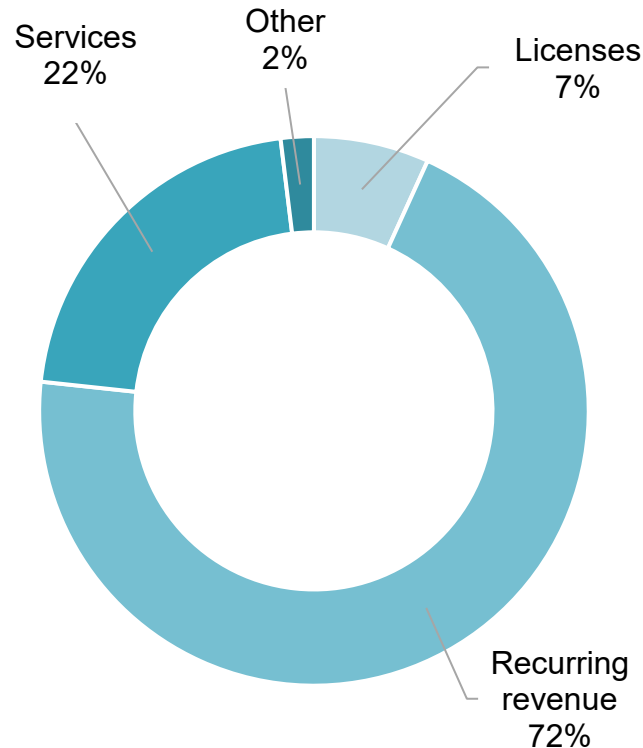
ADDNODE GROUP

Continued growth in recurring revenue, at 72% of net sales in Q1'23

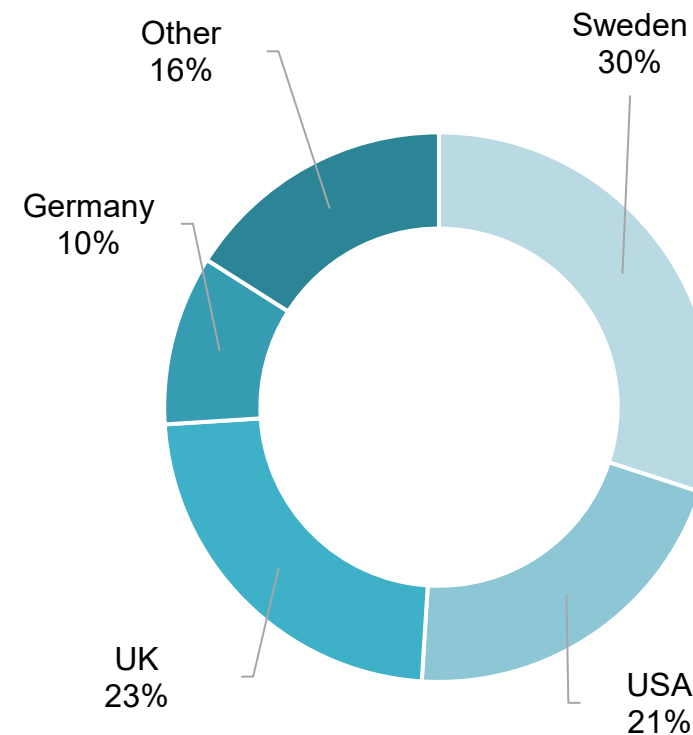
Breakdown of net sales, SEK m
Q1 2019–2023



Breakdown of net sales by
category, Q1'23



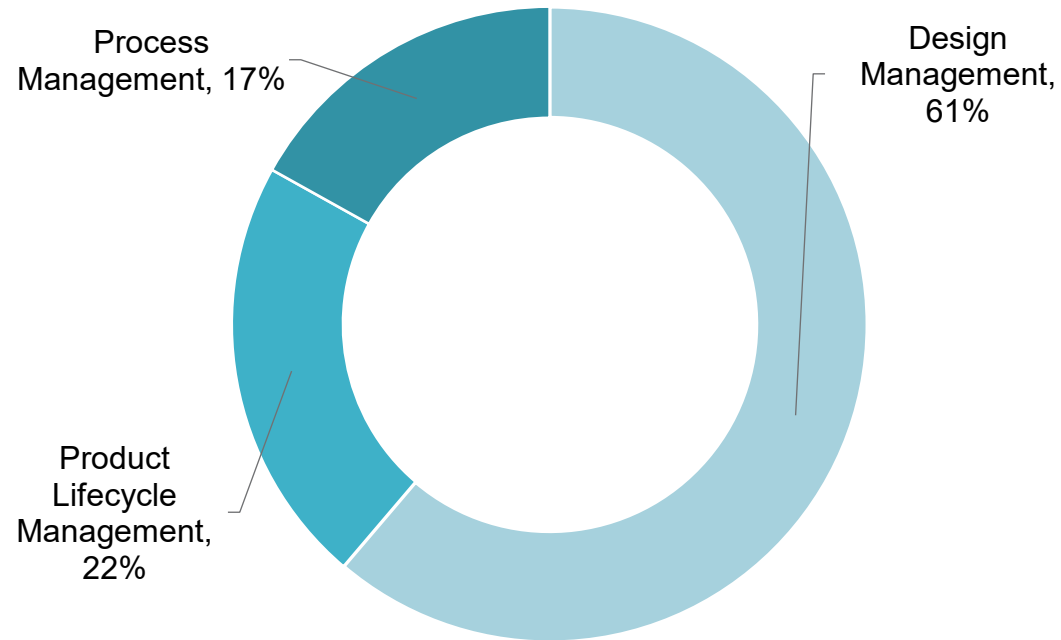
Breakdown of net sales by
geography, Q1'23



ADDNODE GROUP

Three divisions

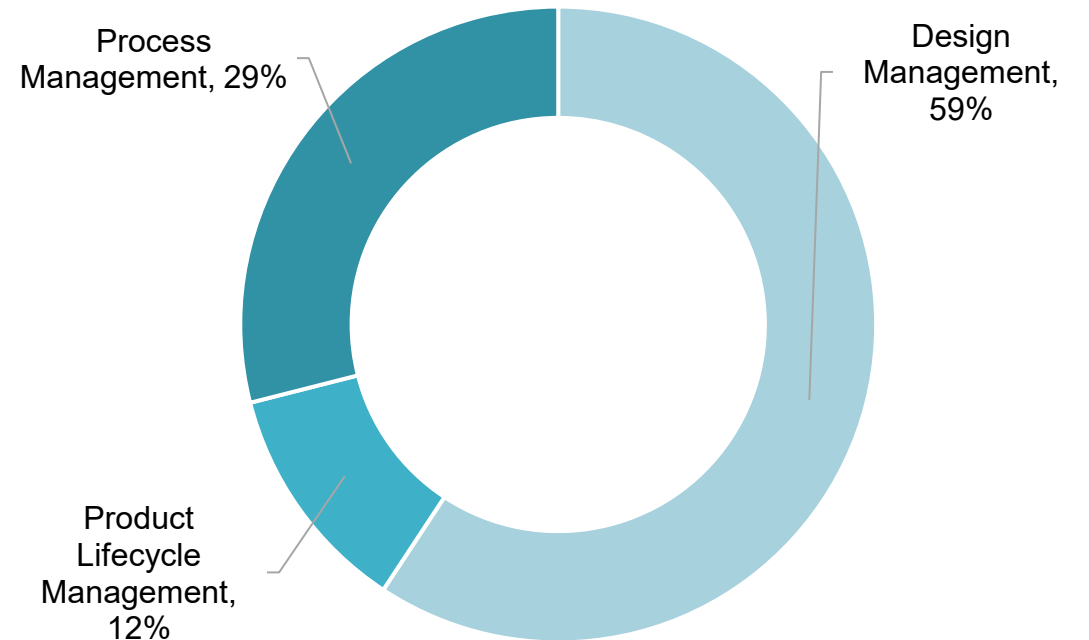
Share of Net Sales* Q1 2023



Addnode Group Net sales Q1 2023: SEK 1,972 m

* Before eliminations

Share of EBITA* Q1 2023



Addnode Group EBITA Q1 2023: SEK 202 m

* Before eliminations / central costs

DESIGN MANAGEMENT

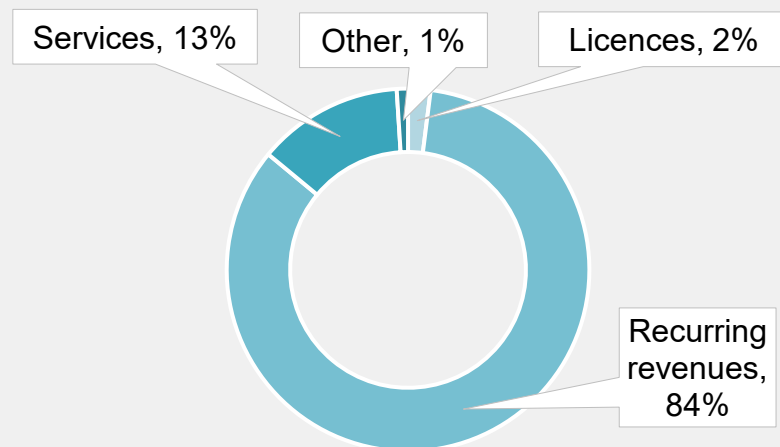
Symetri/Microdesk continues to impress

Highlights

- Net sales increased by 72% to SEK 1,213 m, currency adjusted organic growth 25%.
 - Symetri/Microdesk continued to perform well
 - Demand in Europe remained good, especially on the UK market
 - Some signs of a slowdown on the Nordic AEC market
 - Altered invoicing and payment terms for multi year contracts
 - SWG and Tribia made good progress
- EBITA increased to SEK 131 m (89), and the EBITA margin was 10.8% (12.6)
- Product mix with higher portion of partner sales impacted EBITA margin
- FAST2 acquired in January

	Q1 2023	Q1 2022	Change	Rolling 12m
Net sales, SEK M	1,213	707	72%	4,000
EBITA, SEK M	131	89	47%	440
EBITA margin, %	10.8	12.6		10.8

Net sales distribution, Q1 2023



PRODUCT LIFECYCLE MANAGEMENT

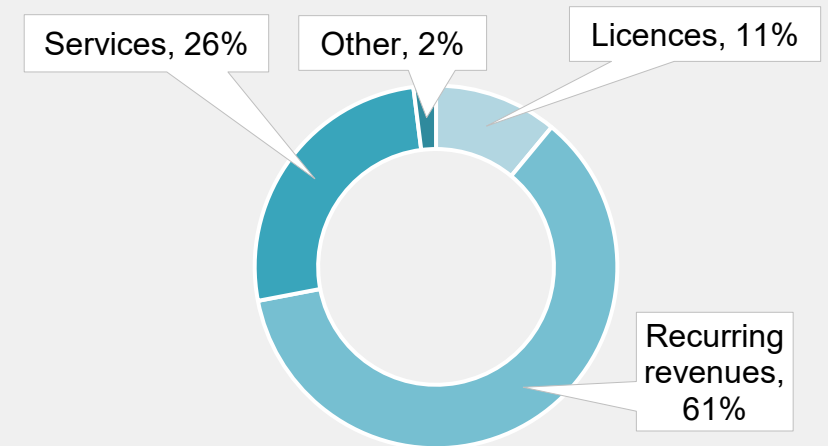
Solid growth, but EBITA impacted by low utilization

Highlights

- Net sales increased by 28% to SEK 433 m, currency adjusted organic growth 13%
 - UK and US businesses experienced continued positive demand
 - Germany, stable
 - Nordics, somewhat weaker
- EBITA was SEK 26 m (34), and the EBITA margin was 6.0% (10.1)
- The Nordic consulting operation was negatively impacted by low capacity utilisation. Work on improving efficiency is ongoing.

	Q1 2023	Q1 2022	Change	Rolling 12m
Net sales, SEK M	433	338	28%	1,675
EBITA, SEK M	26	34	-24%	150
EBITA margin, %	6.0	10.1		9.0

Net sales distribution, Q1 2023



PROCESS MANAGEMENT

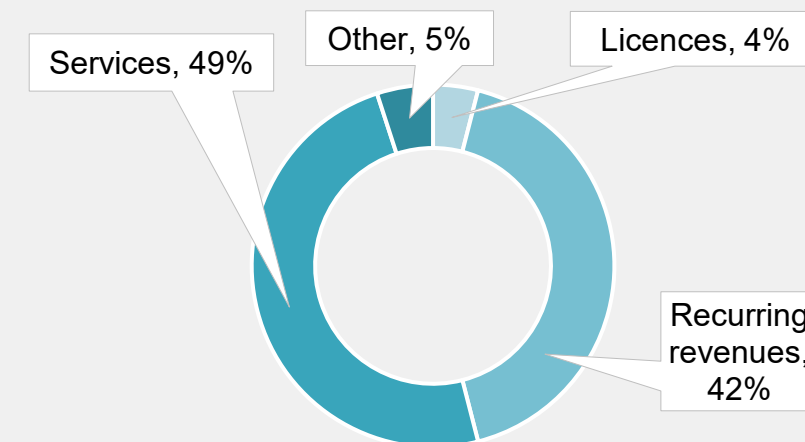
Organic growth, continued to outperform the market

Highlights

- Net sales increased by 16% to SEK 335 m, organic growth 10%
 - Organic growth remained good, however, municipalities and public authorities show some restraint
 - 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 64 m (60), and the EBITA margin was 19.1% (20.8)
- Decisive, acquired in June 2022, and a leading provider of rule based digital decision management systems for the Norwegian public sector, experienced continued positive demand

	Q1 2023	Q1 2022	Change	Rolling 12m
Net sales, SEK M	335	288	16%	1,229
EBITA, SEK M	64	60	7%	230
EBITA margin, %	19.1	20.8		18.7

Net sales distribution, Q1 2023



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

CONSOLIDATED CASH FLOW

Q1 2023

Cash flow, SEK m	Q1 2023	Q1 2022	Change	FY 2022
Operating profit	149	134	15	527
Adjustments for non-cash items	80	45	35	294
Other	-38	-30	-8	-144
Cash flow from operations before working capital changes	191	149	42	677
Changes in working capital	78	93	-15	37
Cash flow from operating activities	269	242	27	714
Cash flow from investing activities	-155	-268	113	-490
Cash flow from financing activities	30	284	-254	-63
Total cash flow	144	258	-114	161

CONSOLIDATED FINANCIAL POSITION

March 31, 2023

	Mar 31, 2023	Mar 31, 2022	Change	Dec 31, 2022	Change
Balance sheet, SEK m					
Intangible non-current assets	3 465	3 152	313	3 409	56
Other non-current assets	278	317	-39	276	2
Net working capital	-672	-636	-37	-598	-75
Total assets	3 071	2 833	237	3 087	-16
Equity	2 099	1 812	287	2 005	94
Provisions, taxes and other debt	591	540	51	619	-28
Net debt	381	481	-100	463	-82
Total equity & liabilities	3 071	2 833	238	3 087	-16
Equity ratio	35%	34%	1%	32%	3%
Return on capital employed (ROCE)	18	14	4	20	-2
Revolving credit facility	1 600	1 600	0	1 600	0
<i>Whereof unutilized</i>	657	635	22	722	-65

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 Q1 2023

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

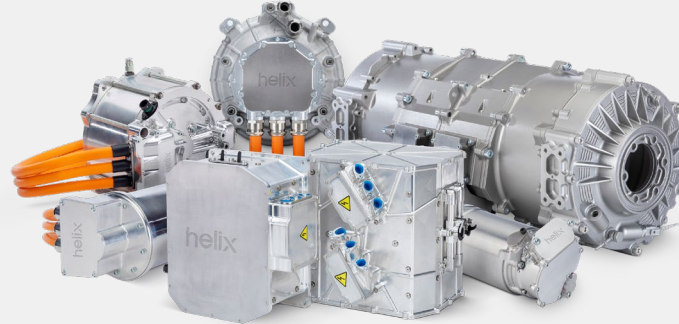
Fire safety planning with Digital BIM processes



Symetri, in the Design Management division, is supporting Brandskyddslaget on implementing Bimfire Tools. The 3D modelling technology of the BIM process enables design components to be identified and rectified in real time, generating significant time and cost savings for projects. This also means fewer errors during the design phase, less waste from the construction phase, and less risk of fire hazards throughout the building's lifecycle.



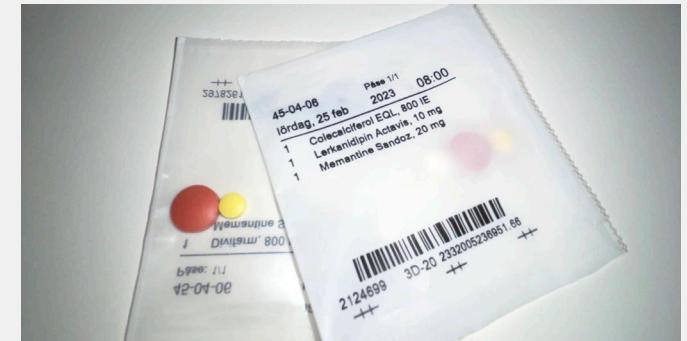
More efficient product development with fewer faults and superior quality



TECHNIA, in the Product Lifecycle Management division, is supporting Helix on implementing Dassault Systemès' 3DEXPERIENCE platform. The benefits to Helix includes streamlined working methods and improved management of change processes. Further, by deploying advanced simulation, Helix is able to deliver still more optimal design solutions, ensuring it can also satisfy sustainable manufacturing and performance standards.



Digital dosage delivery system for better health and environment



Canella, in the Process Management division, has developed the digital dosage delivery system Candos. The system is used by Apoteket and many other pharmacies and hospitals across Sweden. Dose dispensation is vital for increasing patient safety. Dosage pouches labelled with clear instructions reduce risk of human error by patients and the health-care sector. Further, fewer drug packages are opened and thereby the environmental burden decreases, as less pharmaceuticals are disposed incorrectly in toilets and waste bins.



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.

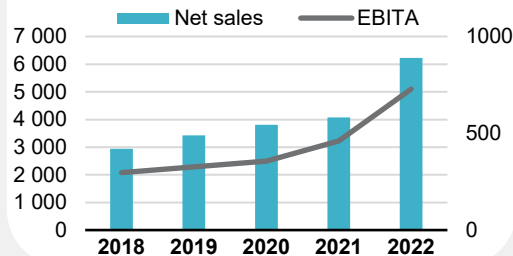


2

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

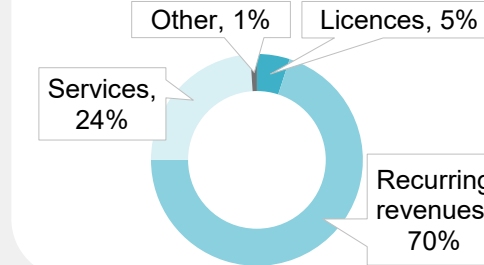


3

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

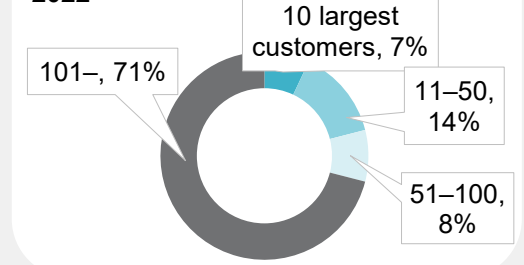


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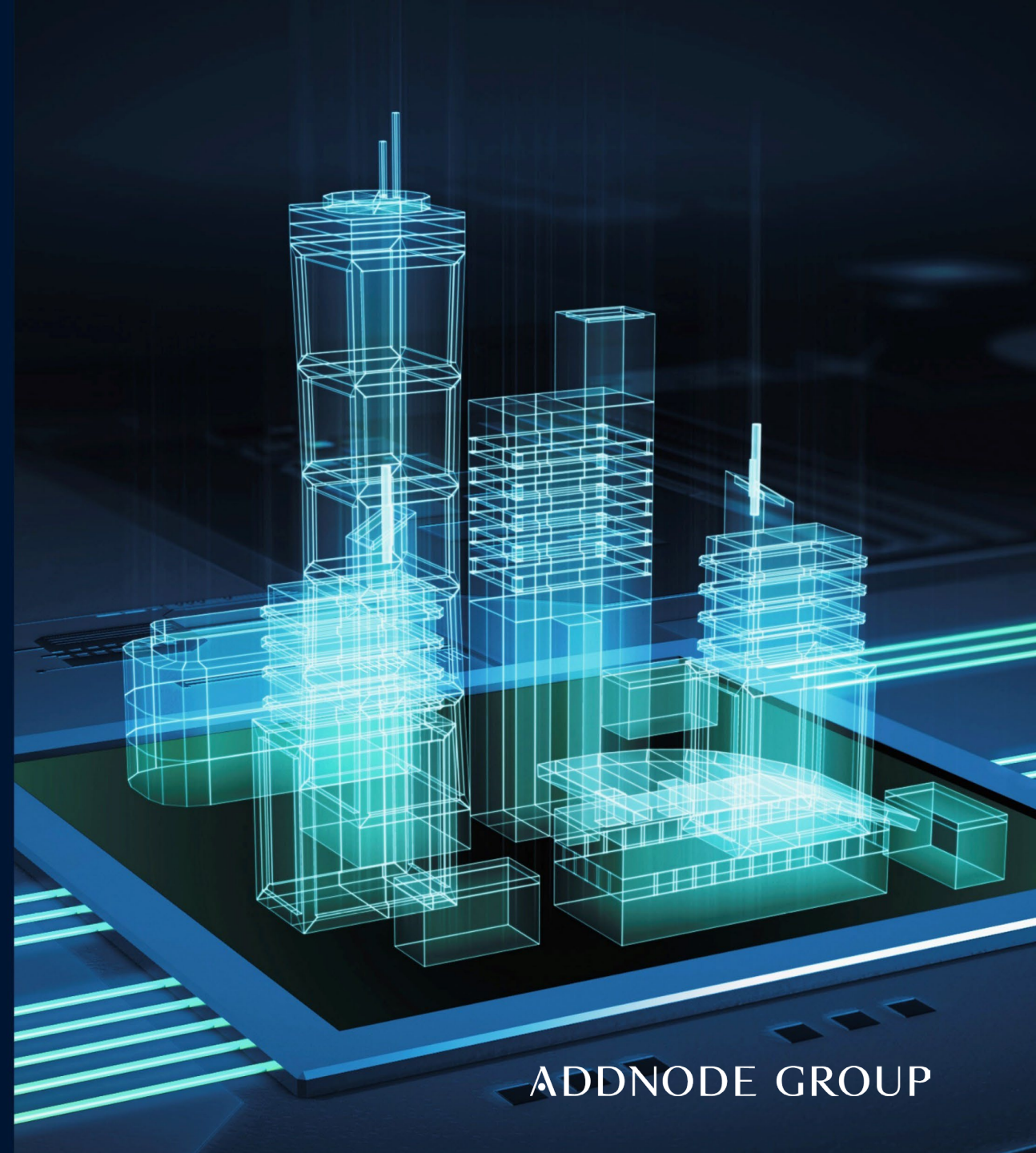
Diversification spreads risk

- 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

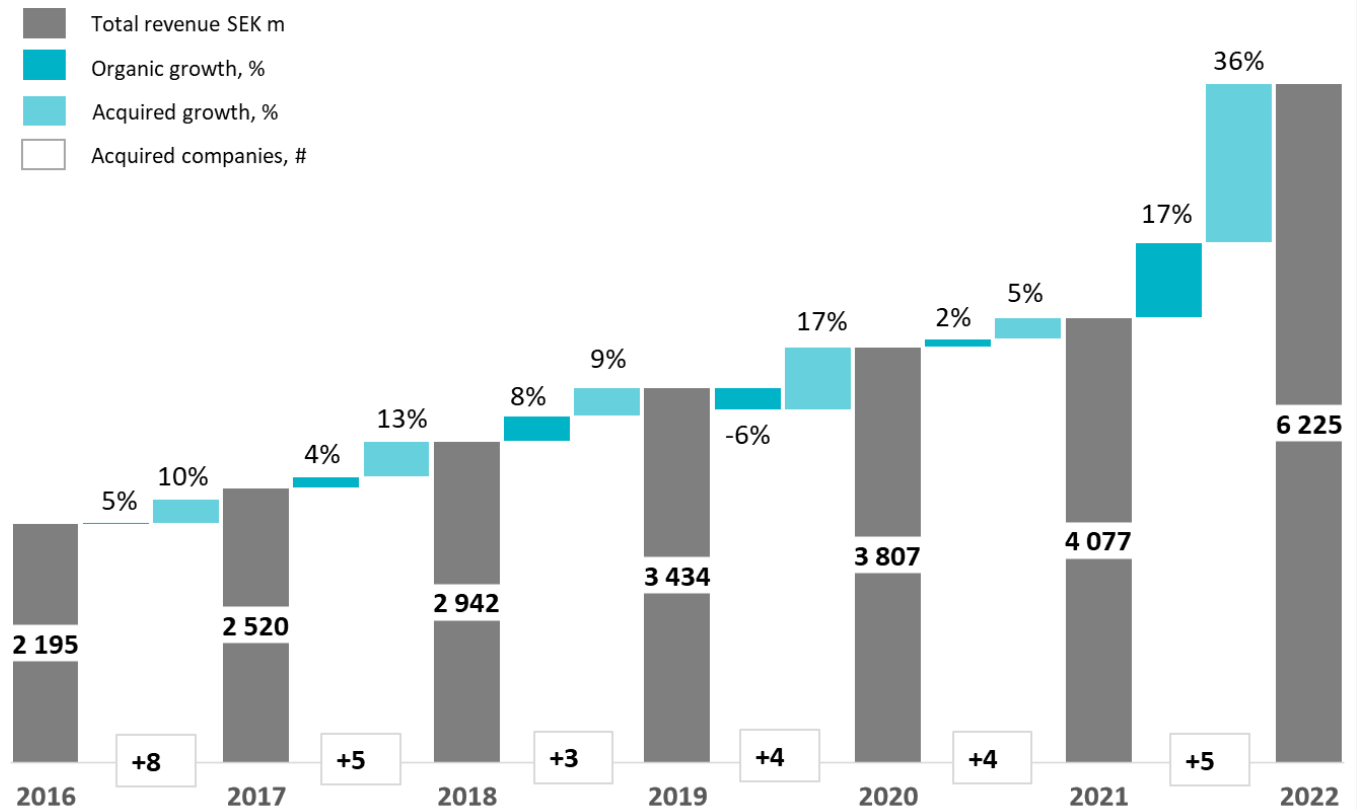
Complementary business or markets

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

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

March 31, 2023

	Shares class A	Shares class B	Share capital, %	Voting rights, %
Aretro Capital Group AB	2,041,328	5,198,496	5.4	15.1
Verg AB	1,446,668		1.1	8.5
SEB Fonder		13,341,203	9.2	7.8
Lannebo Fonder		10,822,310	8.0	6.4
Swedbank Robur Fonder		8,214,314	6.1	4.8
Cliens Fonder		6,815,792	5.1	4.0
Andra AP-Fonden		6,786,608	5.0	4.0
Aeternum Capital AS	460,000	2,169,134	2.0	4.0
Fjärde AP-Fonden		6,182,688	4.6	3.6
Odin Fonder		6,000,000	4.5	3.5
Subtotal, 10 largest shareholders	3,947,996	65,530,545	51.0	61.7
<i>Other shareholders</i>	<i>700</i>	<i>65,048,991</i>	<i>49.0</i>	<i>38.3</i>
Total	3,948,696	130,579,536	100.0	100.0

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

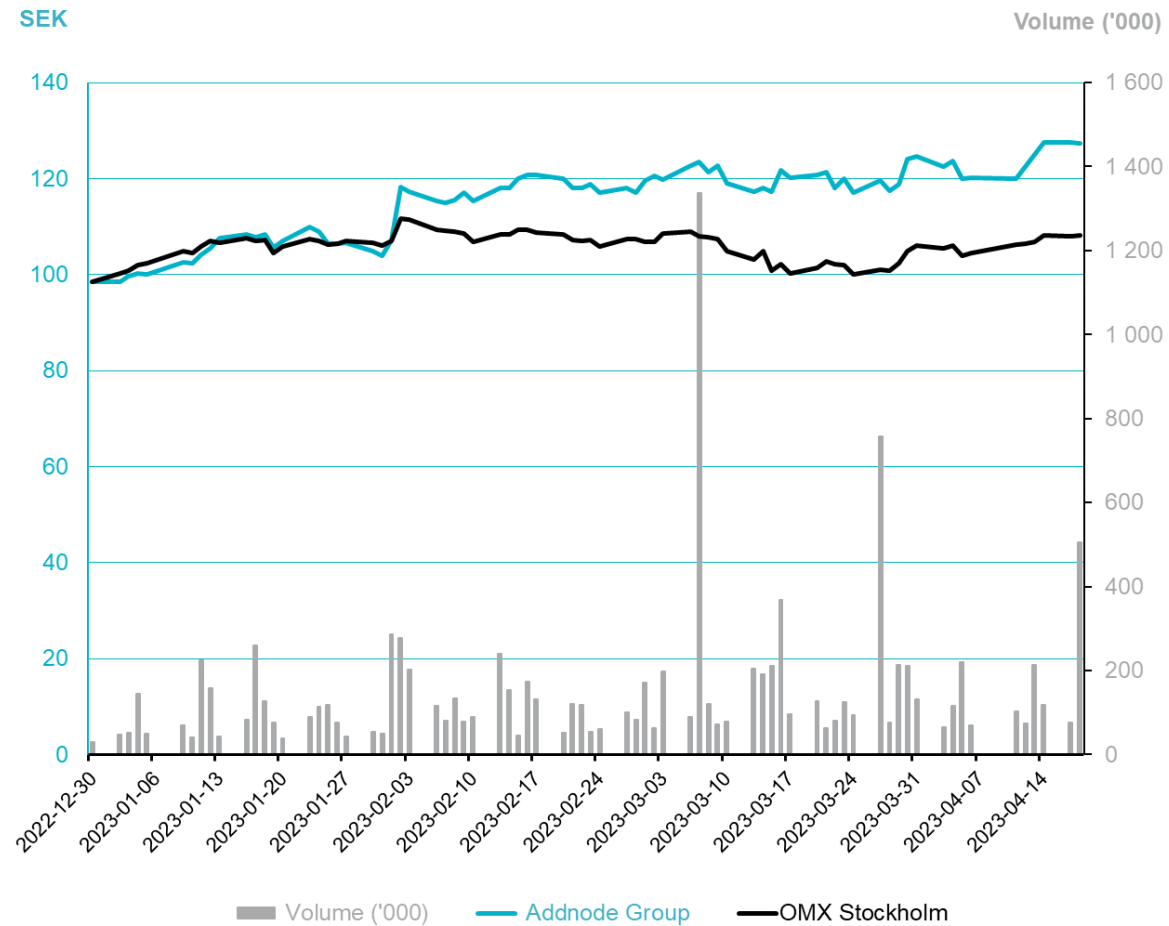
Managements shareholdings

- Johan Andersson, CEO, 393,912 shares and 18,000 call options for 72,000 B-shares.
- Other members of GMT, 124,892 shares and 52,000 call options for 208,000 B-shares.
- Senior executives in LTIP2021 and LTIP 2022 holds approximately 250,000 call options (1 option is valid for 4 class B-shares).

Addnode Group's shareholdings

Addnode Group AB's holdings of treasury shares as of 31 March 2023 were 1,030,000 class B shares, corresponding to 0.8 per cent of the number of shares and 0.6 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 2023YTD



	22-12-30	23-04-18	Change, %
Addnode Group	98.40	127.40	29
Nasdaq Stockholm	781.86	858.73	10

- May 17 2022, first day of trading after share split 4:1.
- June 1, 2022, Addnode Group was added to the index Stockholm Benchmark.
- January 2, 2023, Addnode Group was moved up to Nasdaq's Large Cap segment.