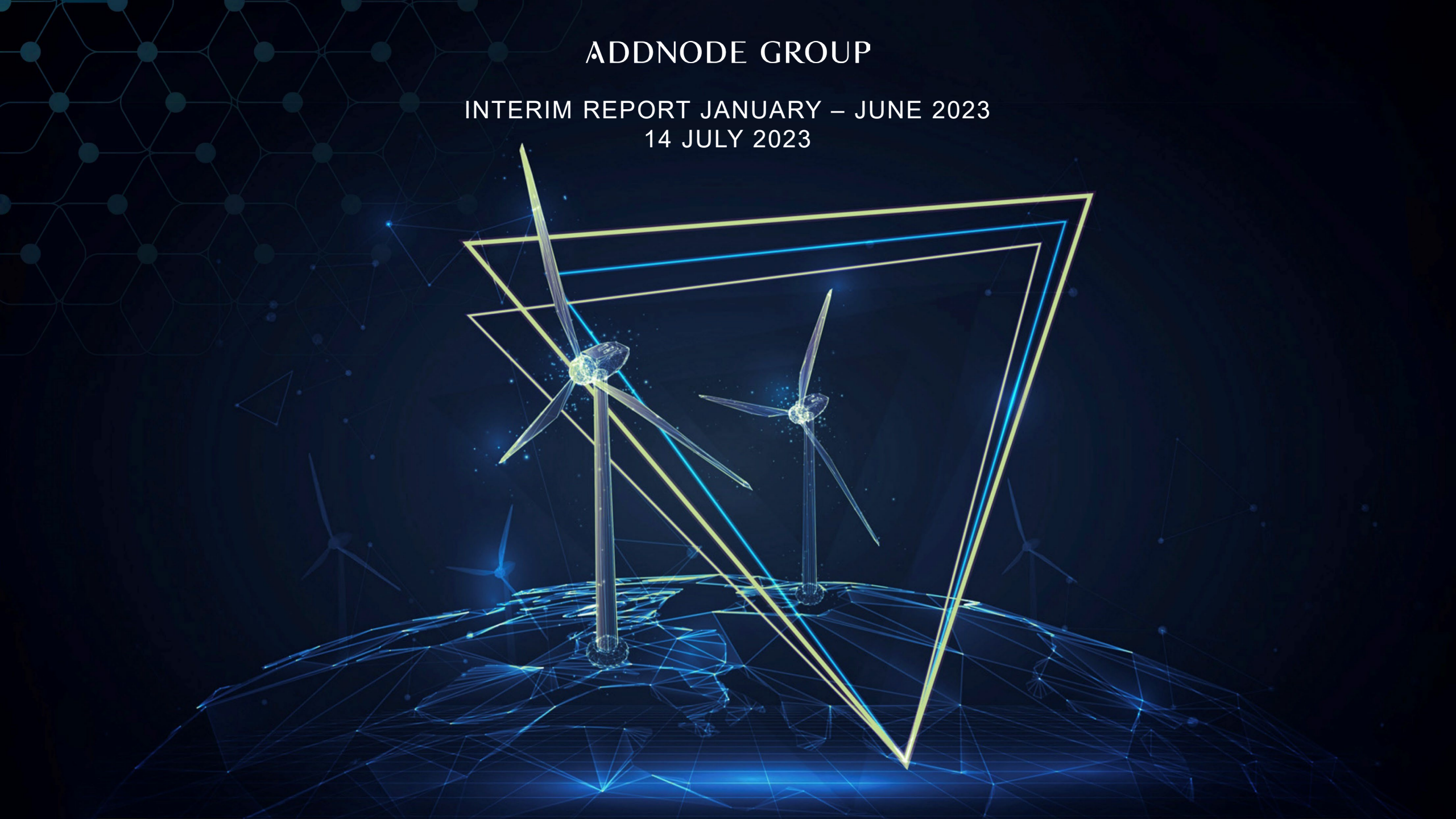


# ADDNODE GROUP

INTERIM REPORT JANUARY – JUNE 2023  
14 JULY 2023



A stylized white logo for '20 YEARS' where the '2' is formed by two curved lines and the '0' is a solid circle.

ADDNODE GROUP  
20 YEARS

# PRESENTATION OF ADDNODE GROUP'S Interim report January – June 2023



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# AGENDA

## Interim report January – June 2023

1. Addnode Group in brief
2. Q2 2023
3. Sustainability
4. Q&A
5. Appendix
  - a) Investment case
  - b) Acquisitions 2023, 2022, 2021, 2020
  - c) Shareholders, June 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 Q2 2023** Full year 2022

**Net Sales**  
SEK M

**6,936**  
6,225

**EBITA**  
SEK M

**706**  
728

**EPS**  
SEK

**2.58**  
2.86

**Recurring  
Revenue**

**70%**  
70%

# ADDNODE GROUP

Q2 2023: Weaker earnings than previous year. Acquisition strengthening the position in the USA.

## Highlights

- Net sales increased by 4% to SEK 1,554 m
  - Design Management division net sales experienced lower sales of Autodesk products due to lower demand from the construction industry, longer sales cycles, and a significantly lower share of multi-year agreements
  - Division PLM achieved organic growth, but as previously reported, work to increase profitability is ongoing
  - The Process Management division reported somewhat better earnings than the previous year
  - Currency adjusted organic growth -3%
- Recurring revenue reached SEK 1,004 m (1,019)
- EBITA adjusted for restructuring costs in PLM was SEK 120 m (154)
- Acquisition of Team D3

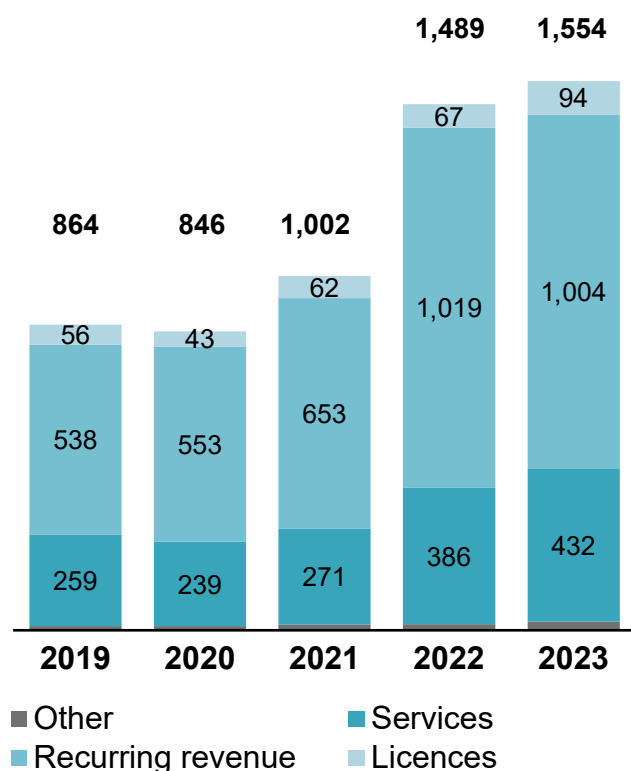
	Q2 2023	Q2 2022	Change	Rolling 12m
Net sales, SEK M	1,554	1,489	4%	3,526
EBITA, SEK M	110	154	-29%	312
EBITA margin, %	7.1	10.3		8.8
Earnings per share, SEK	0.25	0.52	-52%	1.03

*»Weaker earnings were primarily due to lower net sales in our Design Management division and restructuring measures to lift the profitability of our Product Lifecycle Management division. The Process Management division reported somewhat better earnings than the previous year.«*

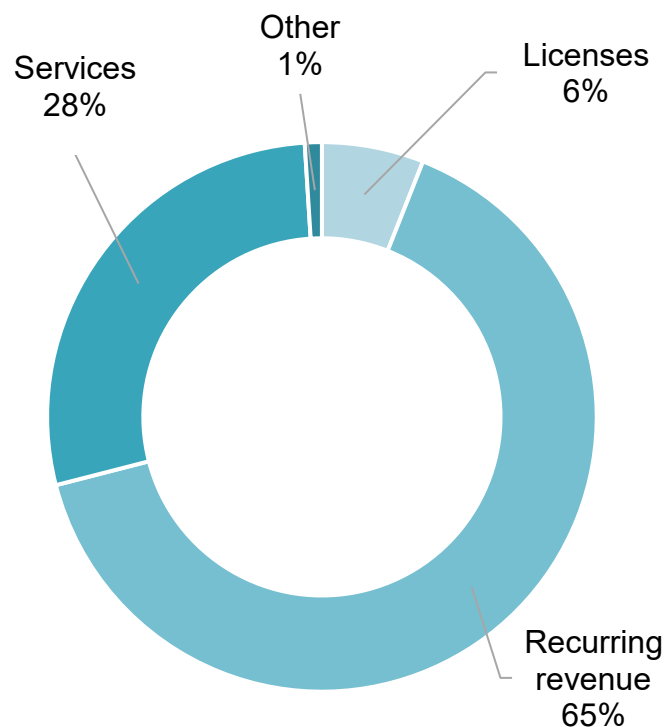
# ADDNODE GROUP

Continued high share of recurring revenue, 65% of net sales in Q2'23

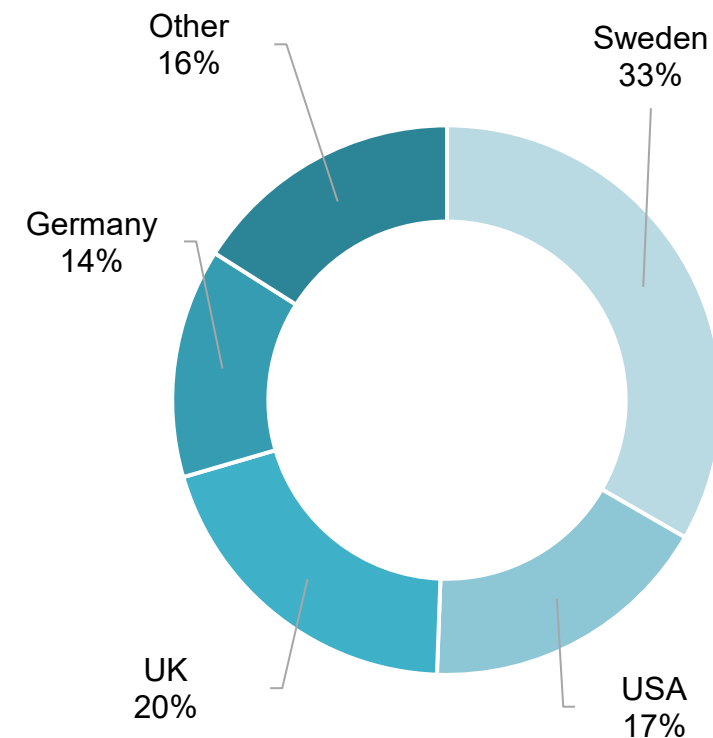
Breakdown of net sales, SEK m  
Q2 2019–2023



Breakdown of net sales by  
category, Q2'23



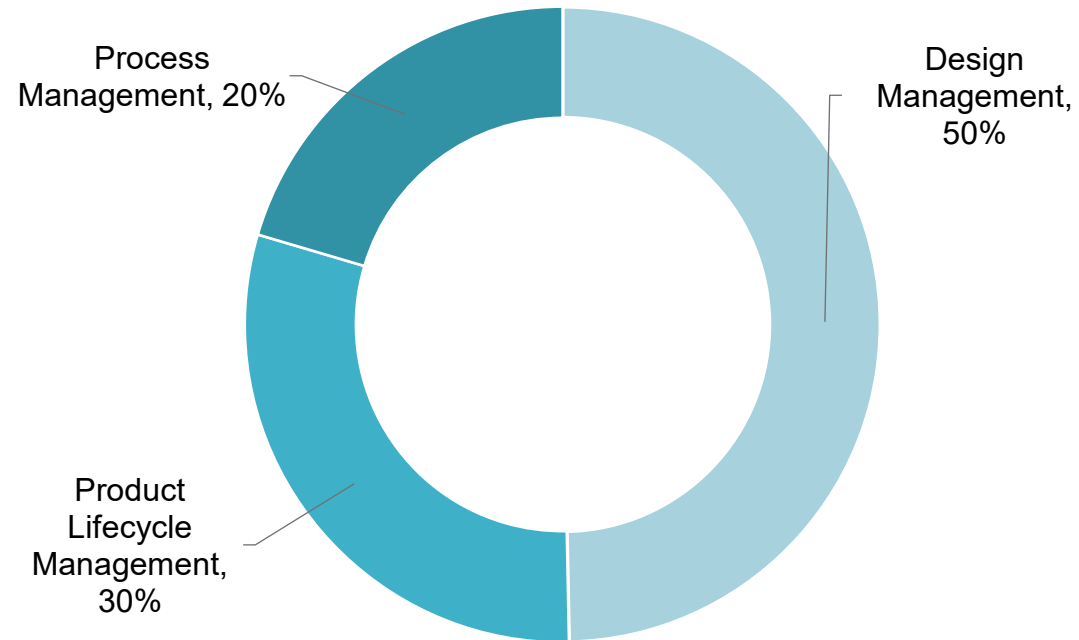
Breakdown of net sales by  
geography, Q2'23



# ADDNODE GROUP

## Three divisions

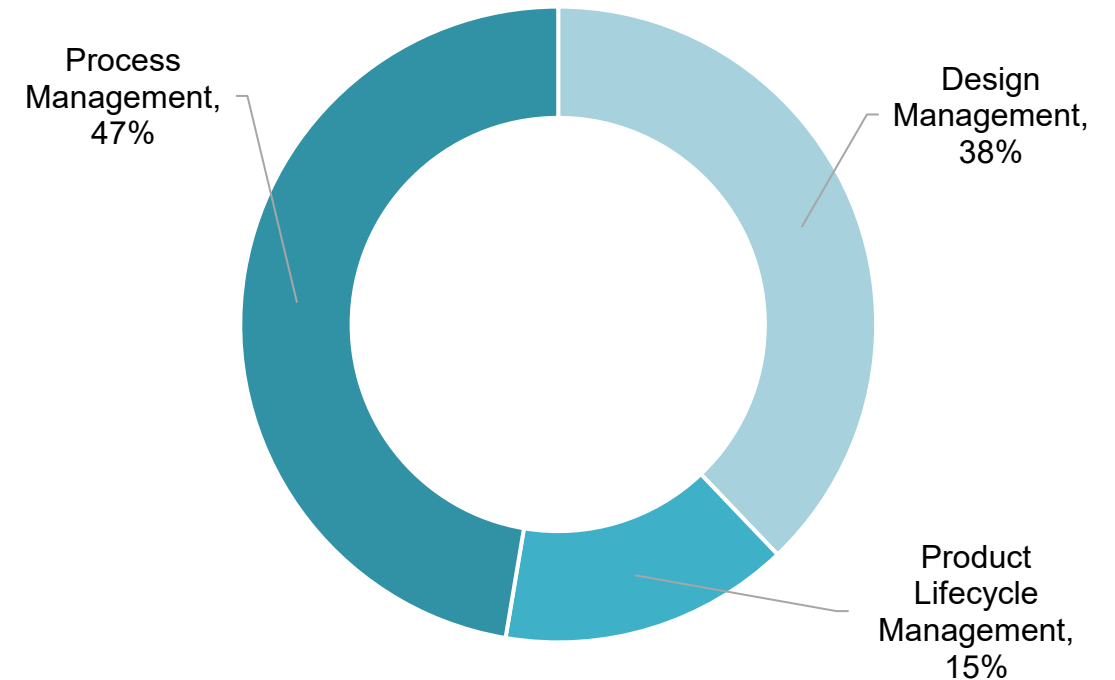
### Share of Net Sales\* Q2 2023



**Addnode Group Net sales Q2 2023: SEK 1,554 m**

\* Before eliminations

### Share of EBITA\* Q2 2023



**Addnode Group EBITA Q2 2023: SEK 110 m**

\* Before eliminations / central costs



# DESIGN MANAGEMENT

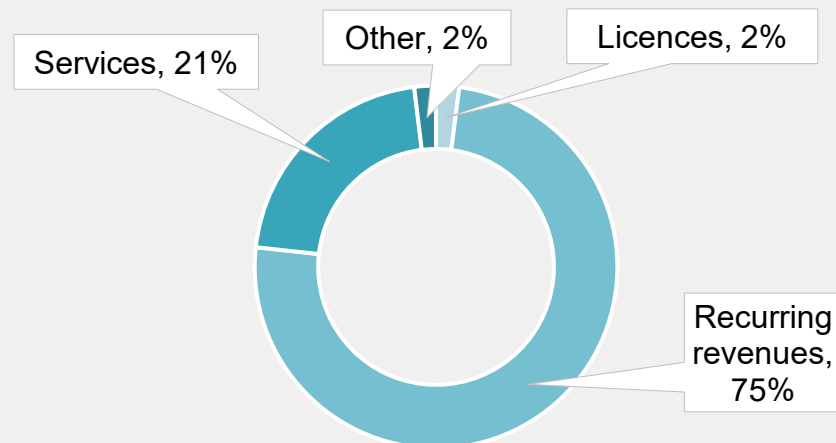
## Challenging quarter

### Highlights

- Net sales decreased by 3% to SEK 778 m, currency adjusted organic growth -9%
  - The Autodesk business slowed down and had tough comps.
    - Investments in construction and civil engineering projects are now increasingly being deferred
    - Customers are renewing their agreements, but some are deciding to downscale volumes
    - The share of three-year agreements sold was lower than previously
  - SWG and Tribia made stable progress
- EBITA decreased to SEK 48 m, the EBITA margin reduced to 6.2 per cent (9.9)
- In June Addnode Group signed an agreement to acquire Team D3 of the USA, the acquisition was closed in July

	Q2 2023	Q2 2022	Change	Rolling 12m
Net sales, SEK M	778	806	-3%	3,972
EBITA, SEK M	48	80	-40%	408
EBITA margin, %	6.2	9.9		10.3

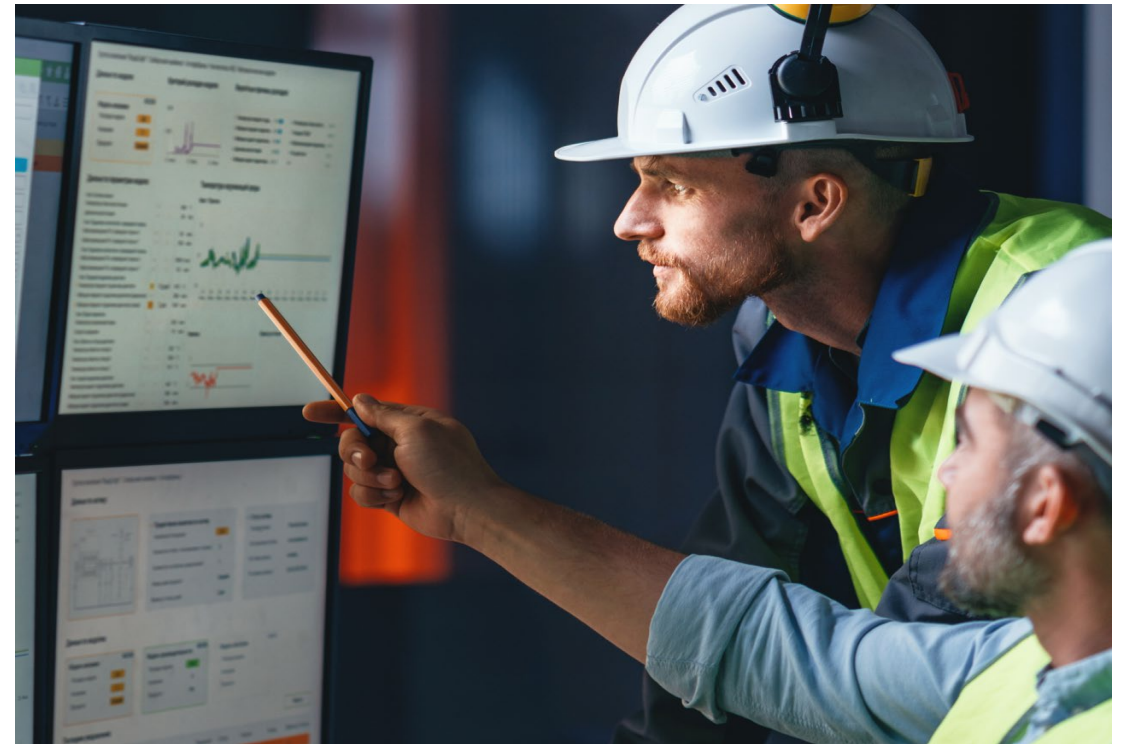
Net sales distribution, Q2 2023



# DESIGN MANAGEMENT

## Symetri: Acquisition of Team D3

- Team D3 is an Autodesk Platinum Partner with net sales of 120 MUSD and 200 employees located in multiple sites across the US
- Addnode Group's company Symetri will together with Team D3 be the #1 Global Autodesk Partner
  - Autodesk established Symetri in the USA, especially in the AEC segment, and on the East and West Coasts
  - Team D3 strengthens Symetri's position both in the segments of Manufacturing and Process & Power, as well as in the Midwest part of the US
  - Symetri's proprietary software, such as Naviate and Sovelia, is now an attractive offering to the US market



*400,000 daily users, 25,000 customers  
and 900 employees in Europe and the USA*

# DESIGN MANAGEMENT

## Bimify: An early investment to leverage market presence

- Bimify is developing a digital platform for creation and maintenance of digital building models that is powered by machine learning and automated technologies
- BIM models drive sustainability of the built environment, buildings account for 40% of energy consumption and over 90% of buildings are not yet digital
- Symetri, SWG and Tribia has good potential to leverage on Bimify's solution



# PRODUCT LIFECYCLE MANAGEMENT

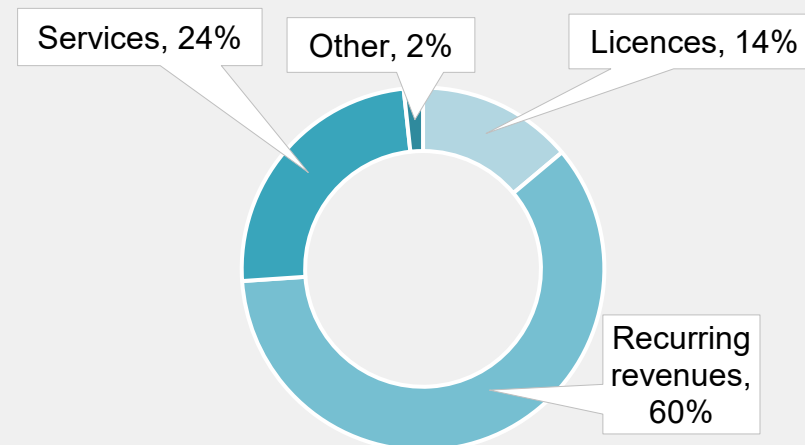
## Organic growth and restructuring measures

### Highlights

- Net sales increased by 19% to SEK 468 m, currency adjusted organic growth 6%
  - Market conditions in Germany, the UK and USA were stable in the quarter. Demand in the Nordics was weaker
  - Continued demand for PLM systems from both established companies and start-ups managing electrification investments in the vehicle and transportation industries
- EBITA was SEK 20 m (35), and the EBITA margin was 4.3% (8.9)
- Restructuring measures to increase profitability
  - Restructuring costs are estimated at approx. SEK 20 m, of which SEK 10 m was recognised in Q2
  - Estimated yearly cost saving is around SEK 40 m, with full effect from Q1 2024

	Q2	Q2	Change	Rolling
	2023	2022		12m
Net sales, SEK M	468	394	19%	1,749
EBITA, SEK M	20	35	-43%	135
EBITA margin, %	4.3	8.9		7.7

Net sales distribution, Q2 2023



# PROCESS MANAGEMENT

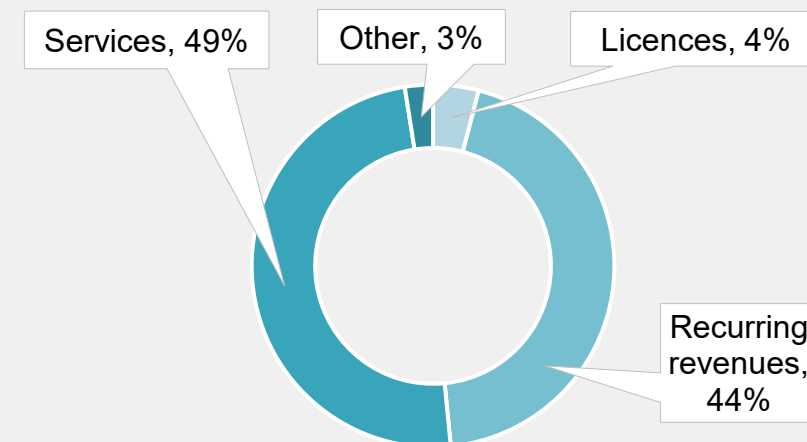
## Organic growth and increased EBITA

### Highlights

- Net sales increased by 8% to SEK 320 m, organic growth 5%
  - Municipalities and public authorities showed some restraint in terms of investment, and there were fewer tenders than in the previous year
  - Positive and established relationships with a large public sector customer base, gives opportunities for recurring sales and expansion of current assignments
  - 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 60 m (56), and the EBITA margin was 18.8% (18.9)

	Q2 2023	Q2 2022	Change	Rolling 12m
Net sales, SEK M	320	297	8%	1,252
EBITA, SEK M	60	56	7%	234
EBITA margin, %	18.8	18.9		18.7

### Net sales distribution, Q2 2023



# CONSOLIDATED CASH FLOW

## Q2 2023

Cash flow, SEK m	Q2 2023	Q2 2022	Change	YTD Jun 2023	YTD Jun 2022	Change
Operating profit	56	101	-45	205	235	-30
Adjustments for non-cash items	94	79	15	174	124	50
Other	-48	-31	-17	-86	-61	-25
<b>Cash flow from operations before working capital changes</b>	<b>102</b>	<b>149</b>	<b>-47</b>	<b>293</b>	<b>298</b>	<b>-5</b>
Changes in working capital	25	-27	52	103	66	37
<b>Cash flow from operating activities</b>	<b>127</b>	<b>122</b>	<b>5</b>	<b>396</b>	<b>364</b>	<b>32</b>
Cash flow from investing activities	-82	-93	11	-237	-361	124
Cash flow from financing activities	352	-121	473	382	163	219
<b>Total cash flow</b>	<b>397</b>	<b>-92</b>	<b>489</b>	<b>541</b>	<b>166</b>	<b>375</b>

# CONSOLIDATED FINANCIAL POSITION

June 30, 2023

<b>Balance sheet, SEK m</b>	<b>Jun 30, 2023</b>	<b>Jun 30, 2022</b>	<b>Change</b>	<b>Dec 31, 2022</b>	<b>Change</b>
Intangible non-current assets	3,558	3,385	173	3,409	149
Other non-current assets	273	335	-62	276	-3
Net working capital	-716	-620	-96	-598	-118
<b>Total assets</b>	<b>3,115</b>	<b>3,100</b>	<b>15</b>	<b>3,087</b>	<b>29</b>
Equity	2,060	1,793	267	2,005	55
Provisions, taxes and other debt	567	707	-140	619	-52
Net debt	488	601	-112	463	25
<b>Total equity &amp; liabilities</b>	<b>3,115</b>	<b>3,100</b>	<b>15</b>	<b>3,087</b>	<b>29</b>
Equity ratio	32%	32%	0%	32%	0%
Return on capital employed (ROCE)	15	15	0	20	-5
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>1,096</i>	<i>592</i>	<i>504</i>	<i>722</i>	<i>374</i>

# SUSTAINABILITY AGENDA

1

Digital solutions that contribute to sustainable development

2

Care for people and the planet in our own operations

3

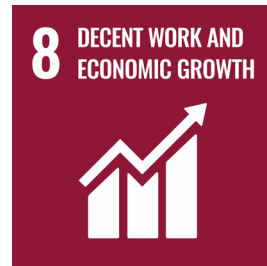
The way we work with our partners and suppliers

4

Long-term financial viability

5

Sustainability management and governance





# SUSTAINABILITY CASES Q2 2023

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

## Digitalised product development with reduced carbon footprint



Symetri, in the Design Management division, has supported EASYFIX Rubber Products on a digitalisation project to improve the utilisation of technology and structural capital to promote business and sustainability targets. The assignment included implementation of Autodesk Inventor, so that EASYFIX can produce designs, moulds and 3D print mould prototypes in-house. The new working methods have reduced costs and increased efficiency, while reducing carbon footprint.



## Electrification with shorter development lead-times and lower cost



TECHNIA, in the Product Lifecycle Management division, has delivered the cloud-native version of the 3DEXPERIENCE platform to Bold Valuable Technology (Bold). Bold wanted a powerful design tool and robust PLM system to reach the market with its battery solutions more effectively. Now, with the new PLM platform, Bold's battery solutions have become more available and cost-efficient, which is especially positive because it benefits electrification in the aviation and maritime industries.



## Digital traffic planning for better public transport

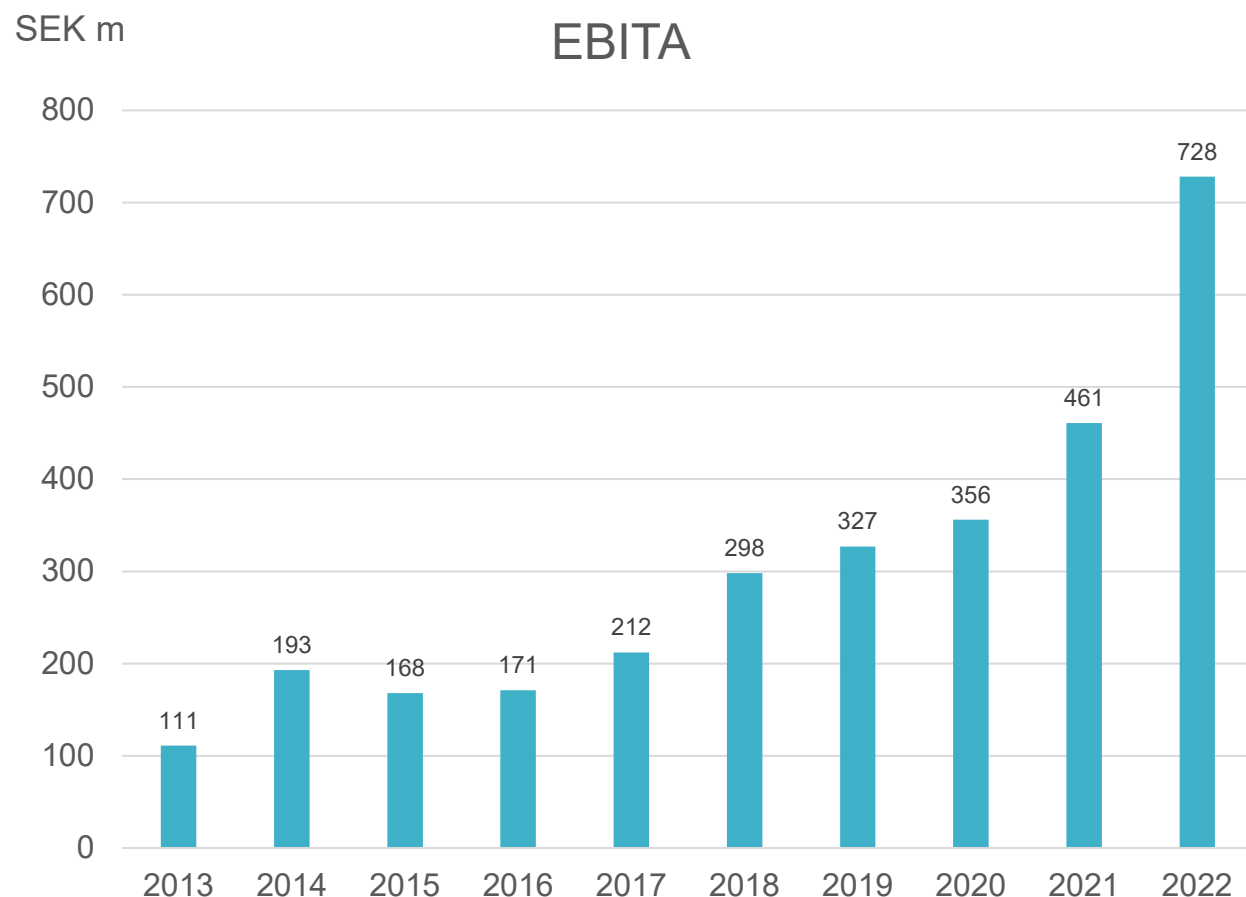


Forsler & Stjerna, in the Process Management division, is supporting the public transport provider Skånetrafiken with the planning tool Rebus. Rebus includes a comprehensive traffic database for transmitting planned traffic data to other databases and systems. Greater efficiency and reliability of public transport mean more people choose these alternatives above their own cars. Each journey by public transport instead of car cuts climate emissions by an estimated 90 per cent.



# ORGANIC AND ACQUISITION-LED GROWTH STRATEGY

Yearly average EBITA growth 2013-2022: 23%



## ORGANIC

Decentralised  
responsibility and  
authority

Strategic support

Synergies and  
collaboration

## ACQUISITIONS

Complementary  
business or  
markets

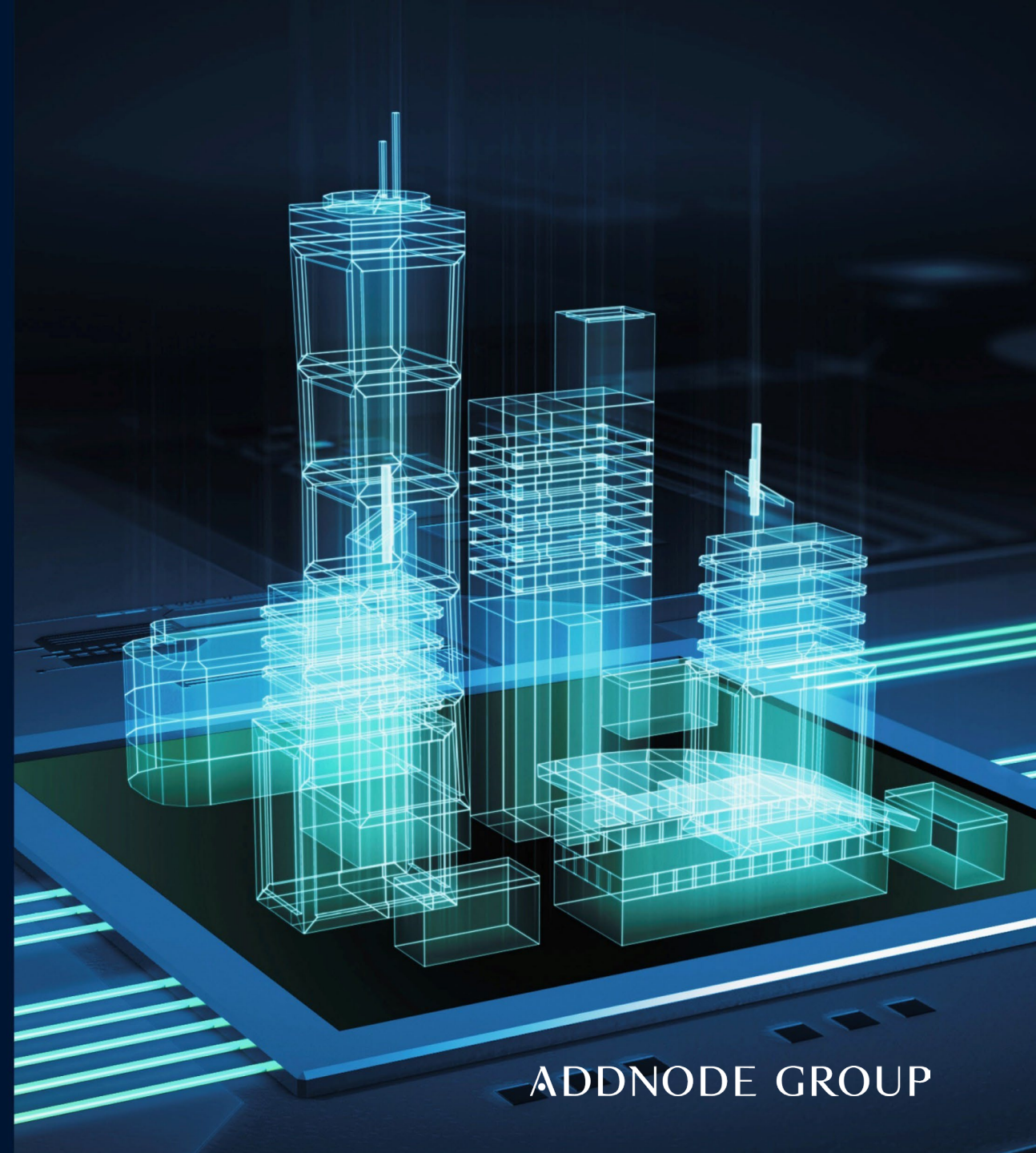
Values based  
leadership

Attractive valuation

## OUR STRATEGY

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

# QUESTIONS & ANSWERS



# APPENDIX

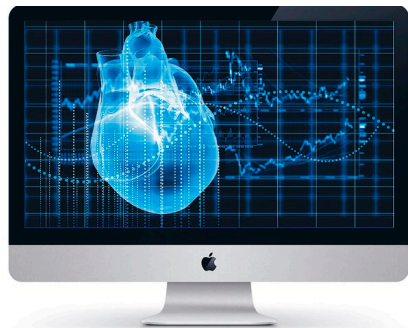


# ADDNODE GROUP AS AN INVESTMENT

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.

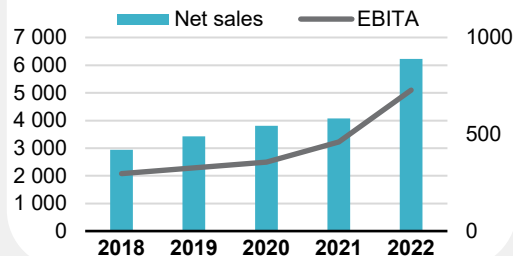


2

## 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

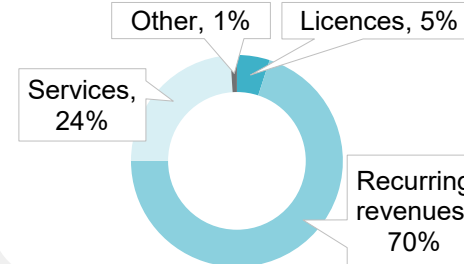


3

## 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

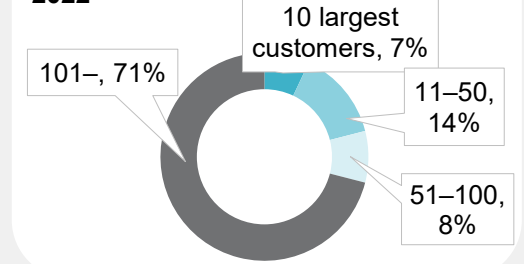


4

## 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



# ADDNODE GROUP

## Organic and acquisition-led growth strategy

### ORGANIC

Decentralised responsibility and authority

Strategic support

Synergies and collaboration

### ACQUISITIONS

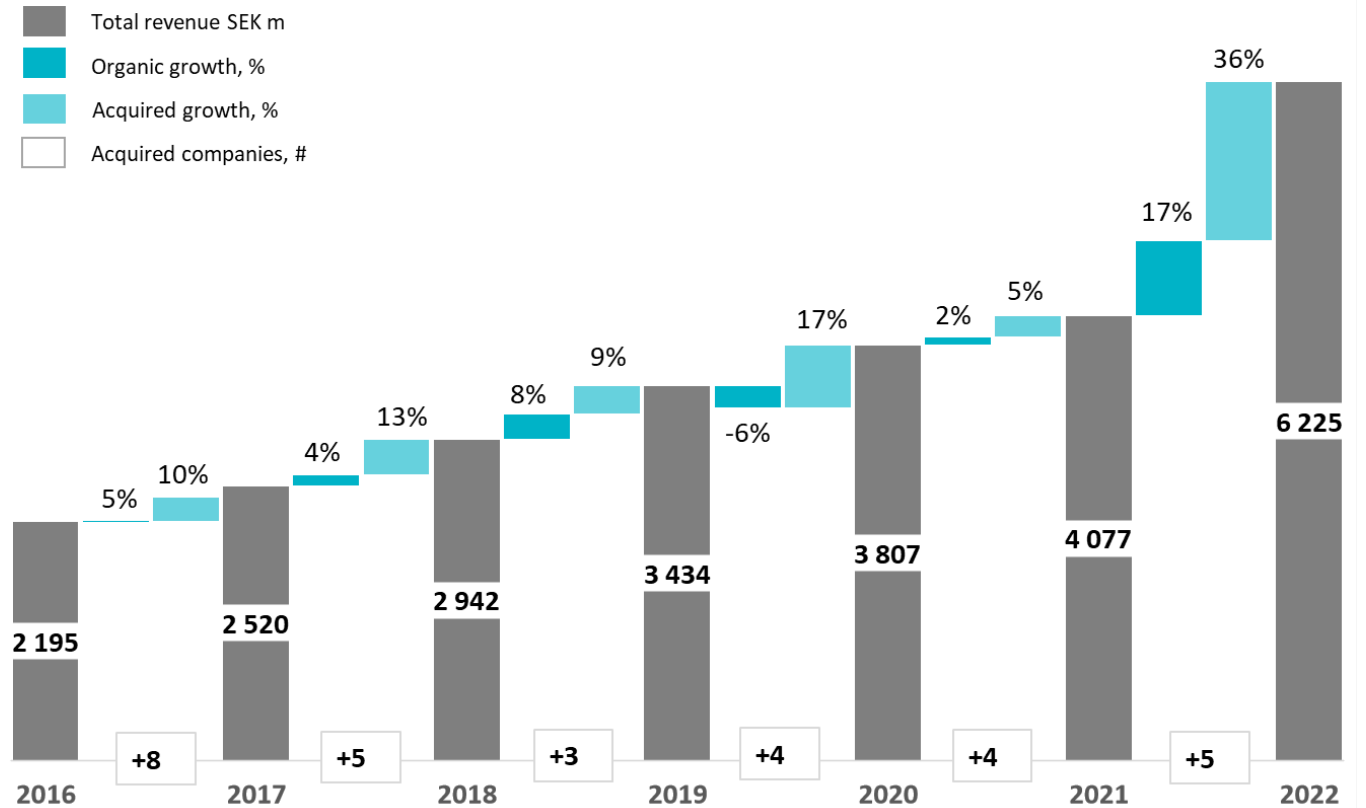
Complementary business or markets

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

## June 30, 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		12,630,677	9.4	7.4
Swedbank Robur Fonder		11,288,416	8.4	6.6
Lannebo Fonder		10,802,310	8.0	6.4
Clients Fonder		7,065,792	5.3	4.2
Andra AP-Fonden		6,866,473	5.1	4.0
Aeternum Capital AS	460,000	1,709,134	1.6	3.7
Fjärde AP-Fonden		6,176,528	4.6	3.6
Nordea Fonder		4,834,843	3.6	2.8
<b>Subtotal, 10 largest shareholders</b>	<b>3,947,996</b>	<b>66,572,669</b>	<b>52.5</b>	<b>62.3</b>
Other shareholders	700	64,006,867	47.5	37.7
<b>Total</b>	<b>3,948,696</b>	<b>130,579,536</b>	<b>100</b>	<b>100</b>

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

### Managements shareholdings

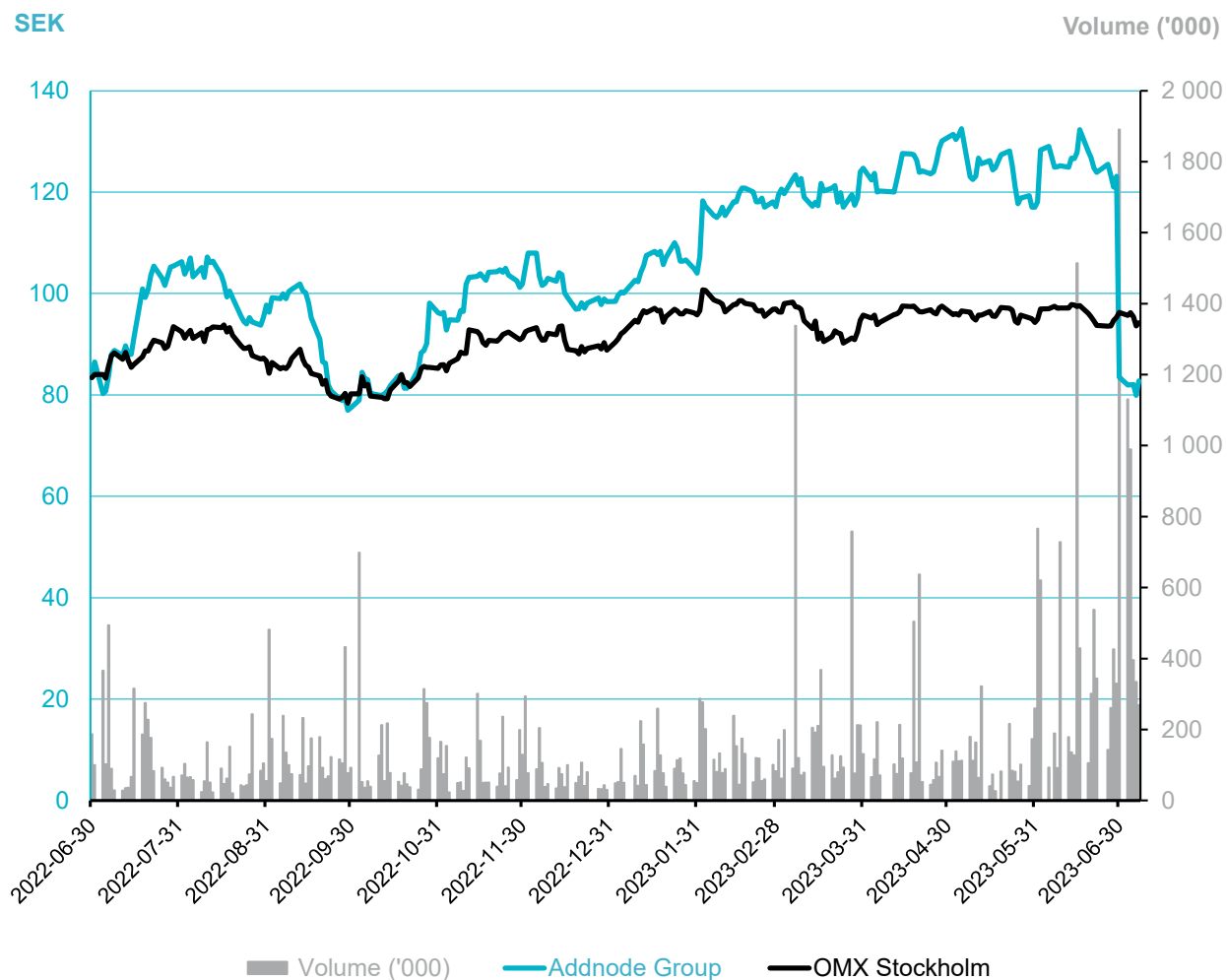
- Johan Andersson, CEO, 393,912 shares and 38,000 call options for 92,000 B-shares
- Other members of GMT, 124,892 shares and 98,600 call options for 254,600 B-shares
- Senior executives in LTIP2021, LTIP 2022 and LTIP 2023 holds call options valid for approximately 1 200 000 class B-shares

### Addnode Group's shareholdings

Addnode Group AB's holdings of treasury shares as of 30 June 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

## 1 Year (2022-06-30 – 2023-07-07)



	22-06-30	23-07-07	Change, %
<b>Addnode Group</b>	83.40	82.80	-1
<b>Nasdaq Stockholm</b>	734.28	829.48	13

- Average daily traded volume in Q1 2023 reached 246 thousand shares, up from 150 thousand in Q1 2022
- Total number of shareholders continues to increase, up from 7,925 at March 31, 2023, to 8,207 by June 30, 2023
- Indexes that Addnode Group is included in are OMX Stockholm Benchmark and OMX Stockholm Technology