

ADDNODE GROUP

YEAR-END REPORT JANUARY – DECEMBER 2023
2 FEBRUARY 2024



PRESENTATION OF ADDNODE GROUP'S Year-end report January – December 2023



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AGENDA

Year-end report January – December 2023

1. Addnode Group in brief
2. 2023
3. Q4 2023
4. Sustainability
5. Q&A
6. Appendix
 - a) Investment case
 - b) Acquisitions 2023, 2022, 2021, 2020
 - c) Shareholders, December 31, 2023
 - d) Share performance, 1 year

ADDNODE GROUP

This is Addnode Group

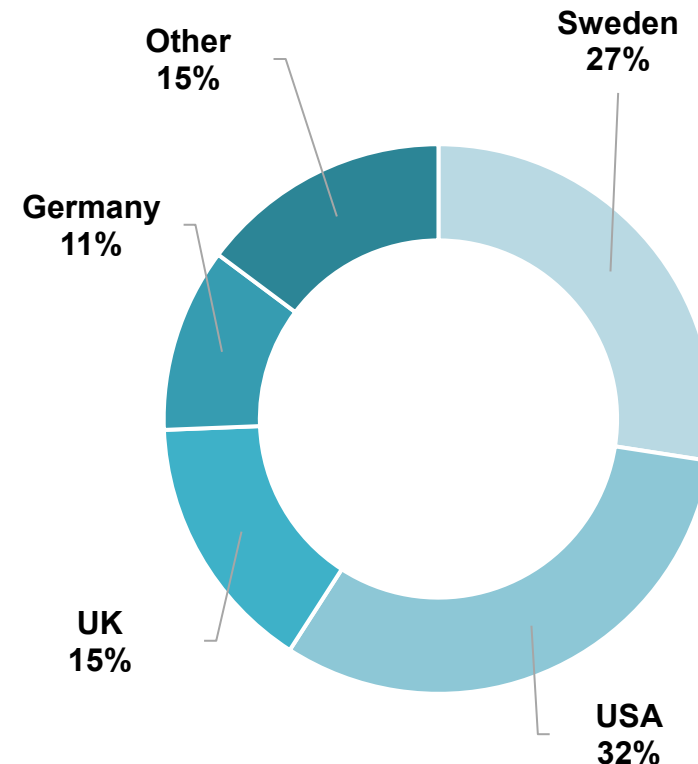
International group providing *digital solutions* for sustainable design, product data management, digital twins, efficient management of real estate and facilities, and effective public administration.

Highly *decentralised* structure

- 20 specialised companies
- 2,700 employees

Global trends such as *digitalisation, automation, urbanisation and sustainability* are driving demand for our solutions.

Breakdown of net sales by geography, Q4'23



KEY FINANCIALS 2023

Net sales (SEK M)

7,412

(6,225)

Share of recurring revenue

70%

(68%)

EBITA (SEK M)

640

(728)

Cash flow from operating activities (SEK M)

485

(714)

ADDNODE GROUP

Q4 2023: Growth, Stable Earnings and Cash Flow

Highlights

- Net sales growth 16%
 - Currency adjusted organic growth -2%
 - Recurring revenue SEK 1,458 m (1,193)
- EBITA, adjusted for restructuring costs, increased to SEK 201 m (200)
- Cash flow from operating activities SEK 228 m (261)
- Two acquisitions in January 2024

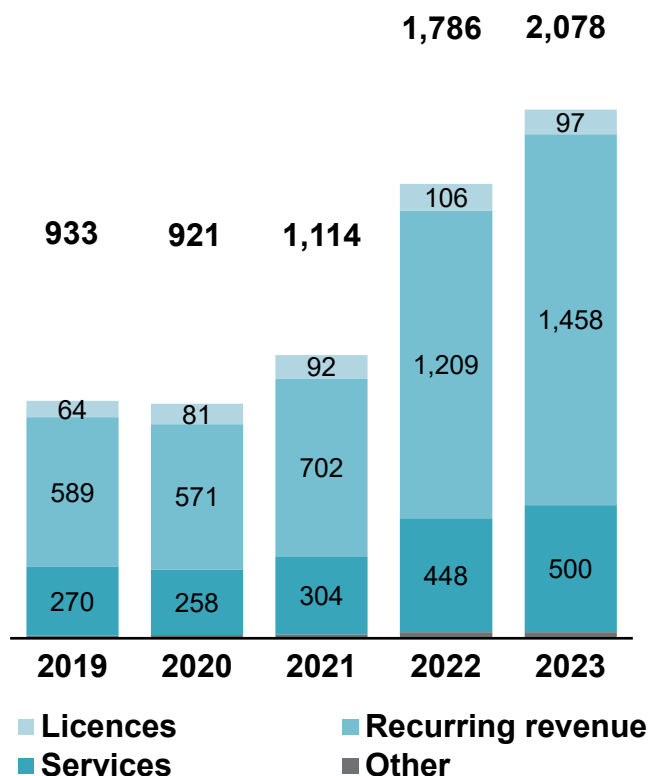
	Q4	Q4		Full-year
	2023	2022	Change	2023
Net sales, SEK M	2,078	1,786	16%	7,412
EBITA, SEK M	196	200	-2%	640
EBITA margin, %	9.4	11.2		8.6
Earnings per share, SEK	0.80	0.77	3%	2.09



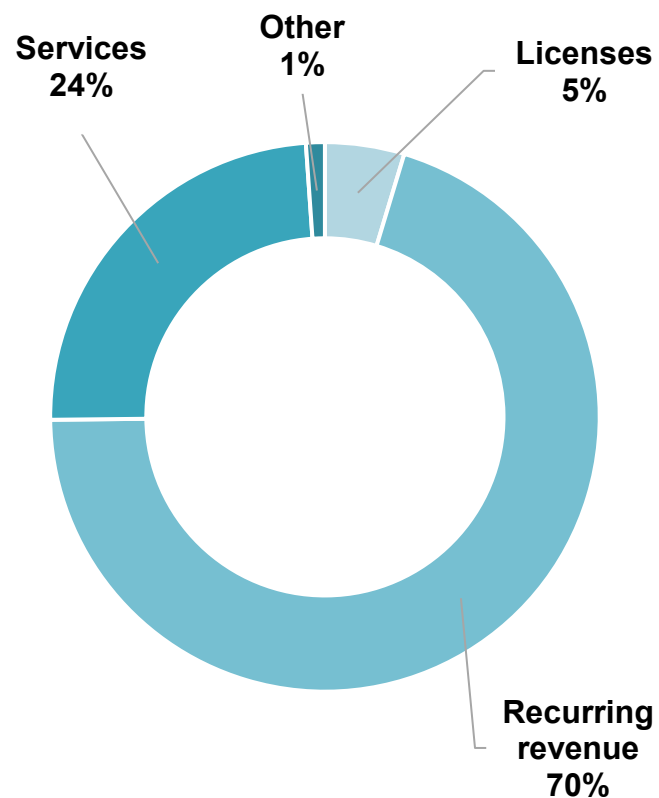
ADDNODE GROUP

Continued high share of recurring revenue, 70% of net sales in Q4'23

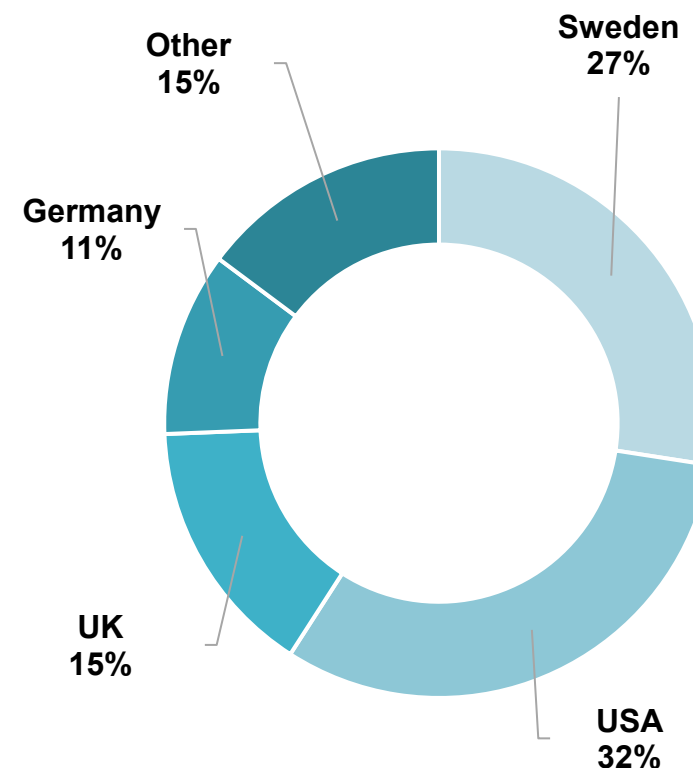
Breakdown of net sales, SEK m
Q4 2019–2023



Breakdown of net sales by
category, Q4'23



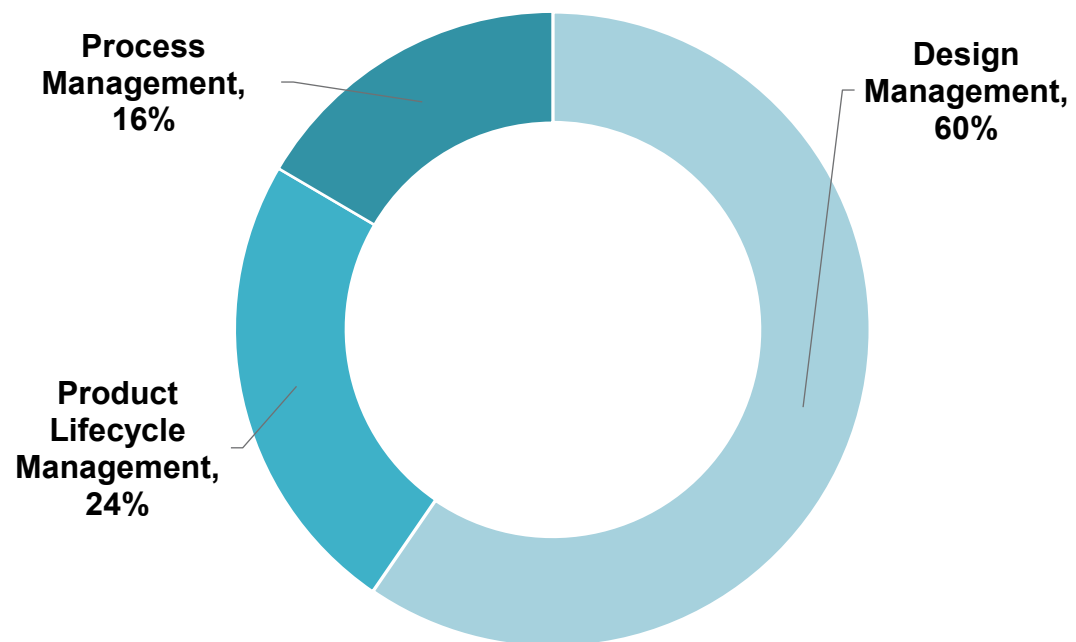
Breakdown of net sales by
geography, Q4'23



ADDNODE GROUP

Three divisions

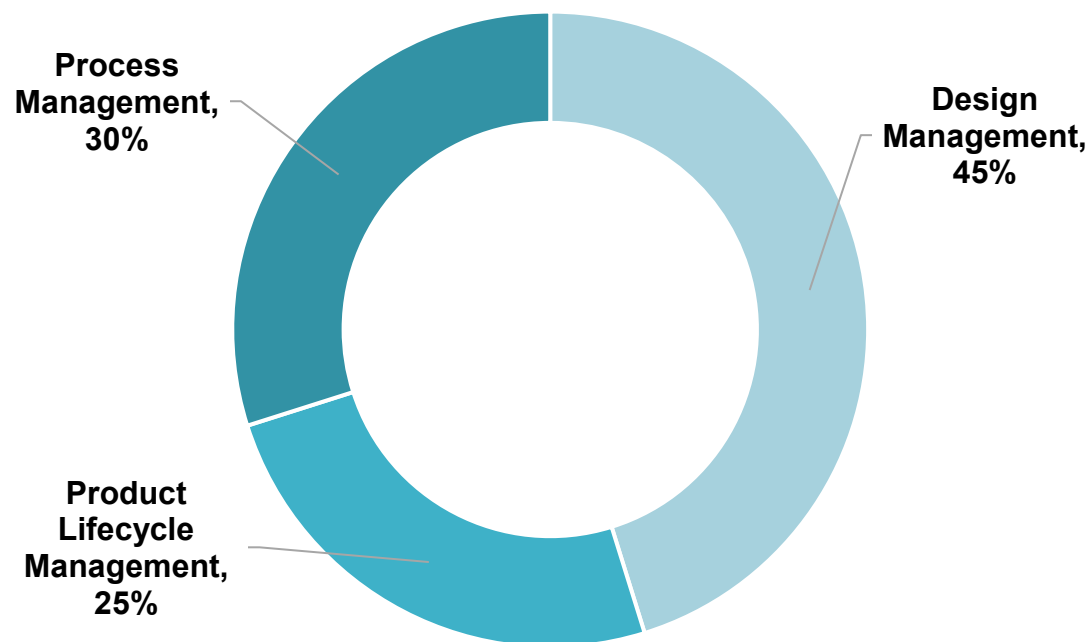
Share of Net Sales* Q4 2023



Addnode Group Net sales Q4 2023: SEK 2,078 m

* Before eliminations

Share of EBITA* Q4 2023



Addnode Group EBITA Q4 2023: SEK 196 m

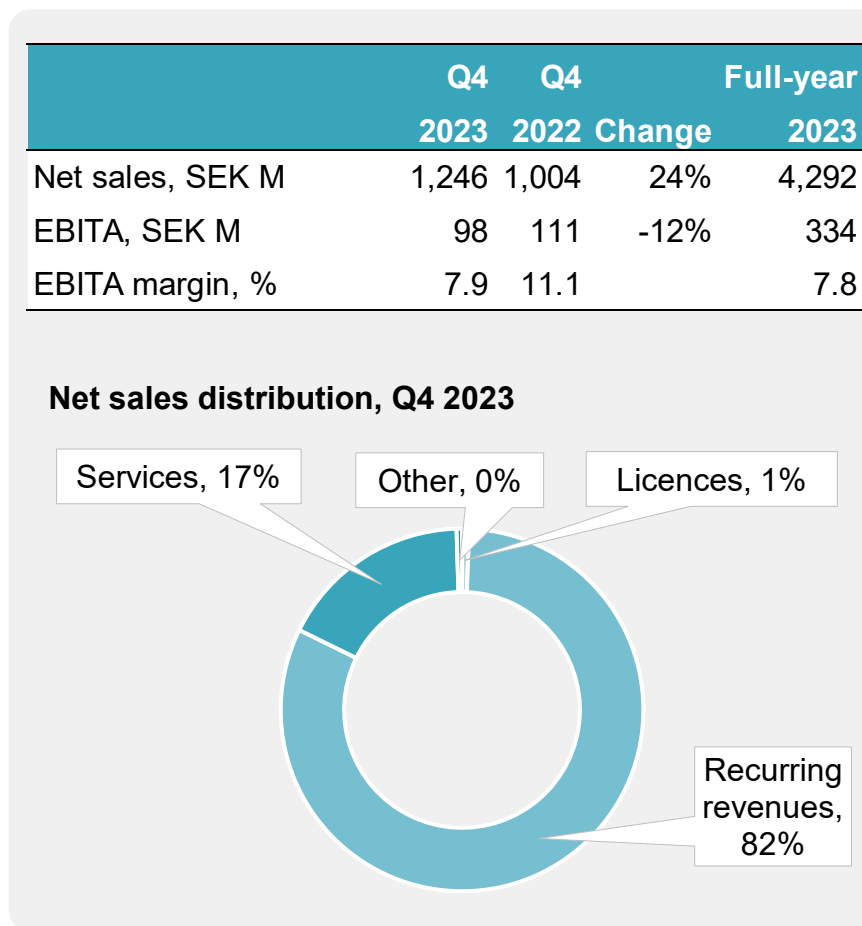
* Before eliminations / central costs

DESIGN MANAGEMENT

Cost reductions and positive impact from TeamD3

Highlights

- Net sales growth 24%, currency adjusted organic growth -6%
 - Demand in Europe stable, but US construction and real estate market still weak.
 - 3yr agreements significantly lower than in the same period last year, in terms of both new sales and renewed volumes.
 - No of customers and the annual value of the underlying Autodesk contract base continues to increase.
 - SWG and Tribia delivered stable growth driven by the acquisition of FAST2.
- EBITA declined 12%, EBITA margin declined to 7.9% (11.1)
 - High comps following record-breaking sales of 3yr agreements in 2022.
 - Staff reductions in Symetri US.
 - Team D3 had a positive impact on earnings.



DESIGN MANAGEMENT

New transaction model for Autodesk business announced

Transition from existing VAR model to new transaction model is expected to happen over a two-year period (2024/2025)

- Net sales and COGS will be reduced
 - Symetri will get a commission on the order, of equal or similar size to their current gross margin
- No major impact on EBITA and cashflow expected
- Gross Profit margin and EBITA margin to increase significantly

Symetri's sales of its own developed technology, other third-party technologies, training, support and consultancy will continue to be transacted and invoiced as they are today.

DESIGN MANAGEMENT

NEW TRANSACTION MODEL – HIGHER MARGINS 2025

	Current VAR MODEL	New AGENCY MODEL	Change
Autodesk subscription	850	213	-637
Other 3p software	50	50	0
Own technology and Services	250	250	0
Net sales	1 150	513	-637
Autodesk subscription	-637	0	637
Other 3p software	-37	-37	0
Own technology and Services	-38	-38	0
COGS	-712	-75	637
Gross Profit	438	438	0
<i>Gross Profit margin</i>	38%	85%	47%
EBITA	88	88	0
<i>EBITA margin</i>	7,6%	17,1%	9%

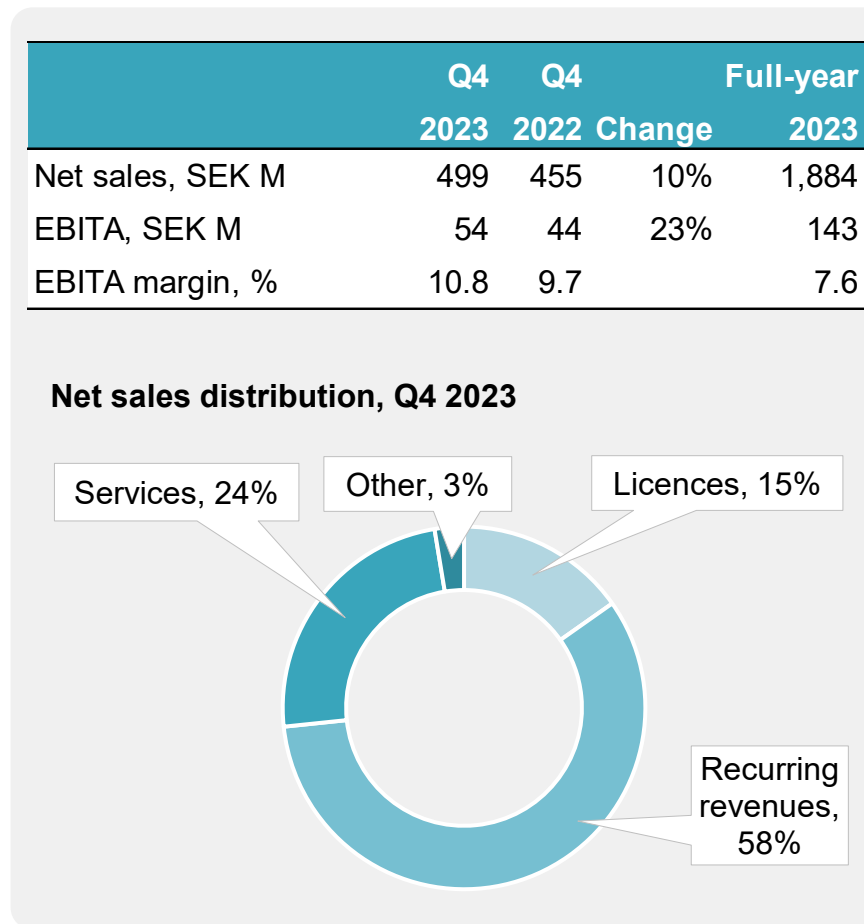
This is only an illustrative example of differences between VAR and AGENCY MODEL. It illustrates only expected changes because of the new announced transaction model. This illustrative example should not be viewed as a prognosis or statement on Symetri and Addnode Groups performance.

PRODUCT LIFECYCLE MANAGEMENT

Organic growth and positive impact of cost savings

Highlights

- Net sales increased by 10%, currency adjusted organic growth 4%
 - Market conditions in UK, Germany and USA stable, while sales in Nordics and Benelux were weaker.
 - Organic growth was partly attributable to a couple of large licensing deals for PLM systems in UK and Germany.
- EBITA grew 23%, EBITA margin improved to 10.8% (9.7)
 - SEK 5 m of restructuring costs recognised in Q4'23.
 - Estimated yearly cost saving is around SEK 40 m, with full effect from Q1'24.

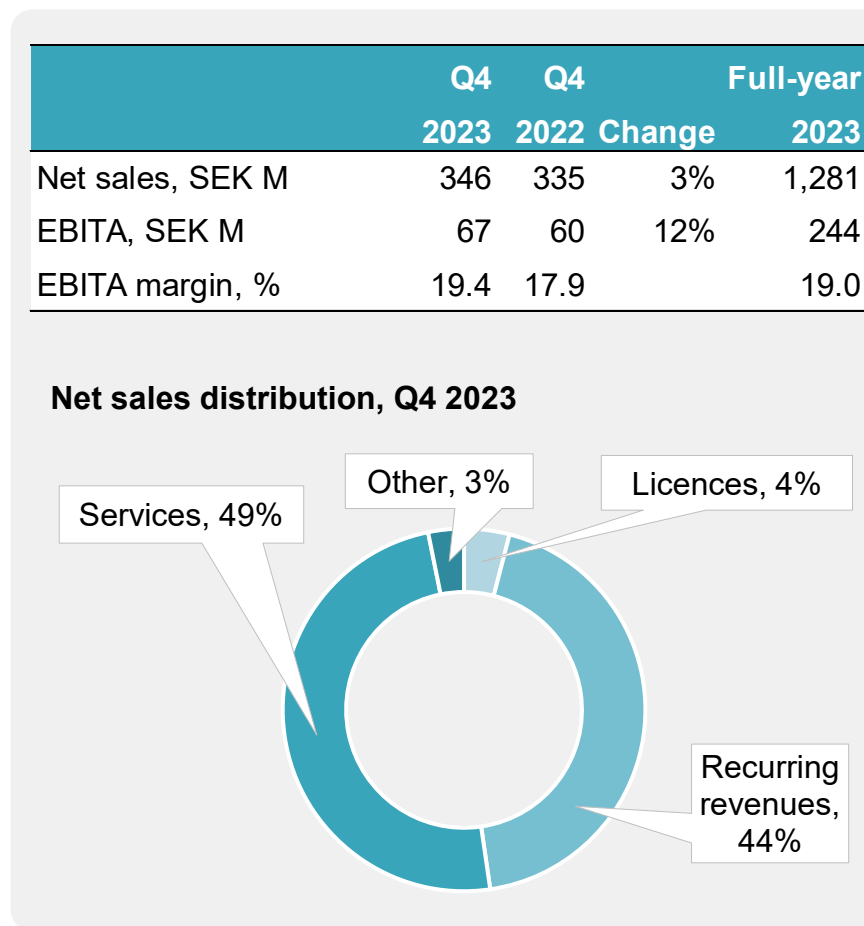


PROCESS MANAGEMENT

Solid performance in tougher market

Highlights

- Net sales increased by 3%, currency adjusted organic growth 3%
 - The number of tenders are lower compared with the preceding year, but the division's good and well-established relationships with a large public sector customer base frequently present opportunities for recurring sales, or expansion of current assignments.
 - Demand for the division's offering for customer-specific business systems remained favourable.
- EBITA grew 12%, EBITA margin improved to 19.4% (17.9)



PROCESS MANAGEMENT

Merger of S-Group Solutions and Sokigo

- The new company Sokigo will consist of almost 300 employees
- Sokigo will now be able to offer Swedish municipalities strengthened competence in sustainable urban development and an uninterrupted digital urban development process
- Joint expert resources within municipal operations, a broad product portfolio and collaborations with partners such as ESRI, creates a foundation for increased innovation power
- Increases the pace of developing world-leading technology for data-driven GIS-based insights and decisions



PROCESS MANAGEMENT

Icebound

- Based on the offering to the forest sector in the subsidiary Sokigo, a new company has been formed under the name Icebound
- Based on its existing product portfolio, as well as its competence and experience in geographic information systems (GIS) and geodata, Icebound will offer digital solutions that streamline processes and business flows for the forestry industry and other basic industries
- Consists of some 25 employees and has net sales of SEK 60 million
- In January 2024, acquisition of Efficture, a proprietary software for forest and timber management, net sales of SEK 1.5 m



PROCESS MANAGEMENT

Acquisition of Jetas Quality Systems

- A well-reputed Swedish supplier of case management systems for issues and work orders within public transport and property management
- Will be integrated into Forsler & Stjerna to strengthen its offer to Sweden's public transportation sector
- Jetas net sales is approximately SEK 6 million
- The transaction was completed February 1st



CONSOLIDATED CASH FLOW

Q4 and Full year 2023

Cash flow, SEK m	Q4 2023	Q4 2022	Change	2023	2022	Change
Operating profit	135	149	-14	410	527	-117
Adjustments for non-cash items	97	84	13	361	294	67
Other	-71	-45	-26	-198	-144	-54
Cash flow from operations before working capital changes	161	188	-27	573	677	-104
Changes in working capital	67	73	-6	-88	37	-125
Cash flow from operating activities	228	261	-33	485	714	-229
Cash flow from investing activities	-62	-45	-17	-672	-490	-182
Cash flow from financing activities	-24	-164	140	276	-63	339
Total cash flow	142	52	90	89	161	-72

CONSOLIDATED FINANCIAL POSITION

December 31, 2023

Balance sheet, SEK m	Dec 31, 2023	Dec 31, 2022	Change
Intangible non-current assets	3,949	3,409	540
Other non-current assets	417	276	141
Net working capital	-543	-598	55
Total assets	3,823	3,087	737
Equity	2,116	2,005	111
Provisions, taxes and other debt	708	619	89
Net debt	999	463	536
Total equity & liabilities	3,823	3,087	736
Equity ratio	29%	32%	-3%
Return on capital employed (ROCE)	14	20	-6
Term loan	1,000	0	1,000
Revolving credit facility	1,600	1,600	0
<i>Whereof unutilized</i>	<i>1,166</i>	<i>722</i>	<i>444</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 Q4 2023

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

3D Models and Digital Drawings of Historic Buildings



As part of an assignment for the Nordic Museum in Stockholm, SWG – part of the Design Management division – has digitised drawings and created digital 3D models of the museum’s buildings and facilities. The Nordic Museum needed digital documents to facilitate repairs and maintenance in order to ensure that the buildings retain their historical profile.

SWG’s efforts have also helped the Nordic Museum to improve the quality of its building data, and the digital format enables all building information to be easily updated in one place. Having digitised building information will also make it easier for repairers to plan maintenance in advance, thereby limiting travel time and costs.



Digital Twins of Vehicles for Last-Mile Deliveries



TECHNIA, part of the Product Lifecycle Management division, has helped German start-up Mocchi with a virtual twin of its Smart Pedal Vehicle (SPV) for last-mile deliveries of goods in urban environments. The Mocchi SPV is optimised for commercial and carbon-neutral deliveries in cities.

Having a digital twin makes it possible to optimise the design and manufacturing process, resulting in less material and energy use. Simulating the manufacturing process also makes it possible to identify opportunities for improvement, offering further potential to reduce the climate impact.



Digital Signalling System Modernises Railways



Decisive, part of the Process Management division, has supported the Norwegian infrastructure company Bane NOR, which is responsible for Norway’s railways, in implementing the new European Rail Traffic Management System. The project is Norway’s largest public digitalisation initiative to date.

By investing in the new system, Bane NOR has helped to strengthen the competitiveness of the railway system as a logistics solution. Having more people travel by train and more goods transported by rail helps to reduce CO₂ emissions and increase energy efficiency.



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.

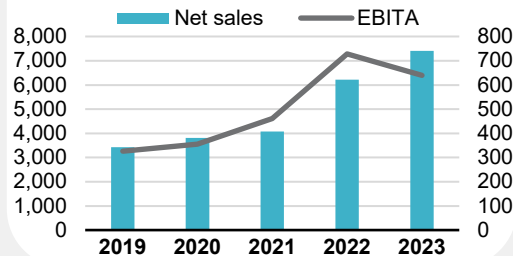


2

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 18%, respectively

Growth, SEK M
2019–2023

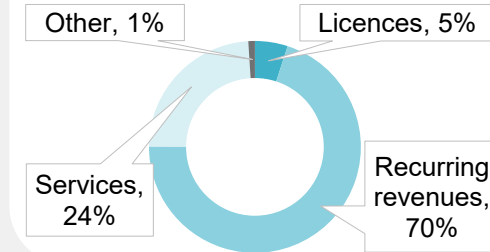


3

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,
2023

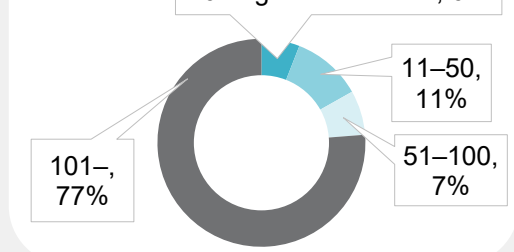


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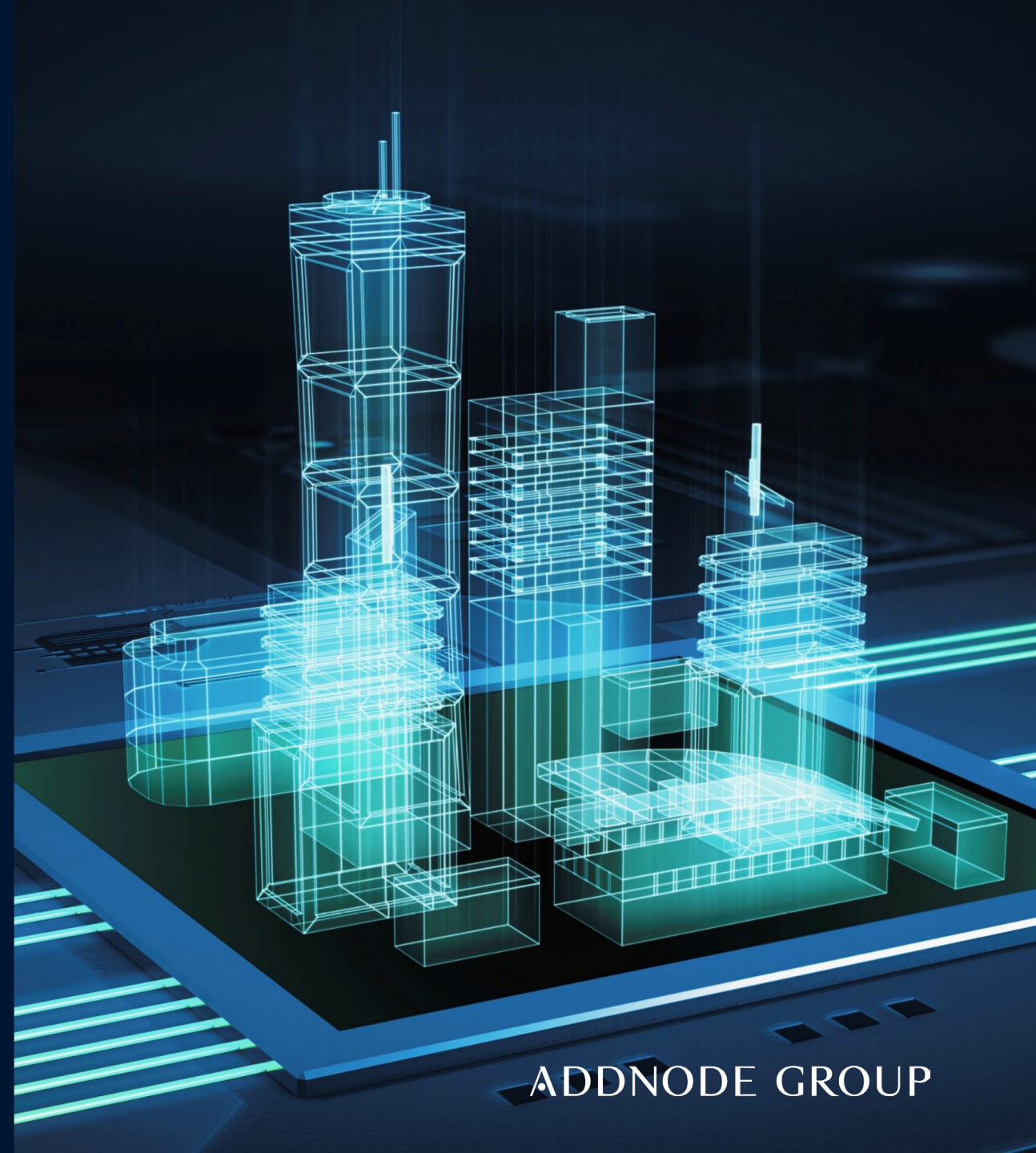
Diversification spreads risk

- 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,
2023



QUESTIONS & ANSWERS



APPENDIX



ADDNODE GROUP

Organic and acquisition-led growth strategy

ORGANIC

Decentralised responsibility and authority

Strategic support

Synergies and collaboration

ACQUISITIONS

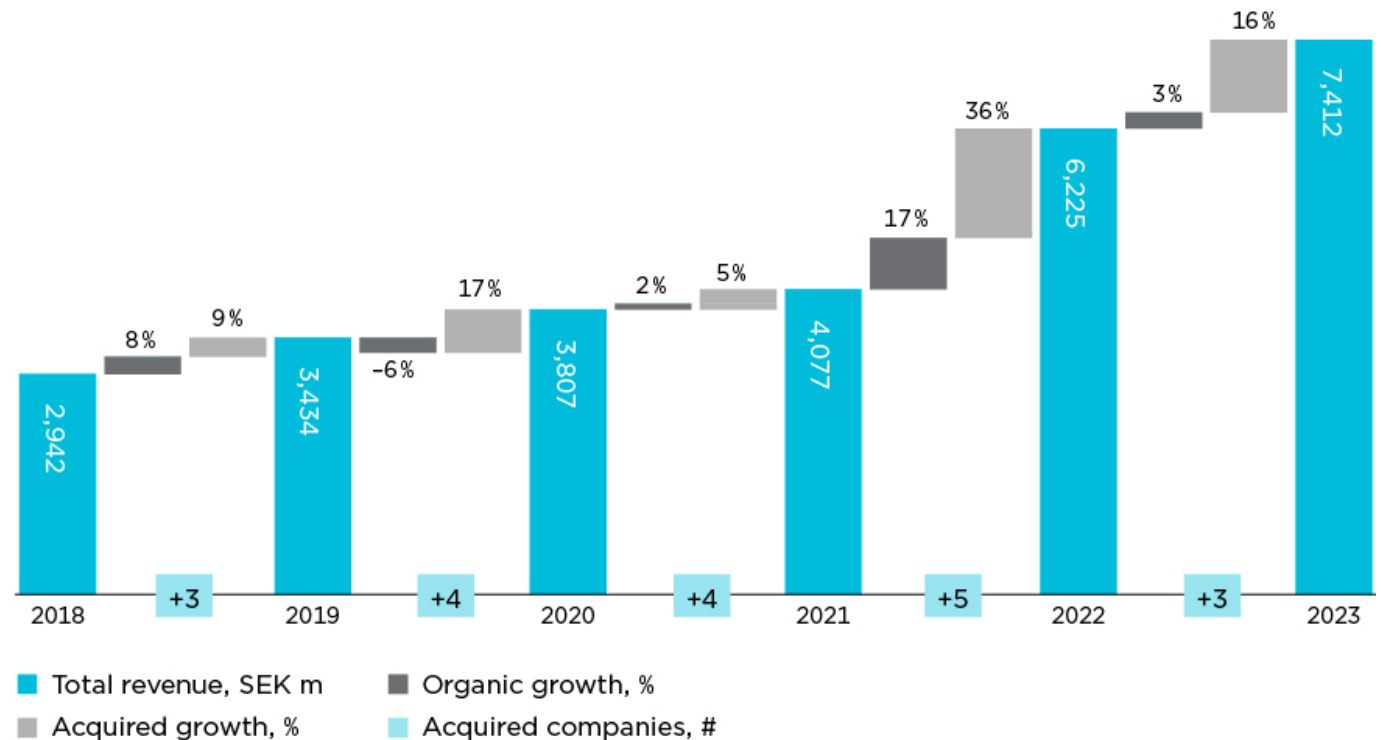
Complementary business or markets

Values based leadership

Attractive valuation

OUR STRATEGY

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



ACQUISITIONS

2024 YTD



Efficture

Efficture develops and offers proprietary software for forest and timber management. Will complement Icebound's offer to the forest sector and other basic industries.

Division Process Management

New employees

2

Annual sales

2 SEK M



Jetas Quality Systems

Jetas develops and offers proprietary case management systems for issues and work orders within public transport and property management.

Division Process Management

New employees

4

Annual sales

6 SEK M

ACQUISITIONS

2023



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

December 31, 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		13 424 136	10	7,9
SEB Fonder		11 624 326	8,6	6,8
Swedbank Robur Fonder		10 905 115	8,1	6,4
Cliens Fonder		8 289 292	6,2	4,9
Andra AP-fonden		7 516 473	5,6	4,4
Fjärde AP-fonden		6 336 528	4,7	3,7
ODIN Fonder		5 250 000	3,9	3,1
Vanguard		4 277 200	3,2	2,5
<i>Subtotal, 10 largest shareholders</i>	3 947 996	72 811 303	57,1	66,0
Other shareholders	700	57 786 233	42,9	34,0
Total	3 948 696	130 597 536	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, 127,423 shares and 90,600 call options for 222,600 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 31 December 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 YR (2023-01-31 – 2024-01-31)



	23-01-31	24-01-31	Change, %
Addnode Group	104.00	93.95	-9.7
Nasdaq Stockholm	843.33	888.52	5.4

- Average daily traded volume in Q4 2023 reached 194 thousand shares, down from 238 thousand in Q3 2023.
- Total number of shareholders has decreased from 7,556 by September 30th, to 7,278 by December 31st.
- Indexes that Addnode Group is included in are OMX Stockholm Benchmark and OMX Stockholm Technology.