

ADDNODE GROUP

INTERIM REPORT JANUARY–JUNE 2022
15 JULY 2022



PRESENTATION OF ADDNODE GROUP'S Interim report January – June 2022



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AGENDA

Q2 2022

1. Addnode Group
2. Q2 2022
 - Group
 - Divisions
 - Cash flow and Financial position
3. Sustainability
4. Investment case
5. Q&A
6. Appendix
 - Acquisitions 2022, 2021 and 2020
 - Sustainability cases
 - Shareholders June 30 and Share performance 2022

ADDNODE GROUP

Digital Solutions for a Sustainable Future

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

- **Design Management** – smarter design, construction, and management of products, buildings, assets and infrastructure.
- **Product Lifecycle Management** – simulation, design and product lifecycle management, from research, development and design to production, sales, aftermarket and recycling.
- **Process Management** – business processes for central and local government.

R12 Q2 2022 (Full year 2021)

Net Sales

4,854
SEK M
(4,077)

EBITA

590
SEK M
(461)

Employees

June 30, 2022

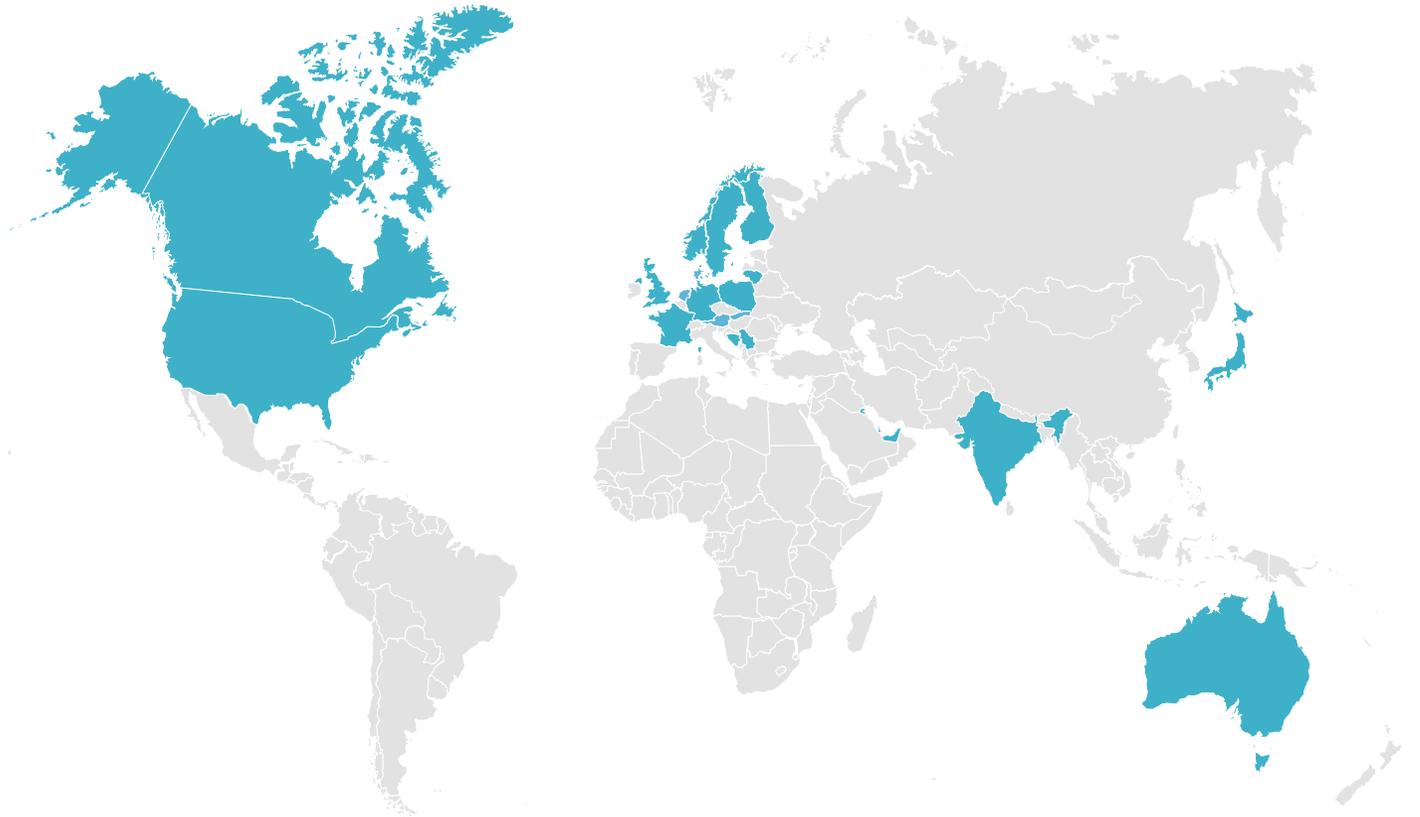
2,298
(1,897)

**Recurring
revenue**

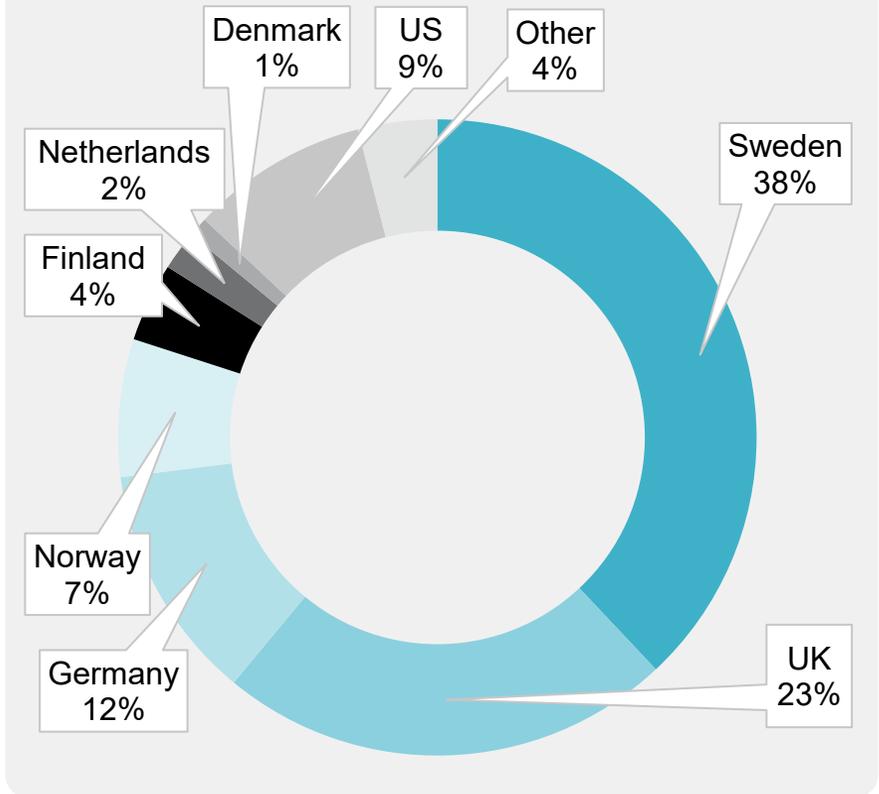
67%
(66)

ADDNODE GROUP

International presence 30 June 2022



Geographic sales distribution, R12 Q2 2022



ADDNODE GROUP

Q2 – Strong progress in all divisions

Highlights

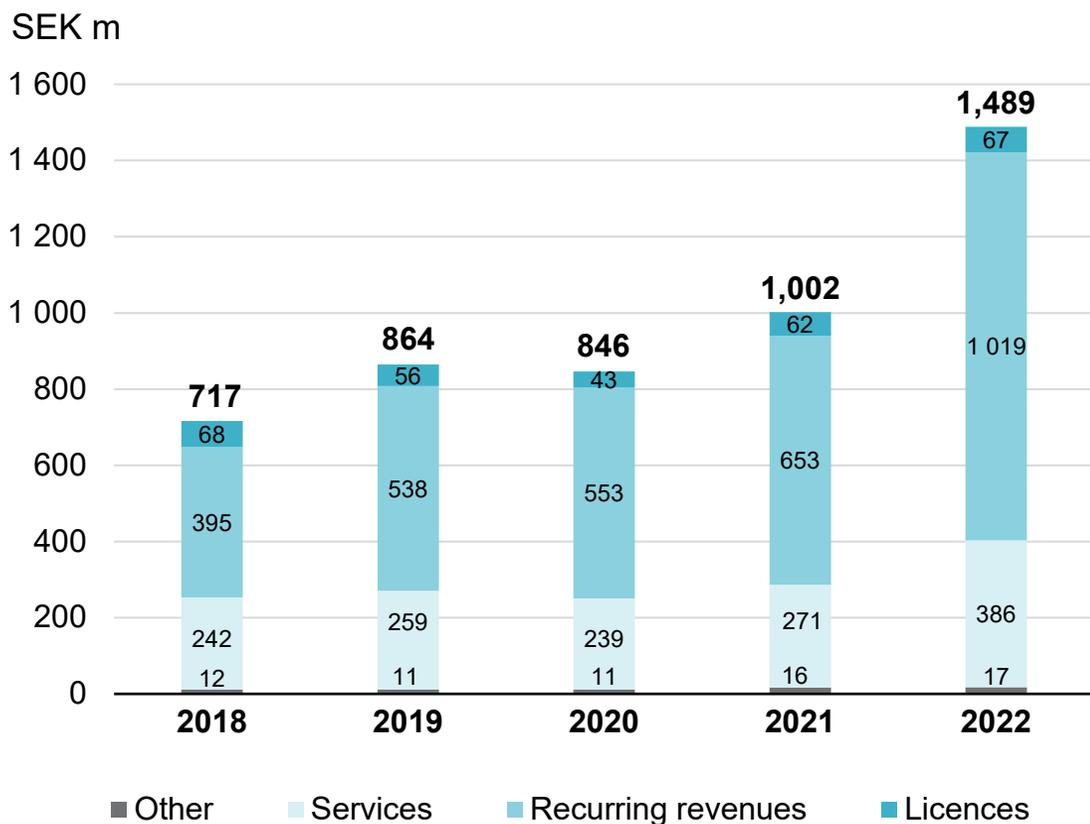
- Net sales increased by 49% to SEK 1,489 m, currency adjusted organic growth 11%
- EBITA was up by 57% to SEK 154 m
- Earnings per share rose by 73 per cent to SEK 0.52 (0.30) per share
- All three divisions experienced good demand, won new business and improved earnings
 - The Design Management division achieved the biggest improvement, doubling EBITA from SEK 40 to 80 m
 - Strong contribution from recent acquisitions

| | Q2 2022 | Q2 2021 | Change | Rolling 12m |
|----------------------------|------------|------------|--------|----------------|
| Net sales, SEK M | 1,489 | 1,002 | 49% | 4,854 |
| EBITA, SEK M | 154 | 98 | 57% | 590 |
| EBITA margin, % | 10.3 | 9.8 | | 12.2 |
| Earnings per share, SEK | 0.52 | 0.30 | 73% | 2.26 |

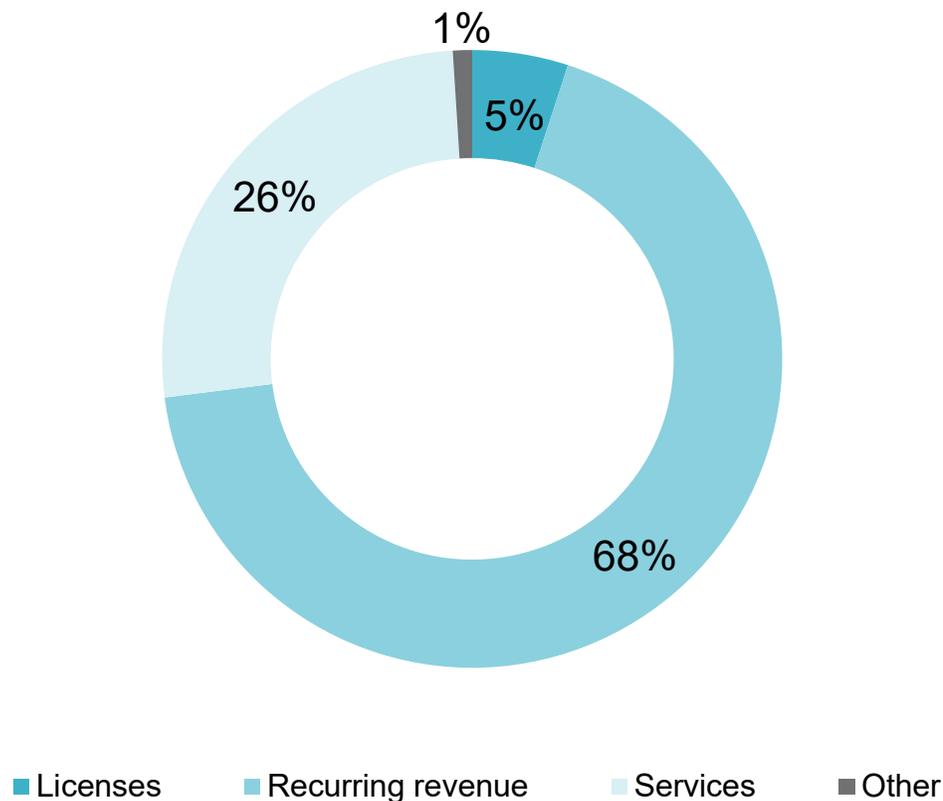
ADDNODE GROUP

Continued growth in recurring revenue, +56% in Q2 (YoY)

Breakdown of net sales, Q2 2018–2022



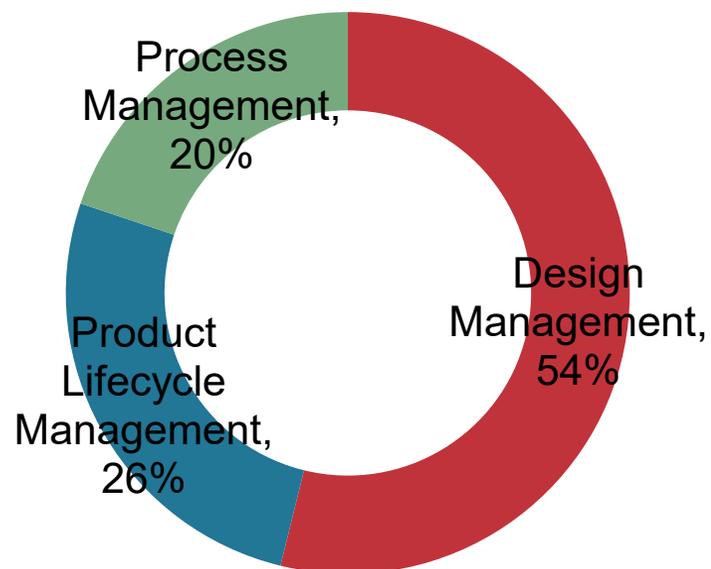
Breakdown of net sales, Q2 2022



THREE DIVISIONS

Q2 2022

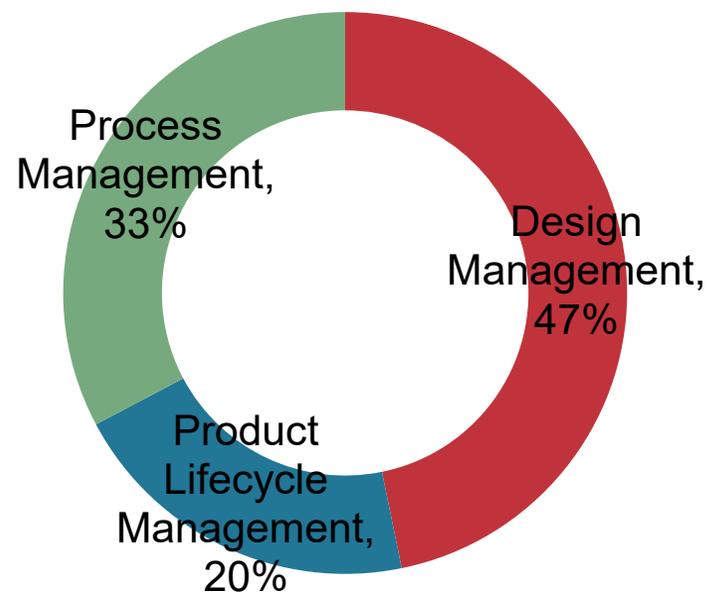
Share of net sales*



Addnode Group Net sales Q2 2022: SEK 1,489 m

* Before eliminations

Share of EBITA*



Addnode Group EBITA Q2 2022: SEK 154 m

* Before eliminations / central costs

DESIGN MANAGEMENT

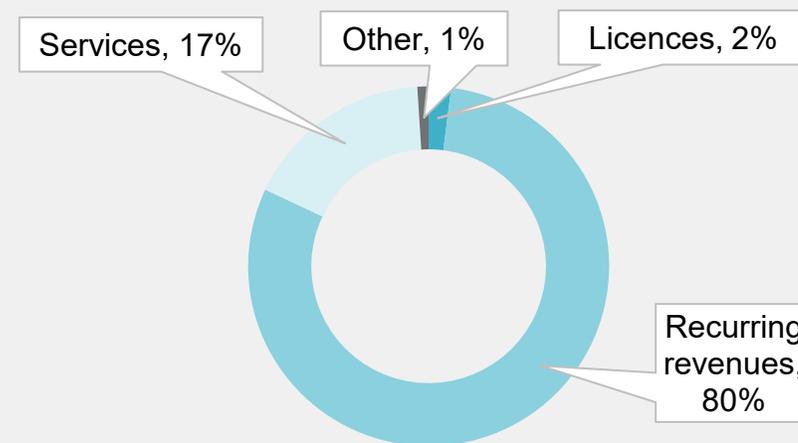
Continued strong market drives record quarter

Highlights

- Net sales increased by 84% to SEK 806 m, currency adjusted organic growth 15%
- EBITA increased to SEK 80 m (40), and the EBITA margin widened to 9.9 per cent (9.1)
- Demand for Symetri's digital solutions and services remained good, as reflected in the division's growth and earnings
 - Nordics remained positive from the AEC segment, and from manufacturing
 - The demand increase was especially positive in the UK
- Stronger performance than expected from Microdesk
- Operations providing collaborative portals for construction and infrastructure, as well as facility management, made good progress, especially in the Nordics

| | Q2 2022 | Q2 2021 | Change | Rolling 12m |
|------------------|------------|------------|--------|----------------|
| Net sales, SEK M | 806 | 439 | 84% | 2,393 |
| EBITA, SEK M | 80 | 40 | 100% | 272 |
| EBITA margin, % | 9.9 | 9.1 | | 11.4 |

Net sales distribution, Q2 2022



PRODUCT LIFECYCLE MANAGEMENT

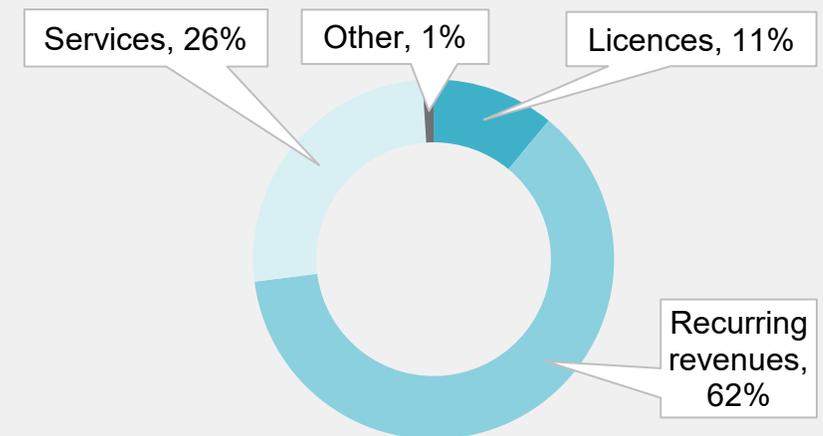
Strong market position continues to support growth

Highlights

- Net sales increased by 32% to SEK 394, currency adjusted organic growth 9%
- EBITA increased to SEK 35 m (27), and the EBITA margin was 8.9 per cent (9.0)
- UK and US operations especially positive progress, with good demand for PLM systems and related services
- Demand remained good in the Nordics and Germany
- Initiatives in simulation solutions and solutions for customers in life science progressed well

| | Q2 2022 | Q2 2021 | Change | Rolling 12m |
|------------------|------------|------------|--------|----------------|
| Net sales, SEK M | 394 | 299 | 32% | 1,377 |
| EBITA, SEK M | 35 | 27 | 30% | 141 |
| EBITA margin, % | 8.9 | 9.0 | | 10.2 |

Net sales distribution, Q2 2022



PROCESS MANAGEMENT

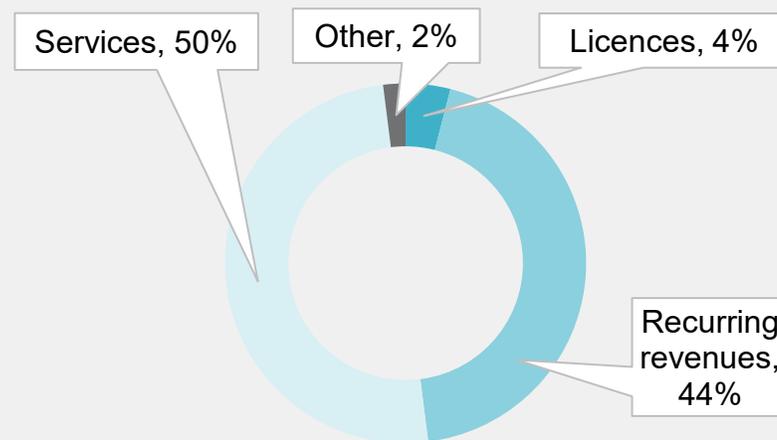
Continues to outgrow the market in leading segments

Highlights

- Net sales increased by 11% to SEK 297, organic growth 9%
- The division is outgrowing the market in those operations providing solutions and services in document and case management, public services and municipal engineering information systems for public authorities and municipalities
- The division's businesses are well positioned for public sector tendering owing to attractive digital solutions, solid experience and good references
- Decisive, acquired in Q2, is the division's first acquisition in Norway, consolidated from June 1

| | Q2 2022 | Q2 2021 | Change | Rolling 12m |
|------------------|------------|------------|--------|----------------|
| Net sales, SEK M | 297 | 268 | 11% | 1,112 |
| EBITA, SEK M | 56 | 48 | 17% | 224 |
| EBITA margin, % | 18.9 | 17.9 | | 20.1 |

Net sales distribution, Q2 2022



PROCESS MANAGEMENT

Acquisition of Decisive

- Sales of SEK 57 m, 25 employees
- Founded in 2003 by the company's current CEO
- Digital rule-based decision-management systems
- Examples of extensive and long-term customers: Helsedirektoratet, NAV, Skattetaten
- The acquisition was financed through existing credit facilities



CONSOLIDATED CASH FLOW

Q2, 2022

| Cash flow, SEK m | Q2 2022 | Q2 2021 | Change | YTD Jun 2022 | YTD Jun 2021 | Change |
|---|--------------------|--------------------|---------------|-------------------------|-------------------------|---------------|
| Operating profit | 101 | 59 | 42 | 235 | 132 | 103 |
| Adjustments for non-cash items | 79 | 53 | 26 | 124 | 97 | 27 |
| Other | -31 | -22 | -9 | -61 | -38 | -23 |
| Cash flow from operations before working capital changes | 149 | 90 | 59 | 298 | 191 | 107 |
| Changes in working capital | -27 | -39 | 12 | 66 | 10 | 56 |
| Cash flow from operating activities | 122 | 51 | 71 | 364 | 201 | 163 |
| Cash flow from investing activities | -93 | -272 | 179 | -361 | -301 | -60 |
| Cash flow from financing activities | -121 | -69 | -52 | 163 | -87 | 250 |
| Total cash flow | -92 | -290 | 198 | 166 | -187 | 353 |

CONSOLIDATED FINANCIAL POSITION

June 30, 2022

| Balance sheet, SEK m | Jun 30, 2022 | Jun 30, 2021 | Change | Dec 31, 2021 | Change |
|---------------------------------------|-------------------------|-------------------------|---------------|-------------------------|---------------|
| Intangible non-current assets | 3 385 | 2 561 | 824 | 2 574 | 811 |
| Other non-current assets | 335 | 206 | 129 | 210 | 125 |
| Current receivables | 1 259 | 870 | 389 | 1 132 | 127 |
| Cash and cash equivalents | 597 | 475 | 122 | 406 | 191 |
| Total assets | 5 576 | 4 112 | 1 464 | 4 322 | 1 254 |
| Equity | 1 793 | 1 607 | 186 | 1 693 | 100 |
| Non-current liabilities | 1 653 | 1 005 | 648 | 892 | 761 |
| Current liabilities | 2 130 | 1 500 | 630 | 1 737 | 393 |
| Total equity & liabilities | 5 576 | 4 112 | 1 464 | 4 322 | 1 254 |
| Equity ratio | 32% | 39% | -7% | 39% | -7% |
| Net debt | 601 | 396 | 205 | 368 | 233 |
| Revolving credit facility | 1 600 | 1 600 | 0 | 1 600 | 0 |
| <i>Whereof unutilized</i> | 592 | 839 | -247 | 931 | -339 |

SUSTAINABILITY AGENDA

1

Digital solutions that contribute to sustainable development

2

Care for people and the planet in our own operations

3

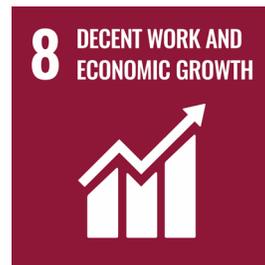
The way we work with our partners and suppliers

4

Long-term financial viability'

5

Sustainability management and governance



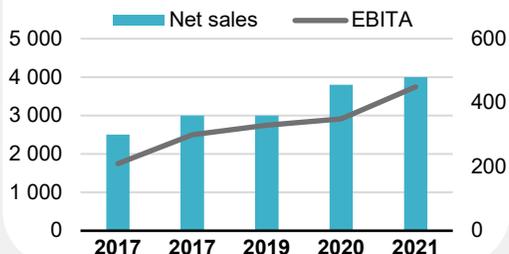
ADDNODE GROUP AS AN INVESTMENT

1

Acquisition driven 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: 13% and 22%, respectively

Profitable growth, 2017–2021, SEK M



2

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.

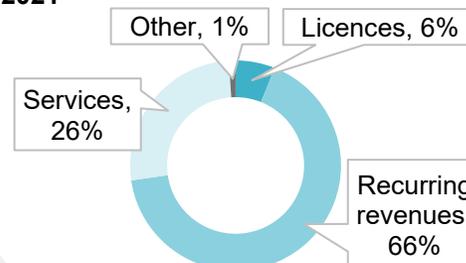


3

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, 2021

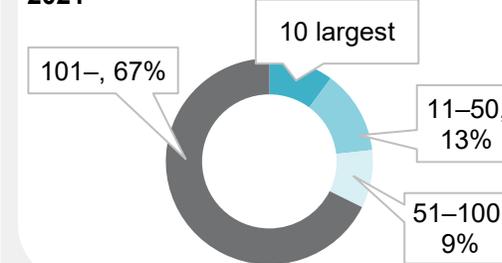


4

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, 2021





Q&A



APPENDIX

ACQUISITIONS

2022 YTD



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

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

DESIGN MANAGEMENT

Case: Microdesk USA

Microdesk has worked together with Build Heath International (BHI) and the Autodesk Foundation to design the maternity centre at Koidu Government Hospital in Sierra Leone, Africa.

The design required extensive analyses regarding energy, daylighting, local weather conditions and ventilation.

Leveraging generative design, savings were achieved when it came to resources, energy, time and costs, in addition to providing quality care that improves health outcomes.



PRODUCT LIFECYCLE MANAGEMENT

Case: Technia USA

CoorsTek is a global manufacturer of technical ceramics for industries like renewable energy, life science and automotives.

TECHNIA supports CoorsTek with a global enterprise solution based on Dassault Systèmes 3DEXPERIENCE platform and its own TECHNIA Value Component (TVC) Helium UI add-on.

The solution brings teams together at the same time as time to market is shortened, integrity of information is ensured, quality and audit trails are improved, and compliance is met with customer and regulatory requirements.



PROCESS MANAGEMENT

Case: Ida Infront AB

Ida Infront's solution iipax, an efficient case management system, handles complex decision-making processes and is easy to configure. The result for citizens and companies is short processing times and a high level of service.

The Swedish Energy Agency uses iipax to handle grants for projects in energy and climate change. The National Board of Housing, Building and Planning uses iipax to collect climate declarations from builders and construction contractors. The Swedish Environmental Protection Agency processes grants for various environmental projects with the iipax solution.



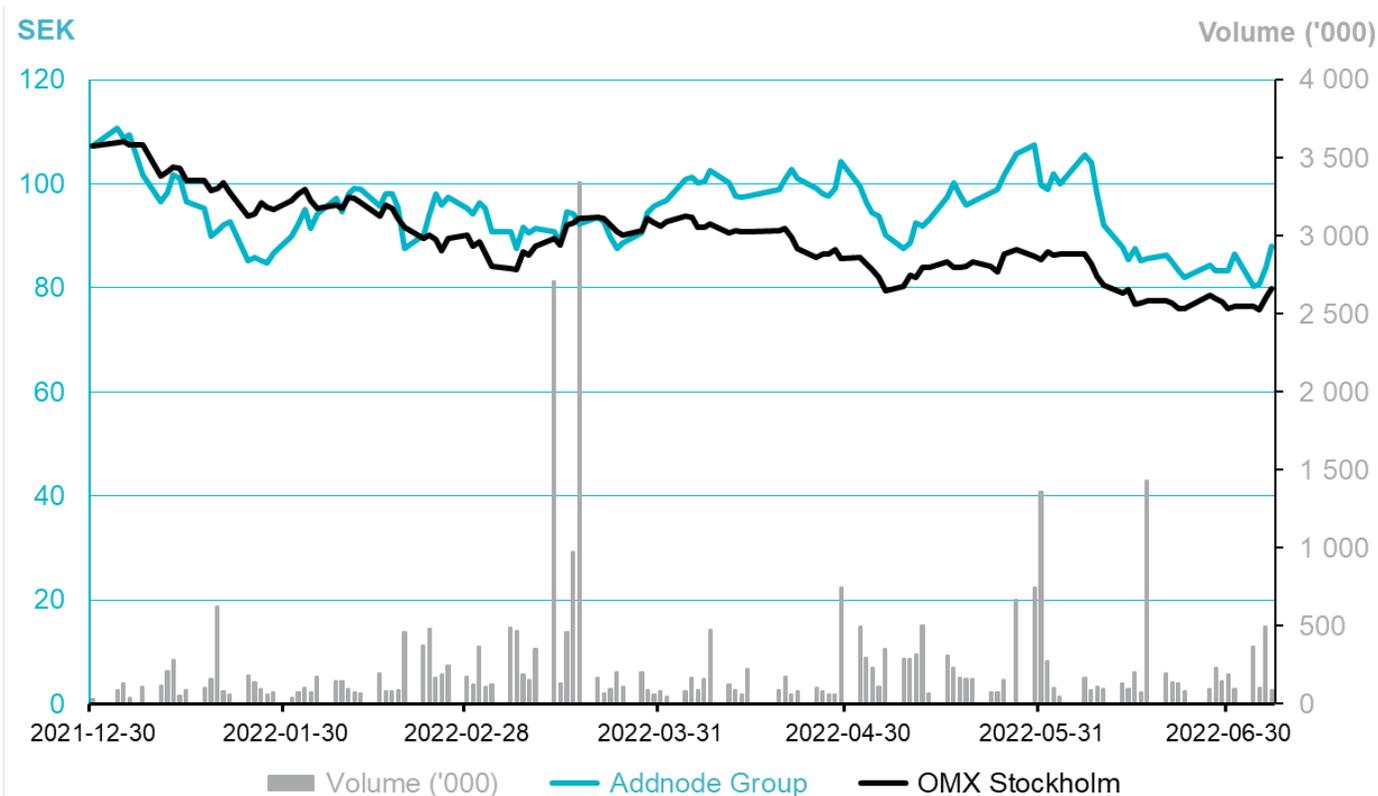
SHAREHOLDERS

June 30, 2022

| | 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 Investment Management | | 10 532 623 | 7,8 | 6,2 |
| Lannebo Fonder | | 9 381 598 | 7,0 | 5,5 |
| Swedbank Robur Fonder | | 9 120 357 | 6,8 | 5,4 |
| Aeternum Capital AS | 460 000 | 3 976 000 | 3,3 | 5 |
| Andra AP-Fonden | | 6 656 608 | 5 | 3,9 |
| Fjärde AP-Fonden | | 6 341 088 | 4,7 | 3,7 |
| Verdipapirfondet Odin Sverige | | 5 900 000 | 4,4 | 3,5 |
| Nordea Investment Funds | | 5 737 086 | 4,3 | 3,4 |
| Subtotal, 10 largest shareholders | 3 947 996 | 62 843 856 | 49,8 | 60,2 |
| Other shareholders | 700 | 67 735 680 | 50,2 | 39,8 |
| Total | 3 948 696 | 130 579 536 | 100,0 | 100,0 |

ADDNODE GROUP, SHARE PRICE DEVELOPMENT

YTD (2022-07-07)

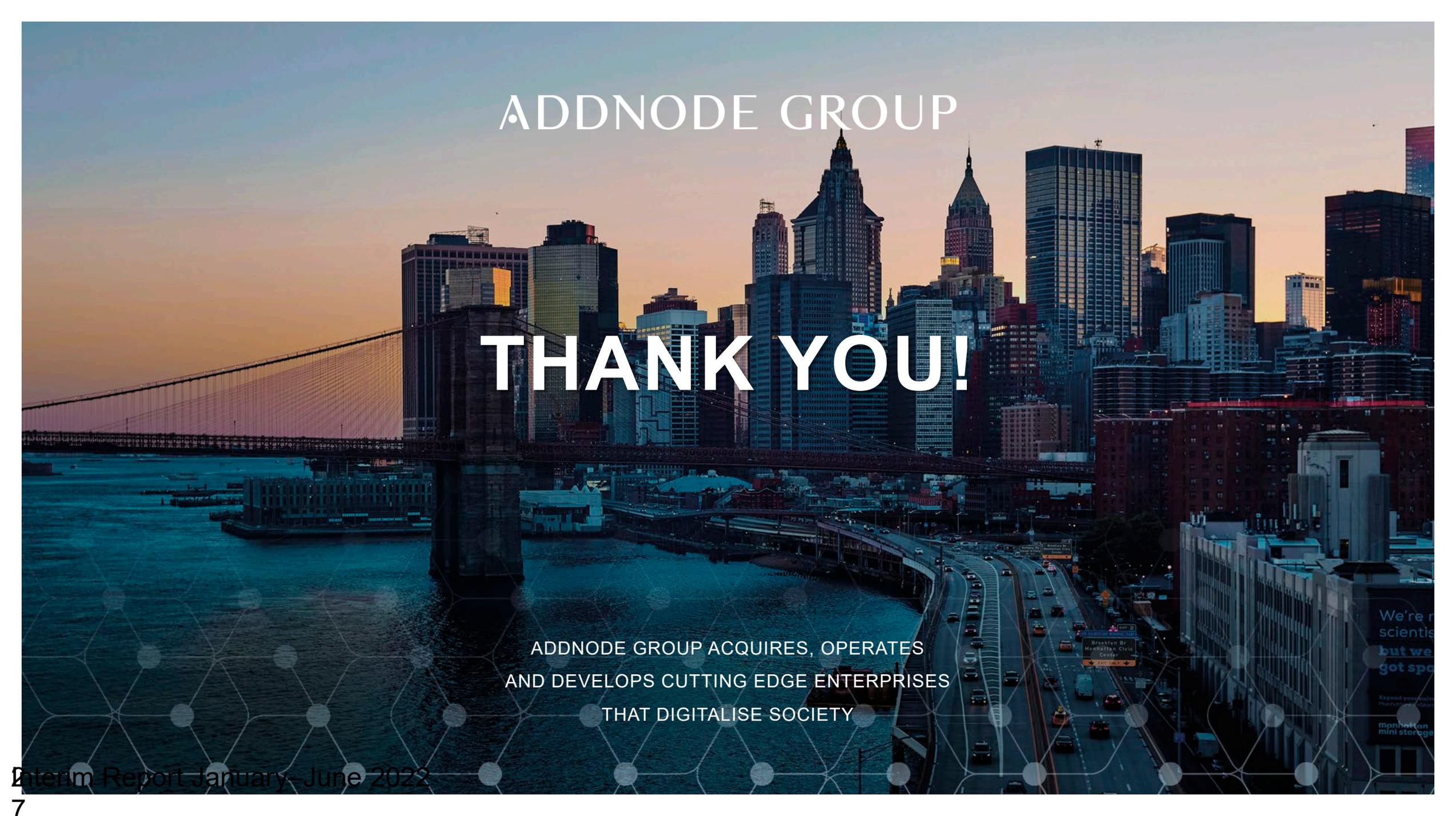


| | 21-12-30 | 22-07-07 | Change % |
|-------------------------|-----------------|---------------|--------------|
| Addnode Group | 107.25 | 87.95 | -18.0 |
| Nasdaq Stockholm | 1,037.14 | 772.23 | -25.5 |

May 17 first day of trading after share split 4:1.
 June 1 Addnode Group was added to the index Stockholm Benchmark.

Managements shareholdings

- Johan Andersson, CEO, 393,912 shares and 18,000 call options for 72,000 B-shares.
- Other members of GMT, 175,892 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).

An aerial view of the New York City skyline at dusk, featuring the Manhattan skyline and the Brooklyn Bridge. The image is overlaid with a semi-transparent network pattern of white nodes and lines. The text is centered and white.

ADDNODE GROUP

THANK YOU!

ADDNODE GROUP ACQUIRES, OPERATES
AND DEVELOPS CUTTING EDGE ENTERPRISES
THAT DIGITALISE SOCIETY

We're r
scientis
but we
got spo
Expand your space
Manhattan
mini storage