

INTERIM REPORT 1 JANUARY – 30 SEPTEMBER 2022

This is a translation of the Swedish original of Addnode Group's Interim Report for the period 1 January–30 September 2022. In the event of inconsistency between the two, the original Swedish version shall apply.

THIRD QUARTER SUMMARY, JULY–SEPTEMBER 2022

- Net sales increased by 75 per cent to SEK 1,624 m (925), of which 27 per cent was organic. Currency-adjusted organic growth was 23 per cent.
- EBITA increased to SEK 194 m (108), and the EBITA margin increased to 11.9 per cent (11.7).
- Operating profit rose to SEK 143 m (67), and the operating margin widened to 8.8 per cent (7.2).
- Profit for the period increased to SEK 103 m (49).
- Earnings per share increased to SEK 0.77 (0.36²).
- Cash flow from operating activities increased to SEK 89 m (-21).

SUMMARY OF SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- Change in the composition of Group Management.
- Acquisition of the operations of JBL Technologies of the USA with net sales of SEK 15 m.

75%

Net sales growth Q3 2022
compared with Q3 2021

11.9%

EBITA margin
Q3 2022

73%

Share of recurring
revenue Q3 2022

KEY FIGURES

	Third quarter		9 months		Rolling 12 m	Full year
	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	Oct 2021 - Sep 2022	2021
Net sales, SEK m	1,624	925	4,439	2,963	5,553	4,077
EBITA, SEK m	194	108	528 ¹	313	676 ¹	461
EBITA margin, %	11.9	11.7	11.9 ¹	10.6	12.2 ¹	11.3
Operating profit, SEK m	143	67	378	199	484	305
Operating margin, %	8.8	7.2	8.5	6.7	8.7	7.5
Profit for the period, SEK m	103	49	279	143	359	223
Earnings per share ² , SEK	0.77	0.36	2.09	1.07	2.67	1.66
Cash flow from operating activities, SEK m	89	-21	453	180	710	437
Return on shareholders' equity ³ , %	20.2	12.6	20.2	12.6	20.2	13.9
Return on capital employed ³ , %	18.1	11.7	18.1	11.7	18.1	13.0
Shareholders' equity per share ² , SEK	14.16	12.34	14.16	12.34	14.16	12.66

¹ EBITA includes a SEK 24 m capital gain relating to the sale of an office property.

² Due to the 4:1 share split executed in May 2022, historical key financial ratios based on the number of shares have been restated.

³ Key financial ratios have been restated to reflect annualised returns.

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All amounts are presented in millions of Swedish kronor (SEK m) unless indicated otherwise. Rounding differences of SEK +/- 1 m may occur in totals. In cases where an underlying figure is SEK 0 m when rounded, it is presented as 0.

“The third quarter was another record quarter for Addnode Group, with both strong organic and acquisition-led growth. Currency-adjusted organic growth amounted to 23 per cent, EBITA increased by 80 per cent, and earnings per share rose by 114 per cent.”



Johan Andersson
President and CEO

PLATFORM FOR GROWTH

ANOTHER RECORD QUARTER WITH SUBSTANTIALLY IMPROVED EARNINGS

The third quarter was another record quarter for Addnode Group, with both strong organic and acquisition-led growth. Net sales increased by 75 per cent, of which 23 per cent currency adjusted organic, to SEK 1,624 m. EBITA was up by 80 per cent to SEK 194 m, and earnings per share rose by 114 per cent to 0.77 (0.36) SEK per share.

All divisions contributed to the record earnings. The EBITA improvement year on year was mainly from the Design Management and Product Lifecycle Management divisions.

The Design Management division more than doubled its net sales, and lifted EBITA by 168 per cent. The earnings improvement is due to the strong organic growth of Symetri in the UK, the positive progress of recent acquisition Microdesk of the USA, and a higher sales share from multi-year agreements.

The Product Lifecycle Management division sustained its good organic growth in the quarter, and with positive contributions from acquisitions, EBITA increased by 61 per cent. Demand remained good, but the German PLM market has started to show signs of slowing.

The Process Management division is noting continued good demand from public sector customers, especially from technical services departments in Sweden's municipalities and the country's armed forces. EBITA remained stable at a high level.

RECURRING REVENUE INCREASED BY 86 PER CENT

Investing in a digital solution is a longterm commitment for us as a provider, and for our customers. Customer relationships extending 20 years back in time are not unusual. Recurring revenue increased by 86 per cent in the third quarter and its share of net sales increased to 73 (69) per cent.

ACQUISITIONS

Addnode Group is continuously creating value by acquiring enterprises that complement and consolidate our businesses. In 2022, we've announced five acquisitions, the most recent being JBL of the USA, which means TECHNIA strengthening its positioning as a world-leading partner of Dassault Systèmes. We are in constant dialogue with entrepreneurs interested in becoming part of Addnode Group.

SOLID PLATFORM

Demand is good, but we're attentive to how an uncertain business environment may impact us. Regardless of this, our growth is supported by underlying trends like urbanisation, digitalisation, automation and sustainability. Our customers' needs for digital solutions for mission-critical processes in R&D, design, manufacturing, construction, infrastructure, facility management and public administration will not disappear.

We have skilled and committed employees, strong offerings to our customers, and have a high share of recurring revenue. Our customer concentration is low, we have geographical diversification, and a strong financial position with low net debt.

We're demonstrating that Addnode Group has a solid platform for organic and acquisition-led growth in good and tougher times.

Johan Andersson
President and CEO

ABOUT ADDNODE GROUP

STRATEGY

Addnode Group acquires, operates and develops cutting edge enterprises that digitalise society. We create sustainable value growth over time by continuously acquiring new enterprises and actively supporting our subsidiaries to drive organic earnings growth.

THREE DIVISIONS

Addnode Group’s subsidiaries are organised into three divisions: Design Management, Product Lifecycle Management and Process Management. A decentralised business model means that business-critical decisions are made close to customers and markets.

FINANCIAL TARGETS

- Annual net sales growth of at least 10%.
- Operating margin before amortisation and impairment of intangible assets (EBITA margin) shall be at least 10%.
- At least 50% of the Group’s profit after tax to be distributed to shareholders, providing the net cash position is sufficient to operate and develop the business.

MARKET POSITION

Addnode Group consists of approximately 20 companies, active in 19 countries across four continents. The employee headcount is approximately 2,300.

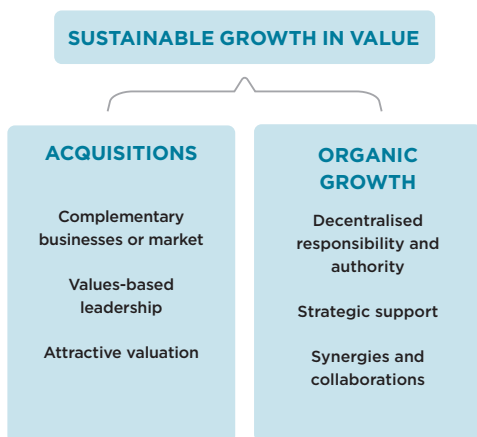
The Group is one of Europe’s market-leading providers of software and services for design and construction, product data information, project collaboration and facility management. The group is also a leading provider of digital solutions for design and construction in the USA. Addnode Group is also a leading provider of document and case management systems for Sweden’s public authorities.

SUSTAINABILITY AGENDA

Addnode Group contributes to sustainable development in several fields. The digital solutions we develop in close partnership with our customers help create a more sustainable society. Our solutions are used for sustainable and resource-efficient design and product lifecycle management, simulations that benefit the environment and health, and better engagement and dialogue with the public.

Addnode Group’s sustainability work proceeds from its Sustainability Agenda. This Agenda defines five focus areas that are the foundation of the Group’s collective commitment to sustainability. We have defined key indicators for each focus area designed to drive our work on the Sustainability Agenda forward. Our performance is presented each year in our Sustainability Report, which is part of Addnode Group’s Annual Report.

STRATEGY FOR PROFITABLE AND SUSTAINABLE GROWTH



SUSTAINABILITY AGENDA



UN Sustainable Development Goals (SDGs) with the clearest connection to Addnode Group’s sustainability agenda:



SIGNIFICANT EVENTS

IN THE THIRD QUARTER OF 2022

Repurchase of treasury shares

Addnode Group repurchased 230,000 class B treasury shares on Nasdaq Stockholm in July-August 2022, supported by the authorisation approved by the AGM 2022. The main purpose was to enable the delivery of shares associated with executing Addnode Group's share-based incentive programme. The repurchased shares remain in treasury, and the total holdings of treasury shares as of 30 September 2022 is 1,030,000.

AFTER THE END OF THE REPORTING PERIOD

Changes to the composition of Group Management

Elisabeth Forslin was appointed Head of M&A and a member of Addnode Group's Group Management in October 2022. She will take up her position by 1 January 2023 at the latest. Adam Nilsson, who held the corresponding role previously, left the Group in April 2022.

Acquisition of the operations of JBL Technologies

In October 2022, Addnode Group acquired the operations of JBL Technologies of the USA, with net sales of SEK 15 m. JBL is a Dassault Systèmes Partner and consolidates TECHNIA's offering in the USA.

No other significant events have occurred since the end of the period.

FINANCIAL CALENDAR



CONSOLIDATED NET SALES, EARNINGS AND CASH FLOW

THIRD QUARTER, JULY-SEPTEMBER 2022

Addnode Group continued to demonstrate its strength in the third quarter. The Group reported strong net sales growth and significantly higher earnings than the previous year.

Net sales increased to SEK 1,624 m (925), growth of 75 per cent. Organic growth was 27 per cent, while currency-adjusted organic growth was 23 per cent.

The demand for Design Management's digital solutions and services remained positive in the Nordics, demonstrating particular strength in the UK. Microdesk of the USA, acquired in the year, continued to perform above expectations thanks to greater willingness to invest by US customers. Product Lifecycle Management continued its positive progress, experiencing especially good demand on the UK market. Once again, Process Management's continued high organic growth corroborated the leadership status of the division's offering to Sweden's public sector. There is intense competition over talent on the labour market in several of the Group's areas of competence. To be able to grow, the Group must be able to keep attracting the right staff with high skills levels.

Licence revenue increased to SEK 52 m (44), recurring revenue increased to SEK 1,193 m (640), service revenue increased to SEK 358 m (229), and other revenue increased to SEK 21 m (12). The share of recurring revenue was 73 per cent (69).

EBITA increased by 80 per cent to SEK 194 m (108), and the EBITA margin widened to 11.9 per cent (11.7).

Net financial items were SEK -10 m (-4). Profit for the period increased to SEK 103 m (49). Earnings per share rose to SEK 0.77 (0.36).

Cash flow from operating activities was SEK 89 m (-21), a SEK 110 m increase. The stronger cash flow is mainly attributable to increased operating profit.

NINE MONTH PERIOD, JANUARY-SEPTEMBER 2022

Net sales amounted to SEK 4,439 m (2,963), growth of 50 per cent, 17 per cent being organic. Currency-adjusted organic growth was 13 per cent.

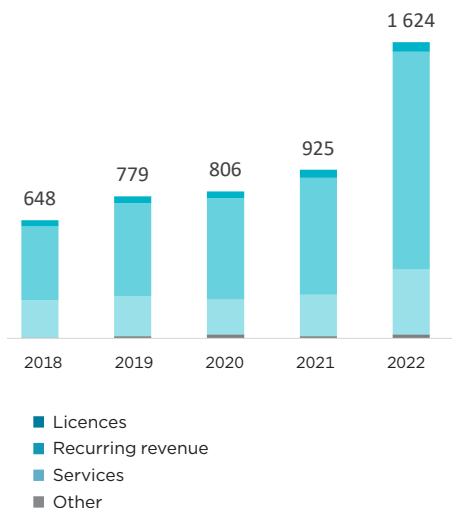
Licence revenue increased to SEK 188 m (163), recurring revenue rose to SEK 3,122 m (2,005), service revenue was up to SEK 1,071 m (751), and other revenue was SEK 58 m (44).

EBITA increased to SEK 528 m (313), corresponding to an EBITA margin of 11.9 per cent (10.6). EBITA included a capital gain of SEK 24 m from the sale of an office property in Enfield, UK, which was included in the acquisition of Excitech in 2020 and intended for sale at the time of acquisition. EBITA adjusted for this capital gain was SEK 504 m (313), corresponding to an adjusted EBITA margin of 11.4 per cent (10.6). EBITA was charged with acquisition expenses of SEK 13 m (4). The capital gain and acquisition costs are accounted in segment reporting under Elimination/Central costs.

Net financial items amounted to SEK -22 m (-14). Reported tax on profit for the period was SEK -77 m (-42). Profit for the period increased to SEK 279 m (143). Earnings per share increased to SEK 2.09 (1.07).

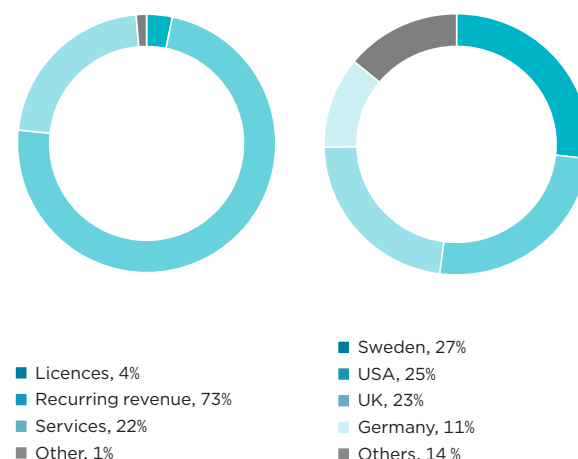
Cash flow from operating activities amounted to SEK 453 m (180). The SEK 273 m increase related mainly to improved operating profit, but also to the favourable progress of working capital.

REVENUE BREAKDOWN, Q3 2018-2022, SEK m



REVENUE BREAKDOWN, Q3 2022

(Geography is based on the companies domicile)



PERFORMANCE BY DIVISION

NET SALES AND EBITA, Q3

SEK m	Net sales			EBITA		
	2022 Q3	2021 Q3	Change %	2022 Q3	2021 Q3	Change %
Design Management	977	409	139	118	44	168
Product Lifecycle Management	393	293	34	45	28	61
Process Management	262	230	14	50	49	2
Eliminations/central costs	-8	-7		-19	-13	
Addnode Group	1,624	925	75	194	108	80

NET SALES AND EBITA, YTD

SEK m	Net sales			EBITA		
	2022 Jan-Sep	2021 Jan-Sep	Change %	2022 Jan-Sep	2021 Jan-Sep	Change %
Design Management	2,490	1,381	80	287	145	98
Product Lifecycle Management	1,125	875	29	114	73	56
Process Management	847	723	17	166	136	22
Eliminations/central costs	-23	-16		-39 ¹⁾	-41	
Addnode Group	4,439	2,963	50	528²⁾	313	69

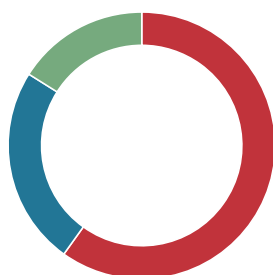
¹ Includes a SEK 24 m capital gain from the sale of an office property in the UK, and acquisition costs of SEK -13 m (-4).

² EBITA adjusted for a SEK 24 m capital gain from the sale of an office property was SEK 504 m, corresponding to an adjusted EBITA margin of 11.4 per cent.

Addnode Group operates through three divisions: Design Management, Product Lifecycle Management and Process Management. Each subsidiary manages and develops its operations in compliance with strategies, guidelines and Group-wide values.

The decentralised governance model means business-critical decisions are made close to customers and markets. The divisions constitute the operating segments that Addnode Group uses to monitor business performance.

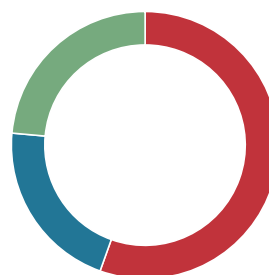
NET SALES¹ Q3 2022



¹ Before eliminations

■ Design Management 60%
 ■ Product Lifecycle Management 24%
 ■ Process Management 16%

EBITA¹ Q3 2022



¹ Before eliminations/central costs

■ Design Management 55%
 ■ Product Lifecycle Management 21%
 ■ Process Management 24%

DIVISION

DESIGN MANAGEMENT

Design Management is a leading global provider of digital solutions and services for design, BIM and product data for architects and engineers in the construction and manufacturing industries. The division also has a strong digital offering for project collaboration and facility management in the Nordic countries and UK.

PROGRESS IN THE QUARTER

Net sales increased to SEK 977 m (409) in the third quarter of 2022, growth of 139 per cent. Organic growth was 45 per cent, and 40 per cent currency adjusted. The demand for Symetri's digital solutions and services continued to progress strongly, as reflected in the division's growth and earnings performance. Demand in the Nordics remained positive from the AEC segment, and from manufacturing. The demand increase was especially positive in the UK, where customers value an Autodesk partner with proprietary related products and services. Symetri's new operation in the USA, Microdesk, continued to perform above expectations thanks to positive demand in the AEC segment on the US market. New business sales and renewals of three-year agreements performed above expectations in terms of volumes and margins. Operations providing collaborative portals for construction and infrastructure, and operations providing facility management, made good progress, especially in the Nordics.

EBITA more than doubled to SEK 118 m (44), and the EBITA margin widened to 12.1 per cent (10.8).

ACQUISITIONS

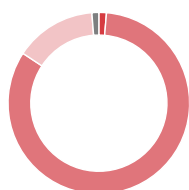
Over time, through a series of acquisitions, Symetri has created a strong and profitable northern European actor. With the acquisition of Microdesk in March 2022, Symetri gained a presence in the USA, making Symetri one of the world's largest Autodesk partners, with global reach. Work on adding proprietary products to Microdesk's current offerings, sharing know-how cross-border and realising cost rationalisations, continues. The company was consolidated effective 1 March 2022.

MARKET

The division operates through the companies Symetri, Service Works Global and Tribia. Customers' willingness to invest in digital solutions is driven by urbanisation and the need to build and manage efficiently and sustainably. Regulatory authorities are demanding adoption of digital working methods based on BIM.



Service Works Global has delivered its computerised maintenance management system, QFM, to Curtin University, Australia. The new maintenance system will contribute to the University's continued recognition for its ambitions within innovation and sustainability.

NET SALES Q3 2022,
BY REVENUE TYPE

- Licences, 1%
- Recurring revenue, 83%
- Services, 15%
- Other, 1%

NET SALES GROWTH Q3 2022
COMPARED TO Q3 2021

+139%

EBITA Q3 2022
COMPARED TO Q3 2021

+168%

KEY FIGURES

SEK m	Q3 2022	Q3 2021	Change %
Net sales	977	409	139
EBITA	118	44	168
EBITA margin, %	12.1	10.8	
Operating profit	95	29	228
Operating margin, %	9.7	7.1	
Average no. employees	840	563	49

DIVISION

PRODUCT LIFECYCLE MANAGEMENT

Product Lifecycle Management is a global provider of solutions for digitalising a product's or facility's complete lifecycle—from idea, design, simulation and construction to sale, after-market and recycling. For our customers this means shorter lead-times, more innovation, increased efficiency, and traceability.

PROGRESS IN THE QUARTER

Net sales increased to SEK 393 m (293) in the third quarter 2022, growth of 34 per cent. Organic growth was 16 per cent, and 11 per cent currency adjusted. Operations in the UK and USA continued to make especially positive progress in the third quarter, with good demand for PLM systems and related services. Demand remained good in the Nordics, while the German market started to show signs of slowing. The initiative in simulation solutions continued its positive progress. On several markets, the division noted customers increasingly demanding time-finite leasing of licenses instead of the previous license purchases with perpetual right of use. EBITA increased to SEK 45 m (28), and the EBITA margin increased to 11.5 per cent (9.6).

ACQUISITIONS

In the first quarter of the year, the division enhanced its advanced simulation offering through the acquisition of Claytex of the UK, which specialises in simulation and testing in the automotive industry. The division also made a complementary acquisition for the German operation, DESYS. The acquired enterprises are partners of Dassault Systèmes, and also have proprietary, unique peripheral products and services. Claytex was consolidated effective 1 January 2022, and DESYS effective 1 March 2022. Both these operations performed as planned.

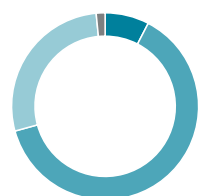
MARKET

The division's operations are conducted through the company TECHNIA, one of Europe's leading providers of PLM software and related consulting services. Customers' willingness to invest is driven by a need to develop and design products, maintain product information through complete lifecycles and comply with regulatory standards.



Claytex, a TECHNIA company, supported Nottingham Trent University on a simulation project to improve the energy efficiency of buildings' thermal management systems. The objective was to reduce these systems' CO₂ emissions so their impact on climate change could also decrease.

NET SALES Q3 2022, BY REVENUE TYPE



- Licences, 8%
- Recurring revenue, 63%
- Services, 28%
- Other, 1%

NET SALES GROWTH Q3 2022 COMPARED TO Q3 2021

+ 34%

EBITA Q3 2022 COMPARED TO Q3 2021

+ 61%

KEY FIGURES

SEK m	Q3 2022	Q3 2021	Change %
Net sales	393	293	34
EBITA	45	28	61
EBITA margin, %	11.5	9.6	
Operating profit	31	17	82
Operating margin, %	7.9	5.8	
Average no. employees	691	616	12

DIVISION

PROCESS MANAGEMENT

Process Management is a leading provider of digital solutions to the public sector in Sweden. Its solutions streamline case management, simplify administration and quality-assure processes in contacts between the authorities and the public.

PROGRESS IN THE QUARTER

Net sales increased to SEK 262 m (230) in the third quarter 2022, growth of 14 per cent. Organic growth was 9 per cent, in line with recent quarters. The divisions close and well-established relationships with a large base of public sector customers often present opportunities for recurring sales or the expansion of current assignments. Additionally, the division's businesses are well positioned for public sector tendering owing to their attractive digital solutions, in-depth experience and good references. Competition over people on the labour market in the division's areas of competence remains intense. Decisive of Norway, acquired in June 2022, progressed as planned.

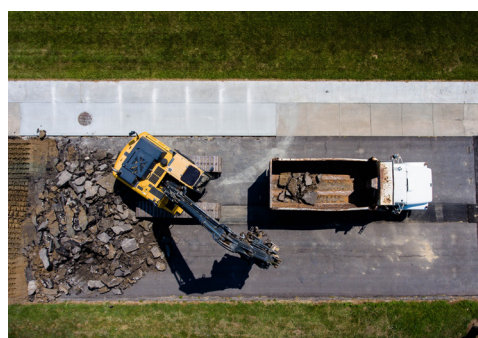
EBITA increased to SEK 50 m (49), and the EBITA margin was 19.1 per cent (21.3).

ACQUISITIONS

Decisive AS, acquired in June 2022, is a leading provider of rule-based digital decision management systems for the Norwegian public sector. The company's sales are approximately SEK 57 m, and it has long-term relationships with customers including Helsedirektoratet (the Norwegian public health agency), NAV (an authority responsible for public services including social security and pensions) and the Norwegian Tax Agency. The company was consolidated effective 1 June 2022.

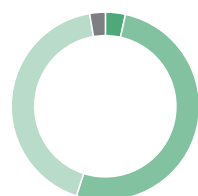
MARKET

The division is a leading provider of software and digital solutions for the public sector. The division has operations in Sweden and Norway. Customers' willingness to invest is driven by automation, simplified administration and more effective communication with the public. A growing base of public authorities and municipalities are seeking to partner for the long term in their efforts to develop innovative operations compliant with statute.



Decerno provides the web service Ledningskollen for the Swedish Post and Telecom Authority (PTS), used by groundworkers to identify subterranean cables and pipes. Ledningskollen has enabled reduced accidental excavations of critical infrastructure in Sweden.

NET SALES Q3 2022, BY REVENUE TYPE



- Licences, 3%
- Recurring revenue, 52%
- Services, 42%
- Other, 3%

NET SALES GROWTH Q3 2022 COMPARED TO Q3 2021

+14%

EBITA Q3 2022 COMPARED TO Q3 2021

+2%

KEY FIGURES

SEK m	Q3 2022	Q3 2021	Change %
Net sales	262	230	14
EBITA	50	49	2
EBITA margin,%	19.1	21.3	
Operating profit	35	35	0
Operating margin,%	13.4	15.2	
Average no. employees	661	610	8

DISCLOSURES ON ACQUISITIONS

ACQUISITIONS COMPLETED IN 2022

In the period January-September 2022, Addnode Group has acquired all the shares of four operations; Claytex Services Limited (“Claytex”), DESYS GmbH (“DESYS”), Microdesk LLC and M2 Technologies LLC (“Microdesk”), as well as Decisive AS (“Decisive”). In the period January-September 2022, these acquisitions contributed net sales of SEK 889 m and EBITA of SEK 67 m. SEK 13 m (4) of costs for completing the acquisitions are included in the Group’s other external costs, and mainly related to the acquisition of Microdesk. If the acquisitions had been conducted as of 1 January 2022, the group’s net sales in January-September 2022 would have been approximately SEK 4,676 m and EBITA approximately SEK 541 m.

Microdesk, acquired on 1 March 2022, is a Platinum Partner of Autodesk. This acquisition meant the Design Management division securing strong positioning on the US market, and with the division’s existing operations, now makes Addnode Group the leading global provider of Autodesk solutions. At the acquisition date, the company had net sales of some USD 110 m (approx. SEK 1,000 m), and 300 employees in the USA and UK. The purchase consideration for all shares could be a maximum of some USD 50 m, of which USD 26 m is fixed, and up to USD 24 m depends on future financial performance. The company was consolidated into the Design Management division effective March 2022.

Claytex, acquired in January 2022, is a UK partner of Dassault Systèmes. The company specialises in advanced simulation and testing for the automotive industry and consolidates Addnode Group’s offering in this segment. The company also offers complementary proprietary software. Claytex has sales of approximately SEK 25 m and 15 employees. Operations were consolidated effective January 2022 as part of Addnode Group’s company TECHNIA in the Product Lifecycle Management division.

On 1 March 2022, Addnode Group acquired DESYS GmbH (DESYS), a leading partner of Dassault Systèmes in Germany, which also offers proprietary complementary software solutions. DESYS has 45 employees, and net sales of some SEK 170 m. DESYS was consolidated into Addnode Group company TECHNIA effective March 2022, as part of the Product Lifecycle Management division.

Decisive, acquired on 1 June 2022, is a leading provider of rule-based decision management systems for the Norwegian public sector. Decisive has 25 employees, and net sales of approximately SEK 57 m. This operation was consolidated effective June 2022 into the Process Management division.

The following acquisition analyses were prepared for the acquisitions. The calculations are preliminary and include the companies Microdesk, Claytex, DESYS and Decisive.

ACQUISITION ANALYSIS—MICRODESK (SEK m)

Acquired companies’ net assets at acquisition date	Carrying amount in companies	Fair value adjustment	Fair value, Group
Intangible non-current assets	2	201	203
Other non-current assets	9	52	61
Current assets	210		210
Cash and cash equivalents	12		12
Other liabilities	-240	-55	-295
Net identifiable assets/liabilities¹	-7	198	191
Goodwill			313
Calculated purchase price¹			504

¹ The acquisition of Microdesk includes estimated discounted non-current contingent considerations of USD 24 m entered as a liability, which may be paid in the period 2023-2025, and a current non-interest-bearing liability of USD 4 m.

ACQUISITION ANALYSIS—CLAYTEX, DESYS AND DECISIVE (SEK m)

Acquired companies’ net assets at acquisition date	Carrying amount in companies	Fair value adjustment	Fair value, Group
Intangible non-current assets		106	106
Current assets	43		43
Cash and cash equivalents	80		80
Other liabilities	-87	-26	-113
Net identifiable assets/liabilities¹	36	80	116
Goodwill			165
Calculated purchase price¹			281

¹ The acquisition of Claytex includes non-current contingent considerations of GBP 2 m entered as a liability, and a current non-interest-bearing liability of GBP 0.5 m. The acquisition of DESYS includes a non-current, non-interest-bearing liability of EUR 0.1 m, and a current non-interest-bearing liability of EUR 0.5 m entered as liabilities. A non-current contingent consideration of a maximum of NOK 35 m may be payable for the acquisition of Decisive, of which NOK 19 m has been entered as a liability, as well as a current, non-interest-bearing liability of NOK 5 m.

CONSOLIDATED BALANCE SHEET AND CASH FLOW

LIQUIDITY AND FINANCIAL POSITION

Cash and cash equivalents held by the Group amounted to SEK 554 m (281) as of 30 September 2022.

Addnode Group's SEK 1,600 m credit facility arranged in June 2021 had a three-year term with 1+1 year extension. In June 2022, Addnode Group exercised its option to extend the credit facility by one year to June 2025, with other terms & conditions unchanged.

SEK 1,021 m (663) of the credit facility had been utilised as of 30 September 2022, which meant available credit of SEK 579 m (937). The used portion of the credit facility has been classified under non-current liabilities.

SEK 192 m (100) of the interest-bearing liabilities in addition to the utilised portion of the credit facility of SEK 1,021 m (663) related to leases. There were no interest-bearing liabilities related to completed acquisitions (SEK 3 m). Consequently, the Group's total interest-bearing liabilities were SEK 1,213 m (766), and the Group's net debt was SEK 659 m (484). The equity/assets ratio was 34 per cent (43).

Non-interest-bearing liabilities related to completed acquisitions were SEK 69 m (3), and estimated contingent considerations for completed acquisitions were SEK 368 m (96). A total of SEK 40 m of provisions and liabilities for acquisitions completed in 2021 or earlier are included in the Consolidated Balance Sheet.

CASH FLOW

Cash flow from operating activities in the period January-September 2022 was SEK 453 m (180). The SEK 273 m increase related mainly to improved operating profit, but also to the favourable progress of working capital. Cash flow from investing activities include payments for proprietary software of SEK 76 m (60), and received consideration for the office property in Enfield, UK. Investments in subsidiaries and operations meant a negative cash flow of SEK 415 m (284), of which SEK 44 m was final settlement of the purchase consideration to the sellers of the shares of Excitech. Financing activities were negatively impacted by a share dividend payment of SEK 100 m (84) to shareholders, share repurchases of SEK 23 m (-), and SEK 68 m (52) of amortisation of the lease liability. Bank loans of SEK 304 m (-) were arranged in tandem with acquisitions. In the previous year, SEK 744 m of bank loans were repaid simultaneous with new bank loans of SEK 770 m being arranged in tandem with arranging a new credit facility.

INVESTMENTS AND DIVESTMENTS

SEK 167 m (105) of investments were made in intangible assets and property, plant and equipment, of which SEK 76 m (60) was proprietary software.

In January 2022, Addnode Group sold the office property in Enfield, UK, which was included in the acquisition of Excitech in 2020 and intended for sale at the time of acquisition. Addnode Group's capital gain was SEK 24 m.

GOODWILL AND OTHER INTANGIBLE ASSETS

The Group's carrying amount of goodwill was SEK 2,675 m (2,084) on 30 September 2022. Other intangible

assets amounted to SEK 748 m (479), mainly customer contracts, trademarks and software.

DEFERRED TAX ASSETS

Deferred tax assets were SEK 85 m (20) as of 30 September 2022, of which SEK 7 m (10) were tax-loss carry-forwards. As of 30 September 2022, the group's total loss carry-forwards were approximately SEK 70 m (75).

SHAREHOLDERS' EQUITY

Equity as of 30 September 2022 was SEK 1,890 m (1,660), equivalent to SEK 14.16 (12.34) per outstanding share.

SHARE SPLIT (4:1)

The AGM approved the Board of Directors' proposal on dividing the number of shares of the company 4:1 (share split). Through the share split, the number of shares of the company increased from 33,632,058 to 134,528,232 shares, of which 3,948,696 class A shares, and 130,579,536 class B shares. The number of votes increased from 42,516,624 to 170,066,496.

SHARE CAPITAL AND INCENTIVE PROGRAMMES

Share capital was SEK 404 m at the end of the period. The quotient value per share was SEK 3.00. The division by share class as of 30 September 2022 was as follows:

Share class	No. of outstanding shares
Class A shares	3,948,696
Class B shares	130,579,536
Repurchased class B shares	-1,030,000
Total	133,498,232

Supported by an authorisation from the AGM 2022, the Board of Directors decided to repurchase 230,000 class B shares in June 2022. The repurchase was conducted in the third quarter 2022. Addnode Group AB's holdings of treasury shares as of 30 September 2022 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.

After a resolution by Addnode Group's AGM of 2022, a long-term incentive programme was launched for managers and senior executives. 56,950 call options on class B shares were issued to some 40 participants in June 2022. The market-valued call option premium of SEK 49.70 generated a total purchase consideration of approximately SEK 3 m. These options can be exercised for class B shares in the period 25 October 2025 to 10 June 2026, in specific periods stated in the agreement.

At the end of the period, there were two outstanding call option programmes, as follows:

Option programme	No. of outstanding options	Exercise price
LTIP 2021	195,800 ¹	93.73
LTIP 2022	56,950 ¹	115.80
Total	252,750	

¹ Each option carries entitlement to purchase four shares.

OTHER DISCLOSURES

EMPLOYEES

The average number of employees of the Group increased to 2,114 (1,756). The number of employees as of 30 September 2022 was 2,317 (1,897 as of 31 Dec. 2021). Essentially, this increase is from acquired operations.

RELATED PARTY TRANSACTIONS

During 2022 and via a company, Chairman of the Board Staffan Hanstorp invoiced the Parent Company SEK 2 m (2) in fees for consulting services associated with the Group's acquisition opportunities, financing matters, strategic partnerships and overarching strategic issues.

SEASONALITY

Historically, the fourth quarter has the highest revenue and EBITA, but as the share of recurring revenue increases, the Group's seasonality is reducing.

PARENT COMPANY

Net sales were SEK 18 m (16) in the period January-September 2022, mainly consisting of invoicing to subsidiaries for premises rent and services rendered. The loss after financial items was SEK -7 m (-21) including SEK 93 m (66) of dividends from subsidiaries, and SEK -45 m (-) of impairment of shares in subsidiaries. Cash and cash equivalents amounted to SEK 283 m (172) as of 30 September 2022. Investments in shares in subsidiaries were SEK 180 m (416). There were no significant investments in intangible assets or property, plant and equipment.

ACCOUNTING POLICIES

General

This Interim Report has been prepared in accordance with IAS 34 Interim Financial Reporting. The consolidated accounts have been prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by the EU and the Swedish Annual Accounts Act. The Parent Company's accounts have been prepared in accordance with the Annual Accounts Act and recommendation RFR 2 Accounting for Legal Entities. Amendments and interpretations of existing standards that became effective in 2022 have not had any impact on the Group's financial position or financial statements. The accounting policies and calculation methods are unchanged compared with the description in the Annual Report for 2021.

Deferred tax assets

Deferred tax assets attributable to tax loss carry-forwards are reported as assets to the extent it is likely that the loss carry-forwards can be offset against surpluses in future taxation.

Disclosures of financial instruments

Estimated contingent considerations on the acquisition of Microdesk have been discounted. Measurement of financial assets and liabilities shows that there is no significant difference between their carrying amounts and fair value. The Group had no outstanding currency forward contracts as of 30 September 2022.

Stock option programme

The Group's incentive programme enables managers and senior executives to acquire Class B shares of the company by investing in call options. Call option premiums received, measured at market value at the time of acquisition, are recognised in shareholders' equity as transactions with owners.

SIGNIFICANT RISKS AND UNCERTAINTIES

Addnode Group's significant risks and uncertainties are described in the Annual Report for 2021 on pages 29-31 and 37, in the "Risks and uncertainties" section on page 69, as well as notes 36 and 37 on pages 112-116.

The Group's operations are diversified in terms of offerings, customer segments and geography, which inherently implies risk diversification. This is a proven strength in challenging times, as for example, during the Covid-19 pandemic.

FUTURE OUTLOOK

The Board of Directors has not altered its assessment of Addnode Group's long-term future outlook compared to the preceding quarter. In the Interim Report for the Second Quarter of 2022, the Board of Directors stated the following outlook: In the long-term, Addnode Group regards the segments where it is active to have strong underlying potential. Addnode Group's growth strategy is to grow organically and by acquiring new businesses in the aim of adding new, complementary offerings and additional expertise.

The Russian invasion of Ukraine has had impacts on the global economy including increased oil and energy prices, supply chain delays and turmoil on global stock markets. Addnode Group has no operations in Russia, Belarus or the Ukraine. The Group has only a small number of customers in the region, so its exposure is very limited. Because it is not possible to predict the duration or scope of the conflict and its impact on the global economy and general security, the Board of Directors notes a significant risk that Addnode Group may be impacted financially in 2022.

Addnode Group is retaining its decision not to issue a forecast.

CERTIFICATION

The Board of Directors and the CEO certify that the Interim Report gives a fair overview of the Parent Company's and Group's operations, position and earnings, and describes significant risks and uncertainties facing the Parent Company and the companies included in the Group.

Staffan Hanstorp
Chairman of the Board

Jan Andersson
Director

Kristofer Arwin
Director

Johanna Frelin
Director

Sigrun Hjelmquist
Director

Thord Wilkne
Director

Kristina Willgård
Director

Johan Andersson
President and CEO

Stockholm, Sweden, 28 October 2022

AUDITOR'S REVIEW REPORT

Addnode Group AB (publ) corporate identity number 556291-3185

INTRODUCTION

We have reviewed the condensed interim financial information (interim report) of Addnode Group AB (publ) as of 30 September 2022 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

SCOPE OF REVIEW

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Anna Rosendal

Authorised Public Accountant
PricewaterhouseCoopers AB

Stockholm, Sweden, 28 October 2022

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED INCOME STATEMENT

SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Full year
Net sales	1,624	925	4,439	2,963	4,077
Purchases of goods and services	-802	-400	-2,107	-1,290	-1,768
Other external costs	-103	-67	-300	-208	-285
Personnel costs	-519	-349	-1,525	-1,148	-1,558
Capitalised work performed by the company for its own use	23	20	75	60	80
Depreciation/amortisation and impairment of					
- tangible non-current assets	-29	-21	-78	-65	-86
- intangible non-current assets	-51	-41	-150	-114	-156
Profit/loss on sale of property/business	-	-	24	1	1
Operating profit	143	67	378	199	305
Financial income	3	1	11	2	2
Financial expenses	-13	-5	-33	-16	-27
Restatement of contingent considerations	-	-	-	-	5
Profit before taxes	133	63	356	185	285
Current tax	-38	-19	-97	-55	-71
Deferred tax	8	5	20	13	9
Net profit for the period	103	49	279	143	223
<i>Attributable to:</i>					
Owners of the Parent Company	103	49	279	143	223
Share data					
Earnings per share before and after dilution, SEK ¹	0.77	0.36	2.09	1.07	1.66
Average number of shares outstanding:					
Before dilution ¹	133,580,018	134,528,232	133,678,827	134,252,128	134,192,320
After dilution ¹	133,595,300	134,528,232	133,689,895	134,252,128	134,192,320

¹ Due to the 4:1 share split executed in May 2022, historical key financial ratios based on the number of shares, and the number of shares, have been restated.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Full year
Net profit for the period	103	49	279	143	223
<i>Other comprehensive income, items that will not be reclassified to profit or loss:</i>					
Actuarial gains and losses on pension obligations	-	-	-	-	0
<i>Other comprehensive income, items that may be reclassified to profit or loss:</i>					
Exchange rate difference upon translation of foreign operations	22	9	63	72	106
Hedge of net investments in foreign operations	-5	-5	-25	-43	-52
Total other comprehensive income after tax for the period	17	4	38	29	54
Comprehensive income for the period	120	53	317	172	277
<i>Attributable to:</i>					
Owners of the Parent Company	120	53	317	172	277

CONSOLIDATED BALANCE SHEET

SEK m	2022 30 Sep	2021 30 Sep	2021 31 Dec
Assets			
Goodwill	2,675	2,084	2,107
Other intangible non-current assets	748	479	467
Property, plant and equipment	229	155	162
Financial assets	115	42	48
Total non-current assets	3,767	2,760	2,784
Inventories	1	0	0
Current receivables	1,273	842	1,132
Cash and cash equivalents	554	281	406
Total current assets	1,828	1,123	1,538
Total assets	5,595	3,883	4,322
Shareholders' equity and liabilities			
Shareholders' equity	1,890	1,660	1,693
Non-current liabilities	1,665	879	892
Current liabilities	2,040	1,344	1,737
Total shareholders' equity and liabilities	5,595	3,883	4,322
Interest-bearing receivables amount to	-	1	-
Interest-bearing liabilities amount to	1,213	766	774
Pledged assets	10	8	11
Contingent liabilities	25	39	40

SHAREHOLDERS' EQUITY AND NUMBER OF SHARES

Specification of changes in shareholders' equity, SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Full year
Shareholders' equity, opening balance	1,793	1,607	1,693	1,512	1,512
Dividend	-	-	-100	-84	-84
New issue	-	-	-	54	54
Call options issued	-	-	3	6	6
Repurchase of treasury shares	-23	-	-23	-	-72
Comprehensive income for the period	120	53	317	172	277
Shareholders' equity, closing balance	1,890	1,660	1,890	1,660	1,693
Shareholders' equity attributable to:					
Owners of the Parent Company	1,890	1,660	1,890	1,660	1,693
Number of shares outstanding, opening balance	133,728,232	134,528,232	133,728,232	133,709,024	133,709,024
New issue	-	-	-	819,208	819,208
Repurchase of treasury shares	-230,000	-	-230,000	-	-800,000
Number of shares outstanding, closing balance	133,498,232	134,528,232	133,498,232	134,528,232	133,728,232

Addnode Group held 1,030,000 (-) class B treasury shares on 30 September 2022.

Due to the 4:1 share split executed in May 2022, the historical number of shares has been restated.

CONSOLIDATED STATEMENT OF CASH FLOWS

SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Full year
Operating activities					
Operating profit	143	67	378	199	305
Adjustment for non-cash items	86	64	210	161	222
Total	229	131	588	360	527
Net financial items	-9	-5	-18	-16	-21
Tax paid	-29	-22	-81	-49	-59
Cash flow from operating activities before changes in working capital	191	104	489	295	447
Total change in working capital	-102	-125	-36	-115	-10
Cash flow from operating activities	89	-21	453	180	437
Investing activities					
Purchases and sales of intangible assets and property, plant and equipment	-27	-26	-25	-76	-105
Acquisitions of financial assets	-	-3	-5	-3	-4
Acquisitions of subsidiaries and operations	-57	-36	-507	-355	-360
Cash and cash equivalents in acquired companies	-	3	92	71	71
Cash flow from investing activities	-84	-62	-445	-363	-398
Financing activities					
Paid dividend	-	-	-100	-84	-84
Issued call options	-	-	3	6	6
Repurchase of treasury shares	-23	-	-23	-	-72
Borrowings	-	-	304	770	770
Repayment of loans	-39	-118	-83	-897	-925
Cash flow from financing activities	-62	-118	101	-205	-305
Change in cash and cash equivalents	-57	-201	109	-388	-266
Cash and cash equivalents at start of period	597	475	406	644	644
Exchange rate difference in cash and cash equivalents	14	7	39	25	28
Cash and cash equivalents at end of period	554	281	554	281	406

PARENT COMPANY FINANCIAL STATEMENTS

PARENT COMPANY INCOME STATEMENT

SEK m	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Full year
Net sales	6	11	18	16	24
Operating expenses	-19	-19	-61	-55	-78
Operating profit	-13	-8	-43	-39	-54
Profit/loss from participations in Group companies	33	-	48	66	312
Other financial income	1	1	7	4	2
Financial expenses	-8	-4	-19	-52	-60
Profit after financial items	13	-11	-7	-21	200
Provision to tax allocation reserve	-	-	-	-	-29
Profit before taxes	13	-11	-7	-21	171
Tax	-	-	-	-	-18
Net profit for the period	13	-11	-7	-21	153

PARENT COMPANY BALANCE SHEET

SEK m	2022 30 Sep	2021 30 Sep	2021 31 Dec
Assets			
Intangible non-current assets	0	0	0
Financial assets	2,918	2,848	2,715
Current receivables	47	63	34
Cash and cash equivalents	283	172	301
Total assets	3,248	3,083	3,050
Shareholders' equity and liabilities			
Shareholders' equity	1,210	1,236	1,339
Untaxed reserves	126	96	126
Provisions	86	103	93
Non-current liabilities	717	668	660
Current liabilities	1,109	980	832
Total shareholders' equity and liabilities	3,248	3,083	3,050

OPERATING SEGMENTS

The figures below refer to January–September of each year.

REVENUE AND PROFIT												
SEK m	Design		PLM		Process		Central		Eliminations		Addnode Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Revenue												
External sales	2,486	1,378	1,114	868	839	716	0	1	-	-	4,439	2,963
Transactions between segments	4	3	11	7	8	7	9	9	-32	-26	0	0
Total revenue	2,490	1,381	1,125	875	847	723	9	10	-32	-26	4,439	2,963
EBITA	287	145	114	73	166	136	-39	-41	-	-	528	313
EBITA margin, %	11.5	10.5	10.1	8.3	19.6	18.8	-	-	-	-	11.9	10.6
Operating profit	226	102	68	41	123	97	-39	-41	-	-	378	199
Operating margin, %	9.1	7.4	6.0	4.7	14.5	13.4	-	-	-	-	8.5	6.7
Average number of employees	774	554	692	610	639	584	9	8	-	-	2,114	1,756

REVENUE BREAKDOWN												
SEK m	Design		PLM		Process		Central		Eliminations		Addnode Group	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
Licences	51	34	107	100	30	29	-	-	0	0	188	163
Recurring revenue	2,042	1,164	687	512	394	330	-	-	-1	-1	3,122	2,005
Services	368	166	315	251	400	341	-	-	-12	-7	1,071	751
Other	29	17	16	12	23	23	9	10	-19	-18	58	44
Total revenue	2,490	1,381	1,125	875	847	723	9	10	-32	-26	4,439	2,963

Addnode Group's operations are organised and governed based on the Design Management, Product Lifecycle Management (PLM) and Process Management divisions, which make up the Group's operating segments. Within Addnode Group's three divisions, the subsidiaries deliver software and digital solutions to customers in sectors including construction and real estate, manufacturing, the auto industry, medical devices and the public sector. The solutions that Addnode Group delivers enable our customers to use digital working methods to rationalise their operations, quality-assure their production and communicate better with customers and members of the public. Segment division is based on the Group's products and services.

There has been no change to segment division since the most recent Annual Report.

The difference between the total of the segments' operating profit and consolidated profit before tax consists of financial income of SEK 11 m (2) and financial expenses of SEK -33 m (-16).

Acquisitions completed in the year mean that operating capital in segments has increased in 2022 compared to the disclosures in the Annual Report for 2021: Design Management by SEK 670 m, PLM by SEK 73 m and Process Management by SEK 96 m. Operating capital is defined as the total of goodwill and other intangible non-current assets, property, plant and equipment, financial assets, trade receivables and other operating assets, less trade payables and other operating liabilities.

KEY FIGURES - QUARTERLY

SEK m	2022			2021				2020
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net sales, SEK m	1,624	1,489	1,326	1,114	925	1,002	1,036	921
<i>Design Management</i>	977	806	707	471	409	439	533	384
<i>Product Lifecycle Management</i>	393	394	338	352	293	299	283	312
<i>Process Management</i>	262	297	288	297	230	268	225	231
EBITA, SEK m	194	154	180 ¹	148	108	98	107	108
<i>Design Management</i>	118	80	89	59	44	40	61	36
<i>Product Lifecycle Management</i>	45	35	34	44	28	27	18	39
<i>Process Management</i>	50	56	60	59	49	48	39	45
EBITA margin, %	11.9	10.3	13.6 ¹	13.3	11.7	9.8	10.3	11.7
<i>Design Management</i>	12.1	9.9	12.6	12.5	10.8	9.1	11.4	9.4
<i>Product Lifecycle Management</i>	11.5	8.9	10.1	12.5	9.6	9.0	6.4	12.5
<i>Process Management</i>	19.1	18.9	20.8	19.9	21.3	17.9	17.3	19.5
Average number of employees	2,201	2,167	1,929	1,793	1,797	1,794	1,723	1,740
<i>Design Management</i>	840	837	646	548	563	562	570	566
<i>Product Lifecycle Management</i>	691	685	646	617	616	612	607	628
<i>Process Management</i>	661	637	628	619	610	612	539	539
Net sales per employee, SEK 000s	738	687	687	621	515	559	601	529
Change in net sales, %	75	49	28	21	15	18	-16	-1
Operating margin, %	8,8	6,8	10,1	9,5	7,2	5,9	7,0	8,3
Equity, SEK m	1,890	1,793	1,812	1,693	1,660	1,607	1,605	1,512
Return on equity, % ²	20.2	17.9	16.1	13.9	12.6	12.2	10.4	11.2
Equity/assets ratio, %	34	32	34	39	43	39	39	40
Return on capital employed, % ²	18.1	15.4	13.9	13.0	11.7	11.1	9.7	10.6
Net debt, SEK m	659	601	481	368	484	396	88	182
Investments in equipment, SEK m	5	6	7	3	4	5	3	4

¹ EBITA included a capital gain of SEK 24 m from the sale of an office property in the UK. EBITA adjusted for this capital gain was SEK 156 m, corresponding to an adjusted EBITA margin of 11.8 per cent.

² Key financial ratios have been restated to reflect annualised return.

SHARE DATA¹

	2022			2021				2020
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Average number of shares outstanding before and after dilution, m	133.6	133.7	133.7	133.7	134.5	134.5	133.7	133.7
Total number of shares outstanding, m	133.5	133.7	133.7	133.7	134.5	134.5	133.7	133.7
Total number of registered shares, m	134.5	134.5	134.5	134.5	134.5	134.5	133.7	133.7
Earnings per share before and after dilution, SEK	0.77	0.52	0.79	0.60	0.36	0.30	0.40	0.41
Cash flow from operating activities per share, SEK	0.67	0.91	1.81	1.92	-0.16	0.38	1.13	1.35
Shareholders' equity per share, SEK	14.16	13.41	13.55	12.66	12.34	11.95	12.00	11.31
Share price at end of period, SEK	77.45	83.40	96.38	107.25	86.88	78.75	65.50	71.50
Share price/shareholders' equity	5.47	6.22	7.11	8.47	7.04	6.59	5.46	6.32

¹ Due to the 4:1 share split executed in May 2022, historical key financial ratios based on the number of shares have been restated.

ALTERNATIVE PERFORMANCE MEASURES USE AND RECONCILIATION

The European Securities and Markets Authority (ESMA) has issued guidelines for disclosures on Alternative Performance Measures (APMs) for companies with securities listed on a regulated market in the EU, which apply to Alternative Performance Measures in published mandatory information. Alternative Performance Measures are financial metrics on historical or future performance of earnings, financial position, financial results or cash flows that are not defined or stated in the applicable rules for financial reporting. Certain performance metrics are used in this Interim Report that are not defined in IFRS, with the intention of offering investors, financial analysts and other stakeholders clear and relevant information on the company's operations and performance. The use of these performance metrics and reconciliation with the financial statements are presented below.

Definitions on page 22.

EBITA

EBITA is a metric the Group considers relevant to investors, financial analysts and other stakeholders to understand earnings generation before investments in intangible non-current assets. This measure is an expression of operating profit before the amortisation and impairment of intangible non-current assets.

NET DEBT

The Group considers this key ratio useful to the readers of financial statements as a complement in evaluating dividend potential, making strategic investments and assessing the Group's potential to satisfy financial obligations. This key ratio is an expression of the level of financial borrowing in absolute terms after deducting cash and cash equivalents.

RECONCILIATION OF EBITA

	2022 Jul-Sep	2021 Jul-Sep	2022 Jan-Sep	2021 Jan-Sep	2021 Full year
Operating profit	143	67	378	199	305
Amortisation and impairment of intangible non-current assets	51	41	150	114	156
EBITA	194	108	528	313	461

RECONCILIATION OF NET DEBT

	2022 30 Sep	2021 30 Sep	2021 31 Dec
Non-current liabilities	1,665	879	892
Current liabilities	2,040	1,344	1,737
Non interest-bearing non-current and current liabilities	-2,492	-1,457	-1,855
Total interest-bearing liabilities	1,213	766	774
Cash and cash equivalents	-554	-281	-406
Other interest-bearing receivables	-	-1	-
Net debt (+)/receivable (-)	659	484	368

DEFINITIONS

Average number of employees

Average number of employees in the period (full-time equivalents).

Capital employed

Total assets less non-interest-bearing liabilities and non-interest-bearing provisions including deferred tax liabilities.

Cash flow per share

Cash flow from operating activities divided by the average number of shares outstanding.

Currency-adjusted organic growth

Change in net sales, restated using the preceding year's exchange rates, excluding acquired entities in the most recent 12-month period.

Earnings per share

Net profit for the period divided by the average number of shares outstanding.

EBITA

Earnings before amortisation and impairment of intangible non-current assets.

EBITA margin

EBITA as a percentage of net sales.

Equity/assets ratio

Shareholders' equity (including shareholders' equity attributable to non-controlling interests) as a percentage of total assets.

Net debt

Interest-bearing liabilities less cash and cash equivalents and other interest-bearing receivables. According to this definition, negative net debt means that cash and cash equivalents and other interest-bearing financial assets exceed interest-bearing liabilities.

Net sales per employee

Net sales divided by the average number of employees (full-time equivalents).

Operating margin

Operating profit as a percentage of net sales.

Organic growth

Change in net sales excluding acquired entities in the most recent 12-month period.

Recurring revenue

Revenue of an annually recurring character such as revenue from support and maintenance contracts and revenue from subscription agreements, rental contracts and SaaS solutions.

Return on capital employed

Profit before tax plus financial expenses as a percentage of average capital employed. It is based on profit for the last 12 months and the average of the opening and closing balance of capital employed.

Return on equity

Net profit for the period as a percentage of average shareholders' equity. Based on profit for the last 12 months and the average of the opening and closing balances of shareholders' equity.

Share price/shareholders' equity

Share price in relation to shareholders' equity per share.

Shareholders' equity

Reported shareholders' equity plus untaxed reserves less deferred tax at the current tax rate.

Shareholders' equity per share

Shareholders' equity divided by the total number of shares outstanding.

DIVISION DESIGN MANAGEMENT

MICRODESK

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SERVICE WORKS GLOBAL

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SYMETRI

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TRIBIA

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DIVISION PRODUCT LIFECYCLE MANAGEMENT

TECHNIA

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DIVISION PROCESS MANAGEMENT

ADTOLLO

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ARKIVA

ADDNODE GROUP

CANELLA

ADDNODE GROUP

DECERNO

ADDNODE GROUP

DECISIVE

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ELPOOL

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