

## INTERIM REPORT 1 JANUARY-30 SEPTEMBER 2023

*This is a translation of the Swedish original of Addnode Group's Interim Report for the period 1 January-30 September 2023. In the event of inconsistency between the two, the original Swedish version shall apply.*

### SUMMARY OF THE THIRD QUARTER, JULY-SEPTEMBER 2023

- Net sales increased by 11 per cent to SEK 1,808 m (1,624), of which -5 per cent was organic. Currency-adjusted organic growth was -9 per cent.
- EBITA decreased to SEK 132 m (194), and the EBITA margin was 7.3 per cent (11.9). EBITA has been charged with restructuring costs of SEK -5 m (-). EBITA adjusted for restructuring costs amounted to SEK 137 m (194), and the adjusted EBITA margin was 7.6 per cent (11.9).
- Operating profit decreased to SEK 70 m (143), and the operating margin was 3.9 per cent (8.8).
- Net profit for the period amounted to SEK 35 m (103).
- Earnings per share amounted to SEK 0.26 (0.77).
- Cash flow from operating activities amounted to SEK -139 m (89).
- The acquisition of Team D3 in the USA was completed in early July 2023.
- Kristina Elfström Mackintosh was appointed CFO of Addnode Group and will take up the position in December 2023.

### SUMMARY OF SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

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

# 11%

Net sales growth  
Q3 2023 compared with Q3  
2022

# 7.6%

Adjusted EBITA margin  
Q3 2023

# 71%

Share of recurring  
revenue Q3 2023

### KEY FIGURES

	Third quarter		9 months		Rolling 12 m	Full year
	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	Oct 2022- Sep 2023	2022
Net sales, SEK m	1,808	1,624	5,334	4,439	7,120	6,225
EBITA, SEK m	132 <sup>2)</sup>	194	444 <sup>2)</sup>	528 <sup>1)</sup>	644 <sup>2)</sup>	728 <sup>1)</sup>
EBITA margin, %	7.3 <sup>2)</sup>	11.9	8.3 <sup>2)</sup>	11.9 <sup>1)</sup>	9.0 <sup>2)</sup>	11.7 <sup>1)</sup>
Operating profit, SEK m	70 <sup>2)</sup>	143	275 <sup>2)</sup>	378 <sup>1)</sup>	424 <sup>2)</sup>	527 <sup>1)</sup>
Operating margin, %	3.9 <sup>2)</sup>	8.8	5.2 <sup>2)</sup>	8.5 <sup>1)</sup>	6.0 <sup>2)</sup>	8.5 <sup>1)</sup>
Net profit for the period, SEK m	35 <sup>2)</sup>	103	173 <sup>2)</sup>	279 <sup>1)</sup>	276 <sup>2)</sup>	382 <sup>1)</sup>
Earnings per share, SEK	0.26 <sup>2)</sup>	0.77	1.30 <sup>2)</sup>	2.09 <sup>1)</sup>	2.07 <sup>2)</sup>	2.86 <sup>1)</sup>
Cash flow from operating activities, SEK m	-139	89	257	453	518	714
Return on capital employed <sup>3)</sup>	13.4	18.1	13.4	18.1	13.4	19.6
Return on equity <sup>3)</sup>	14.0	20.2	14.0	20.2	14.0	20.7
Equity/assets ratio, %	31	34	31	34	31	32
Debt/equity ratio, %	54	35	54	35	54	23

<sup>1)</sup> Earnings in 2022 included a SEK 24 m capital gain relating to the sale of an office property.

<sup>2)</sup> EBITA has been charged with restructuring costs of SEK 5 m (-) in the third quarter and SEK 15 m (-) in both the nine-month period and the rolling 12-month period.

<sup>3)</sup> Key financial ratios have been adjusted to reflect annualised return.

For more information, please contact:

**Johan Andersson**, President and CEO, johan.andersson@addnodegroup.com +46 (0)70 420 5831

**Lotta Jarleryd**, CFO, lotta.jarleryd@addnodegroup.com +46 (0)72 247 9201

“The structural underlying demand for the digital solutions offered by our companies extends beyond and across economic cycles, driven by customer needs for digitalisation, automation, urbanisation and sustainability.”



## WEAKER USA FIGURES CLOUD OUTLOOK

### THIRD QUARTER 2023

Net sales increased by 11 per cent. Acquired growth amounted to 16 per cent and the organic growth was negative. EBITA adjusted for restructuring costs amounted to SEK 137 m (194).

The negative organic growth and lower earnings in the quarter related to weaker demand from the construction industry and much lower sales on Autodesk's three-year agreements in the Design Management division. This was most evident in the USA. In addition, the comparative figures for the division were high following record-breaking sales of three-year agreements in the third quarter of 2022. The Product Lifecycle Management and Process Management divisions reported organic growth, and both divisions delivered improved EBITA adjusted for restructuring costs.

Cash flow from operating activities was negative in the quarter primarily due to lower operating profit and a temporary increase in working capital tied up,

### PERFORMANCE BY THE DIVISIONS

The Design Management division's currency-adjusted organic growth amounted to -21 per cent, and the division's earnings were halved compared to the corresponding quarter last year. The development in the Nordics was stable, while demand in the UK was slightly weaker. In the USA, the demand was weaker both for Symetri USA (formerly Microdesk) and for Team D3, which was acquired at the beginning of the quarter. The lower net revenue was primarily affected by substantially lower volumes in three-year agreements, which does not change the long-term plan. The number of customers and the annual value of the underlying contractbase, which is the basis for future contract renewals, are continuing to increase. We still see great potential for selling Symetri's proprietary software to the growing customer base. The two other companies in the division—SWG and Tribia, which offer proprietary software for facility management and for construction and infrastructure projects—displayed a stable performance.

The Product Lifecycle Management division reported currency-adjusted organic growth of 10 per cent. The restructuring programme has started to have the intended impact, an estimated yearly cost saving of approximately SEK 40 m, with full effect from the first quarter of 2024. A number of large license deals contributed to the division's growth and improved earnings.

The Process Management division reported currency-adjusted organic growth of 7 per cent and improved EBITA. Demand for the division's digital solutions for the public sector for document and case management, citizen services and municipal technical information systems remained stable.

### OUTLOOK

The structural underlying demand for the digital solutions offered by our companies extends beyond and across economic cycles, driven by customer needs for digitalisation, automation, urbanisation and sustainability. However, the current economic situation is dominated by uncertainty and restraint among customers.

Addnode Group is built on dedicated employees, successful acquisitions, customer focus and hard work. During 2023, we have carried out acquisitions and cost reductions that have provided Addnode Group with an even better position for achieving profitable growth when the economic climate stabilises and recovers. Addnode Group's good financial position means that we can continue to invest and execute on our acquisition strategy.

**Johan Andersson**  
President and CEO

# ABOUT ADDNODE GROUP

## STRATEGY

Addnode Group acquires, operates and develops cutting-edge businesses that digitalise society. We create sustainable value growth over time by continuously acquiring new businesses 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 per cent.
- Operating margin before amortisation and impairment of intangible assets (EBITA margin) shall be at least 10 per cent.
- 30-50 per cent of the Group's profit after tax to be distributed to shareholders, providing its liquidity and financial position are 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 2,700.

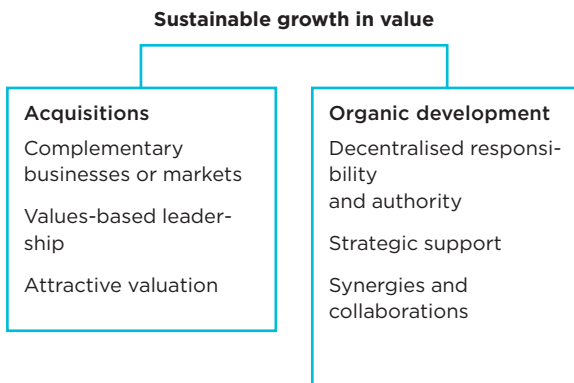
The Group is one of Europe's market-leading providers of software and services for design and construction, product data information, project collaboration and facility management. The Group is also a leading provider of digital solutions for design, construction and manufacturing in the USA. Addnode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

## SUSTAINABILITY AGENDA

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 citizens.

Addnode Group's sustainability 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 that we monitor and report each year in Addnode Group's Annual Report.

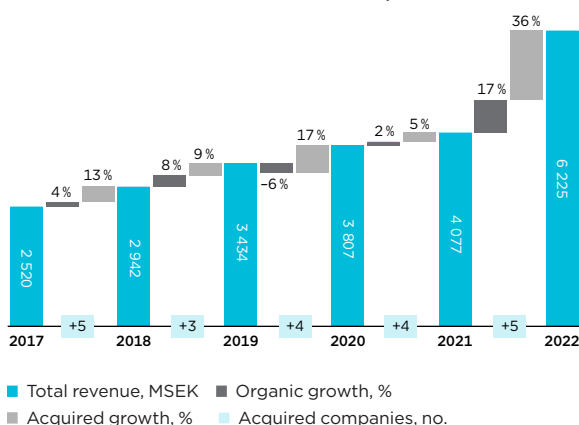
## STRATEGY FOR PROFITABLE AND SUSTAINABLE GROWTH



## SUSTAINABILITY AGENDA WITH FIVE FOCUS AREAS



## ORGANIC AND ACQUIRED GROWTH, 2017-2022



## UN SUSTAINABLE DEVELOPMENT GOALS (SDGS) WITH THE CLEAREST CONNECTION TO ADDNODE GROUP'S SUSTAINABILITY AGENDA:



## DIGITAL SOLUTIONS THAT CONTRIBUTE TO SUSTAINABLE DEVELOPMENT

### PROJECT MANAGEMENT TOOL FOR DOCUMENTATION AND COORDINATION

Addnode Group's subsidiary Tribia, part of the Design Management division, has supported the social building company Peab with the project management tool Interaxo to ensure quality and documentation in the development of the Tåsenhjemmet nursing home in Norway. Tåsenhjemmet is one of Oslo's most ambitious sustainability projects in property development. The property is built in solid wood and includes 130 private rooms and a daytime care facility.

The Tåsenhjemmet project has high sustainability ambitions, including BREEAM Excellent and ZeroCO<sub>2</sub> certification, which means that there must be clear limits on the amount of CO<sub>2</sub> emissions as well as a plan for the building to become climate neutral over time.

Tribia's Interaxo project management tool has helped Peab to seamlessly manage all documentation, share

information between different parties and maintain full control over the entire project. Another benefit of systems such as Interaxo is that they reduce the risk of mistakes and misunderstandings that can lead to design problems and waste during the construction process.



### OPTIMISED ENERGY USE IN ELECTRIC VEHICLES

Addnode Group's subsidiary TECHNIA, part of the Product Lifecycle Management division, has delivered the modelling and simulation solutions Dymola and VeSyMA to McMurtry, one of motorsport's leading electric car manufacturers.

McMurtry sought TECHNIA's expertise to gain a deeper understanding of how the systems in its cars interact with each other in order to further optimise the cars' performance. McMurtry's ambition is to refine the design to the point where its sports cars can set new speed records. TECHNIA has helped McMurtry to implement Dassault Systèmes' Dymola and VeSyMA applications in order to enable McMurtry to design customised and connected vehicle prototypes. These advanced solutions will allow McMurtry to better optimise the efficiency and energy use of its cars. Experience and solutions from motorsport have traditionally been transferred to commercial vehicle appli-

cations. There is therefore good potential for McMurtry's investments in motorsport to contribute to the continued development of the commercial electric car market and thus to society's overall sustainability transition.



### MORE EFFICIENT PORT LOGISTICS HELP TO REDUCE IDLING

Addnode Group's subsidiary Stamford, part of the Process Management division, has implemented a notification system for HallandsHamnar Halmstad's container operations. HallandsHamnar Halmstad, one of the ten largest ports in Sweden, is a modern logistics company offering port, terminal and transportation services.

HallandsHamnar Halmstad's strong ambitions in sustainable solutions and eco-friendly logistics centres mean that the company has a major need for a good overview of its container flows as well as robust planning tools. Stamford's proprietary software solution, Preadvice, which the port has deployed, enables freight companies and operators to proactively notify the port's customer service department of upcoming deliveries via a mobile app. This in turn enables real-time notifications regarding optimal pick-up times. This digital transformation of container

handling in the port has contributed to a significant increase in resource efficiency, both for the port and for the freight companies.

Preadvice also makes it possible to both plan and predict workloads and transportation, which in turn has helped to shorten the idle time of trucks, thereby reducing the amount of CO<sub>2</sub> emissions from the port operations.



## SIGNIFICANT EVENTS

### IN THE THIRD QUARTER OF 2023

#### Acquisition of Team D3 completed

The acquisition of D3 Technical Services LLC (Team D3) in the USA was completed on 3 July 2023. Team D3 is now part of Symetri and was consolidated effective July 2023 in the Design Management division.

#### Repurchase of the company's shares

In August 2023, Addnode Group repurchased 180,000 of the company's class B shares on Nasdaq Stockholm supported by the authorisation granted by the 2023 AGM. The aim was to enable the delivery of shares associated with the implementation of Addnode Group's share-based incentive programme. The repurchased shares are now held in treasury, and the total number of class B treasury shares amounted to 1,210,000 as of 30 September 2023.

#### Addnode Group appoints new CFO

Addnode Group appointed Kristina Elfström Mackintosh as the Group's new CFO in September 2023. Kristina will take up the position in December 2023. As previously announced, current CFO Lotta Jarleryd will leave Addnode Group in October 2023.

### AFTER THE END OF THE REPORTING PERIOD

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

### FINANCIAL CALENDAR





# CONSOLIDATED NET SALES, EARNINGS AND CASH FLOW

## THIRD QUARTER, JULY-SEPTEMBER 2023

Net sales for the third quarter of 2023 increased to SEK 1,808 m (1,624), representing growth of 11 per cent. Organic growth was negative and amounted to -5 per cent, and currency-adjusted organic growth amounted to -9 per cent.

The Design Management division reported lower net sales than the previous year, mainly due to lower sales on Autodesk agreements as a result of a slower construction cycle and longer sales cycles. The Product Lifecycle Management and Process Management divisions reported currency-adjusted organic growth of 10 per cent and 7 per cent, respectively. Product Lifecycle Management had continued stable demand for PLM systems and associated services in Germany, the UK and the USA, while the Nordic market was somewhat weaker. Demand in Process Management remained good, although some restraint from municipalities and public authorities was noted with respect to investments.

Licence revenue increased to SEK 97 m (52), recurring revenue was SEK 1,283 m (1,193), service revenue increased to SEK 408 m (358) and other revenue was SEK 20 m (21). The recurring revenue share was 71 per cent (73).

EBITA decreased to SEK 132 m (194), and the EBITA margin declined to 7.3 per cent (11.9). As previously communicated, restructuring measures are ongoing within the Product Lifecycle Management division in order to adapt the organisation and cost structure. Costs of SEK 5 million for the restructuring programme are included in the third quarter. EBITA adjusted for restructuring costs was SEK 137 m (194), and the adjusted EBITA margin was 7.6 per cent (11.9). Net financial items were SEK -23 m (-10). Net profit for the period amounted to SEK 35 m (103). Earnings per share amounted to SEK 0.26 (0.77).

Cash flow from operating activities amounted to SEK -139 m (89). The lower cash flow was mainly attributable to lower operating profit and a temporary increase in working capital tied up. Changes in invoicing and payment procedures for three-year agreements introduced by

Symetri's partner Autodesk at the end of March 2023, had a limited effect since volumes of three-year agreements were low in the quarter. In addition, a number of customers decided to pay for the full three-year agreement on a one-off basis, despite having the possibility to spread payments over three years under the new model.

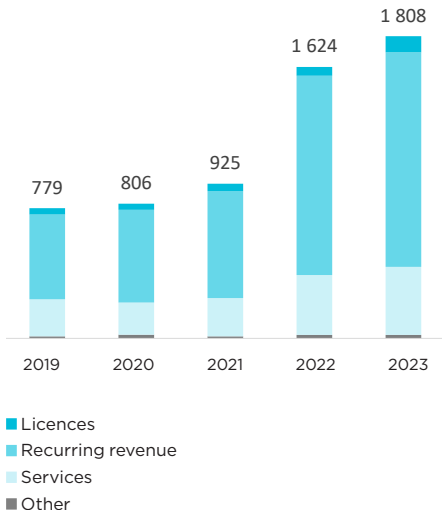
## NINE-MONTH PERIOD, JANUARY-SEPTEMBER 2023

Net sales were SEK 5,334 m (4,439), representing growth of 20 per cent, of which 5 per cent was organic. Currency-adjusted organic growth amounted to 1 per cent. Currency-adjusted organic growth was high in the first quarter, 19 per cent, as a result of good demand in all business areas and in most geographies. This growth was particularly driven by strong demand for Design Management's Autodesk solutions in the AEC segment in the UK. In the subsequent quarters, the Design Management division noted weaker demand from customers in the construction industry, longer sales cycles and significantly lower volumes of three-year agreements, which meant that the Group reported negative currency-adjusted organic growth of -3 per cent in the second quarter and -9 per cent in the third quarter of 2023.

EBITA decreased to SEK 444 m (528), and the EBITA margin was 8.3 per cent (11.9). EBITA included restructuring costs of SEK 15 m in the Product Lifecycle Management division. EBITA has been charged with acquisition costs of SEK -9 m (-13). The previous year included a SEK 24 m capital gain from the sale of a property. Excluding restructuring costs in the current year and the capital gain from the property sale in 2022, EBITA would have been SEK 459 m (504), and the adjusted EBITA margin would have been 8.6 per cent (11.4).

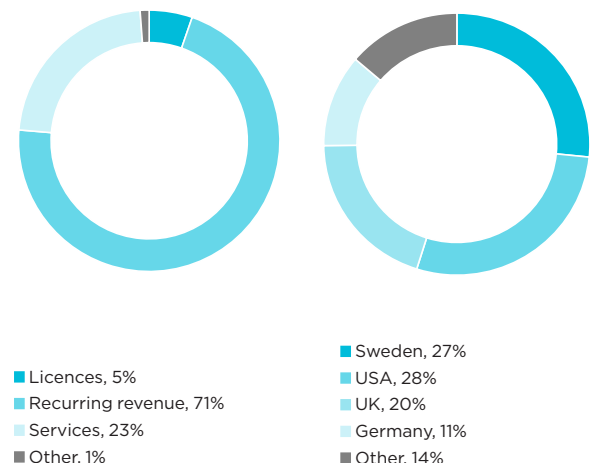
Net financial items amounted to SEK -48 m (-22), mainly related to higher interest rates on a higher loan volume. The reported tax on profit for the period was SEK -54 m (-77). Net profit for the period decreased to SEK 173 m (279). Earnings per share declined to SEK 1.30 (2.09).

REVENUE BREAKDOWN, Q3 2019-2023, SEK M



REVENUE BREAKDOWN, Q3 2023

(Geography based on subsidiary domicile)



## PERFORMANCE BY DIVISION

### NET SALES AND EBITA, Q3

SEK m	Net sales			EBITA		
	2023 Q3	2022 Q3	Change %	2023 Q3	2022 Q3	Change %
Design Management	1,055	977	8	57	118	-52
Product Lifecycle Management	484	393	23	43 <sup>1)</sup>	45	-4
Process Management	280	262	7	53	50	6
Eliminations/central costs	-11	-8		-21	-19	
<b>Addnode Group</b>	<b>1,808</b>	<b>1,624</b>	<b>11</b>	<b>132<sup>1)</sup></b>	<b>194</b>	<b>-32</b>

<sup>1)</sup> EBITA has been charged with restructuring costs of SEK 5 m (-). Addnode Group's EBITA adjusted for restructuring costs was SEK 137 m (194), and the adjusted EBITA margin amounted to 7.6 per cent (11.9).

### NET SALES AND EBITA, YTD

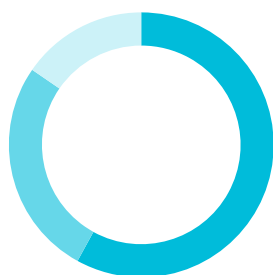
SEK m	Net sales			EBITA		
	2023 Jan-Sep	2022 Jan-Sep	Change %	2023 Jan-Sep	2022 Jan-Sep	Change %
Design Management	3,046	2,490	22	236	287	-18
Product Lifecycle Management	1,385	1,125	23	89 <sup>2)</sup>	114	-22
Process Management	935	847	10	177	166	7
Eliminations/central costs	-32	-23		-58	-39 <sup>3)</sup>	
<b>Addnode Group</b>	<b>5,334</b>	<b>4,439</b>	<b>20</b>	<b>444<sup>2)</sup></b>	<b>528<sup>4)</sup></b>	<b>-16</b>

<sup>2)</sup> EBITA has been charged with restructuring costs of SEK 15 m (-).

<sup>3)</sup> Includes a SEK 24 m capital gain from the sale of an office property in the UK, and acquisition costs of SEK -13 m.

<sup>4)</sup> 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.

### NET SALES<sup>1)</sup>, Q3 2023



<sup>1)</sup> Before eliminations

- Design Management 58%
- Product Lifecycle Management 27%
- Process Management 15%

### EBITA<sup>1)</sup>, Q3 2023



<sup>1)</sup> Before eliminations/central costs

- Design Management 37%
- Product Lifecycle Management 28%
- Process Management 35%

## 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 the UK.

### PROGRESS IN THE QUARTER

Net sales increased by 8 per cent to SEK 1,055 m (977) in the third quarter of 2023. Organic growth was negative and amounted to -17 per cent. Adjusted for currency effects, organic growth was -21 per cent. EBITA decreased to SEK 57 m (118), and the EBITA margin declined to 5.4 per cent (12.1).

The division's operations in digital solutions for design, BIM and product data, which are conducted under the company Symetri, began to note weaker demand for Autodesk solutions during the second quarter of 2023, particularly from customers in the construction industry. This trend continued in the third quarter and is deemed to be a result of the uncertain economic situation as well as the transition for customers in connection with the change to Autodesk's payment model for three-year agreements in March 2023.

This has resulted in longer sales cycles and significantly lower sales of three-year agreements than in the same period last year, both in terms of new sales and with respect to renewed volumes. The comparative figures for the division are high following record-breaking sales of three-year agreements in the third quarter of 2022, mainly driven by demand in the USA and the UK.

With these market conditions, competition in the US market has increased, resulting in downward margin pressure. In order to adapt the cost structure, the employee headcount in the US operations has been reduced.

The operations of Team D3, which was acquired in July 2023 and which mainly has manufacturing customers in the USA, also noted a certain market sluggishness and lower sales of three-year agreements.

Stable progress was posted by Tribia, providing collaborative solutions for construction and civil engineering, and by Service Works Global, providing digital solutions for facility management.

### ACQUISITIONS

In June 2023, Addnode Group signed an agreement to acquire all the shares of D3 Technical Services LLC (Team D3) in the USA. The acquisition was completed in early July 2023. At the time of the acquisition, the company has net sales of USD 120 m (approximately SEK 1,300 m) and 200 employees. Team D3 is an Autodesk Platinum Partner, specialising in manufacturing, the AEC segment and the process industry. The company is mainly active in central USA. Team D3 was consolidated effective July 2023.

### MARKET

Operations in the division are conducted through the companies Symetri (including D3 Technical Services LLC), 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.

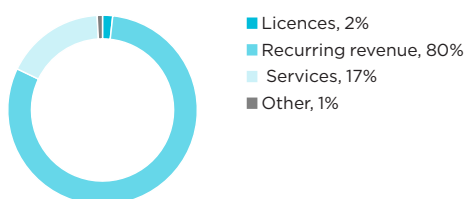
### NET SALES GROWTH Q3 2023 COMPARED WITH Q3 2022

# +8%

### EBITA Q3 2023 COMPARED WITH Q3 2022

# -52%

### NET SALES Q3 2023, BY REVENUE TYPE



### KEY FIGURES

SEK M	Q3 2023	Q3 2022	Change %
Net sales	1,055	977	8
EBITA	57	118	-52
EBITA margin, %	5.4	12.1	
Operating profit	26	95	-73
Operating margin, %	2.5	9.7	
Average number of employees	1,115	840	33



## 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, aftermarket and recycling. For our customers this means shorter lead-times, more innovation, increased efficiency, and traceability.

## PROGRESS IN THE QUARTER

In the third quarter of 2023, net sales increased to SEK 484 m (393), representing growth of 23 per cent. Organic growth was 20 per cent, and currency adjusted, 10 per cent. Market conditions in Germany, the UK and the USA were stable in the quarter, while demand in the Nordics was weaker. Organic growth was partly attributable to a couple of large license deals for PLM systems in Germany and the UK. The trend of customers increasingly demanding time-finite leasing of licences instead of the previous licence purchases with perpetual right of use continued.

As previously reported, restructuring measures are ongoing in the division to increase profitability by adapting the organisation and cost structure. We estimate the restructuring costs for implementation at a total of SEK 20 m, of which SEK 10 m was recognised in the second quarter of 2023. SEK 5 m was recognised in the third quarter, and the remaining SEK 5 m will be recognised in the fourth quarter of 2023. The programme is gradually starting to generate savings and is expected to reach full effect in 2024.

EBITA amounted to SEK 43 m (45), and the EBITA margin declined to 8.9 per cent (11.5). EBITA adjusted for restructuring costs was SEK 48 m (45), corresponding to an adjusted EBITA margin of 9.9 per cent (11.5).

## ACQUISITIONS

The division added the acquisition of Key Performance, with operations in the USA and Sweden, to its digital twin offering in the first quarter of the year. The company performed better than expected in the third quarter and made several interesting deals related to model-based design.

JBL, which was acquired just under a year ago, continued to perform well. The company's consultants have unique industry expertise in oil and gas, infrastructure and renewable energy. The operation strengthens TECHNIA's position as a Dassault Systèmes Partner in the USA.

## MARKET

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

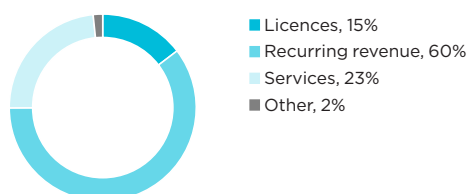
NET SALES GROWTH Q3 2023  
COMPARED WITH Q3 2022

+23%

EBITA Q3 2023  
COMPARED WITH Q3 2022

-4%

## NET SALES Q3 2023, BY REVENUE TYPE



## KEY FIGURES

SEK m	Q3 2023	Q3 2022	Change %
Net sales	484	393	23
EBITA	43	45	-4
EBITA margin, %	8.9	11.5	
Operating profit	26	31	-16
Operating margin, %	5.4	7.9	
Average number of employees	734	691	6

## 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 citizens.

### PROGRESS IN THE QUARTER

Net sales increased to SEK 280 m (262) in the third quarter of 2023, representing growth of 7 per cent. Organic growth was 7 per cent. Municipalities and public authorities continued to show some restraint in terms of investment, and there were fewer tenders than in the previous year. The division's good and well-established relationships with a large public sector customer base frequently present opportunities for recurring sales, or the expansion of current assignments. Demand for the division's consulting offerings was good, especially for services related to customer-specific solutions. The division is continuing to invest in enhancing its customer offerings.

The division's businesses are well positioned in public sector tenders owing to their attractive digital solutions, in-depth experience and good references.

EBITA increased to SEK 53 m (50), and the EBITA margin was 18.9 per cent (19.1).

### 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 citizens. 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 regulatory requirements.

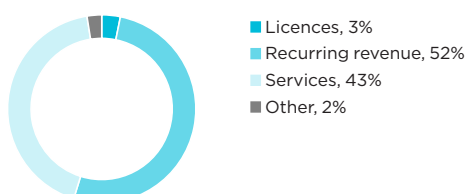
### NET SALES GROWTH Q3 2023 COMPARED WITH Q3 2022

+7%

### EBITA Q3 2023 COMPARED WITH Q3 2022

+6%

### NET SALES Q3 2023, BY REVENUE TYPE



### KEY FIGURES

SEK m	Q3 2023	Q3 2022	Change %
Net sales	280	262	7
EBITA	53	50	6
EBITA margin, %	18.9	19.1	
Operating profit	39	35	11
Operating margin, %	13.9	13.4	
Average number of employees	690	661	4

## DISCLOSURES ON ACQUISITIONS

### ACQUISITIONS COMPLETED IN JANUARY-SEPTEMBER 2023

In the period January-September 2023, Addnode Group acquired all the shares of three operations: FAST2 Affärssystem AB (now SWG Nordic Housing AB), Key Performance LLC and D3 Technical Services LLC (Team D3). In this period, these acquisitions contributed net sales of SEK 303 m, while their impact on EBITA was marginal. If the acquisitions had been completed as of 1 January 2023, the Group's net sales would have been approximately SEK 5,928 m and EBITA approximately SEK 482 m for January-September 2023. The Group's other external costs included expenses of SEK -9 m (-13) for completing the acquisitions, which were primarily attributable to the acquisition of Team D3. In the previous year, transaction costs related mainly to the acquisition of Microdesk.

FAST2, acquired in January 2023, is one of Sweden's leading providers of ERP systems for technical and financial management for real estate companies. The company's systems are used by customers including Sweden's largest public housing corporations. The company has approximately 50 employees, and net sales of approximately SEK 80 m. FAST2 is part of Service Works Global, and was consolidated into the Design Management division effective January 2023.

Key Performance, acquired in March 2023, is a Dassault Systèmes Partner specialising in model-based design. Key Performance has operations in the USA and Sweden, and net sales of approximately SEK 25 m. This operation was consolidated effective March 2023 as part of TECHNIA in the Product Lifecycle Management division.

The acquisition of Team D3 was completed in July 2023. The company is an Autodesk Platinum Partner, specialising in manufacturing, the AEC segment and the process industry. The company is mainly active in central USA. At the time of acquisition, Team D3 had sales of approximately USD 120 m (approximately SEK 1,300 m) and 200 employees in the USA. The maximum purchase price for all the shares is approximately USD 59 m, of which USD 31 m is fixed and up to USD 28 m is contingent on future financial performance. The company was consolidated effective July 2023 in the Design Management division.

### Acquisition analyses (SEK m)

The following acquisition analyses were prepared for the acquisitions. The calculations are preliminary.

#### ACQUISITION ANALYSIS FOR TEAM D3 (SEK M)

Acquired companies' net assets at acquisition date	Carrying amount in companies	Fair value adjustment	Fair value, Group
Intangible non-current assets		298	298
Other non-current assets	1		1
Current assets	119		119
Cash and cash equivalents	58		58
Other liabilities	-163		-163
<b>Net identifiable assets/liabilities<sup>1)</sup></b>	<b>15</b>	<b>298</b>	<b>313</b>
Goodwill			237
<b>Calculated purchase price<sup>1)</sup></b>			<b>550</b>

<sup>1)</sup> The acquisition of Team D3 includes estimated discounted non-current contingent consideration liabilities of USD 17 m that may be payable in 2026 and a discounted non-current non-interest-bearing liability of USD 3 m.

#### ACQUISITION ANALYSIS FOR FAST2 AND KEY PERFORMANCE (SEK M)

Acquired companies' net assets at acquisition date	Carrying amount in companies	Fair value adjustment	Fair value, Group
Intangible non-current assets	9	30	39
Other non-current assets	2		2
Current assets	43		43
Cash and cash equivalents	5		5
Other liabilities	-42	-6	-48
<b>Net identifiable assets/liabilities<sup>1)</sup></b>	<b>17</b>	<b>24</b>	<b>41</b>
Goodwill			35
<b>Calculated purchase price<sup>1)</sup></b>			<b>76</b>

<sup>1)</sup> Non-current contingent considerations of a maximum of SEK 25 m may be payable for the acquisition of FAST2, of which SEK 15 m has been entered as a liability. The acquisition of Key Performance includes a current non-interest-bearing liability of USD 0.15 m, which has been entered as a liability.

## CONSOLIDATED BALANCE SHEET AND CASH FLOW

### LIQUIDITY AND FINANCIAL POSITION

Cash and cash equivalents held by the Group amounted to SEK 565 m (554) as of 30 September 2023.

In June 2023, Addnode Group agreed to increase its existing credit line with a term loan of SEK 1,000 m with Nordea and SEB. This loan can be utilised to refinance existing loans in different currencies and for general corporate purposes. The new loan has a three-year term, with a 1+1 year extension option. Most of the loans drawn from the revolving credit facility were transferred to this new loan, which created available scope in the revolving credit facility.

In June 2023, Addnode Group also exercised its option to extend its existing SEK 1,600 m revolving credit facility by one year to June 2026 with other terms and conditions unchanged.

Addnode Group signed an agreement to acquire Team D3 in the USA in June 2023. This acquisition was completed on the first working day of July 2023. The initial purchase price was financed with loans. SEK 467 m (1,021) of the SEK 1,600 m revolving credit facility had been utilised as of 30 September 2023, which meant available credit of SEK 1,133 m (579). The full utilised portion of the credit line has been classified under non-current liabilities.

SEK 222 m (192) of the interest-bearing liabilities in addition to the utilised portion of the credit facility of SEK 1,449 m (1,021) related to leases. There were no interest-bearing liabilities related to completed acquisitions. Consequently, the Group's total interest-bearing liabilities were SEK 1,671 m (1,213), and the Group's net debt was SEK 1,103 million (659). The equity/assets ratio was 31 per cent (34).

Non-interest-bearing liabilities related to completed acquisitions were SEK 53 m (69), and estimated contingent considerations for completed acquisitions were SEK 480 m (368). A total of SEK 286 m of provisions and liabilities for acquisitions completed in 2022 or earlier are included in the Consolidated Balance Sheet.

### CASH FLOW

Cash flow from operating activities for the period January-September 2023 declined to SEK 257 m (453). The lower cash flow was mainly attributable to lower operating profit and a temporary increase in working capital tied up. Cash flow from investing activities includes payments for proprietary software of SEK 108 m (76). Investments in subsidiaries and operations generated a negative cash flow of SEK 465 m (415), of which SEK 46 m pertained to the settlement of a promissory note and SEK 59 m pertained to the settlement of the contingent consideration to the sellers of the shares of Microdesk. In the previous year, cash flow from investing activities included proceeds from the sale of an office property in the UK. Financing activities included arranging loans to finance the initial purchase consideration for the acquisition of Team D3, and the contingent consideration for Microdesk. Financing activities were also affected by a SEK 49 m (15) repayment of bank loans, a SEK 77 m (68) repayment of a lease liability, a SEK 133 m (100) payment of share dividends and a SEK 14 m (23) to the repurchase of the company's shares.

### INVESTMENTS

SEK 206 m (167) of investments were made in intangible assets and property, plant and equipment, of which SEK 108 m (76) related to proprietary software.

### GOODWILL AND OTHER INTANGIBLE ASSETS

The carrying amount of the Group's goodwill was SEK 3,006 m (2,675) on 30 September 2023. Other intangible assets amounted to SEK 1,032 m (748), and mainly comprised customer contracts, trademarks and software.

### DEFERRED TAX ASSETS

Deferred tax assets were SEK 19 m (85) as of 30 September 2023, of which SEK 6 m (7) were tax loss carry-forwards. As of 30 September 2023, the Group's total loss carry-forwards were approximately SEK 75 m (70).

### EQUITY

Equity as of 30 September 2023 was SEK 2,056 m (1,890), equivalent to SEK 15.42 (14.16) per share outstanding.

### 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 2023 was as follows:

Share class	No. of shares outstanding
Class A shares	3,948,696
Class B shares	130,579,536
Repurchased class B shares	-1,210,000
<b>Total</b>	<b>133,318,232</b>

In June 2023, the Board decided to repurchase 180,000 class B shares in accordance with the mandate from the 2023 AGM. The repurchase was carried out in the third quarter of 2023. Addnode Group AB's holding of treasury shares as of 30 September 2023 amounted to 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.

After a resolution by Addnode Group's 2023 AGM, an additional long-term incentive programme was launched for managers and senior executives. 201,000 call options on class B shares were issued to some 40 participants in June 2023. The market-valued call option premium of SEK 19.45 generated a total purchase consideration of approximately SEK 4 m. These options can be exercised for class B shares in the period 25 October 2026 to 10 June 2027, in specific periods stated in the agreement.

As of 30 September 2023, there were three call option programmes outstanding, as follows:

Option programme	No. of options outstanding	Exercise price
LTIP 2021	195,800 <sup>b)</sup>	93.73
LTIP 2022	56,950 <sup>b)</sup>	115.80
LTIP 2023	201,000	157.50
<b>Total</b>	<b>453,750</b>	

<sup>b)</sup> Each option carries entitlement to purchase four class B shares. For more information on the Group's stock option programmes, see note 4 on page 92 of the Annual Report for 2022.

## OTHER DISCLOSURES

### EMPLOYEES

The average number of employees of the Group increased to 2,420 (2,114). As of 30 September 2023, there were 2,685 employees (2,370 as of 31 December 2022). Essentially, this increase was from acquired operations.

### RELATED PARTY TRANSACTIONS

In the period January–September 2023, Chairman Staffan Hanstorp invoiced the Parent Company SEK 2 m (2) in fees for consulting services related to acquisition opportunities, financing matters and other strategic issues via a company.

### SEASONALITY

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

### PARENT COMPANY

Net sales were SEK 23 m (18) in the period January–September 2023, mainly invoicing to subsidiaries for premises rent and services rendered. Profit after financial items was SEK 66 m (-7) including SEK 169 m (93) of dividends from subsidiaries, and SEK - m (-45) of impairment of shares in subsidiaries. Cash and cash equivalents were SEK 295 m (283) as of 30 September 2023. Investments in shares in subsidiaries were SEK 63 m (180). 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 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 RFR 2 Accounting for Legal Entities. Amendments and interpretations of existing standards first effective in 2023 had no impact on the Group's financial position or financial statements. The accounting policies and calculation methods are unchanged since the Annual Report for 2022.

#### Deferred tax assets

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

#### Disclosures on financial instruments

Estimated contingent considerations for the acquisitions of Team D3 and Microdesk have been discounted. Measurement of financial assets and liabilities shows no significant difference between carrying amounts and fair value. The Group had no currency forward contracts outstanding on 30 September 2023.

### Stock option programme

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

### SIGNIFICANT RISKS AND UNCERTAINTIES

Addnode Group's significant risks and uncertainties are stated on pages 28-30 and 35 of the Annual Report for 2022, under "Risks and uncertainties" on pages 69-70, as well as notes 36 and 37 on pages 109-112.

The Group's operations are diversified over offerings, customer segments and geography, which implies risk diversification. This is a proven strength in challenging times like the Covid-19 pandemic.

### FUTURE OUTLOOK

The Board of Directors has not altered its assessment of Addnode Group's long-term outlook since the preceding quarter. In the Second-quarter Interim Report for 2023, 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, higher interest rate levels and turmoil in global stock markets. 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 2023.

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

## CERTIFICATION

The Board of Directors and President certify that this Interim Report gives a true and fair view of the Parent Company's and Group's operations, financial position and results of operations, and describes significant risks and uncertainties facing the Parent Company and the companies in the Group.

Stockholm, Sweden, 27 October 2023

**Staffan Hanstorp**  
Chairman of the Board

**Jan Andersson**  
Board member

**Kristofer Arwin**  
Board member

**Johanna Frelin**  
Board member

**Thord Wilkne**  
Board member

**Kristina Willgård**  
Board member

**Petra Ålund**  
Board member

**Johan Andersson**  
President and CEO



# 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 2023 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 Financial Information 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.

Stockholm, Sweden, 27 October 2023

PricewaterhouseCoopers AB

**Anna Rosendal**

Authorised Public Accountant

## CONSOLIDATED FINANCIAL STATEMENTS

### CONSOLIDATED INCOME STATEMENT

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full year
Net sales	1,808	1,624	5,334	4,439	6,225
Purchases of goods and services	-915	-802	-2,642	-2,107	-2,991
Other external costs	-127	-103	-387	-300	-416
Personnel costs	-638	-519	-1,880	-1,525	-2,114
Capitalised work performed by the company for its own use	36	23	108	75	106
Depreciation/amortisation and impairment of					
- property, plant and equipment	-32	-29	-89	-78	-106
- intangible non-current assets	-62	-51	-169	-150	-201
Profit/loss on sale of property/business	-	-	-	24	24
<b>Operating profit</b>	<b>70</b>	<b>143</b>	<b>275</b>	<b>378</b>	<b>527</b>
Financial income	15	3	30	11	11
Financial expenses	-38	-13	-78	-33	-48
Revaluation of contingent considerations	-	-	-	-	5
<b>Profit before tax</b>	<b>47</b>	<b>133</b>	<b>227</b>	<b>356</b>	<b>495</b>
Current tax	-15	-38	-66	-97	-116
Deferred tax	3	8	12	20	3
<b>Net profit for the period</b>	<b>35</b>	<b>103</b>	<b>173</b>	<b>279</b>	<b>382</b>
<i>Attributable to:</i>					
Owners of the Parent Company	35	103	173	279	382
<b>Share data</b>					
Earnings per share before and after dilution, SEK	0.26	0.77	1.30	2.09	2.86
Average number of shares outstanding:					
Before dilution	133,420,034	133,580,018	133,472,166	133,678,827	133,633,040
After dilution	133,420,034	133,595,300	133,550,558	133,689,895	133,644,956

### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full year
Net profit for the period	35	103	173	279	382
<i>Other comprehensive income, items that will not be reclassified to profit or loss:</i>					
Actuarial gains and losses on pension obligations	-	-	-	-	4
<i>Other comprehensive income, items that may be reclassified to profit or loss:</i>					
Exchange rate difference on translation of foreign operations	-46	22	54	63	83
Hedge of net investments in foreign operations	21	-5	-33	-25	-37
<b>Total other comprehensive income after tax for the period</b>	<b>-25</b>	<b>17</b>	<b>21</b>	<b>38</b>	<b>50</b>
<b>Comprehensive income for the period</b>	<b>10</b>	<b>120</b>	<b>194</b>	<b>317</b>	<b>432</b>
<i>Attributable to:</i>					
Owners of the Parent Company	10	120	194	317	432

## CONSOLIDATED BALANCE SHEET

SEK m	2023 30 Sep	2022 30 Sep	2022 31 Dec
<b>Assets</b>			
Goodwill	3,006	2,675	2,681
Other intangible non-current assets	1,032	748	728
Property, plant and equipment	268	229	229
Financial assets	57	115	53
<b>Total non-current assets</b>	<b>4,363</b>	<b>3,767</b>	<b>3,691</b>
Inventories	2	1	2
Current receivables	1,624	1,273	1,906
Cash and cash equivalents	565	554	600
<b>Total current assets</b>	<b>2,191</b>	<b>1,828</b>	<b>2,508</b>
<b>Total assets</b>	<b>6,554</b>	<b>5,595</b>	<b>6,199</b>
<b>Equity and liabilities</b>			
Equity	2,056	1,890	2,005
Non-current liabilities	2,239	1,665	1,398
Current liabilities	2,259	2,040	2,796
<b>Total equity and liabilities</b>	<b>6,554</b>	<b>5,595</b>	<b>6,199</b>
Interest-bearing receivables amount to	3	-	6
Interest-bearing liabilities amount to	1,671	1,213	1,069
Pledged assets	9	10	15
Contingent liabilities	23	25	23

## EQUITY AND NUMBER OF SHARES

Specification of changes in equity, SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full year
<b>Equity, opening balance</b>	<b>2,060</b>	<b>1,793</b>	<b>2,005</b>	<b>1,693</b>	<b>1,693</b>
Dividend	-	-	-133	-100	-100
Call options issued	-	-	4	3	3
Repurchase of the company's shares	-14	-23	-14	-23	-23
Comprehensive income for the period	10	120	194	317	432
<b>Equity, closing balance</b>	<b>2,056</b>	<b>1,890</b>	<b>2,056</b>	<b>1,890</b>	<b>2,005</b>
<b>Equity attributable to:</b>					
Owners of the Parent Company	2,056	1,890	2,056	1,890	2,005
<b>Number of shares outstanding, opening balance</b>	<b>133,498,232</b>	<b>133,728,232</b>	<b>133,498,232</b>	<b>133,728,232</b>	<b>133,728,232</b>
Repurchase of the company's shares	-180,000	-230,000	-180,000	-230,000	-230,000
<b>Number of shares outstanding, closing balance</b>	<b>133,318,232</b>	<b>133,498,232</b>	<b>133,318,232</b>	<b>133,498,232</b>	<b>133,498,232</b>

Addnode Group held 1,210,000 (1,030,000) class B treasury shares on 30 September 2023.

## CONSOLIDATED STATEMENT OF CASH FLOWS

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full year
<b>Operating activities</b>					
Operating profit	70	143	275	378	527
Adjustment for non-cash items	90	86	264	210	294
<b>Total</b>	<b>160</b>	<b>229</b>	<b>539</b>	<b>588</b>	<b>821</b>
Net financial items	-8	-9	-40	-18	-27
Tax paid	-33	-29	-87	-81	-117
<b>Cash flow from operating activities before changes in working capital</b>	<b>119</b>	<b>191</b>	<b>412</b>	<b>489</b>	<b>677</b>
Total change in working capital	-258	-102	-155	-36	37
<b>Cash flow from operating activities</b>	<b>-139</b>	<b>89</b>	<b>257</b>	<b>453</b>	<b>714</b>
<b>Investing activities</b>					
Purchases and sales of intangible assets and property, plant and equipment	-44	-27	-139	-25	-64
Acquisitions of financial assets	-1	-	-6	-5	-5
Acquisitions of subsidiaries and operations	-387	-57	-529	-507	-513
Cash and cash equivalents in acquired companies	59	-	64	92	92
<b>Cash flow from investing activities</b>	<b>-373</b>	<b>-84</b>	<b>-610</b>	<b>-445</b>	<b>-490</b>
<b>Financing activities</b>					
Dividend paid	-	-	-133	-100	-100
Call options issued	-	-	4	3	3
Repurchase of the company's shares	-14	-23	-14	-23	-23
Borrowings	-	-	569	304	304
Repayment of loans	-68	-39	-126	-83	-247
<b>Cash flow from financing activities</b>	<b>-82</b>	<b>-62</b>	<b>300</b>	<b>101</b>	<b>-63</b>
Change in cash and cash equivalents	-594	-57	-53	109	161
Cash and cash equivalents at start of period	1,188	597	600	406	406
Exchange rate difference in cash and cash equivalents	-29	14	18	39	33
<b>Cash and cash equivalents at end of period</b>	<b>565</b>	<b>554</b>	<b>565</b>	<b>554</b>	<b>600</b>

## PARENT COMPANY FINANCIAL STATEMENTS

### PARENT COMPANY INCOME STATEMENT

SEK m	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full year
Net sales	7	6	23	18	26
Operating expenses	-21	-19	-76	-61	-86
<b>Operating loss</b>	<b>-14</b>	<b>-13</b>	<b>-53</b>	<b>-43</b>	<b>-60</b>
Profit/loss from participations in Group companies	125	33	169	48	372
Other financial income	14	1	29	7	10
Financial expenses	-38	-8	-79	-19	-40
<b>Profit/loss after financial items</b>	<b>87</b>	<b>13</b>	<b>66</b>	<b>-7</b>	<b>282</b>
Change in tax allocation reserve	-	-	-	-	-38
<b>Profit/loss before tax</b>	<b>87</b>	<b>13</b>	<b>66</b>	<b>-7</b>	<b>244</b>
Tax	-	-	-	-	-29
<b>Net profit/loss for the period</b>	<b>87</b>	<b>13</b>	<b>66</b>	<b>-7</b>	<b>215</b>

### PARENT COMPANY BALANCE SHEET

SEK m	2023 30 Sep	2022 30 Sep	2022 31 Dec
<b>Assets</b>			
Property, plant and equipment	4	-	-
Financial assets	2,968	2,918	2,942
Current receivables	103	47	38
Cash and cash equivalents	295	283	350
<b>Total assets</b>	<b>3,370</b>	<b>3,248</b>	<b>3,330</b>
<b>Equity and liabilities</b>			
Equity	1,355	1,210	1,432
Untaxed reserves	163	126	163
Provisions	74	86	90
Non-current liabilities	672	717	646
Current liabilities	1,106	1,109	999
<b>Total equity and liabilities</b>	<b>3,370</b>	<b>3,248</b>	<b>3,330</b>

## OPERATING SEGMENTS

The following figures are for January–September of each year.

REVENUE AND PROFIT												
SEK m	Design		PLM		Process		Central		Eliminations		Addnode Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
<b>Revenue</b>												
External sales	3,041	2,486	1,366	1,114	927	839	-	-	-	-	5,334	4,439
Transactions between segments	5	4	19	11	8	8	12	9	-44	-32	0	0
<b>Total revenue</b>	<b>3,046</b>	<b>2,490</b>	<b>1,385</b>	<b>1,125</b>	<b>935</b>	<b>847</b>	<b>12</b>	<b>9</b>	<b>-44</b>	<b>-32</b>	<b>5,334</b>	<b>4,439</b>
EBITA	236	287	89	114	177	166	-58	-39			444	528
EBITA margin, %	7.7	11.5	6.4	10.1	18.9	19.6					8.3	11.9
Operating profit/loss	158	226	40	68	135	123	-58	-39			275	378
Operating margin, %	5.2	9.1	2.9	6.0	14.4	14.5					5.2	8.5
Total net operating assets	2,013	1,484	759	725	1,055	1,042	38	-6			3,865	3,245
Average number of employees	988	774	743	692	677	639	12	9			2,420	2,114

REVENUE BREAKDOWN												
SEK m	Design		PLM		Process		Central		Eliminations		Addnode Group	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
Licences	53	51	185	107	34	30	-	-	-1	0	271	188
Recurring revenue	2,452	2,042	837	687	428	394	-	-	-2	-1	3,715	3,122
Services	504	368	341	315	441	400	-	-	-13	-12	1,273	1,071
Other	37	29	22	16	32	23	12	9	-28	-19	75	58
<b>Total revenue</b>	<b>3,046</b>	<b>2,490</b>	<b>1,385</b>	<b>1,125</b>	<b>935</b>	<b>847</b>	<b>12</b>	<b>9</b>	<b>-44</b>	<b>-32</b>	<b>5,334</b>	<b>4,439</b>

Addnode Group operates through three divisions: Design Management, Product Lifecycle Management and Process Management. The Group's decentralised business model means mission-critical decisions are taken close to the customer and market. Companies develop their businesses in accordance with strategies, guidelines and Group-wide values. The divisions are the operating segments that Addnode Group uses to monitor the performance and development of its business. There has been no change to the operating segments 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 30 m (11) and financial expenses of SEK -78 m (-33).

Acquisitions completed in the first nine months meant that net operating assets in the segments increased compared with the disclosures in the Annual Report for 2022; Design Management by SEK 568 m and PLM by SEK 15 m. Net operating assets are 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	2023			2022				2021
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Net sales, SEK m	1,808	1,554	1,972	1,786	1,624	1,489	1,326	1,114
<i>Design Management</i>	1,055	778	1,213	1,004	977	806	707	471
<i>Product Lifecycle Management</i>	484	468	433	455	393	394	338	352
<i>Process Management</i>	280	320	335	335	262	297	288	297
EBITA, SEK m	132 <sup>1)</sup>	110 <sup>2)</sup>	202	200	194	154	180 <sup>3)</sup>	148
<i>Design Management</i>	57	48	131	111	118	80	89	59
<i>Product Lifecycle Management</i>	43 <sup>1)</sup>	20 <sup>2)</sup>	26	44	45	35	34	44
<i>Process Management</i>	53	60	64	60	50	56	60	59
EBITA margin, %	7.3 <sup>1)</sup>	7.1 <sup>2)</sup>	10.2	11.2	11.9	10.3	13.6 <sup>3)</sup>	13.3
<i>Design Management</i>	5.4	6.2	10.8	11.1	12.1	9.9	12.6	12.5
<i>Product Lifecycle Management</i>	8.9 <sup>1)</sup>	4.3 <sup>2)</sup>	6.0	9.7	11.5	8.9	10.1	12.5
<i>Process Management</i>	18.9	18.8	19.1	17.9	19.1	18.9	20.8	19.9
Average number of employees	2,553	2,364	2,334	2,252	2,201	2,167	1,929	1,793
<i>Design Management</i>	1,115	933	916	857	840	837	646	548
<i>Product Lifecycle Management</i>	734	744	736	712	691	685	646	617
<i>Process Management</i>	690	675	671	673	661	637	628	619
Cash flow from operating activities, SEK m	-139	127	269	261	89	122	242	257
Change in net sales, %	11	4	49	60	75	49	28	21
Operating margin, %	3.9	3.6	7.6	8.3	8.8	6.8	10.1	9.5
Return on capital employed, % <sup>4)</sup>	13.4	15.4	18.0	19.6	18.1	15.4	13.9	13.0
Return on equity, % <sup>4)</sup>	14.0	17.9	19.4	20.7	20.2	17.9	16.1	13.9
Equity/assets ratio, %	31	32	35	32	34	32	34	39
Equity, SEK m	2,056	2,060	2,099	2,005	1,890	1,793	1,812	1,693
Net debt, SEK m	1,103	488	381	463	659	601	481	368
Debt/equity ratio, %	54	24	18	23	35	34	27	22
Investments in equipment, SEK m	8	10	7	8	5	6	7	3

<sup>1)</sup> EBITA has been charged with restructuring costs of SEK 5 m (-). Addnode Group's EBITA adjusted for restructuring costs was SEK 137 m (194), and the adjusted EBITA margin amounted to 7.6 per cent (11.9).

<sup>2)</sup> EBITA has been charged with restructuring costs of SEK 10 m (-). Addnode Group's EBITA adjusted for restructuring costs was SEK 120 m (154), and the adjusted EBITA margin amounted to 7.7 per cent (10.3).

<sup>3)</sup> The profit 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.

<sup>4)</sup> Key financial ratios have been adjusted to reflect annualised return.

### SHARE DATA<sup>1)</sup>

	2023			2022				2021
	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
Average number of shares outstanding before and after dilution, m	133.4	133.5	133.5	133.5	133.6	133.7	133.7	133.7
Total number of shares outstanding, m	133.3	133.5	133.5	133.5	133.5	133.7	133.7	133.7
Earnings per share before and after dilution, SEK	0.26	0.25	0.78	0.77	0.77	0.52	0.79 <sup>2)</sup>	0.60
Cash flow from operating activities per share, SEK	-1.04	0.95	2.02	1.96	0.67	0.91	1.81	1.92
Equity per share, SEK	15.42	15.43	15.72	15.02	14.16	13.41	13.55	12.66
Share price at end of period, SEK	66.75	83.50	124.70	98.40	77.45	83.40	96.38	107.25
Share price/equity	4.33	5.41	7.93	6.55	5.47	6.22	7.11	8.47

<sup>1)</sup> Due to the 4:1 share split executed in May 2022, historical key financial ratios based on the number of shares have been recalculated.

<sup>2)</sup> The profit included a capital gain of SEK 24 m from the sale of an office property in the UK.

## 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 23.*

### 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

	2023 Jul-Sep	2022 Jul-Sep	2023 Jan-Sep	2022 Jan-Sep	2022 Full year
Operating profit	70	143	275	378	527
Amortisation and impairment of intangible non-current assets	62	51	169	150	201
<b>EBITA</b>	<b>132</b>	<b>194</b>	<b>444</b>	<b>528</b>	<b>728</b>

#### RECONCILIATION OF NET DEBT

	2023 30 Sep	2022 30 Sep	2022 31 Dec
Non-current liabilities	2,239	1,665	1,398
Current liabilities	2,259	2,040	2,796
Non-interest-bearing non-current and current liabilities	-2,827	-2,492	-3,125
<b>Total interest-bearing liabilities</b>	<b>1,671</b>	<b>1,213</b>	<b>1,069</b>
Cash and cash equivalents	-565	-554	-600
Other interest-bearing receivables	-3	-	-6
<b>Net debt (+)/receivable (-)</b>	<b>1,103</b>	<b>659</b>	<b>463</b>

## 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.

**Debt/equity ratio**

Net debt in relation to equity (including equity attributable to non-controlling interests).

**Earnings per share**

Profit after tax divided by the average number of shares outstanding.

**EBITA**

Earnings before amortisation and impairment of intangible assets.

**EBITA margin**

EBITA as a percentage of net sales.

**Equity**

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

**Equity/assets ratio**

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

**Equity per share**

Equity divided by the total number of shares outstanding.

**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.

**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**

Profit after tax as a percentage of average equity. Based on profit for the last 12 months and the average of the opening and closing balances of equity.

**Share price/equity**

Share price in relation to equity per share.

# ADDNODE GROUP

## DESIGN MANAGEMENT DIVISION

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**TEAM D3**

ADDNODE GROUP

**SERVICE WORKS GLOBAL**

ADDNODE GROUP

**SYMETRI**

ADDNODE GROUP

**TRIBIA**

ADDNODE GROUP

## PROCESS MANAGEMENT DIVISION

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**ADTOLLO**

ADDNODE GROUP

**ARKIVA**

ADDNODE GROUP

**CANELLA**

ADDNODE GROUP

**DECERNO**

ADDNODE GROUP

**DECISIVE**

ADDNODE GROUP

**EVITBE**

ADDNODE GROUP

**FORSLER STJERNA**

ADDNODE GROUP

**IDA INFRONT**

ADDNODE GROUP

## PRODUCT LIFECYCLE MANAGEMENT DIVISION

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**TECHNIA**

ADDNODE GROUP

**INTRAPHONE**

ADDNODE GROUP

**KOMPANION**

ADDNODE GROUP

**NETPUBLICATOR**

ADDNODE GROUP

**S-GROUP SOLUTIONS**

ADDNODE GROUP

**SOKIGO**

ADDNODE GROUP

**STAMFORD**

ADDNODE GROUP

**VOICE PROVIDER**

ADDNODE GROUP

ADDNODE GROUP AB (publ)  
Hudiksvallsgatan 4B, SE-113 30 Stockholm

Corporate identity number: 556291-3185  
+46 (0)8 630 70 70  
info@addnodegroup.com  
www.addnodegroup.com