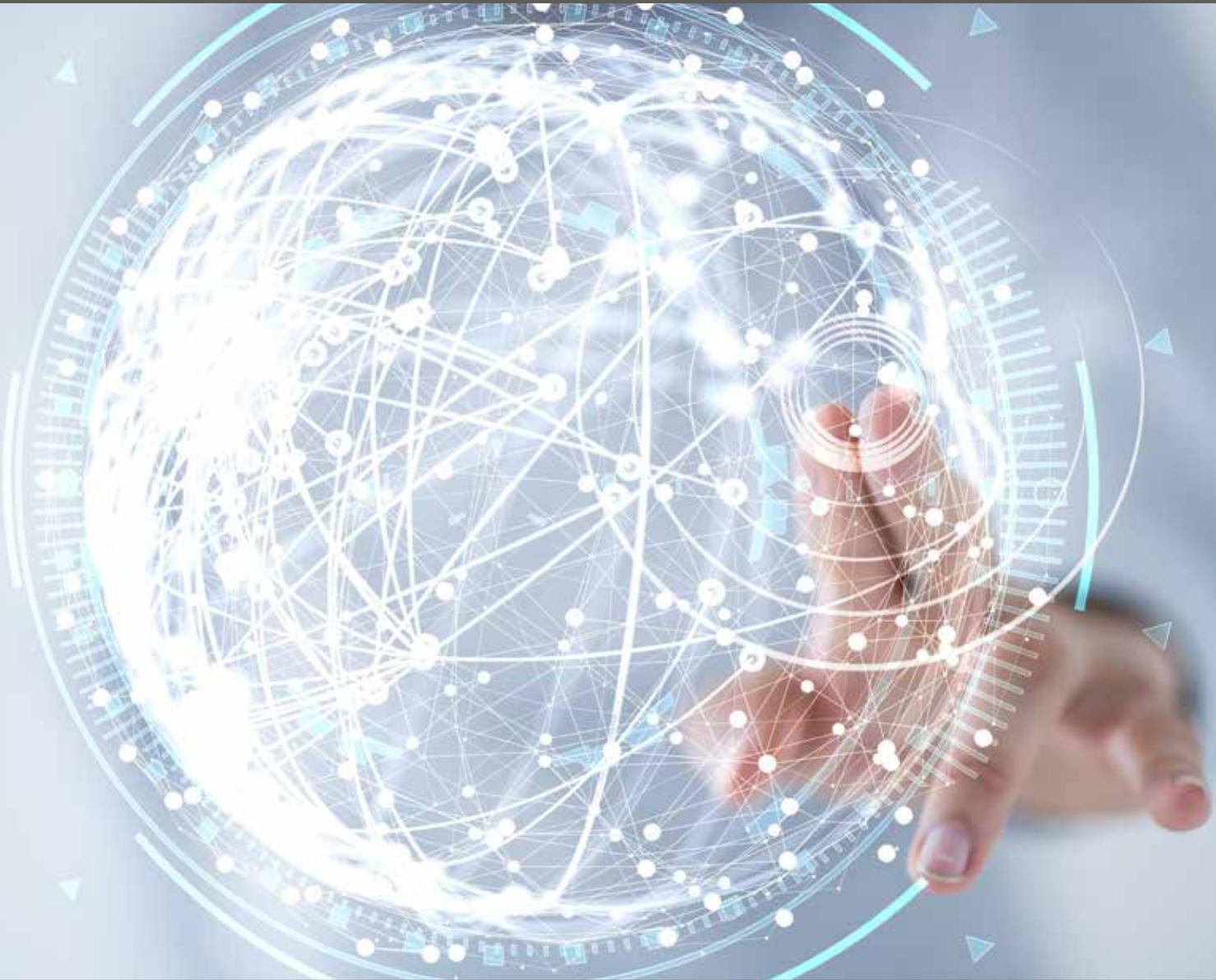




Alcadon Group



2021

QUARTERLY REPORT

January - March

Interim report

1 January – 31 March 2021

Continued organic profit growth and positive effect of acquisition

FIRST QUARTER 2021

- Net sales increased by 30.2 percent to MSEK 170.0 (130.6). In unchanged currency levels, net sales increased by 33.3 percent.
- Operating profit after depreciation/amortization increased by 71.9 percent to MSEK 16.2 (9.4) including negative currency effects of MSEK -0.5 (-3.5). Operating profit was negatively impacted by acquisition costs of MSEK 1.4.
- Cash flow from operating activities amounted to MSEK 20.0 (2.7).
- Earnings per share increased to SEK 0.61 (0.38).
- Solidity decreased to 46.3 percent from 46.9 percent in Q1 2020.

	Quarter 1		Full Year
	2021	2020	2020
Operating income, MSEK	170,0	130,6	467,6
Gross margin, %	28,9	24,5	28,7
Operating profit after depreciation/amortization (EBIT), MSEK	16,2	9,4	43,1
Operating margin after depreciation/amortization (EBIT), %	9,5	7,2	9,2
Profit or loss for the period, MSEK	10,8	6,4	29,0
Earnings per share, SEK	0,61	0,38	1,72

Significant events during the quarter

- Alcadon has carried out a directed non-cash issue of 981,780 shares as part of the completion of the acquisition of Danish 6X International ApS and its German subsidiary 6X International GmbH on 7 January 2021. The companies are consolidated as of 7 January 2021.

Significant events after the period

- No significant events have taken place since the end of the period.

Stockholm, 23 April 2021

For more information, please contact:
Alcadon Group AB
Sonny Mirborn, CEO
Mobile: +46 70 639 50 92
E-mail: smi@alca.se
www.alcadongroup.se

Certified Adviser:
Svensk Kapitalmarknadsgranskning AB (SKMG)
Telephone: +46 11 323 07 32
E-mail: ca@skmg.se

This information is information that Alcadon Group AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 8:00.



A word from the CEO

- **EBIT growth of 72 percent and strengthened margins**
- **Strong operational cash flow and solid organic EBIT growth in all markets**
- **The pandemic causes some negative impact on sales, mainly in Sweden and Norway**

DEVELOPMENT DURING THE QUARTER

During the quarter, all markets showed profit growth. The 6X group has developed well as a part of Alcadon and experienced good organic growth in terms of both sales and operating result. In combination with the continued organic profit growth in Sweden and Norway, totalling +14 percent, this resulted in a strong performance for the quarter. The cash flow was strong, and the margin developed well over the quarter. In addition, a number of key recruitments in several markets, mainly in sales in Denmark and Sweden, have strengthened the Group.

In Germany and Denmark, where we currently operate mostly in fiber networks, we continue to see a positive development. The trend remains stable in Norway, while development was negative in Sweden during the quarter. The total organic sales growth, including 6X International's organic growth, amounted to 1,5 percent during the quarter. The conditions for growth are considered favourable in all markets, with underlying needs for fiber deployment, phasing out of copper networks and updated cabling systems in properties. As part of the integration effort following the 6X acquisition, we are expanding our range in each geographic market in appropriate areas.

Global disruptions to logistics and the availability of certain raw materials have affected the flow of goods,

which, together with other pandemic-related impacts, had a negative influence on sales during the quarter.

Sales were primarily affected in Sweden and Norway, but in our assessment, the problems are manageable. Alcadon believes that the disruptions may have a slight impact on Q2 but that the situation will have improved by Q3. Nonetheless, March saw a better performance than the beginning of the quarter.

Proprietary systems and products accounted for 28 (32) percent of net sales during Q1.

COMMERCIAL PROPERTY NETWORKS: 31 (44) PERCENT OF NET SALES DURING Q1

The business area continues to be negatively affected by the pandemic. The development varies greatly across segments and regions. In the data center segment, growth remained strong in Sweden and Norway. Office-related projects in Norway and parts of Sweden performed less favourably. Public sector investments, however, remain at satisfactory levels.

We expect to launch the Group's commercial property cable systems in the Danish market by autumn this year, at the latest.

The final customer segment of the business area comprises commercial properties such as offices,

airports, hospitals, shopping centers, industrial premises and data centers.

RESIDENTIAL NETWORKS: 12 (21) PERCENT OF NET SALES DURING Q1

A negative development for satellite TV distribution in Sweden and Norway burdened the business area's performance. Apart from satellite TV distribution, growth improved considerably towards the end of the quarter, and the effort to strengthen the customer offering is ongoing. During the quarter, a number of products were launched, for example in electrical installation.

A significant portion of the business area is constituted of concept selling, combining data communication and solutions for smart and safe homes.

FIBER NETWORKS/FTTX: 51 (32) PERCENT OF NET SALES DURING Q1

The market development remains positive in Germany and Denmark. In Sweden and Norway, some market participants are awaiting the government subsidies adopted for introduction in 2021-2022 before committing to projects, which has affected growth during the quarter. Sales to Norwegian providers in particular have increased significantly during the quarter, and a number of product development projects are underway in cooperation with providers in Sweden and Denmark.

In all markets, the conditions for a positive market development are strong.

SERVICES & TRAINING: 6 (3) PERCENT OF NET SALES DURING Q1

The business area performed well during the quarter. Services & Training supports our value-adding selling in all business areas, for example by means of customer training and rental of instruments.

FINANCIALS

Net sales increased by 30.2 percent to MSEK 170.0 (130.6) during the quarter. In unchanged currency levels, net sales increased by 33.3 percent.

The quarter was characterized by strong gross margins and continued good cost control, resulting in a significant improvement of the operating result. Operating profit after depreciation/amortization (EBIT) amounted to MSEK 16.2 (9.4) during the quarter, an increase of 71.9 percent. Acquisition costs of MSEK -1.4 have been charged to the result.

Cash flow from operating activities amounted to MSEK

20.0 (2.7).

CONCLUDING REMARKS

The acquisition of the 6X group has resulted in a significant and positive change for Alcadon. Today, we are an operator with substantial operations, accounting for 54 percent of sales, outside Sweden – compared to 25 percent in Q1 2020. Although the Swedish market does offer a clear growth potential in several parts of Alcadon's core business, such as FTTx, cable systems for properties, residential networks and data centres, an increased geographical presence brings new opportunities.

As our geographical presence increases, our breadth within a well-defined niche is a major asset with regard to the potential for cross-selling.

Since 2019, the Group has focused on enhancing the profitability and the organization as a whole.

We have over the past year made the Group's performance visible internally, on a per-region and business-area-per-region basis. The visualization of the performance and the decentralization of the responsibility for smaller profit centers serve to promote performance and the right focus. The outcome of this work has been excellent, including improved cash flow, enhanced margins and profit growth. For example, in the Southern region of the Swedish market, these analyses prompted a focused recruitment effort during Q1.

In the next phase, the focus will be on organic growth and acquisitions, which should provide a good leverage on the now achieved margins. With a strong development behind us, we are looking forward to the forthcoming quarter and year.



Sonny Mirborn
CEO and President
Alcadon Group AB

INDICATORS FOR THE GROUP	Quarter 1		Full Year
	2021	2020	2020
Operating income, MSEK	170,0	130,6	467,6
Gross margin, %	28,9	24,5	28,7
Operating profit after depreciation/amortization (EBIT), MSEK	16,2	9,4	43,1
Operating margin after depreciation/amortization (EBIT), %	9,5	7,2	9,2
Profit or loss for the period, MSEK	10,8	6,4	29,0
Net margin, %	6,3	4,9	6,2
Solidity, %	46,3	46,9	51,9
Return on equity, %	12,7	9,4	13,1
Net interest-bearing liabilities, MSEK	126,8	111,4	101,4
Cash flow from operating activities, MSEK	20,0	2,7	31,1
Cash flow from operating activities per share, SEK	1,1	0,2	1,8
Equity per share, SEK	15,4	12,5	16,2
Earnings per share, SEK	0,61	0,38	1,72
Number of shares at the end of the period	17 841 026	16 859 246	16 859 246
Average number of shares	17 677 396	16 859 246	16 859 246
Number of employees at the end of the period	86	59	65
Average number of employees during the period	79	60	61

1) On 6 January 2021, the Board of Directors resolved upon a directed new issue of 981,780 shares in Alcadon Group AB to Susanne Stengade Holding ApS as part of the payment for the acquisition of Danish 6X International ApS and its German subsidiary 6X International GmbH. As a result of the new issue, the number of shares in Alcadon Group AB increased from 16,859,246 to 17,841,026.

DEFINITIONS

Gross margin:	Gross result as a percentage of net sales for the period.
EBIT margin:	Operating result after depreciation as a percentage of net sales for the period.
Net margin:	Profit or loss for the period as a percentage of net sales.
Return on equity:	Net profit or loss for the last 12 months as a percentage of average equity.
Net interest-bearing liabilities:	The net total of financial assets including cash and cash equivalents less interest-bearing provisions and liabilities.
Solidity:	Equity as a percentage of total assets (excluding cash balance and financial assets) at the end of the period.
Earnings per share:	Net profit or loss for the period divided by the average number of shares during the period.
Cash flow from operating activities per share, SEK	Cash flow from operating activities divided by the average number of shares during the period.

The Company applies the ESMA Guidelines on Alternative Performance Measures. An alternative performance measure is a financial measure other than those defined or specified in the applicable rules of financial reporting (such as IFRS and the Swedish Annual Accounts Act).

The alternative performance measures must therefore be explained in the financial reports. In accordance with these guidelines, the Group's alternative performance measures are defined above. The Group applies alternative performance measures as the Company has made the assessment that they provide valuable, additional information to the management and investors, since they are key to the understanding and evaluation of the Group's operations.