



Alcadon Group



# 2022

## January-March

INTERIM REPORT

# Interim report

1 January – 31 March 2022

Good organic growth despite supply chain disruptions

## FIRST QUARTER 2022

- Net sales increased by 21 percent to MSEK 205 (170). In unchanged currency levels, net sales increased by 18 percent.
- Operating profit after depreciation/amortization decreased by 5 percent to MSEK 15 (16), including negative currency effects of MSEK -0.1 (-0.5). During 2021, operating profit was burdened by direct acquisition costs of MSEK -1.4.
- Cash flow from operating activities amounted to MSEK 5.9 (20).
- Earnings per share amounted to SEK 0.55 (0.61).
- Solidity amounted to 67 (49) percent.

	Quarter 1		Full year
	2022	2021	2021
Net sales, MSEK	205.1	170.0	736.5
Gross margin, %	28.3	28.9	28.1
Operating profit after depreciation/amortization (EBIT), MSEK	15.4	16.2	65.8
Operating margin after depreciation/amortization (EBIT), %	7.5	9.5	8.9
Profit or loss for the period, MSEK	10.6	10.8	47.1
Earnings per share, SEK	0.55	0.61	2.62

## SIGNIFICANT EVENTS DURING THE QUARTER

- Alcadon has carried out a directed issue of approximately 1.28 million shares, raising about MSEK 128 in proceeds before issuance costs. Alcadon intends to use the proceeds from the issue to strengthen the financial preparedness and enable continued expansion through additional acquisitions in accordance with the Company's strategy.
- The Company is now established in the Netherlands through the newly founded Alcadon B.V.
- The Board proposes that dividend of SEK 0.50 per share be paid.

## SIGNIFICANT EVENTS AFTER THE PERIOD

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

Stockholm, 22 April 2022

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*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 am on 22 April 2022.*



# A word from the CEO

- A 21 percent growth in sales, most of which – about 15 percent – organic
- The interest in participating in the rights issue was very strong, and it raised approximately MSEK 128 before issuance costs, enabling continued expansion through acquisitions
- Establishment of Alcadon BV in the Netherlands, in line with the Group's European growth agenda
- Underlying demand continues to strengthen
- We continue to see significant negative impact from sick leave, price increases, and delivery delays

## DEVELOPMENT DURING THE QUARTER

The quarter was characterized by very good organic growth, mainly in Sweden and Denmark, but also by the continued efforts to strengthen the Group's competitiveness in the long term. The growth initiatives under way, combined with the gradual easing of restrictions, burden the result in the form of increased overhead. They are anticipated to add significantly to the Group's growth during the year, however. The establishment in the Netherlands is a clear example of such efforts.

Overall, we are seeing a positive development across most segments, with data centers, public sector, and operators standing out in particular. The demand for the Group's private-label systems and products has developed positively as well, and these accounted for 29

percent of net sales during the quarter.

The Group has been negatively impacted by high rates of absence during the quarter, internally as well as with customers and freight forwarders. The supply chains have also been hit very hard by the crisis in Ukraine and COVID-19-related restrictions. This has manifested as delays in delivery, shortages, and price rises that happen at short notice, which has resulted in pressure on sales as well as on margins. Again, I would like to say that our staff has handled the situation very well. The difficult situation remains as we enter the second quarter, although we expect margins to gradually strengthen. At its core, the problem is supply-related, and underlying demand is looking strong in most segments.

## Sweden

The Swedish market has developed well, with good performance in several segments and solid growth in the broadband segment and towards the installation market in general. The previously announced product launches are proceeding according to plan, and several efforts to promote growth are ongoing.

## Denmark

Growth remains very strong in the Danish market, driven primarily by major fiber network projects. Furthermore, the development in data centers, industry, and 4G/5G systems for mobile indoor coverage were also positive during the quarter. The effort to strengthen the organization to achieve growth across several segments, in particular in commercial property networks, continues and shows clear progress.

## Norway

The development in commercial property networks was very good, and the market has made a strong recovery. However, sales were impacted negatively by a slowdown in purchases from operators and supply problems related to specific fiber-optic components. Overall, sales are in line with the previous year, which is offset by a marginal improvement of gross margins.

## Germany

A number of the Group's customers, as well as our own organization, have been hit hard by sick leave and restrictions during the quarter. The previously disclosed forecast – to deliver on the major projects with Deutsche Glasfaser and Emtelle by the summer – remains valid, and deliveries have now commenced on a smaller scale.

## The Benelux

Operations in the region remain in a phase of start-up and integration. Nevertheless, performance is in line with expectations thus far. In the next few years, both the broadband rollout and the data center segment are expected to show high growth rates.

## FINANCIALS

Net sales increased by 21 percent to MSEK 205 (170) during the quarter. In unchanged currency levels, net sales increased by 18 percent. Overhead increased as a result of investments in new recruitments and marketing efforts aiming to create new revenue streams. We are monitoring the price development on the market closely and adjust our prices continuously. We have, historically, been able to adjust the pricing policy on a relatively short notice to protect the gross margin, and we will do so this year as well.

Operating profit after depreciation/amortization (EBIT) amounted to MSEK 15 (16) during the quarter, a decrease of 5 percent. Operating profit was negatively impacted by direct acquisition costs of MSEK -1.4 in 2021.

Cash flow from operating activities amounted to MSEK 5.9 (20).

## CONCLUDING REMARKS

As of this report, we transition to performance reporting broken down by region/country. This better reflects our internal monitoring and reporting structure. As we become established in more regions and countries, this breakdown will also make our performance easier to follow.

The current situation in our industry, as in many others, is marked by high absence rates, frequent price increases, and delivery delays. Albeit with some lag, price increases can be passed on – and delivery delays is a problem that affects our industry in general. However, that does not preclude us from finding the situation problematic and demanding for the organization. On the other hand, decentralized decision-making and the resources of a larger group allows us to address the problems effectively.

In addition, it is gratifying to see that many of our growth initiatives are bearing fruit and proceeding according to plan. This is an effort that will continue, and our aim is that it will support positive development for many years to come.

Our acquisition agenda remains a high priority, and we are engaged in a number of interesting discussions that are intended to further strengthen the Group in the future.



**Sonny Mirborn**  
VD och koncernchef  
Alcadon Group AB

INDICATORS FOR THE GROUP	Quarter 1		Full year
	2022	2021	2021
Net sales, MSEK	205.1	170.0	736.5
Gross margin, %	28.3	28.9	28.1
Operating profit after depreciation/amortization (EBIT), MSEK	15.4	16.2	65.8
Operating margin after depreciation/amortization (EBIT), %	7.5	9.5	8.9
Profit or loss for the period, MSEK	10.6	10.8	47.1
Net margin, %	5.2	6.3	6.4
Solidity, %	69.6	46.3	49.1
Return on equity, %	10.5	12.7	15.8
Net interest-bearing liabilities, MSEK	28.5	126.8	151.8
Cash flow from operating activities, MSEK	5.9	20.0	18.4
Cash flow from operating activities per share, SEK	0.3	1.1	1.0
Equity per share, SEK	24.4	15.4	18.6
Earnings per share, SEK	0.55	0.61	2.62
Number of shares at the end of the period	19,625,129	17,841,026	18,341,026
Average number of shares	19,411,112	17,677,396	17,945,952
Number of employees at the end of the period	95	86	95
Average number of employees during the period	93	79	87

## 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. The calculations include lease liabilities in accordance with IFRS 16 totaling MSEK 30 (37).
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.

# Financial Information

## REVENUE AND RESULTS

Net sales increased by 21 percent to MSEK 205 (170). The organic growth was 15 percent, and the acquired growth was 6 percent. In unchanged currency levels, net sales increased by 18 percent.

Overhead increased as a result of investments in new recruitments and marketing efforts aiming to create new revenue streams. Operating profit after depreciation/amortization (EBIT) amounted to MSEK 15 (16) during the quarter, a decrease of 5 percent. Operating profit was negatively impacted by direct acquisition costs of MSEK -1.4 in 2021.

Profit or loss for the period amounted to MSEK 11 (11).

## CASH FLOW, INVESTMENTS AND CASH AND CASH EQUIVALENTS

Cash flow from operating activities amounted to MSEK 5.9 (20).

Other net investments in tangible and intangible fixed assets amounted to MSEK -1,6 (-1,1). Net cash flow from acquisitions amounted to MSEK -5.8 (-40.5) during the quarter and consisted of paid contingent consideration of MDKK 4 relating to the acquisition of Alcadon ApS (formerly 6X International ApS).

Cash flow from investing activities amounted to MSEK 101 (33) and consisted in part of issue proceeds of MSEK 125 after issuance costs, in part of amortization and decreased utilization of the bank overdraft facility of MSEK -21.2 (-1.3).

At the end of the period, the Group's cash and cash equivalents amounted to MSEK 128 (17). The overdraft granted with SEB amounts to MSEK 50 (35), of which MSEK 50 (25) was undrawn at the end of the period.

There are no pledged assets or contingent liabilities in the company.

## OPERATING EXPENSES

Operating expenses amounted to MSEK -187 (-151), an increase of 24 percent.

Overhead amounted to MSEK -39 (-30), an increase of 32 percent. In addition to the acquisitions carried out, overhead increased as a result of investments in new recruitments and marketing efforts aiming to create new revenue streams.

## PERSONNEL

The number of employees at the end of the period was 95 (86). The average number of employees during the quarter was 93 (79).

## EXCHANGE RATE DIFFERENTIALS

Exchange rate differentials of an operating nature are re-

ported in accordance with IFRS in operating income as other operating income/

expenses. All exchange rate differentials that arise as a result of commitments to customers and suppliers are classified as such.

Other exchange rate differentials are classified as financial exchange rate differentials, which include, among other things, exchange rate differentials on loans and bank balances denominated in foreign currencies.

For the quarter, exchange rate differentials of an operating nature amounted to MSEK -0.1 (-0.5). Exchange rate differentials from the restatement of foreign operations are recognized in Other comprehensive income.

## THE PARENT COMPANY

The operations in the parent company, reg.no. 559009-2382, comprise group management, economy and IR/PR. Profit or loss after financial items amounted to MSEK -1.5 (-2.3). At the end of the period, cash and cash equivalents amounted to MSEK 104 (0.4).

## DISPUTES

As of the end of the period, the Group was not involved in any material ongoing disputes.

## RISKS AND UNCERTAINTIES

The risks and uncertainties faced by the Alcadon Group are described in the Annual Report and on the company's website, [www.alcadongroup.se](http://www.alcadongroup.se).

The Russian invasion of Ukraine has caused concern in many economies around the world. Management is monitoring the developments, but it is currently too early to assess any long-term consequences of the conflict.

The spread of the coronavirus has continued to impact Alcadon's staffing situation, demand, and supply chains in a negative manner. Since the onset of the pandemic, Alcadon has implemented a number of measures to secure the supply of goods and create safe conditions for employees, customers and suppliers. We are monitoring developments closely and maintain a high level of preparedness for additional measures should they be required. No significant changes have occurred which would require these descriptions to be further amended.

## RELATED PARTY TRANSACTIONS

During the quarter, the Group, through Alcadon AS, carried out transactions of MSEK 1.1 (0.9) with companies where Alcadon's former Norwegian CEO, Roy W Furulund, has a controlling influence. The main transactions relate to the renting of premises in Sandefjord and the use of an external warehouse. In addition, the Group, through Alcadon Group AB, carried out transactions of MSEK 0.2 (0.2) with Paseca

AB, which is owned by the Chairman of the Board, Pierre Fors. These transactions relate to consultancy services. All transactions are considered commercially reasonable and based on market conditions. No other material related party transactions were carried out during the year.

## GOODWILL

Goodwill is tested for impairment regularly and is recognized at cost less accumulated impairment.

The tests for impairment conducted at year-end indicated no impairment.

In connection with the acquisition of the 6X group in Denmark and Germany, MDKK 32 (MSEK 43, at the time of the acquisition) of the purchase price was allocated to Goodwill. In connection with the acquisition of 6X Belgium, MEUR 0,5 (MSEK 5.6, at the time of the acquisition) of the purchase price was allocated to Goodwill.

For more information, please refer to the acquisition analyses in Note 3. As of Thursday, March 31, 2022, goodwill amounted to MSEK 339 (332).

## INTEREST COSTS

Interest costs amounted to MSEK -0.6 (-1.2) for the quarter.

## FUTURE DEVELOPMENTS

The Group will continue its efforts to strengthen its market position in network infrastructure, as well as continue to develop private label brands in parallel with the distribution of other, well-established brands. The management and the Board of Directors continuously evaluate potential strategic acquisitions.

Alcadon's financial objectives are for the Group to achieve an annual growth rate in earnings per share of 10 percent over an economic cycle, and for solidity to amount to no less than 25 percent. Solidity amounted to 67 percent as of 31 March 2022.

## AUDITOR'S REVIEW

This report has not been reviewed by the company's auditor.

## FINANCIAL CALENDAR

Annual General Meeting 2022	22 April 2022, 10:00 a.m.
Q2 Report 2022	12 August 2022, 8:00 a.m.
Q3 Report 2022	28 October 2022, 8:00 a.m.
Year-end report 2022	Week 8, 2023
Annual report 2022	No later than week 12, 2023
Annual General Meeting 2023	No later than week 17, 2023

## ANNUAL GENERAL MEETING 2022

The Annual General Meeting 2022 will be held in Stockholm on Friday, 22 April 2022, 10:00 a.m.

## DIVIDEND

The Board proposes that dividend of SEK 0.50 per share be paid for the financial year 2021.

## WARRANTS

On 11 July 2019, 340,000 warrants were subscribed. 240,000 were subscribed by Sonny Mirborn (CEO) and 100,000 by the subsidiary Alcadeltaco AB. On the same day, 30,000 of the subsidiary's warrants were in turn sold on to Niklas Svensson (CFO).

On 7 September 2020, Alcadeltaco AB transferred the remaining 70,000 warrants from the warrant program 2019/2023 to five senior executives of the company. The transfer was made at the current market value of the warrants after an updated calculation according to Black & Scholes.

The warrant program 2019/2023, which the extraordinary general meeting on 10 July 2019 resolved upon, comprises a total of 340,000 warrants. Each warrant entitles the holder to subscribe for one new share in Alcadon Group during the period from 20 March 2023 to 17 April 2023, which may entail a dilution of 1.7 percent calculated on the basis of the company's 19,625,129 shares.

The average share price of ordinary shares during the period January to March exceeded the exercise price of the warrants. Hence, the shares are included in the calculation of the number of shares after dilution in the financial tables.

In accordance with the Annual General Meeting's resolution in April 2021, 26 employees have elected to subscribe for warrants under an incentive scheme. The transfer was made at the current market value of the warrants after calculation according to Black & Scholes. Each warrant entitles the holder to subscribe for one new share in Alcadon Group during the period from 26 February 2024 to 24 March 2024. The subscription price amounts to SEK 44.50. Upon full exercise of the warrants, up to 110,000 shares may be issued, which corresponds to a dilution of approximately 0.6 percent calculated on the basis of the company's 19,625,129 shares.

The average share price of ordinary shares during the period January to March exceeded the exercise price of the warrants. Hence, the shares are included in the calculation of the number of shares after dilution in the financial tables.

For more information about the program, please see the Company's website, [www.alcadongroup.se/investerare/bolagsstammor/](http://www.alcadongroup.se/investerare/bolagsstammor/)

## SHARE INFORMATION

Alcadon Group AB's share is listed on Nasdaq First North since 14 September 2016. As of 31 March 2022, the number of shares amounts to 19,625,129.

On 12 January 2022, Alcadon Group carried out a directed issue of 1,284,103 shares at a subscription price of SEK 100 per share. The subscription price of the new issue was determined by means of the so-called accelerated book building process. Through the issue, Alcadon raised approximately MSEK 128 before issuance costs. The number of

shares in Alcadon Group AB thus increased from 18,341,026 to 19,625,129 through the new issue.

Companies listed on Nasdaq First North are required to have a Certified Adviser with, among other things, responsibility for supervision. Alcadon Group's Certified Adviser is Svensk Kapitalmarknadsgranskning AB (SKMG).

The share price at the end of the period was SEK 85.60 (2022-03-31)

Company name: Alcadon Group AB  
 Ticker: ALCA  
 Number of shares: 19,625,129  
 ISIN: SE0008732218

## LOANS & CREDITS

Alcadon has bank loans of MSEK 130 extending over three years, an overdraft facility of MSEK 50, and an acquisition credit facility (RCF) of MSEK 60 to be used for future acquisitions.

### Terms in brief:

- Bank loan, MSEK 130, straight-line amortization over 7 years, interest rate STIBOR 3M + 1.3-1.8 percentage points depending on the debt-to-equity ratio.
- Overdraft facility MSEK 50, SEB base rate + 1.2 percentage points, 0.4 percent annual credit charge.
- Acquisition credit facility MSEK 60, interest rate STIBOR 3M + 1.3-1.8 percentage points depending on debt-to-equity ratio, 0.35 percent on undrawn amount.

The overdraft granted with SEB amounts to MSEK 50 (35), of which MSEK 50 (25) was undrawn at the end of the period.

## ACCOUNTING POLICIES & NOTES

See pages 16-19 for accounting policies and notes.

## OWNERSHIP

The largest shareholders of Alcadon Group as of Thursday, March 31, 2022.

Name	Share- holding	Share- holding, %
Investment AB Spiltan	2,270,893	11.6%
Ribbskottet Aktiebolag	2,000,000	10.2%
Athanase Industrial Partners	1,443,507	7.4%
Consensus Asset Management	1,109,000	5.7%
Susanne Stengade Holding ApS	981,780	5.0%
Försäkringsaktiebolaget, Avanza Pension	802,525	4.1%
RBCB LUX UCITS EX-MIG	798,322	4.1%
Ålandsbanken AB, W8IMY	640,865	3.3%
Nordnet Pensionsförsäkring AB	592,538	3.0%
SEB AB, Luxembourg Branch, W8IMY	581,257	3.0%
Goldman Sachs International, W8IMY	549,833	2.8%
Jeansson, Theodor	531,910	2.7%
J.P. MORGAN SE, LUXEMBOURG BRANCH	461,304	2.4%
Humle Småbolagsfond	446,351	2.3%
Andra AP-Fonden	419,791	2.1%
Sparebank 1 Markets AS	415,625	2.1%
Hajskäret Invest AB	208,459	1.1%
Mårtensson, Jonas	208,092	1.1%
Catella Småbolagsfond	206,648	1.1%
Ljungman, Mikael	193,157	1.0%
<b>Grand Total</b>	<b>14,861,857</b>	<b>75.7%</b>
<b>Others</b>	<b>4,763,272</b>	<b>24.3%</b>
<b>Total</b>	<b>19,625,129</b>	<b>100.0%</b>

## OTHER IMPORTANT INFORMATION

Some of the financial and other information presented herein has been rounded to make the information more accessible to the reader. This may entail that the amounts in some columns not exactly add up to the specified total.

ALCADON GROUP - THE GROUP	Quarter 1		Full year
Condensed statement of profit or loss (MSEK)	2022	2021	2021
<b>INCOME STATEMENT</b>			
Operating income	205.1	170.0	736.5
<b>Total income</b>	<b>205.1</b>	<b>170.0</b>	<b>736.5</b>
Operating expenses	-186.5	-150.8	-659.1
<b>Operating profit before depreciation/amortization</b>	<b>18.6</b>	<b>19.2</b>	<b>77.4</b>
Depreciation of tangible assets	-2.7	-2.6	-10.0
Amortization of intangible assets	-0.4	-0.4	-1.6
<b>Operating profit</b>	<b>15.4</b>	<b>16.2</b>	<b>65.9</b>
Net financial items	-1.2	-1.7	-4.8
<b>Profit after net financial items</b>	<b>14.2</b>	<b>14.5</b>	<b>61.1</b>
Tax on profit for the year	-3.6	-3.7	-14.0
<b>Profit or loss for the period</b>	<b>10.6</b>	<b>10.8</b>	<b>47.1</b>
Attributable to:			
Non-controlling interests	0.0	0.0	-0.1
The parent company's shareholders	10.6	10.8	47.2
<b>Profit or loss for the period</b>	<b>10.6</b>	<b>10.8</b>	<b>47.1</b>
<b>Other comprehensive income</b>			
Translation differences for the period due to restatement of foreign subsidiaries	2.4	1.9	2.8
<b>Total comprehensive income for the period</b>	<b>13.0</b>	<b>12.7</b>	<b>49.9</b>
<b>Total comprehensive income for the period attributable to:</b>			
Non-controlling interests	0.0	0.0	-0.1
The parent company's shareholders	13.0	12.7	50.0
<b>DATA PER SHARE</b>			
<b>Number of shares</b>			
Number of shares at the end of the period	19,625,129	17,841,026	18,341,026
Average number of shares	19,411,112	17,677,396	17,945,952
Average number of shares (after dilution)	19,861,112	17,841,026	18,359,285
<b>Earnings per share</b>			
Earnings per share for the period based on average number of shares, SEK	0.55	0.61	2.62
Diluted earnings per share for the period, SEK	0.54	0.60	2.56
<b>Equity per share</b>			
Equity per share at the end of the period, SEK	24.4	15.4	18.6

**ALCADON GROUP - THE GROUP**
**Condensed statement of financial position (MSEK)**
**BALANCE SHEET**
**Fixed Assets**

Goodwill, Note 3	338.7	332.0	338.1
Other intangible fixed assets, Note 3	17.3	14.2	15.8
Tangible fixed assets	33.1	41.4	35.8
Financial fixed assets	1.2	2.7	1.2

<b>Total fixed assets</b>	<b>390.4</b>	<b>390.2</b>	<b>390.9</b>
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**Current assets**

Inventories	148.6	86.8	152.4
Trade receivables	131.9	107.3	131.4
Other current assets	18.3	9.1	19.7
Cash and bank	128.2	16.6	28.4

<b>Total current assets</b>	<b>426.9</b>	<b>219.6</b>	<b>331.9</b>
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<b>TOTAL ASSETS</b>	<b>817.3</b>	<b>609.9</b>	<b>722.8</b>
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**Equity**

Share capital	0.9	0.9	0.9
Other contributed capital	278.3	123.9	153.1
Retained earnings including net profit for the period	199.5	149.2	186.5
Equity attributable to parent company shareholders	478.8	273.9	340.5
Non-controlling interests	0.3	0.0	0.2

<b>Total equity</b>	<b>479.0</b>	<b>273.9</b>	<b>340.7</b>
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**Provisions**

Other provisions, Note 4	21.5	24.8	26.8
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<b>Total provisions</b>	<b>21.5</b>	<b>24.8</b>	<b>26.8</b>
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**Long-term liabilities**

Deferred tax liability	3.4	3.7	3.4
Liabilities to credit institutions	106.8	0.7	111.4
Other long-term liabilities	21.3	28.6	23.1

<b>Total long-term liabilities</b>	<b>131.5</b>	<b>32.9</b>	<b>138.0</b>
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**Current liabilities**

Bank overdraft facility	0.0	9.7	13.8
Other interest-bearing liabilities	20.1	133.0	31.8
Trade payables	102.2	76.8	115.2
Other current liabilities	62.9	58.8	56.5

<b>Total current liabilities</b>	<b>185.3</b>	<b>278.3</b>	<b>217.3</b>
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<b>TOTAL EQUITY AND LIABILITIES</b>	<b>817.3</b>	<b>609.9</b>	<b>722.8</b>
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ALCADON GROUP - THE GROUP	Kvartal 1		Helår
	2022	2021	2021
<b>Condensed changes in equity (MSEK)</b>			
Opening equity	340.7	233.9	233.9
Other changes in equity	0.0	0.0	0.0
Other contributed capital	125.3	27.4	56.6
Dividend	0.0	0.0	0.0
Non-controlling interests	0.0	0.0	0.2
Comprehensive income for the period attributable to parent company shareholders	13.0	12.7	50.0
<b>Closing equity</b>	<b>479.0</b>	<b>273.9</b>	<b>340.7</b>

ALCADON GROUP - THE GROUP	Kvartal 1		Helår
	2022	2021	2021
<b>Consolidated condensed statement of cash flows (MSEK)</b>			
Operating profit	15.4	16.2	65.9
Adjustments for non-cash items, etc.	4.3	4.8	14.7
Income tax paid	-1.0	-2.6	-13.8
Change in working capital	-12.9	1.6	-48.3
<b>Net cash flow from operating activities</b>	<b>5.9</b>	<b>20.0</b>	<b>18.4</b>
Acquisition of fixed tangible and intangible assets	-1.6	-1.1	-5.5
Change in financial fixed assets	0.0	0.0	0.0
Business combinations	-5.8	-40.5	-44.1
<b>Cash flows from investing activities</b>	<b>-7.3</b>	<b>-41.6</b>	<b>-49.5</b>
Dividend paid	0.0	0.0	0.0
New issuance/Warrant proceeds	125.3	0.0	29.2
Interest paid and received	-1.2	-1.7	-4.8
Amortization of lease liabilities	-2.1	-2.0	-8.3
Amortization	-21.2	-1.3	-134.9
Borrowings	0.0	37.6	172.7
<b>Cash flow from financing activities</b>	<b>100.8</b>	<b>32.6</b>	<b>53.9</b>
<b>Cash flow for the period</b>	<b>99.4</b>	<b>11.0</b>	<b>22.7</b>
<b>Reconciliation of changes in cash and cash equivalents</b>			
Opening balance, cash and cash equivalents	28.4	5.6	5.6
Exchange rate difference on cash and cash equivalents	0.5	0.1	0.1
Closing balance, cash and cash equivalents	128.2	16.6	28.4
<b>Change in cash and cash equivalents</b>	<b>99.4</b>	<b>11.0</b>	<b>22.7</b>

<b>ALCADON GROUP AB - PARENT COMPANY</b>			
<b>Condensed statement of profit or loss (MSEK)</b>	<b>Quarter 1</b>		<b>Full year</b>
	<b>2022</b>	<b>2021</b>	<b>2021</b>
<b>INCOME STATEMENT</b>			
Net sales	3.1	1.8	13.3
<b>Total income</b>	<b>3.1</b>	<b>1.8</b>	<b>13.3</b>
Operating expenses	-4.3	-3.1	-12.9
<b>Operating profit</b>	<b>-1.2</b>	<b>-1.2</b>	<b>0.4</b>
Net financial items	-0.3	-1.1	-3.5
<b>Profit after net financial items</b>	<b>-1.5</b>	<b>-2.3</b>	<b>-3.2</b>
Appropriations	0.0	0.0	10.8
<b>Profit or loss before tax</b>	<b>-1.5</b>	<b>-2.3</b>	<b>7.6</b>
Tax on profit for the year	0.2	0.5	-1.7
<b>Profit or loss for the period</b>	<b>-1.3</b>	<b>-1.8</b>	<b>5.9</b>

<b>ALCADON GROUP AB - PARENT COMPANY</b>			
<b>Condensed statement of financial position (MSEK)</b>	<b>2022-03-31</b>	<b>2021-03-31</b>	<b>2021-12-31</b>
	<b>BALANCE SHEET</b>		
<b>Fixed assets</b>			
Financial fixed assets	399.6	392.9	399.6
<b>Total fixed assets</b>	<b>399.6</b>	<b>392.9</b>	<b>399.6</b>
<b>Current assets</b>			
Receivables from group companies	31.2	0.0	28.6
Trade receivables	0.0	0.0	0.0
Other current assets	3.5	2.2	4.6
Cash and bank	103.5	0.4	4.8
<b>Total current assets</b>	<b>138.2</b>	<b>2.6</b>	<b>38.0</b>
<b>TOTAL ASSETS</b>	<b>537.8</b>	<b>395.6</b>	<b>437.5</b>
<b>Equity</b>			
Share capital	0.9	0.9	0.9
Retained earnings including net profit for the period	294.0	132.8	170.0
<b>Total equity</b>	<b>294.9</b>	<b>133.7</b>	<b>170.9</b>
<b>Provisions</b>			
Other provisions	21.5	24.8	26.8
<b>Total provisions</b>	<b>21.5</b>	<b>24.8</b>	<b>26.8</b>
<b>Long-term liabilities</b>			
Other borrowings	106.8	0.7	0.0
Liabilities to group companies	0.0	0.0	111.4
<b>Total long-term liabilities</b>	<b>106.8</b>	<b>0.7</b>	<b>111.4</b>
Current interest-bearing liabilities	18.6	133.0	32.4
Liabilities to group companies	93.1	99.7	92.2
Current liabilities	2.9	3.8	3.8
<b>Total current liabilities</b>	<b>114.6</b>	<b>236.5</b>	<b>128.4</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>537.8</b>	<b>395.6</b>	<b>437.5</b>

Consolidated quarterly data	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
<b>INCOME STATEMENT, MSEK</b>	<b>2022</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>	<b>2020</b>
Net sales	205.1	206.4	182.7	177.4	170.0	110.8	95.1	131.1
<b>Profit</b>								
Operating profit after depreciation/amortization (EBIT)	15.4	15.2	17.3	17.2	16.2	9.4	6.7	17.6
Profit after net financial items	14.2	14.5	16.4	15.7	14.5	8.2	5.3	16.1
Profit or loss for the period	10.6	11.0	12.8	12.5	10.8	6.3	4.0	12.3
<b>Margin measures in %</b>								
Gross margin %	28.3	27.3	27.8	28.7	28.9	31.2	29.9	30.0
Operating margin %	7.5	7.4	9.5	9.7	9.5	8.5	7.1	13.4
Net margin %	5.2	5.3	7.0	7.1	6.3	5.7	4.2	9.4
<b>BALANCE SHEET (MSEK)</b>								
<b>Assets</b>								
Total fixed assets	390.4	390.9	386.1	387.7	390.2	333.3	327.7	304.0
Total current assets	426.9	331.9	314.9	262.0	219.6	125.4	157.4	183.2
<b>Total assets</b>	<b>817.3</b>	<b>722.8</b>	<b>701.0</b>	<b>649.7</b>	<b>609.9</b>	<b>458.7</b>	<b>485.1</b>	<b>487.2</b>
<b>Equity &amp; liabilities</b>								
Total equity	479.0	340.7	328.6	285.8	273.9	233.9	227.6	223.1
Total long-term liabilities & provisions	153.0	164.8	164.5	54.0	57.6	30.7	28.9	117.3
Total current liabilities	185.3	217.3	207.9	309.9	278.3	194.1	228.6	146.8
<b>Total equity &amp; liabilities</b>	<b>817.3</b>	<b>722.8</b>	<b>701.0</b>	<b>649.7</b>	<b>609.9</b>	<b>458.7</b>	<b>485.1</b>	<b>487.2</b>
<b>CASH FLOW (MSEK)</b>								
Net from operating activities	5.9	-8.0	-8.8	14.9	20.0	20.8	-16.8	24.3
Investing activities	-7.3	-6.4	-0.7	-0.5	-41.6	-0.8	-7.1	-0.7
Financing activities	100.8	11.9	18.2	-8.8	32.6	-20.4	-4.9	-4.5
<b>Cash flow for the period</b>	<b>99.4</b>	<b>-2.5</b>	<b>8.8</b>	<b>5.6</b>	<b>11.0</b>	<b>-0.3</b>	<b>-28.8</b>	<b>19.1</b>
<b>OTHER INDICATORS</b>								
Earnings per share, SEK	0.55	0.60	0.71	0.70	0.61	0.38	0.24	0.73
Return on equity, %	10.5	13.9	14.0	11.9	12.7	12.5	11.4	12.2
Equity per share, SEK	24.4	18.6	17.9	16.0	15.4	13.9	13.5	13.2
Cash flow from operating activities per share, SEK	0.3	-0.4	-0.5	0.8	1.1	1.2	-1.0	1.4
Share price at the end of the period, SEK	85.6	125.0	65.6	41.9	34.1	28.9	30.0	19.4

## NOTE 1. ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations thereof by the IFRS Interpretations Committee as adopted by the EU. The Group has also applied the Swedish Financial Reporting Board recommendation RFR 1 Supplementary Accounting Rules for groups.

This interim report is, as relates to the Group, prepared in accordance with the Swedish Annual Accounts Act and IAS 34 Interim Financial Reporting and, as relates to the Parent Company, in accordance with the Swedish Annual Accounts Act and the Swedish Financial Reporting Board's recommendations RFR 2 Accounting for Legal Entities.

The Group and the Parent Company have applied the same accounting policies and bases of calculation as in the last annual report, with the exception of new standards and interpretations and amendments to existing standards and interpretations effective as of 1 January 2022 or later.

### IFRS 16 Leases

As of 1 January 2019, the Alcadon Group applies IFRS 16 Leases, which replaces IAS 17 Leases.

Where Alcadon is the lessee, rights-of-use assets are recognized as rights of use in the statement of financial position and the future obligations to the lessors are recognized as liabilities in the statement of financial position. The Group has leases for office and warehouse premises and cars. Short-term leases and leases of low-value assets are excluded, as these are expensed as they arise.

Carrying amounts in the balance sheet as of 31 March 2022:

- Rights of use: MSEK 29, recognized as Tangible fixed assets
- Lease liabilities: MSEK 30, of which MSEK 21 is recognized as Other long-term liabilities and MSEK 8 as Other current liabilities

Change in leases in 2022:

- Amortization: MSEK 2
- Completed: MSEK 0.2
- Additional: MSEK 0
- Interest costs: MSEK 0.1

### Other information

No other of the IFRS or IFRIC interpretations yet to enter into force are expected to have any material impact on the Group's financial statements. Important accounting policies are summarized in the annual report 2021. For more information, please refer to the company's website, [www.alcadongroup.se](http://www.alcadongroup.se).

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Carrying amounts in the balance sheet as of 31 December 2021

- Rights of use: MSEK 32, recognized as Tangible fixed assets
- Lease liabilities: MSEK 32, of which MSEK 23 is recognized as Other long-term liabilities and MSEK 9 as Other current liabilities

Change in leases in 2021:

- Amortization: MSEK 8.3
- Completed: MSEK 0.2
- Additional: MSEK 2.6
- Interest costs: MSEK 0.6

## NOTE 2. OPERATING INCOME

Alcadon conducts sales of goods in various regions, and sales revenue is recognized in profit or loss when control has been transferred to the customer. In addition, the Group provides services in the form of technical support and service agreements. Technical support is considered to be a distinct performance obligation for which revenue is recognized over time. Service agreements are recognized on a straight-line basis over the period of the agreement. See table below for a breakdown of net sales by region and business area.

<b>Geographic market (external turnover)</b>	<b>Quarter 1</b>		<b>Full year</b>
	<b>2022</b>	<b>2021</b>	<b>2021</b>
<b>MSEK</b>			
Sweden	93.0	78.3	316.4
Norway	34.3	34.2	136.0
Denmark	66.0	53.1	232.0
Germany	2.8	4.4	49.9
Benelux	9.0	-	2.1
<b>Total</b>	<b>205.1</b>	<b>170.0</b>	<b>736.5</b>

<b>Business areas</b>	<b>Quarter 1</b>		<b>Full year</b>
	<b>2022</b>	<b>2021</b>	<b>2021</b>
<b>MSEK</b>			
Commercial property networks	72.1	52.3	218.8
Residential networks	21.7	20.7	77.6
Fiber networks/FTTx:	100.7	86.5	403.7
Services	10.6	10.5	36.4
<b>Total</b>	<b>205.1</b>	<b>170.0</b>	<b>736.5</b>

## NOTE 3. BUSINESS COMBINATIONS

### 6X INTERNATIONAL BV IN BELGIUM

On 7 December 2021, Alcadon Group AB acquired 80 percent of Belgian 6X International BV, a distributor of fiber-optic solutions and systems in Belgium. It was accessed on the same day, and the company is consolidated with Alcadon as of this date. The purchase includes an option to acquire or dispose of the remaining 20 percent, which can be exercised between 2024 and 2028. The exercise price amounts to 5 times the company's average EBIT in the two years prior to the exercise of the option.

6X International BV was established in 1991 and is a Belgian value-adding distributor specialized in fiber-optic componentry and systems. The company is established in several segments, including FTTx/telecom, data centers, cabling systems, and industrial solutions, and customers include installation companies, system integrators, network operators, and data centers. 6X International BV also has longstanding relationships with most of the reputable manufacturers.

As of 31 December 2021, a preliminary acquisition analysis was drawn up as below: The purchase price of the shares, including contingent consideration, amounted to MSEK 6.9 of which MSEK 4.9 was paid in cash.

Conditional consideration amounts to not more than MEUR 0,2 in cash depending on the improvement in performance of 6X over the coming 36 months. Contingent consideration shall be remeasured at fair value at each balance sheet date, and any changes are recognized as other expenses or other income in operating profit.

Goodwill amounts to MEUR 0.6, relating to the company's expected future earning power and the personnel of 6X. The acquisition increased the Group's indebtedness by approximately MSEK 6.9.

During the period 1 January to 31 March 2022, 6X Belgium contributed net sales of MSEK 9, operating profit (EBIT) of MSEK 0.3, and net profit of MSEK 0.1.

PRELIMINARY ACQUISITION ANALYSIS (MSEK)	Reported value at the acquisition date	Adjustment to fair value	Fair value
<b>Fair value of the consideration transferred</b>			
Cash			4.9
Contingent consideration			2.1
<b>Total purchase price</b>			<b>6.9</b>
<b>Identifiable net assets</b>			
Intangible fixed assets	0.1	0.0	0.1
Other fixed assets	0.3	0.0	0.3
Inventories	4.9	0.0	4.9
Current receivables	7.5	0.0	7.5
Cash and cash equivalents	1.3	0.0	1.3
Trade and other payables	-12.6	0.0	-12.6
Minority interest (20%)	-0.3	0.0	-0.3
<b>Acquired net assets</b>			<b>1.3</b>
<b>Goodwill arising on acquisition</b>			
			<b>5.6</b>
Initial consideration in cash and cash equivalents			4.9
Acquired cash and cash equivalents			1.3
<b>Cash flow arising from acquisition</b>			<b>3.5</b>

#### NOTE 4. OTHER PROVISIONS

MSEK	Quarter 1		Full year
	2022	2021	2021
Opening provisions	26.8	0.0	0.0
New provisions	0.0	24.4	26.4
Reversed provisions	0.0	0.0	0.0
Exchange rate differentials	0.5	0.4	0.4
Payments	-5.8	0.0	0.0
<b>Closing provisions</b>	<b>21.5</b>	<b>24.8</b>	<b>26.8</b>

Provision as of 31 March 2022 relates to contingent consideration for the acquisition of Alcadon ApS (formerly 6X International ApS) of MDKK 14 and contingent consideration for the acquisition of 6X International BV of KEUR 200. During the period, contingent consideration payments of MDKK 4 were made for Alcadon ApS.

The Board of Directors and the CEO confirm that this interim report provides a true and fair view of the parent company's and the group's position and performance, gives a fair review of the development of the parent company's and the group's operations, and describes material risks and uncertainties faced by the parent company and the companies belonging to the group.

**Stockholm, 22 April 2022**

**Pierre Fors**

Chairman of the Board

**Jonas Mårtensson**

Vice Chairman

**Marie Ygge**

Director

**Lars Engström**

Director

**Sonny Mirborn**

Chief Executive Officer

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● Sales office

● Sales representatives