



Alcadon Group



2022

January - June

QUARTERLY REPORT

Interim report

1 January – 30 June 2022

Deliveries in Germany under way as per agreement and establishment in the United Kingdom through acquisition in august

SECOND QUARTER 2022

- Net sales increased by 22 percent to MSEK 216 (177). In unchanged currency levels, net sales increased by 19 percent.
- Operating profit before amortization of intangible assets (EBITA) decreased by 39 percent to MSEK 11 (18) including negative currency effects of MSEK -3.2 (-0.1).
- Cash flow from operating activities amounted to MSEK -13 (15).
- Earnings per share amounted to SEK 0.40 (0.70).
- During the period, solidity decreased to 65 percent from 67 percent.

FIRST HALF OF 2022

- Net sales increased by 21 percent to MSEK 421 (347). In unchanged currency levels, net sales increased by 18 percent.
- Operating profit before amortization of intangible assets (EBITA) decreased by 22 percent to MSEK 27 (34) including negative currency effects of MSEK -3.7 (-1.0).
- Cash flow from operating activities amounted to MSEK -6.8 (34.9).
- Earnings per share amounted to SEK 0.95 (1.31).
- During the period, solidity increased to 65 percent from 49 percent.

	Quarter 2		January-June		Full year
	2022	2021	2022	2021	2021
Operating income, MSEK	216.1	177.4	421.2	347.4	736.5
Gross margin, %	26.0	28.7	27.1	28.8	28.1
EBITA, MSEK	10.7	17.6	26.5	34.2	67.5
EBITA, %	4.9	9.9	6.3	9.8	9.2
Profit or loss for the period, MSEK	7.9	12.5	18.5	23.3	47.1
Earnings per share, SEK	0.40	0.70	0.95	1.31	2.62

SIGNIFICANT EVENTS DURING THE QUARTER

- 19 employees have subscribed for their full allotment of warrants under the incentive scheme resolved upon by the annual general meeting in April.

SIGNIFICANT EVENTS AFTER THE PERIOD

- Alcadon Group signs agreement to acquire Networks Centre Holding Company Ltd with operations in the UK and the Netherlands. Completion is expected on 17 August 2022.
- In connection with the acquisition of Networks Centre Ltd, Alcadon has refinanced the existing loan of SEK 130 million together with a new bank loan of SEK 250 million with a term of 3+1 years.

Stockholm, 12 August 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 12 August 2022.



A word from the CEO

- A 22 percent growth in sales, most of which organic
- Underlying demand is holding up well
- Deliveries to Emtelle and Deutsche Glasfaser in Germany commenced as per agreement
- Acquisition of UK Networks Centre, with net sales of approximately MGBP 42,6 and good profitability, increases the exposure to growth markets significantly.
- Continued supply chain disruptions have a negative impact on sales and margins

DEVELOPMENT DURING THE QUARTER

It is very gratifying to note that organic growth remains good, supported by stable demand in most markets. Investment readiness is generally good across our segments, and demand is growing in several markets in the broadband and data center segments, specifically. The UK market is experiencing strong growth in several segments, and Alcadon's establishment in this market after the end of the quarter will provide further support for the Group's organic growth moving forward.

A prolonged period of severe disruptions to the global supply chains, continuing throughout the quarter, has had a dampening effect on sales. Lockdowns in Asia, port strikes in Europe, and logistical bottlenecks notwithstanding, the Group performed very well in terms of sales with growth of 22 percent. Continued disruptions in the supply of materials are likely to hold back sales in the near future as well, but a healthy pipeline of projects points towards a continued positive development in the months to come.

The result is burdened by increased overheads due to the Group's growth efforts as well as increased freight costs, a negative development in exchange rates, and

the time lag involved in price increases to customers. Some of these problems persist in part in the third quarter, but we also see signs of a stabilization in the price trend and a gradual adjustment of inventory levels to meet the growing demand. Gradually, as the lag effect recedes, gross margins should also strengthen.

Sweden

Performance remains good and demand is stable across most segments. Delivery delays impacted sales negatively during the quarter, especially in commercial property networks. Fiber networks and Residential networks have progressed well. Our expectations for the months ahead include an accelerated fiber roll-out and a slightly better situation with regard to the supply of materials. During Q3, an additional proprietary cable system will be introduced, which is adapted for segments we have not previously been positioned towards.

Denmark

The high growth rate persists in the Danish market, where business is developing with the larger fiber network customers. The diversification of the business into related segments is proceeding as planned, and the

data center segment in particular is demonstrating very encouraging progress. The latter is the result of a broader product portfolio gained through cooperation between the Danish and Swedish operations as well as key recruitments in Denmark. It is expected that the production unit outside Copenhagen will continue to be used to a greater extent by the Swedish operations.

Norway

The Norwegian operations had a strong quarter with good growth, even though sales were adversely affected by delivery delays. Commercial properties performed strongly during the quarter as a result of major projects initiated at the end of Q1. Other segments showed a stable trend.

Germany

Deliveries have commenced in accordance with the agreements concluded in 2021, although the German market is still marked by some problems. At this stage, deliveries under the agreements are carried out on a limited scale, but the dialogue is positive and the intention of all parties is to continue to ramp up deliveries over the third and fourth quarters of the year.

The work to strengthen the organization is advancing, and Alcadon is perceived as an attractive employer with good prospects for growth.

The Benelux

Operations remain in a build-up phase characterized by range development and recruitment carried out in parallel with an increased focus on cultivating new customer relations. Benelux is a very interesting market going forward, and the focus is currently on strengthening the Group's market position. The acquisition of Networks Centre significantly strengthens the Group's position in the Benelux and improves the position in relation to the data center segment in the Netherlands.

FINANCIALS

Net sales increased by 22 percent to MSEK 216 (177). The organic growth was 17 percent, and the acquired growth was 5 percent. In unchanged currency levels, net sales increased by 19 percent.

Gross margin decreased to 26.0 (28.7) percent. Rapidly increasing freight costs, the weakening of the Swedish Krona – mainly against the USD and EUR – and higher prices from suppliers have made it difficult to pass on increases to customers in time.

Overhead increased as a result of investments in new recruitments and marketing efforts aiming to create new revenue streams.

Operating profit before amortization of intangible assets (EBITA) amounted to MSEK 11 (18) during the

quarter, a decrease of 39 percent. EBITA was impacted by MSEK -3.2 (-0.1) attributable to foreign exchange losses, MSEK -0.7 (0.3) of which related to a revaluation of contingent consideration.

Profit or loss for the period amounted to MSEK 8 (13).

Cash flow from operating activities amounted to MSEK -13 (15). The negative cash flow is mainly due to increased tying up of working capital. The increase in working capital is driven by increased sales and stock building to counter the longer delivery times currently prevailing.

CONCLUDING REMARKS

The acquisition of Networks Centre in the United Kingdom and the Netherlands is transformative for Alcadon; Networks Centre holds a very strong market position in several of Alcadon's core businesses, such as the data center segment, network infrastructure in commercial properties, and the broadband segment. At the same time, the United Kingdom is one of the most promising growth markets in Europe. The acquisition further strengthens Alcadon's presence in the Netherlands, where Networks Centre is established with a focus on the data center market. There are multiple avenues for cooperation between Alcadon and Networks Centre, and we are well acquainted with each other after a process of almost 12 months and with a number of suppliers in common.

It is imperative that acquisitions are well thought out and offer clear advantages for the Group with limited risk. Networks Centre meets all the criteria set by Alcadon, and fortunately enough, we have additional companies in our pipeline which would enhance the Group's competitive ability further.

Despite the problematic external factors, such as supply chain disruptions, sharp price rises, and a weakened Swedish Krona, we are following our plan, creating growth, and at the same time laying the foundations for the company we strive to be in the future. I firmly believe that our decentralized governance model, our focus on clear core competence, and our team members are the basis for our success.

On 29 September, we will arrange our first capital market day in Stockholm. Part of the Group's management team and other key individuals will present the Group and our vision, strategy, and financial objectives. For anyone who wants to find out more about Alcadon and our markets, this is a good opportunity. The time and place will be announced well in advance. We look forward to seeing you.



Sonny Mirborn
CEO and President
Alcadon Group AB

INDICATORS FOR THE GROUP	Quarter 2		January-June		Full year
	2022	2021	2022	2021	2021
Operating income, MSEK	216.1	177.4	421.2	347.4	736.5
Gross margin, %	26.0	28.7	27.1	28.8	28.1
Operating result before amortization of intangible assets (EBITA), MSEK	10.7	17.6	26.5	34.2	67.5
Operating result before amortization of intangible assets (EBITA), %	4.9	9.9	6.3	9.8	9.2
Operating profit after depreciation/amortization (EBIT), MSEK	10.3	17.2	25.7	33.4	65.8
Operating margin after depreciation/amortization (EBIT), %	4.7	9.7	6.1	9.6	8.9
Profit or loss for the period, MSEK	7.9	12.5	18.5	23.3	47.1
Net margin, %	3.7	7.1	4.4	6.7	6.4
Solidity, %	65.1	45.7	65.1	45.7	49.1
Return on equity, %	8.8	11.9	9.2	12.2	15.8
Net interest-bearing liabilities, MSEK	60.7	148.1	60.7	148.1	151.8
Cash flow from operating activities, MSEK	-12.6	14.9	-6.8	34.9	18.4
Cash flow from operating activities per share, SEK	-0.6	0.8	-0.3	2.0	1.0
Equity per share, SEK	24.5	16.0	24.5	16.0	18.6
Earnings per share, SEK	0.40	0.70	0.95	1.31	2.62
Number of shares at the end of the period	19,625,129	17,841,026	19,625,129	17,841,026	18,341,026
Average number of shares	19,625,129	17,841,026	19,518,120	17,759,211	17,945,952
Number of employees at the end of the period	94	84	94	84	95
Average number of employees during the period	96	85	95	84	87

DEFINITIONER

Gross margin:	Gross result as a percentage of net sales for the period.
EBITA margin:	Operating result before amortization of intangible assets 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 33 (35).
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

The quarter

Net sales increased by 22 percent to MSEK 216 (177). The organic growth was 17 percent, and the acquired growth was 5 percent. In unchanged currency levels, net sales increased by 19 percent.

Gross margin decreased to 26.0 (28.7) percent. Rapidly increasing freight costs, the weakening of the Swedish Krona, mainly against the USD and EUR, and higher prices from suppliers have made it difficult to pass on increases to the customers in time.

Overhead increased as a result of investments in new recruitments and marketing efforts aiming to create new revenue streams.

Operating profit before amortization of intangible assets (EBITA) amounted to MSEK 11 (18) during the quarter, a decrease of 39 percent. EBITA was impacted by MSEK -3.2 (-0.1) attributable to foreign exchange losses, MSEK -0.7 (0.3) of which related to a revaluation of contingent consideration.

Profit or loss for the period amounted to MSEK 8 (13).

January-June

Net sales increased by 21 percent to MSEK 421 (347). The organic growth was 16 percent, and the acquired growth was 5 percent. In unchanged currency levels, net sales increased by 18 percent.

Gross margin decreased to 27.1 (28.8) percent. Rapidly increasing freight costs, the weakening of the Swedish Krona, mainly against the USD and EUR, and higher prices from suppliers have made it difficult to pass on increases to the customers in time.

Overhead increased as a result of investments in new recruitments and marketing efforts aiming to create new revenue streams.

Operating profit before amortization of intangible assets (EBITA) amounted to MSEK 27 (34) during the quarter, a decrease of 22 percent. EBITA was impacted by MSEK -3.7 (-1.0) attributable to foreign exchange losses, MSEK -1.2 (-0.1) of which related to a revaluation of contingent consideration. Operating profit was negatively impacted by direct acquisition costs of MSEK -1.4 in 2021.

Profit or loss for the period amounted to MSEK 19 (23).

CASH FLOW, INVESTMENTS AND CASH AND CASH EQUIVALENTS

The quarter

Cash flow from operating activities amounted to

MSEK -13 (15). The negative cash flow is mainly due to increased working capital tied up. The increase in working capital is driven by increased sales and stock building to counter the longer delivery times currently prevailing.

Other net investments in tangible and intangible fixed assets amounted to MSEK -4.4 (-0.5).

Cash flow from financing activities amounted to MSEK -17 (-8.8) and consisted in part of amortization of MSEK -10 and dividend of MSEK -10.

January-June

Cash flow from operating activities amounted to MSEK -7 (35). The negative cash flow is mainly due to increased working capital tied up. The increase in working capital is driven by increased sales and investments in stock building to counter the longer delivery times currently prevailing.

Other net investments in tangible and intangible fixed assets amounted to MSEK -6 (-1.6). Net cash flow from acquisitions amounted to MSEK -5.8 (-40) 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 84 (24) 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 -27 (-2) and dividend of MSEK 10.

At the end of the period, the Group's cash and cash equivalents amounted to MSEK 94 (22). The overdraft granted with SEB amounts to MSEK 50 (35), of which MSEK 46 (30) was undrawn at the end of the period.

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

OPERATING EXPENSES

The quarter

Operating expenses amounted to MSEK -203 (-157), an increase of 29 percent.

Overhead amounted to MSEK -43 (-31), an increase of 39 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.

January-June

Operating expenses amounted to MSEK -389 (-308), an increase of 26 percent.

Overhead amounted to MSEK -82 (-61), an increase of

35 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 94 (84). The average number of employees during the quarter was 96 (85).

EXCHANGE RATE DIFFERENCES

Exchange rate differences of an operating nature are reported in accordance with IFRS in operating income as other operating income/expenses. All exchange rate differences that arise as a result of commitments to customers and suppliers are classified as such. Exchange rate differences attributable to restatement of contingent consideration are also recognized in operating income as other operating income/expenses.

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

For the quarter, exchange rate differences of an operating nature amounted to MSEK -3.2 (-0.1), of which MSEK -0.7 (0.3) is attributable to revaluation of contingent consideration.

For the year, exchange rate differences of an operating nature amounted to MSEK -3.7 (-1.0), of which MSEK -1.2 (-0.1) is attributable to revaluation of contingent consideration.

Exchange rate differences 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. For the quarter, profit or loss after financial items amounted to MSEK -3.8 (-0.6), of which MSEK -0.7 (0.3) is attributable to revaluation of contingent consideration. For the period, profit or loss after financial items amounted to MSEK -5.3 (-2.1), of which MSEK -1.2 (-0.1) is attributable to revaluation of contingent consideration.

At the end of the period, cash and cash equivalents amounted to MSEK 78 (0.7).

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.

RELATED PARTY TRANSACTIONS

During the first half of the year, the Group, through Alcadon AS, carried out transactions of MSEK 1.9 (1.7) 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 0.4 (0.4) 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 30 June 2022, goodwill amounted to MSEK 340 (332).

INTEREST COSTS

Interest costs amounted to MSEK -0.6 (-1.4) 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 65 percent as of 30 June 2022.

AUDITOR'S REVIEW

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

FINANCIAL CALENDAR

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 was held in Stockholm on 22 April. For information about the Annual General Meeting and the resolutions passed, please refer to the Company's AGM communiqué which is available on the Company's website, www.alcadongroup.se/investerare/bolagsstammor/.

DIVIDEND

The Annual General Meeting resolved in accordance with the Board's proposal that dividend of SEK 0.50 per share, corresponding to about MSEK 9.8 (0), be paid for the financial year 2021. Dividend was paid on 29 April 2022.

WARRANTS

The warrant program 2019/2023, which the extraordinary general meeting on 10 July 2019 resolved upon, comprises a total of 340,000 warrants held by 6 senior executives. The transfers were 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 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 subscribed for warrants under the warrant program 2021/2024 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 June 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 2022, 19 employees subscribed for warrants under the warrant program 2022/2025 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 24 February 2025 to 21 March 2025. The subscription price amounts to SEK 99.97. Upon full exercise of the warrants, up to 60,000 shares may be issued, which corresponds to a dilution of approximately 0.3 percent calculated on the basis of the company's 19,625,129 shares.

The average share price of ordinary shares during the period was below the exercise price of the warrants. Hence, the shares are not 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/

SHARE INFORMATION

Alcadon Group AB's share is listed on Nasdaq First North since 14 September 2016. As of 30 June 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 72.0 (2022-06-30)

- 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.

In connection with the acquisition of Networks Centre Ltd, Alcadon has refinanced the existing loan of SEK 130 million together with a new bank loan of SEK 250 million with a term of 3+1 years.

Terms in brief

- Bank loan, MSEK 130, straight-line amortization over 10 years, interest rate STIBOR 3M + 1.4-2.4 percentage points depending on the debt-to-equity ratio.
- Bank loan, MSEK 250, straight-line amortization over 10 years, interest rate STIBOR 3M + 1.4-2.4 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 30, interest rate STIBOR 3M + 1.4-2.4 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 46 (30) was undrawn at the end of the period.

ACCOUNTING POLICIES & NOTES

See pages 16-18 for accounting policies and notes

OWNERSHIP

The largest shareholders of Alcadon Group as of 30 June 2022.

Name	Shareholding	Shareholding, %
Investment AB Spiltan	2,370,893	12.1%
Ribbskottet Aktiebolag	2,100,000	10.7%
Athanase Industrial Partner	1,443,507	7.4%
Consensus Asset Management	1,109,000	5.7%
Susanne Stengade Holding ApS	981,780	5.0%
SEB AB, Luxembourg Branch, W8IMY	786,250	4.0%
Försäkringsaktiebolaget, Avanza Pension	744,820	3.8%
RBCB LUX UCITS EX-MIG	698,987	3.6%
Andra AP-Fonden	667,524	3.4%
Ålandsbanken AB, W8IMY	654,639	3.3%
Goldman Sachs International, W8IMY	537,096	2.7%
Jeansson, Theodor	531,910	2.7%
J.P. MORGAN SE, LUXEMBOURG BRANCH	509,142	2.6%
Humle Småbolagsfond	489,993	2.5%
Nordnet Pensionsförsäkring AB	441,416	2.2%
Sparebank 1 Markets AS	395,625	2.0%
Hajskäret Invest AB	208,459	1.1%
Mårtensson, Jonas	208,092	1.1%
UBS Europe Se, Luxembourg Branch, W8IMY	186,381	0.9%
Ljungman, Mikael	168,799	0.9%
Grand Total	15,234,313	77.6%
Others	4,390,816	22.4%
Total	19,625,129	100.0%

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 add up exactly to the specified total.

ALCADON GROUP - THE GROUP	Quarter 2		January-June		Full year
Condensed statement of profit or loss (MSEK)	2022	2021	2022	2021	2021
INCOME STATEMENT					
Operating income	216.1	177.4	421.2	347.4	736.5
Total income	216.1	177.4	421.2	347.4	736.5
Operating expenses	-202.6	-157.2	-389.1	-308.0	-659.1
Operating profit before depreciation/amortization	13.5	20.2	32.1	39.4	77.4
Depreciation of tangible assets	-2.9	-2.6	-5.6	-5.2	-10.0
Operating profit before amortization of intangible assets	10.7	17.6	26.5	34.2	67.5
Amortization of intangible assets	-0.4	-0.4	-0.8	-0.8	-1.6
Operating profit	10.3	17.2	25.7	33.4	65.9
Net financial items	0.4	-1.5	-0.8	-3.1	-4.8
Profit after net financial items	10.7	15.7	24.9	30.2	61.1
Tax on profit for the year	-2.8	-3.2	-6.4	-6.9	-14.0
Profit or loss for the period	7.9	12.5	18.5	23.3	47.1
Attributable to:					
Non-controlling interests	0.1	0.0	0.1	0.0	-0.1
The parent company's shareholders	7.8	12.5	18.4	23.3	47.2
Profit or loss for the period	7.9	12.5	18.5	23.3	47.1
Övrigt totalresultat					
Translation differences for the period due to restatement of foreign subsidiaries	2.4	-1.0	4.8	0.9	2.8
Total comprehensive income for the period	10.3	11.5	23.3	24.2	49.9
Total comprehensive income for the period attributable to:					
Non-controlling interests	0.1	0.0	0.1	0.0	-0.1
The parent company's shareholders	10.2	11.5	23.2	24.2	50.0
DATA PER SHARE					
Number of shares					
Number of shares at the end of the period	19,625,129	17,841,026	19,625,129	17,841,026	18,341,026
Average number of shares	19,625,129	17,841,026	19,518,120	17,759,211	17,945,952
Average number of shares (after dilution)	20,075,129	17,841,026	19,968,120	17,841,026	18,359,285
Earnings per share					
Earnings per share for the period based on average number of shares, SEK	0.40	0.70	0.95	1.31	2.62
Diluted earnings per share for the period, SEK	0.39	0.70	0.93	1.31	2.56
Equity per share					
Equity per share at the end of the period, SEK	24.5	16.0	24.5	16.0	18.6

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

Goodwill, Note 3	340.3	332.0	338.1
Other intangible fixed assets, Note 3	19.4	14.1	15.8
Tangible fixed assets	36.6	38.8	35.8
Financial fixed assets	1.3	2.8	1.2

Total fixed assets
397.5 387.7 390.9
Current assets

Inventories	168.4	115.8	152.4
Trade receivables	145.0	110.5	131.4
Other current assets	27.8	13.6	19.7
Cash and bank	93.5	22.1	28.4

Total current assets
434.7 262.0 331.9
TOTAL ASSETS
832.2 649.7 722.8
Equity

Share capital	0.9	0.9	0.9
Other contributed capital	279.1	124.3	153.1
Retained earnings including net profit for the period	200.0	160.7	186.5
Equity attributable to parent company shareholders	480.0	285.8	340.5
Non-controlling interests	0.3	0.0	0.2

Total equity
480.3 285.8 340.7
Provisions

Other provisions, Note 4	22.2	24.5	26.8
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Total provisions
22.2 24.5 26.8
Long-term liabilities

Deferred tax liability, Note 3	3.8	3.6	3.4
Liabilities to credit institutions	97.5	0.0	111.4
Other long-term liabilities	24.1	25.9	23.1

Total long-term liabilities
125.4 29.5 138.0
Current liabilities

Bank overdraft facility	4.1	4.7	13.8
Other interest-bearing liabilities	19.0	133.0	31.8
Trade payables	109.7	110.9	115.2
Other current liabilities	71.4	61.4	56.5

Total current liabilities
204.3 309.9 217.3
TOTAL EQUITY AND LIABILITIES
832.2 649.7 722.8

ALCADON GROUP - THE GROUP	Quarter 2		January-June		Full year
Condensed changes in equity (MSEK)	2022	2021	2022	2021	2021
Opening equity	479.0	273.9	340.7	233.9	233.9
Other changes in equity	0.0	0.0	0.0	0.0	0.0
Other contributed capital	0.8	0.4	126.1	27.8	56.6
Dividend	-9.8	0.0	-9.8	0.0	0.0
Non-controlling interests	0.1	0.0	0.1	0.0	0.2
Comprehensive income for the period attributable to parent company shareholders	10.2	11.5	23.2	24.2	50.0
Closing equity	480.3	285.8	480.3	285.8	340.7

ALCADON GROUP - THE GROUP	Quarter 2		January-June		Full year
Consolidated condensed statement of cash flows (MSEK)	2022	2021	2022	2021	2021
Operating profit	10.3	17.2	25.7	33.4	65.9
Adjustments for non-cash items, etc.	6.8	1.8	11.1	6.6	14.7
Income tax paid	-4.0	-5.6	-4.9	-8.3	-13.8
Change in working capital	-25.8	1.6	-38.7	3.2	-48.3
Net cash flow from operating activities	-12.6	14.9	-6.8	34.9	18.4
Acquisition of fixed tangible and intangible assets	-4.3	-0.4	-5.8	-1.5	-5.5
Change in financial fixed assets	-0.1	-0.1	-0.1	-0.1	0.0
Business combinations	0.0	0.0	-5.8	-40.5	-44.1
Cash flow from investing activities	-4.4	-0.5	-11.7	-42.1	-49.5
Dividend paid	-9.8	0.0	0.0	0.0	0.0
New issuance/Warrant proceeds	0.8	0.4	116.2	0.4	29.2
Interest paid and received and other financial items	0.4	-1.5	-0.8	-3.1	-4.8
Amortization of lease liabilities	-2.4	-2.1	-4.5	-4.1	-8.3
Amortization	-10.4	-5.7	-27.4	-2.0	-134.9
Borrowings	4.1	0.0	0.0	32.6	172.7
Cash flow from financing activities	-17.3	-8.8	83.5	23.8	53.9
Cash flow for the period	-34.3	5.6	65.0	16.5	22.7
Reconciliation of changes in cash and cash equivalents					
Opening balance, cash and cash equivalents	128.2	16.6	28.4	5.6	5.6
Exchange rate difference on cash and cash equivalents	-0.4	0.0	0.1	0.0	0.1
Closing balance, cash and cash equivalents	93.5	22.1	93.5	22.1	28.4
Change in cash and cash equivalents	-34.7	5.6	65.1	16.5	22.7

ALCADON GROUP AB - PARENT COMPANY	Quarter 2		January-June		Full year
Condensed statement of profit or loss (MSEK)	2022	2021	2022	2021	2021
INCOME STATEMENT					
Net sales	1.0	4.4	4.1	6.3	13.3
Total income	1.0	4.4	4.1	6.3	13.3
Operating expenses	-4.4	-2.6	-8.7	-6.0	-12.9
Operating profit	-3.4	1.6	-4.6	0.4	0.4
Net financial items	-0.3	-2.2	-0.7	-2.5	-3.5
Profit after net financial items	-3.8	-0.6	-5.3	-2.1	-3.2
Appropriations	0.0	0.0	0.0	0.0	10.8
Profit or loss before tax	-3.8	-0.6	-5.3	-2.1	7.6
Tax on profit for the year	0.8	0.2	1.0	0.4	-1.7
Profit or loss for the period	-3.0	-0.4	-4.3	-1.7	5.9

ALCADON GROUP AB - PARENT COMPANY	2022-06-30	2021-06-30	2021-12-31
Condensed statement of financial position (MSEK)			
BALANCE SHEET			
Fixed assets			
Financial fixed assets	432.2	293.7	399.6
Total fixed assets	432.2	293.7	399.6
Current assets			
Receivables from group companies	12.4	103.0	28.6
Trade receivables	0.0	0.0	0.0
Other current assets	4.5	4.8	4.6
Cash and bank	77.5	0.7	4.8
Total current assets	94.4	108.6	38.0
TOTAL ASSETS	526.6	402.3	437.5
Equity			
Share capital	0.9	0.9	0.9
Retained earnings including net profit for the period	281.9	133.6	170.0
Total equity	282.8	134.5	170.9
Provisions			
Other provisions	22.2	24.5	26.8
Total provisions	22.2	24.5	26.8
Long-term liabilities			
Other borrowings	97.5	0.0	0.0
Liabilities to group companies	95.0	0.0	111.4
Total long-term liabilities	192.5	0.0	111.4
Current interest-bearing liabilities			
Liabilities to group companies	7.6	106.9	92.2
Current liabilities	2.9	3.4	3.8
Total current liabilities	29.1	243.3	128.4
TOTAL EQUITY AND LIABILITIES	526.6	402.3	437.5

CONSOLIDATED QUARTERLY DATA								
	Q2	Q1	Q4	Q3	Q2	Q1	Q4	Q3
INCOME STATEMENT, MSEK	2022	2022	2021	2021	2021	2021	2020	2020
Net sales	216.1	205.1	206.4	182.7	177.4	170.0	110.8	95.1
Profit								
Operating profit before amortization of intangible assets (EBITA)	10.7	15.8	15.6	17.7	17.6	16.6	9.4	6.7
Profit after net financial items	10.7	14.2	14.5	16.4	15.7	14.5	8.2	5.3
Profit or loss for the period	7.9	10.6	11.0	12.8	12.5	10.8	6.3	4.0
Margin measures in %								
Gross margin %	26.0	28.3	27.3	27.8	28.7	28.9	31.2	29.9
Operating margin (EBITA),%	4.9	7.7	7.6	9.7	9.9	9.8	8.5	7.1
Net margin %	3.7	5.2	5.3	7.0	7.1	6.3	5.7	4.2
BALANCE SHEET (MSEK)								
Assets								
Total fixed assets	397.5	390.4	390.9	386.1	387.7	390.2	333.3	327.7
Total current assets	434.7	426.9	331.9	314.9	262.0	219.6	125.4	157.4
Total assets	832.2	817.3	722.8	701.0	649.7	609.9	458.7	485.1
Equity & liabilities								
Total equity	480.3	479.0	340.7	328.6	285.8	273.9	233.9	227.6
Total long-term liabilities & provisions	147.7	153.0	164.8	164.5	54.0	57.6	30.7	28.9
Total current liabilities	204.3	185.3	217.3	207.9	309.9	278.3	194.1	228.6
Total equity & liabilities	832.2	817.3	722.8	701.0	649.7	609.9	458.7	485.1
CASH FLOW (MSEK)								
Net from operating activities	-13.0	5.9	-8.0	-8.8	14.9	20.0	20.8	-16.8
Investing activities	-4.4	-7.3	-6.4	-0.7	-0.5	-41.6	-0.8	-7.1
Financing activities	-17.3	100.8	11.9	18.2	-8.8	32.6	-20.4	-4.9
Cash flow for the period	-34.7	99.4	-2.5	8.8	5.6	11.0	-0.3	-28.8
OTHER INDICATORS								
Earnings per share, SEK	0.40	0.55	0.60	0.71	0.70	0.61	0.38	0.24
Return on equity, %	8.8	10.5	13.9	14.0	11.9	12.7	12.5	11.4
Equity per share, SEK	24.5	24.4	18.6	17.9	16.0	15.4	13.9	13.5
Cash flow from operating activities per share, SEK	-0.7	0.3	-0.4	-0.5	0.8	1.1	1.2	-1.0
Share price at the end of the period, SEK	72.0	85.6	125.0	65.6	41.9	34.1	28.9	30.0

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 30 June 2022:

- Rights of use: MSEK 33, recognized as Tangible fixed assets
- Lease liabilities: MSEK 33, of which MSEK 24 is recognized as Other long-term liabilities and MSEK 9 as Other current liabilities

Change in leases in 2022:

- Amortization: MSEK 4.5
- Completed: MSEK 0.7
- Additional: MSEK 6.8
- Interest costs: MSEK 0.3

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.

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.

Geographic market (external turnover)	Quarter 2		January-June		Full year
MSEK	2022	2021	2022	2021	2021
Sweden	87.6	87.6	180.6	165.9	316.4
Norway	43.2	33.2	77.5	67.4	136.0
Denmark	67.3	40.9	133.3	94.0	232.0
Germany	8.7	15.7	11.5	20.1	49.9
The Benelux	9.3	-	18.3	-	2.1
Total	216.1	177.4	421.2	347.4	736.5

Business areas	Quarter 2		January-June		Full year
MSEK	2022	2021	2022	2021	2021
Commercial property networks	69.4	60.7	141.5	113.0	218.8
Residential networks	28.6	20.3	50.3	41.0	77.6
Fiber networks/FTTx:	107.5	88.3	208.2	174.8	403.7
Services	10.7	8.0	21.3	18.5	36.4
Total	216.1	177.4	421.2	347.4	736.5

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 30 June 2022, 6X Belgium contributed net sales of MSEK 18, operating profit (EBIT) of MSEK 0.4, and net profit of MSEK 0.4.

PRELIMINARY ACQUISITION ANALYSIS (MSEK)	Reported value at the acquisition date	Adjustment to fair value	Fair value
Fair value of the consideration transferred			
Cash			4.9
Contingent consideration			2.1
Total purchase price			6.9
Identifiable net assets			
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
Acquired net assets			1.3
Goodwill arising on acquisition			5.6
Initial consideration in cash and cash equivalents			4.9
Acquired cash and cash equivalents			1.3
Cash flow arising from acquisition			3.5

NOTE 4. OTHER PROVISIONS

MSEK	Quarter 2		January-June		Full year
	2022	2021	2022	2021	2021
Opening provisions	21.5	24.8	26.8	0.0	0.0
New provisions	0.0	0.0	0.0	24.4	26.4
Reversed provisions	0.0	0.0	0.0	0.0	0.0
Exchange rate differences	0.7	-0.3	1.2	0.1	0.4
Payments	0.0	0.0	-5.8	0.0	0.0
Closing provisions	22.2	24.5	22.2	24.5	26.8

Provision as of 30 June 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 first quarter of 2022, 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, 12 augusti 2022

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Chairman of the Board

Jonas Mårtensson

Vice Chairman

Marie Ygge

Director

Lars Engström

Director

Sonny Mirborn

Chief Executive Officer

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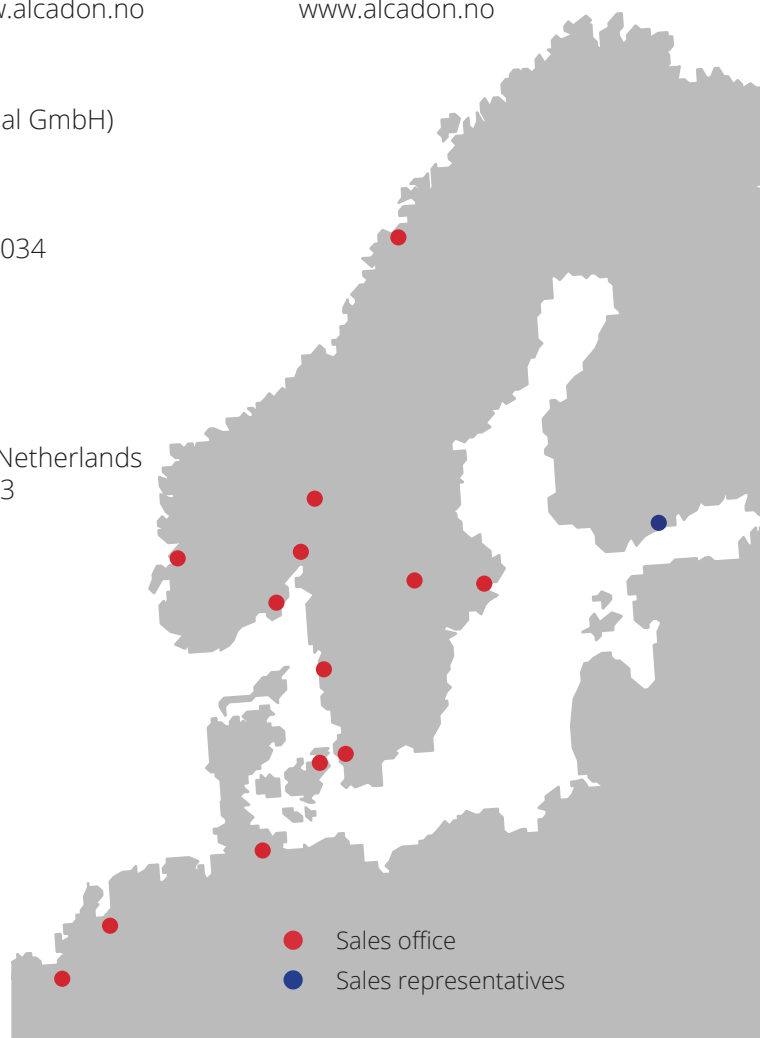
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