



Alcadon Group



2022

January - September

INTERIM REPORT

Interim report

1 January – 30 September 2022

Good sales development with successful start in the United Kingdom while currency effects continue to weigh on results

THIRD QUARTER 2022

- Net sales increased by 58 percent to MSEK 288 (183). In unchanged currency levels, net sales increased by 54 percent.
- Operating profit before amortization of intangible assets (EBITA) decreased by 35 percent to MSEK 12 (18) including negative currency effects of MSEK -0.8 (-0.7) and acquisition costs of MSEK -4.3 (0).
- Cash flow from operating activities amounted to MSEK 22 (-9).
- Earnings per share amounted to SEK 0.23 (0.71).
- During the period, solidity decreased to 38 percent from 65 percent.

THE INTERIM PERIOD JANUARY–SEPTEMBER 2022

- Net sales increased by 34 percent to MSEK 709 (530). In unchanged currency levels, net sales increased by 31 percent.
- Operating profit before amortization of intangible assets (EBITA) decreased by 27 percent to MSEK 38 (52) including negative currency effects of MSEK -4.4 (-1.5) and acquisition costs of MSEK -4.3 (-1.5).
- Cash flow from operating activities amounted to MSEK 15 (26).
- Earnings per share amounted to SEK 1.18 (2.03).
- During the period, solidity decreased to 38 percent from 49 percent.

	Quarter 3		January - September		Full year
	2022	2021	2022	2021	2021
Operating income, MSEK	288.0	182.7	709.2	530.1	736.5
Gross margin, %	23.5	27.8	25.7	28.5	28.1
EBITA, MSEK	11.6	17.7	38.1	51.9	67.5
EBITA, %	4.0	9.7	5.4	9.8	9.2
Profit or loss for the period, MSEK	4.7	12.8	23.2	36.1	47.1
Earnings per share, SEK	0.23	0.71	1.18	2.03	2.62

Significant events during the quarter

- Alcadon Group acquired Networks Centre Holding Ltd, active in the United Kingdom and the Netherlands, with 17 August 2022 as the closing date.
- In connection with the acquisition of Networks Centre Ltd, Alcadon refinanced existing debt of MSEK 130 and raised new loans of MSEK 250 for 3+1 years.
- The Board of Directors of Alcadon has decided on new financial targets over a business cycle for the Alcadon Group and on Vision 2025.

Significant events after the period

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

Stockholm 28 October 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 28 October 2022.



A word from the CEO

- **A 58 percent growth in sales and continued growth initiatives**
- **Strong sales in the United Kingdom with excellent organic growth in newly acquired Networks Centre Ltd**
- **Deliveries per agreement in Germany continue to develop positively, with healthy order intake albeit a low level of invoicing in Q3**
- **Strong underlying demand worldwide in the fiber networks segment, and supply chain disruptions remain**
- **The currency development continues to burden gross margins, which is managed on an ongoing basis**

DEVELOPMENT DURING THE QUARTER

This quarter was marked once again by good growth in sales and, in particular, very good growth in the UK market. It is primarily the broadband and data center segments that account for a high growth rate, but also, to some extent, residential networks. The network infrastructure market continues to be characterized by strong worldwide demand and willingness to invest. In some markets, such as the United Kingdom and North America, this willingness is especially powerful. The robust demand, in combination with the better-known concerns in the wider world, is causing bottlenecks and material shortages to arise in the supply chains as well as continued price fluctuations which are managed on an ongoing basis but with a time lag.

As a distributor, Alcadon has a business model with inherent flexibility, and thus far, the problems have been dealt with successfully. We should, however, be prepared for continued strain on supply chains and act accordingly.

Unfavourable currency developments and price increases on materials combined with investments in continued growth across a number of markets burden the quarter's performance. A strong project pipeline in several markets and gradual price increases to our customers point towards a good development going forward.

Alcadon Group's organic growth profile has changed radically over the past two years. The development in the UK together with the potential in Germany and the Benelux and a positive

trend in the Nordics suggest that the growth potential in the coming years is considerable.

The United Kingdom

Very positive development during the quarter, with Networks Centre being part of Alcadon since 17 August. Positive development across all segments and regions, with the FTTx and data center segments showing the highest growth rate. Commercial property network investments are on the rise after the lacklustre growth during the pandemic when several projects were postponed. The operating margin developed well as a result of increased volume, despite a major project with slightly lower gross margins and a weaker second half of August. A number of interesting dialogues on intra-group synergies have been launched.

Sweden

Good development of sales during the quarter, primarily in the broadband segment and residential networks. Development looks stable despite the sources of concern in the outside world. A number of product launches are taking place continuously throughout the autumn, with focus on residential networks, indoor connectivity and products that strengthen the broadband offering. The currency development and the customer- and business area mix burdened the gross margins during the quarter and are addressed on an ongoing basis.

Denmark

In Denmark, growth remains strong across several segments,

and both the gross margin and the operating margin show healthy progress. Moreover, the diversification into related segments has been successful, and synergies with the rest of the Group are developed continuously. The predominant part of sales is still in the FTTH, broadband segment, but clear progress is under way involving data centers, property networks and industry.

Norway

The commercial property segment continued to perform strongly, and sales in Fiber networks were impacted negatively by material shortages. Sales growth in the Norwegian market was somewhat weaker than in previous quarters, and the customer mix resulted in unusually weak margins. The situation should gradually improve during Q4. Investments, for example in the data center segment, are proceeding according to plan and should yield a positive effect in the long term.

The Benelux

The market development looks promising with solid growth in both the data center and broadband segments. Alcadon is now well equipped to benefit from this development. Promising negotiations are ongoing with major market operators, where the aim is to create good long-term growth. Considerable investments were made during the quarter, which drove up costs—mainly in Belgium. A substantial part of these costs burden only the third quarter.

Germany

Progressive and significant progress in Germany during the quarter, albeit not with the speed we would have liked. Moving forward, we should see a positive trend with a steadily increasing order backlog. Deliveries in accordance with the major agreements currently in place are carried out continuously, and the scope is gradually expected to increase over the coming months. Supply chain disruptions had some negative impact. Beyond the major current contracts, customer development is looking promising, and the organization has been strengthened according to plan.

FINANCIALS

Net sales increased by 58 percent to MSEK 288 (183). The organic growth less currency effects was 6 percent, and the acquired growth was 48 percent. In unchanged currency levels, net sales increased by 54 percent.

Gross margin decreased to 23.5 (27.8) percent. Gross margin excluding the Networks Centre acquisition amounted to 24.8 (27.8) percent. The weakened SEK, especially in relation to the USD and the EUR, the increased freight costs, and higher prices from suppliers have continued to make it difficult to pass on increases to customers in time. Moreover, the gross margin for the quarter was burdened by a particular major strategic project in Norway, which had a low margin.

Overhead expenses 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 12 (18) during the quarter, a decrease of 35 percent. EBITA was impacted by MSEK -0.8 (-0.7) attributable to foreign exchange losses, MSEK 1.4 (0.2) of which related to a revaluation of contingent consideration. There were also acquisition costs of MSEK -4.3 (0) during the quarter.

Profit or loss for the period amounted to MSEK 5 (13).

Cash flow from operating activities amounted to MSEK 22 (15). The change in working capital amounted to MSEK 8 (-28) during the quarter.

CONCLUDING REMARKS

For Alcadon, market demand is not a major issue today despite the global economic decline. The currency development and the natural lag in passing on price increases, on the other hand, are having an adverse impact—at least in the short run.

Regarding the market development for network infrastructure, it is clear that investors are increasingly eager to invest in extensive fiber deployments, and it is primarily the fiber networks (FTTX) and data center segments that benefit from the distinct macro trends.

A strong digital infrastructure not only enables remote working but also enhances competitiveness and creates positive sustainability effects as copper is replaced by fiber. Owning the digital infrastructure is also attractive, due to the predictable revenue streams over many years.

The massive scale of fiber network rollout, including in the United Kingdom, Germany, the United States and Belgium, is undertaken with that in mind, and the upcoming 5G investment in India is also a testament to the stern confidence in the possibilities of fiber deployment. During 2023, the EU will examine whether it is reasonable that European tech giants contribute to the rollout in Europe, which would further accelerate the level of development.

Alcadon has actively positioned itself to take part in the development in Europe in the years ahead. Our establishment in the Benelux, the United Kingdom, and Germany entails that we now are present, and with a very strong customer offering, in three of the markets that FTTH Council Europe singles out as the fastest-growing markets in Europe for many years to come.

On 29 September, we held our capital markets day. A number of senior executives from Alcadon Group took part to describe our growth journey. All presentations were recorded and will be available on <https://alcadongroup.se/> shortly. New financial targets were announced, along with Vision 2025, which is when we aim to reach net sales of MSEK 2,600 with an EBITA margin of 10.8 percent.

We have only just begun.



Sonny Mirborn
VD och koncernchef
Alcadon Group AB

INDICATORS FOR THE GROUP	Quarter 3		January - September		Full year
	2022	2021	2022	2021	2021
Operating income, MSEK	288.0	182.7	709.2	530.1	736.5
Gross margin, %	23.5	27.8	25.7	28.5	28.1
Operating result before amortization of intangible assets (EBITA), MSEK	11.6	17.7	38.1	51.9	67.5
Operating result before amortization of intangible assets (EBITA), %	4.0	9.7	5.4	9.8	9.2
Operating profit after depreciation/amortization (EBIT), MSEK	11.1	17.3	36.8	50.7	65.8
Operating margin after depreciation/amortization (EBIT), %	3.9	9.5	5.2	9.6	8.9
Profit or loss for the period, MSEK	4.7	12.8	23.2	36.1	47.1
Net margin, %	1.6	7.0	3.3	6.8	6.4
Solidity, %	37.0	49.2	37.0	49.2	49.1
Return on equity, %	6.8	14.0	7.3	14.9	15.8
Net interest-bearing liabilities, MSEK	431.6	130.2	431.6	130.2	151.8
Cash flow from operating activities, MSEK	22.1	-8.8	15.2	26.1	18.4
Cash flow from operating activities per share, SEK	1.1	-0.5	0.8	1.5	1.0
Equity per share, SEK	23.3	17.9	23.3	17.9	18.6
Earnings per share, SEK	0.23	0.71	1.18	2.03	2.62
Number of shares at the end of the period	20,612,823	18,341,026	20,612,823	18,341,026	18,341,026
Average number of shares	20,118,976	17,924,359	19,718,406	17,814,260	17,945,952
Number of employees at the end of the period	172	85	172	85	95
Average number of employees during the period	133	86	107	85	87

DEFINITIONS

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 89 (34).
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.

Finansiell information

REVENUE AND RESULTS

The quarter

Net sales increased by 58 percent to MSEK 288 (183). The organic growth less currency effects was 6 percent, and the acquired growth was 48 percent. In unchanged currency levels, net sales increased by 54 percent.

Gross margin decreased to 23.5 (27.8) percent. Gross margin excluding the Networks Centre acquisition amounted to 24.8 (27.8) percent. The weakened Swedish Krona, especially in relation to the USD and the EUR, the increased freight costs, and higher prices from suppliers have continued to make it difficult to pass on increases to customers in time. Moreover, the gross margin for the quarter was burdened by a particular major strategic transaction in Norway, which had a low margin.

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 12 (18) during the quarter, a decrease of 35 percent. EBITA was impacted by MSEK -0.8 (-0.7) attributable to foreign exchange losses, MSEK 1.4 (0.2) of which related to a revaluation of contingent consideration. There were also acquisition costs of MSEK -4.3 (0) during the quarter.

Profit or loss for the period amounted to MSEK 5 (13).

January–September

Net sales increased by 34 percent to MSEK 709 (530). The organic growth less currency effects was 11 percent, and the acquired growth was 20 percent. In unchanged currency levels, net sales increased by 31 percent.

Gross margin decreased to 25.7 (28.5) percent. Gross margin excluding the Networks Centre acquisition amounted to 26.4 (28.5) percent. The weakened Swedish Krona, especially in relation to the USD and the EUR, the increased freight costs, and higher prices from suppliers have continued to make 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 38 (52) during the period, a decrease of 27 percent. EBITA was impacted by MSEK -4.4 (-1.5) attributable to foreign exchange losses, MSEK 0.4 (0.3) of which related to a revaluation

of contingent consideration. Acquisition costs during the period amounted to MSEK -4.3 (-1.5).

Profit or loss for the period amounted to MSEK 23 (36).

CASH FLOW, INVESTMENTS AND CASH AND CASH EQUIVALENTS

The quarter

Cash flow from operating activities amounted to MSEK 22 (15). The change in working capital amounted to MSEK 8 (-28) during the quarter.

Other net investments in tangible and intangible fixed assets amounted to MSEK -2.5 (-0.7). Net cash flow from acquisitions amounted to MSEK -227 (0), which refers to the Networks Centre acquisition.

Cash flow from financing activities amounted to MSEK 236 (18).

January–September

Cash flow from operating activities amounted to MSEK 15 (26). The decrease in 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 -8.5 (-2.3). Net cash flow from acquisitions amounted to MSEK -232 (-41) and consisted of paid contingent consideration of MSEK -5.8 relating to the acquisition of Alcadon ApS (formerly 6X International ApS) and the MSEK -227 acquisition of Networks Centre.

Cash flow from financing activities amounted to MSEK 319 (42) 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 -47 (-2), dividend of MSEK -10, and new financing in connection with the acquisition of Networks Centre in the amount of MSEK 263 net.

At the end of the period, the Group's cash and cash equivalents amounted to MSEK 123 (31). The overdraft granted with SEB amounts to MSEK 50 (50), of which MSEK 49 (50) 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 -272 (-162), an increase of 68 percent.

Overhead amounted to MSEK -52 (-37), an increase of 69 percent. In addition to the acquisitions carried out of 6X Belgium and Networks Centre, overhead increased as a result of investments in new recruitments and marketing efforts aiming to create new revenue streams.

January–September

Operating expenses amounted to MSEK -661 (-470), an increase of 41 percent.

Overhead amounted to MSEK -134 (-91), an increase of 47 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 172 (85). The average number of employees during the quarter was 133 (86).

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 -0.8 (-0.7), of which MSEK 1.4 (0.2) is attributable to revaluation of contingent consideration.

For the year, exchange rate differences of an operating nature amounted to MSEK -4.4 (-1.5), of which MSEK 0.4 (0.3) 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 -2.4 (1.5), of which MSEK 1.4 (0.2) is attributable to revaluation of contingent consideration. For the period, profit or loss after

financial items amounted to MSEK -7.7 (-0.5), of which MSEK 0.4 (0.3) is attributable to revaluation of contingent consideration.

At the end of the period, cash and cash equivalents amounted to MSEK 89 (0.2).

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.

No significant changes have occurred which would require these descriptions to be further amended.

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. As of July 2022, Roy does not carry on any activities for Alcadon and is thus not considered a related party to the Company. Through Alcadon Group AB, the Group carried out transactions of MSEK 0.6 (0.6) 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.

As of 30 September 2022, a preliminary acquisition analysis was drawn up for the acquisition of Networks Centre. The surplus value at the date of acquisition was MEUR 33.8 (MSEK 425). In the preliminary acquisition analysis presented herein, the surplus value has not been distributed and is allocated to Goodwill. The reason is that information gathering is ongoing, and

the distribution of surplus value will be carried out in the next quarter.

For more information, please refer to the acquisition analyses in Note 3. As of 30 September 2022, goodwill amounted to MSEK 761 (333).

INTEREST COSTS

Interest costs amounted to MSEK -2.6 (-0.9) for the quarter.

FUTURE DEVELOPMENTS

Prior to Alcadon's capital markets day, which was held on 29 September 2022, the Board of Directors decided on updated financial targets over a business cycle, and Vision 2025.

The updated financial targets entail a continued focus on profitable growth both organically and through acquisitions and will take Alcadon to become a well-renowned European premium partner active in carefully selected business areas related to the digitalization of society.

Financial targets over a business cycle

- Growth – Annual sales growth of 20 percent
- Profitability – EBITA margin exceeding 10 percent
- Indebtedness – Net interest-bearing liabilities/ EBITDA (rolling 12 months) between 2 and 3

Growth – Alcadon shall have an average annual sales growth of at least 20 percent over a business cycle. Sales growth will be generated organically and through acquisitions.

Profitability – Alcadon's annual average EBITA margin should exceed 10 percent over a business cycle. EBITA is defined as operating result before amortization of intangible assets.

Indebtedness – Alcadon's long-term indebtedness should stay within 2 to 3 times EBITDA. EBITDA is defined as operating result before depreciation and amortization.

Vision 2025

- Net sales – MSEK 2,600
- EBITA – MSEK 280
- EBITA % – 10.8%

In addition, the Board of Directors resolved on the following key objectives for Alcadon:

- Customer loyalty – Net Promoter Score exceeding 30
- Employee engagement – Employee Net Promoter Score (eNPS) exceeding 30

Customer loyalty – measured by the Net Promoter

Score (NPS), which provides a measure of how willing customers are to recommend Alcadon. NPS is measured by customers rating Alcadon on a scale of 1-10, where the number of ambassadors is then compared to the number of critics. Ambassadors are considered to be all those who answered between 9-10 while critics are considered to be all those who answered between 1-6.

Employee engagement – measured by the Employee Net Promoter Score (eNPS) which provides a measure of how willing employees are to recommend their workplace. Employees rate Alcadon on a scale of 1-10, with the number of ambassadors then set against the number of critics. Ambassadors are considered to be all those who answered between 9-10 while critics are considered to be all those who answered between 1-6.

Furthermore, the Board of Directors and management intend to during 2023 investigate the possibility of switching from Nasdaq First North to Nasdaq Main Market.

Financial targets	Objectives	R12 Q3 2022
Growth	20%	43%
Profitability	>10%	5.9%
Indebtedness	2-3	3.8

DAUDITOR'S REVIEW

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

FINANCIAL CALENDAR

Year-End Report 2022	21 February 2023, 8:00 a.m.
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 1.6 percent calculated on the basis of the company's 20,612,823 shares.

The average share price of ordinary shares during the periods January to September and July to September 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 0.5 percent calculated on the basis of the company's 20,612,823 shares.

The average share price of ordinary shares during the periods January to September and July to September 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 20,612,823 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 September 2022, the number of shares amounts to 20,612,823.

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.

On 16 August 2022, the Board of Directors resolved upon a directed new issue of 987,694 shares in Alcadon Group AB to the sellers of Networks Centre as part of the payment for the acquisition. Following the new issue, the number of shares in Alcadon Group AB thus increased from 19,625,129 to 20,612,823.

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 68.6 (2022-09-30)

- Company name: Alcadon Group AB
- Ticker: ALCA
- Number of shares: 20,612,823
- ISIN: SE0008732218

LOANS & CREDITS

In connection with the acquisition of Networks Centre Ltd, Alcadon refinanced previously raised loans of MSEK 130 and raised new loans of MSEK 250 for 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 ST-IBOR 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 (50), of which MSEK 49 (50) 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 30 September 2022.

Name	Shareholding	Shareholding, %
Investment AB Spiltan	2,370,893	11.5%
Ribbskottet Aktiebolag	2,200,000	10.7%
Athanase Industrial Partners	1,413,507	6.9%
Consensus Asset Management	1,119,000	5.4%
Susanne Stengade Holding ApS	981,780	4.8%
Andra AP-Fonden	867,524	4.2%
Avanza pension	666,731	3.2%
Ålandsbanken AB, W8IMY	654,639	3.2%
RBCB LUX UCITS EX-MIG	648,808	3.1%
Humle Småbolagsfond	626,650	3.0%
SEB AB, Luxembourg Branch, W8IMY	533,914	2.6%
Jeansson, Theodor	531,910	2.6%
Nordnet Pensionsförsäkring AB	530,728	2.6%
Goldman Sachs International, W8IMY	525,959	2.6%
J.P. MORGAN SE, LUXEMBOURG BRANCH	522,980	2.5%
Sparebank 1 Markets AS	395,625	1.9%
Lindsay, Duncan	317,088	1.5%
Lindsay, Natalie	314,389	1.5%
Hajskäret Invest AB	208,459	1.0%
Mårtensson, Jonas	208,092	1.0%
Grand Total	15,638,676	75.9%
Övriga	4,974,147	24.1%
Totalt	20,612,823	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 do not add up exactly to the specified total.

ALCADON GROUP - THE GROUP		Quarter 3		January - September		Full year
Condensed statement of profit or loss (MSEK)		2022	2021	2022	2021	2021
INCOME STATEMENT						
Operating income		288.0	182.7	709.2	530.1	736.5
Total income		288.0	182.7	709.2	530.1	736.5
Operating expenses		-272.0	-162.4	-661.0	-470.4	-659.1
Operating profit before depreciation/amortization		16.1	20.2	48.2	59.6	77.4
Depreciation of tangible assets		-4.5	-2.6	-10.1	-7.7	-10.0
Operating profit before amortization of intangible assets		11.6	17.7	38.1	51.9	67.5
Amortization of intangible assets		-0.4	-0.4	-1.3	-1.2	-1.6
Operating profit		11.1	17.3	36.8	50.7	65.9
Net financial items		-3.5	-0.9	-4.2	-4.1	-4.8
Profit after net financial items		7.7	16.4	32.6	46.6	61.1
Tax on profit for the year		-3.0	-3.6	-9.3	-10.5	-14.0
Profit or loss for the period		4.7	12.8	23.2	36.1	47.1
Attributable to:						
Non-controlling interests		-0.5	0.0	-0.4	0.0	-0.1
The parent company's shareholders		5.1	12.8	23.6	36.1	47.2
Profit or loss for the period		4.7	12.8	23.2	36.1	47.1
-						
Other comprehensive income						
Translation differences for the period due to restatement of foreign subsidiaries		-2.3	1.1	2.5	2.0	2.8
Total comprehensive income for the period		2.4	13.9	25.7	38.1	49.9
Total comprehensive income for the period attributable to:						
Non-controlling interests		-0.5	0.0	-0.4	0.0	-0.1
The parent company's shareholders		2.9	13.9	26.2	38.1	50.0
		Quarter 3		January - September		Full year
DATA PER SHARE		2022	2021	2022	2021	2021
Number of shares						
Number of shares at the end of the period		20,612,823	18,341,026	20,612,823	18,341,026	18,341,026
Average number of shares		20,118,976	17,924,359	19,718,406	17,814,260	17,945,952
Average number of shares (after dilution)		20,568,976	18,450,359	20,168,406	18,079,372	18,359,285
Earnings per share						
Earnings per share for the period based on average number of shares, SEK		0.23	0.71	1.18	2.03	2.62
Diluted earnings per share for the period, SEK		0.23	0.69	1.15	2.00	2.56
Equity per share						
Equity per share at the end of the period, SEK		23.3	17.9	23.3	17.9	18.6

Condensed statement of financial position (MSEK)

BALANCE SHEET**Fixed assets**

Goodwill, Note 3	761.3	332.5	338.1
Other intangible fixed assets, Note 3	19.6	13.8	15.8
Tangible fixed assets	102.4	37.0	35.8
Financial fixed assets	4.4	2.8	1.2
Total fixed assets	887.7	386.1	390.9

Current assets

Inventories	275.9	134.8	152.4
Trade receivables	299.9	131.1	131.4
Other current assets	36.5	18.1	19.7
Cash and bank	122.9	30.9	28.4
Total current assets	735.2	314.9	331.9

TOTAL ASSETS

1,622.9	701.0	722.8
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Equity

Share capital	1.0	0.9	0.9
Other contributed capital	351.3	114.4	153.1
Retained earnings including net profit for the period	203.4	213.2	186.5
Equity attributable to parent company shareholders	555.6	328.6	340.5
Non-controlling interests	-0.1	0.0	0.2
Total equity	555.5	328.6	340.7

Provisions

Other provisions, Note 4	146.8	24.7	26.8
Total provisions	146.8	24.7	26.8

Long-term liabilities

Deferred tax liability, Note 3	4.6	3.5	3.4
Liabilities to credit institutions	342.0	111.4	111.4
Other long-term liabilities	69.2	24.9	23.1
Total long-term liabilities	415.7	139.8	138.0

Current liabilities

Bank overdraft facility	1.1	0.0	13.8
Other interest-bearing liabilities	122.8	18.6	31.8
Trade payables	250.7	120.6	115.2
Other current liabilities	130.2	68.7	56.5
Total current liabilities	504.8	207.9	217.3

TOTAL EQUITY AND LIABILITIES

1,622.9	701.0	722.8
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ALCADON GROUP - THE GROUP	Quarter 3		January - September		Full year
Condensed changes in equity (MSEK)	2022	2021	2022	2021	2021
Opening equity	480.3	285.8	340.7	233.9	233.9
Other changes in equity	0.0	0.0	0.0	0.0	0.0
Other contributed capital	72.8	28.9	198.9	56.6	56.6
Dividend	0.0	0.0	-9.8	0.0	0.0
Non-controlling interests	-0.5	0.0	-0.4	0.0	0.2
Comprehensive income for the period attributable to parent company shareholders	2.9	13.9	26.2	38.1	50.0
Closing equity	555.5	328.6	555.5	328.6	340.7

ALCADON GROUP - THE GROUP	Quarter 3		January - September		Full year
Consolidated condensed statement of cash flows (MSEK)	2022	2021	2022	2021	2021
Operating profit	11.1	17.3	36.8	50.7	65.9
Adjustments for non-cash items, etc.	6.0	4.2	17.1	10.8	14.7
Income tax paid	-2.5	-2.2	-7.5	-10.5	-13.8
Change in working capital	7.5	-28.1	-31.2	-24.9	-48.3
Net cash flow from operating activities	22.1	-8.8	15.2	26.1	18.4
Acquisition of fixed tangible and intangible assets	-2.2	-0.7	-8.1	-2.2	-5.5
Change in financial fixed assets	-0.3	0.0	-0.4	-0.1	0.0
Business combinations	-226.6	0.0	-232.4	-40.5	-44.1
Cash flows from investing activities	-229.1	-0.7	-240.9	-42.8	-49.5
Dividend paid	0.0	0.0	0.0	0.0	0.0
New issuance/Warrant proceeds	0.0	28.9	116.2	29.2	29.2
Interest paid and received and other financial items	-4.7	-0.9	-5.5	-4.1	-4.8
Amortization of lease liabilities	-2.9	-2.1	-7.4	-6.2	-8.3
Amortization	-20.0	-137.6	-47.4	-136.0	-134.9
Borrowings	263.5	130.0	263.5	159.0	172.7
Cash flow from financing activities	235.8	18.2	319.4	42.0	53.9
Cash flow for the period	28.8	8.7	93.8	25.3	22.7
Reconciliation of changes in cash and cash equivalents					
Opening balance, cash and cash equivalents	93.5	22.1	28.4	5.6	5.6
Exchange rate difference on cash and cash equivalents	0.6	0.0	0.7	0.1	0.1
Closing balance, cash and cash equivalents	122.9	30.9	122.9	30.8	28.4
Change in cash and cash equivalents	28.8	8.7	93.8	25.3	22.7

ALCADON GROUP AB - PARENT COMPANY	Quarter 3		January - September		Full year
Condensed statement of profit or loss (MSEK)	2022	2021	2022	2021	2021
INCOME STATEMENT					
Net sales	2.5	5.2	6.5	11.4	13.3
Total income	2.5	5.2	6.5	11.4	13.3
Operating expenses	-3.1	-3.1	-11.8	-8.9	-12.9
Operating profit	-0.7	2.2	-5.3	2.5	0.4
Net financial items	-1.7	-0.6	-2.4	-3.1	-3.5
Profit after net financial items	-2.4	1.5	-7.7	-0.5	-3.2
Appropriations	0.0	0.0	0.0	0.0	10.8
Profit or loss before tax	-2.4	1.5	-7.7	-0.5	7.6
Tax on profit for the year	0.6	-0.4	1.6	0.0	-1.7
Profit or loss for the period	-1.8	1.2	-6.1	-0.5	5.9

ALCADON GROUP AB - PARENT COMPANY	2022-09-30	2021-09-30	2021-12-31
Condensed statement of financial position (MSEK)			
BALANCE SHEET			
Fixed assets			
Financial fixed assets	895,4	293,7	399,6
Total fixed assets	895,4	293,7	399,6
Current assets			
Receivables from Group companies	19,7	106,3	28,6
Trade receivables	0,0	0,0	0,0
Other current assets	7,0	5,5	4,6
Cash and bank	89,3	0,2	4,8
Total current assets	116,0	111,9	38,0
TOTAL ASSETS	1011,4	405,7	437,5
Equity			
Share capital	1,0	0,9	0,9
Retained earnings including net profit for the period	352,3	163,6	170,0
Total equity	353,3	164,5	170,9
Provisions			
Other provisions	146,8	24,7	26,8
Total provisions	146,8	24,7	26,8
Long-term liabilities			
Other borrowings	342,0	130,0	0,0
Liabilities to Group companies	95,1	0,0	111,4
Total long-term liabilities	437,1	130,0	111,4
Current interest-bearing liabilities	39,1	0,0	32,4
Liabilities to Group companies	7,2	83,9	92,2
Current liabilities	27,9	2,6	3,8
Total current liabilities	74,3	86,4	128,4
TOTAL EQUITY AND LIABILITIES	1011,4	405,7	437,5

Consolidated quarterly data	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
INCOME STATEMENT, MSEK	2022	2022	2022	2021	2021	2021	2021	2020
Net sales	288.0	216.1	205.1	206.4	182.7	177.4	170.0	110.8
Profit								
Operating profit before amortization of intangible assets (EBITA)	11.6	10.7	15.8	15.6	17.7	17.6	16.6	9.4
Profit after net financial items	7.7	10.7	14.2	14.5	16.4	15.7	14.5	8.2
Profit or loss for the period	4.7	7.9	10.6	11.0	12.8	12.5	10.8	6.3
Margin measures in %								
Gross margin, %	23.5	26.0	28.3	27.3	27.8	28.7	28.9	31.2
Operating margin (EBITA), %	4.0	4.9	7.7	7.6	9.7	9.9	9.8	8.5
Net margin, %	1.6	3.7	5.2	5.3	7.0	7.1	6.3	5.7
BALANCE SHEET (MSEK)								
Assets								
Total fixed assets	888	398	390	391	386	388	390	333
Total current assets	735	435	427	332	315	262	220	125
Total assets	1 623	832	817	723	701	650	610	459
Equity & liabilities								
Total equity	556	480	479	341	329	286	274	234
Total long-term liabilities & provisions	563	148	153	165	165	54	58	31
Total current liabilities	505	204	185	217	208	310	278	194
Total equity & liabilities	1 623	832	817	723	701	650	610	459
CASH FLOW (MSEK)								
Net from operating activities	22.1	-12.6	5.9	-8.0	-8.8	14.9	20.0	20.8
Investing activities	-229.1	-4.4	-7.3	-6.4	-0.7	-0.5	-41.6	-0.8
Financing activities	235.8	-17.3	100.8	11.9	18.2	-8.8	32.6	-20.4
Cash flow for the period	28.8	-34.3	99.4	-2.5	8.7	5.6	11.0	-0.3
OTHER INDICATORS								
Earnings per share, SEK	0.23	0.40	0.55	0.60	0.71	0.70	0.61	0.38
Return on equity, %	6.8	8.8	10.5	13.9	14.0	11.9	12.7	12.5
Equity per share, SEK	23.3	24.5	24.4	18.6	17.9	16.0	15.4	13.9
Cash flow from operating activities per share, SEK	1.1	-0.6	0.3	-0.4	-0.5	0.8	1.1	1.2
Share price at the end of the period, SEK	68.6	72.0	85.6	125.0	65.6	41.9	34.1	28.9

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 September 2022:

- Rights of use: MSEK 92, recognized as Tangible fixed assets
- Lease liabilities: MSEK 89, of which MSEK 69 is recognized as Other long-term liabilities and MSEK 19 as Other current liabilities

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.

Geographic market (external turnover)	Quarter 3		January - September		Full year
MSEK	2022	2021	2022	2021	2021
Sweden	74,8	69,6	255,4	235,6	316,4
Norway	36,7	33,4	114,2	100,8	136,0
Denmark	78,4	64,0	211,7	157,8	232,0
Germany	8,8	15,7	20,2	35,8	49,9
The United Kingdom	76,6	-	76,6	-	-
The Benelux	12,8	-	31,1	-	2,1
Total	288,0	182,7	709,2	530,1	736,5

Following the Networks Centre acquisition, revenues are no longer broken down on the business areas Commercial property networks, Residential networks, Fiber networks/FTTx, and Services.

NOTE 3. BUSINESS COMBINATIONS

NETWORKS CENTRE IN THE UNITED KINGDOM

On 17 August 2022, Alcadon Group AB acquired 100 percent of the UK company Networks Centre Holding Company Ltd and its subsidiaries. Networks Centre is a professional distributor of products and complete systems for network infrastructure, operating in the United Kingdom (warehouses and offices in both England and Scotland) and the Netherlands. Approximately 40 percent of sales come from the Commercial property segment, 30 percent from the Data center segment and 30 percent from Fiber networks (FTTx/B/H). The largest customer categories are installers, integrators, data centres and broadband operators.

Through the "Networks Center Training Academy", Networks Centre, as one of few distributors in Europe, offers the international BICSI RCDD accreditation and a significant number of tailored courses and accreditations.

The customer offering comprises complete system solutions where Networks Centre takes on the role as project leader with tailor-made solutions. The company represents a large number of reputable international manufacturers with a focus on the premium segment.

With the acquisition of Networks Centre, Alcadon Group is establishing itself in one of the largest and fastest growing markets in network infrastructure in the World: the United Kingdom. In addition, Networks Centre has in a short amount of time successfully launched operations in the Netherlands, where it currently has a strong base in the Data center segment that complements Alcadon's current operations in the Benelux region very well. Today, Networks Centre has a very strong position in the United Kingdom, not only in the Commercial networks and Data center segments—it is also one of few operators to successfully establish itself as a well-known player in the UK broadband rollout with a complete fiber network offering. The company has an excellent reputation among both customers and suppliers, and with overlapping and complementary product portfolios, similar strategy and values, a solid system-solution mindset, and good supplier relations, everything indicates that Networks Centre and Alcadon Group will be able to make significant contributions to each other's development.

As of Friday, September 30, 2022, a preliminary acquisition analysis was drawn up as below: The purchase price of the shares, including contingent consideration, amounted to MSEK 462 of which MSEK 242 was paid in cash.

Conditional consideration amounts to not more than MSEK 125 (MGBP 10) in cash depending on the improvement in performance of Networks Centre over the coming 36 months. Contingent consideration shall be re-measured at fair value at each balance sheet date, and any changes are recognized as other expenses or other income in operating profit.

Deferred payment relates to compensation for deferred tax and outstanding claims on former owners and will be paid in connection with Networks Centre's realization of these items in cash.

The surplus value at the date of acquisition was MEUR 33.8 (MSEK 425). In the preliminary acquisition analysis presented herein, the surplus value has not been distributed and is allocated to Goodwill. The reason is that information gathering is ongoing, and the distribution of surplus value will be carried out in the next quarter.

During the period 17 August to 30 September 2022, Networks Centre contributed net sales of MSEK 81, operating profit (EBITA) of MSEK 1.0, including acquisition costs of MSEK -3.7, and net profit of MSEK -1.0.

If Networks Centre had been consolidated from 1 January 2022, the contributions would have been net sales of MSEK 458, operating profit (EBITA) of MSEK 28, including acquisition costs of MSEK -3.7, and net profit of MSEK 16.

PRELIMINARY ACQUISITION ANALYSIS (MSEK)	Reported value at the acquisition date	Adjustment to fair value	Fair value
Fair value of the consideration transferred			
Shares			72.4
Cash			241.7
Deferred payment			22.0
Contingent consideration			126.0
Total purchase price			462.1
Identifiable net assets			
Intangible fixed assets	0.0	0.0	0.0
Other fixed assets	70.3	0.0	70.3
Inventories	86.3	0.0	86.3
Current receivables	138.5	0.0	138.5
Cash and cash equivalents	15.0	0.0	15.0
Other long-term liabilities	-47.4	0.0	-47.4
Deferred tax liabilities	-0.8	0.0	-0.8
Other interest-bearing liabilities	-101.9	0.0	-101.9
Trade and other payables	-123.3	0.0	-123.3
Acquired net assets			36.9
Goodwill arising on acquisition			425.2
Initial consideration in cash and cash equivalents			241.7
Acquired cash and cash equivalents			15.0
Cash flow arising from acquisition			-226.6

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 (MSEK 2) in cash depending on the improve-

ment 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 (MSEK 5.6), relating to the company's expected future earning power and the personnel of 6X.

During the period 1 January to 30 September 2022, 6X Belgium contributed net sales of MSEK 27, operating profit (EBITA) of MSEK -0.2, and net profit of MSEK -0.2.

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 3		January - September		Full year
	2022	2021	2022	2021	2021
Opening provisions	22.2	24.5	26.8	0.0	0.0
New provisions	126.0	0.0	126.0	24.4	26.4
Reversed provisions	0.0	0.0	0.0	0.0	0.0
Exchange rate differences	-1.4	0.2	-0.2	0.3	0.4
Payments	0.0	0.0	-5.8	0.0	0.0
Closing provisions	146.8	24.7	146.8	24.7	26.8

Provision as of 30 September 2022 relates to contingent consideration for the acquisition of Alcadon ApS (formerly 6X International ApS) of MSEK 21 (MDKK 14), contingent consideration for the acquisition of 6X International BV of MSEK 2 (KEUR 200), and contingent consideration for the acquisition of Networks Centre of MSEK 124 (MGBP 10). During the first quarter of 2022, contingent consideration payments of MSEK 5.7 (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, 28 October 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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