

Corporate governance report

EA limited company whose transferable securities are admitted to trading on a regulated market shall prepare a corporate governance report. The corporate governance report has been reviewed by the Company's auditors in accordance with the provisions of the Swedish Annual Accounts Act, and the auditor's opinion is included in conjunction with this report. Application of the Swedish Code of Corporate Governance ("the Code") is at present not compulsory for companies whose shares are traded on Nasdaq First North. The Board of Directors of Alcadon Group AB intends to apply those sections of the Code that are considered relevant to the Company and its shareholders, taking into account the scope of operations.

Alcadon Group AB (publ), reg.no. 559009-2382, is a Swedish public limited company governed by Swedish law. During 2023, the business operations were conducted in Sweden, Norway, Denmark, Germany, Belgium, the United Kingdom, and the Netherlands. The operating subsidiaries are: Alcadon AB (Sweden), Alcadon AS (Norway), Alcadon ApS (Denmark), Alcadon GmbH (Germany), Alcadon B.V. (Belgium), Networks Centre Ltd. (the United Kingdom), Networks Centre Ltd. (Scotland), Communications Centre International Ltd. (the United Kingdom), and Networks Centre B.V. (the Netherlands).

The corporate governance report has been prepared in accordance with the Swedish Annual Accounts Act. The corporate governance of Alcadon Group AB is based on Swedish legislation, primarily the Swedish Companies Act, the agreement with the First North marketplace, and other relevant rules and guidelines. Since 14 September 2016, the Company's share is listed on Nasdaq First North under the ticker ALCA.

The bases for governance of the Company and the Group are, among other things, the Articles of Association, the Swedish Companies Act, and the Stockholm Stock Exchange's regulations for listing on First North.

Since Alcadon Group's share is not listed on a regulated market, the Code does not apply to the Company. Nevertheless, Alcadon Group's corporate governance is, to a great extent, inspired by the code. Since 2017, a Nomination Committee has been in place which fulfils the guidelines regarding independence as stated in the Code.

SHAREHOLDERS

Alcadon Group's share is listed on Nasdaq First North. 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 number of shareholders in Alcadon Group amounted to 5,766 on 31 December 2023. For more information about shareholders and ownership structure, please refer to page 63.

GENERAL MEETING

The Company's highest decision-making body is the General Meeting, where the shareholders exercise their influence in the Company. Shareholders who wish to participate in the General Meeting, personally or via proxy, shall be entered into the share register no later than Thursday, 20 April 2024 and submit a registration to the Company according to the notice.

Notice of the General Meeting shall be published in Post-och Inrikes Tidningar and on the Company's website (www.alcadongroup.se). At the time of notice, information regarding the notice shall be published in Svenska Dagbladet.

At the Annual General Meeting, the shareholders decide, among other things, on the election of the Board of Directors and auditor, how the Nomination Committee is to be appointed, and on the discharge of the Board of Directors and the CEO for the past year. Decisions are made also on the adoption of the financial reports, appropriation of retained earnings, and fees for the Board of Directors and auditor.

ANNUAL GENERAL MEETING 2023

The Annual General Meeting 2023 was held in Stockholm on 28 April. For information about the Annual General Meeting and the resolutions passed, please refer to the Company's AGM communiqué, available on the Company's website: www.alcadongroup.se/investerare/bolagsstammor/.

ANNUAL GENERAL MEETING 2024:

The Annual General Meeting 2024 will be held in Stockholm on Friday,

26 April 2024, 10:00 a.m. Shareholders wishing to have a matter considered at the general meeting shall submit

their proposals to the Chairman of the Board, Pierre Fors, well in advance of the announcement of the notice of the Annual General Meeting, which is projected to be at the end of March 2024. More information about the Annual General Meeting 2024 can be found on page 68 of this Annual Report.

BOARD OF DIRECTORS

According to the Articles of Association, the Board of Directors shall consist of a minimum of three and a maximum of ten members, with a maximum of five alternates. The four elected members were appointed by the Annual General Meeting 2023 for the period up to the next Annual General Meeting, in accordance with the Swedish Code of Corporate Governance. There is no rule on the longest time a member may serve on the Board of Directors. The board members' average age is 62 years old, and one of the members is a woman.

Three of the board members are considered by the Nomination Committee to be independent in relation to the Company, the company management and the Company's major owners. Pierre Fors is considered by the Nomination Committee to be independent in relation to the Company's major shareholders. As he has previously been employed by the Company and is also a large shareholder in Alcadon Group AB, Pierre is not considered independent in relation to the Company and the company management. The Alcadon Group therefore fulfils the requirements set in the Code with regard to the Board of Directors' independence in relation to the Company, the company management, and the Company's major owners. For more information about the board members elected by the General Meeting, please refer to page 65.

The work and responsibilities of the Board of Directors

On 28 April 2023, the Board of Directors adopted a Rules of Procedure for the Board with instructions regarding division of duties between the Board of Directors and the CEO and instructions for financial reporting. The Board of Directors is responsible for ensuring that Alcadon Group's organisation is designed so that the accounting, management of funds, and other financial conditions are controlled in a satisfactory manner. The Board of Directors shall continuously assess the Group's financial situation.

The Board of Directors' Rules of Procedure state that prior to releasing a notice, the Chair of the Board, in consultation with the CEO, shall draw up an agenda for each meeting and determine the decision-supporting and general documentation necessary for the matters currently at issue. The Board of Directors is called to a statutory meeting after the Annual General Meeting and, in addition, at least four ordinary meetings per year.

The four ordinary meetings coincide with the timing of the external financial reporting. In addition, one ordinary meeting is held in June for strategic discussion and discussion relating to corporate governance and one

meeting in December to review the budget and business plan for the following year.

At the board meeting where the annual accounts are presented, usually in February, the auditor takes part in order to convey any observations from the audit for the previous year. In addition to the ordinary meetings, the Board of Directors is called to extra meetings when the situation requires. During the year, the Board of Directors met 14 times, including a statutory board meeting.

Attendance frequency of the Board of Directors in 2023

Name	Position	Elected	Depen- dence	Attend- ance
Pierre Fors	Chairman	2016	Yes ¹⁾	14/14
Jonas Mårtensson	Vice Chairman	2016	No	14/14
Marie Ygge	Member	2019	No	14/14
Lars Engström	Member	2020	No	13/14

¹⁾ As former CEO of the Company, board member and large shareholder in Alcadon Group, Pierre Fors is considered dependent in relation to the Company and the company management but independent in relation to major shareholders.

The Chairman leads the Board of Directors' work and is responsible for ensuring that the other board members receive, on an ongoing basis, the information necessary to maintain the quality of the board's work and pursue it according to the Swedish Companies Act. The Chairman, together with the CEO, represents the Company in ownership issues.

The Board of Directors monitors the CEO's work and is responsible for ensuring that the organisation is appropriate.

The Board of Directors establishes Alcadon Group's overall goals and strategies, decides on budget and business plans, processes and approves annual accounts and interim reports, and defines key policies and regulatory systems. The Board of Directors shall follow the financial development, ensure the quality of financial reporting and internal control, and regularly monitor and evaluate operations based on the objectives and guidelines set by the Board. The Board of Directors shall also decide on major investments and changes in Alcadon Group AB's organisation and operations.

Remuneration of the Board of Directors

The Chairman of the Board and the board members were paid fees as resolved by the Parent Company's Annual General Meeting 2023.

Any work in addition to standard board duties shall take place on market grounds and shall be agreed directly between the Company and the board member it concerns. The extent of these consulting fees is specifically reported in the Annual Report.

In addition to the ordinary fees, the Company has carried out transactions of MSEK 0.9 (0.8) 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.

Fees to the Board of Directors

KSEK	2023
Pierre Fors, board member and Chairman of the Board	280
Jonas Mårtensson, board member and Vice Chairman	220
Marie Ygge, board member	165
Lars Engström, board member	165

BOARD COMMITTEES

During the year, the Board of Directors has not appointed any special board committees. Issues regarding remuneration of the CEO and senior executives, as well as audit matters, are dealt with by the entire Board of Directors. The Board of Directors appoints, when needed, internal work groups whose tasks are to develop and prepare supporting documentation prior to upcoming Board of Directors' decisions.

AUDIT

Auditors have the task of reviewing the Company's financial reporting and the Board of Directors' and CEO's administration of the Company.

The selection of auditor took place at the Annual General Meeting 2023, when Grant Thornton Sweden AB was re-elected as auditor for the period until the end of the Annual General Meeting 2024. The auditor in charge is Authorised Public Accountant Daniel Forsgren (born in 1972). For information, the auditor in charge receives regular notices of board meetings and general meetings, board minutes, monthly financial reporting, CEO reports, and other information of material importance to the operations.

The audit also includes the Company's internal controls and administration audit. The review is based on a risk assessment and specific areas of importance. At the Board of Directors' yearly review of the annual accounts, the auditors present an audit report made in writing.

The auditor in charge has, on one occasion, met the Board of Directors to present the work relating to the evaluation of internal controls and the audit of the annual accounts for the financial year 2023. Members of the Board have, on some occasions during the year, met the auditor without the presence of the CEO or another person from the executive management.

Grant Thornton submits the audit report relating to Alcadon Group AB and the Group. Grant Thornton also performs services for companies within the Alcadon Group in addition to the audit work. In addition to auditing, ISRE and tax advice, Grant Thornton Sweden has issued audit opinions. Grant Thornton International has provided consultancy and tax advice. For this work, Grant Thornton has invoiced a total amount of KSEK 2,579 (4,110) for 2023.

The auditor receives fees for its work in accordance with the decision at the Annual General Meeting. For information about auditor's fees during 2023, please see Note 5.

CHIEF EXECUTIVE OFFICER

The Board appoints the Chief Executive Officer of Alcadon Group AB, who is also the President of the Group. The CEO leads the operations within the framework that the Board of Directors has established. The CEO prepares the necessary information and decision-supporting documentation prior to board meetings, is a rapporteur at board meetings, and submits justified proposals for decisions.

Every month, the CEO provides the members of the Board with the information required in order to monitor the Company's and the Group's position, operations and development, and keeps the Chairman of the Board regularly informed of operations. The CEO shall take the measures necessary for the accounting to be performed in accordance with law, and for the management of funds to be handled in a secure manner. For a more detailed division of responsibilities between the Board of Directors' and the CEO's tasks, there is a written CEO instruction which is continuously updated. The CEO attended all Board meetings in 2023. Sonny Mirborn is the CEO and President of Alcadon Group AB since 11 July 2019.

The Board of Directors carries out an internal evaluation of the CEO's work at least once a year. This includes both verification that established instructions and reporting procedures are followed, as well as an assessment that a number of operational criteria have been achieved. This involves a number of soft criteria, such as leadership, business acumen and respect, as well as how well the management team's undertakings work and the ability to manage overall issues.

REMUNERATION OF THE CEO AND OTHER SENIOR EXECUTIVES

The Board of directors determines and decides on the basic salary, variable remuneration, pension benefits, and other terms of employment for the CEO. The CEO, together with the Chairman of the Board, manages and decides on corresponding matters for other senior executives, and is responsible for the preparation of general principles for salary setting. The CEO can apply a salary conversion.

In addition to the CEO, the group of other senior executives consists of five people. Through group management, we create opportunities for stronger leadership, we strengthen the ties between our Swedish and foreign operations, and promote cross-functional business development projects. Internal recruitment to group management means that we benefit from the collective experience and strong culture the Company demonstrates today, while external recruitment provides us further good prerequisites when we

enter the next phase in our development, with both continuity and development of our group management. The remuneration principles for 2023 are unchanged compared with the previously applied principles. The notice period for the CEO is a mutual notice of six months with full pay and other remuneration. In the event of termination by the Company, severance pay corresponding to three months' salary is paid. For other senior executives, a notice period of three to twelve months applies. For information about the amounts paid to the CEO and other senior executives, please refer to Note 7.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN FINANCIAL REPORTING

In accordance with the Swedish Companies Act, the Swedish Annual Accounts Act and the Swedish Accounting Standards Board's general advice, the Board of Directors is obliged to ensure that the Company has satisfactory internal controls, to stay informed about the Company's internal control systems, and to assess how well the system works.

Alcadon Group's work with internal control is based on the internal control principles developed by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). These principles have five basic elements:

1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information/ communication, and 5. Monitoring.

Control environment

The internal control within the Alcadon Group is based on a control environment including organisation, decision-making routes, authorities and responsibilities. This is documented and communicated in governing documents such as internal policies, guidelines and instructions. For example, this applies to the division of work between the Board of Directors and the CEO, and instructions for attestation rights, accounting and reporting.

Risk assessment

The Board of Directors has the ultimate responsibility for risk management. Through a clear organisation and decision-making process, including high awareness of risks among employees, with common definitions and principles within established frameworks, controlled risk-taking is achieved. Risk areas are business- and industry-related risks, as well as risks in connection with the year-end closing process linked to financial reporting, operational risks, and legal risk. See also pages 26–27 with regard to risks and risk management.

Control activities

The Group's business processes include financial controls with respect to the approval and reporting of business transactions. The year-end and reporting process includes controls, which, among other

things, relate to accounting, valuation and disclosure requirements, as well as regarding the application of material accounting principles and estimates, both in individual subsidiaries and at group level. The economics and finance function at Alcadon Group AB is responsible for the preparation of financial statements, quarterly reports, controls and analyses in the Group and in all subsidiaries.

The regular analysis of each operation's monthly financial reporting includes significant items such as assets, liabilities, income, expenses and cash flow.

Together with the analysis carried out at group level, this important aspect of internal control helps to ensure that the financial reporting does not contain any material errors or deviates from good accounting practice, or laws and regulations.

All financial reports and other press releases are published simultaneously with the disclosure on Alcadon Group's website.

Information/Communication

The Group has information and communication channels with the aim of supporting complete and accurate financial and operational reporting.

Internal instructions and guidelines with regard to accounting of operations and financial reporting as well as regular updates and notices on reporting, requirements on information disclosure and changes in accounting principles are made available and known to the personnel concerned. All subsidiaries compile monthly financial reports and reports on their administration to group management, including analyses and comments on financial results and risks.

On a monthly basis, the Board of Directors of Alcadon Group receives the CEO's compilation of the subsidiaries' reports together with an operational report for Alcadon Group and a financial report for the Group compiled by the CFO.

Monitoring

The Board of Directors has not established a function for internal audit. The main work relating to internal auditing is handled by the Company's CFO. The Board of Directors' assessment is that this approach, together with the monthly financial reports which the Board of Directors receives, at present is satisfactory and fulfils the requirements on reporting and internal control that can be set.

At each Board meeting, the Group's financial situation is addressed. The Board of Directors reviews all interim reports and the Annual Report before publication. The Board of Directors receives annual and regular reports from the auditors. The Board of Directors monitors all measures taken to improve or change the controls.

The Group's process for financial reporting is reviewed annually by group management and forms the basis for

the evaluation of the internal management system and the internal governing documents to ensure that these cover all important areas related to financial reporting. The processes for financial reporting are of material importance for the Board of Directors' monitoring of operations and are evaluated continuously.

DIRECT OR INDIRECT SHAREHOLDINGS

As of 31 December 2023, people with a so-called insider position in the Company own shares corresponding to 9.9 percent of the capital and votes in the Company. See pages 65–67 for information on the shareholding of board members and senior executives.

PROCEDURES FOR INSIDER INFORMATION, INSIDER LISTS AND REPORTING CHANGES IN HOLDINGS FOR PERSONS DISCHARGING MANAGERIAL RESPONSIBILITIES

On 3 July 2016, EU Market Abuse Regulation 596/2014/ EU (MAR) entered into force and thereby became directly applicable as Swedish law. The Market Abuse Regulation extends the rules relating to market abuse, which previously only covered financial instruments admitted to trading on a regulated market, to also include financial instruments traded on a Multilateral Trading Facility (MTF), i.e., including Nasdaq First North. Alcadon Group AB is consequently covered by this law and these rules.

The Board of Directors has developed a procedure for how this shall be handled. The procedure contains the following sections:

- Procedure for disclosure of inside information.
- Procedure for establishing an insider list.
- Procedure for transactions performed by persons discharging managerial responsibilities and related parties.
- Procedure for trade bans during the so-called closed periods.

The above procedures specify which measures shall be taken to ensure that Alcadon Group AB fulfils its obligations in accordance with the Market Abuse Regulation. Alcadon Group's Board of Directors is responsible for the preparation and establishment of the procedures. The above procedures are administered by the Company's CFO, Niklas Svensson, on behalf of Alcadon.

VOTING RESTRICTIONS

The Articles of Association do not contain any restrictions on how many votes each shareholder can cast at a General Meeting.

CERTAIN ARTICLES OF ASSOCIATION PROVISIONS

The Articles of Association do not contain special provisions on the appointment and dismissal of board members or on amendments to the Articles of Association.

AUTHORISATIONS PROVIDED BY THE GENERAL MEETING

The Annual General Meeting on 28 April 2023 resolved to authorise the Board of Directors to, on one or more occasions before the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, decide on a new issue of shares, the total number limited to not exceed 15 percent of the total number of outstanding shares in the Company at the time of the General Meeting's authorisation. The authorisation includes the right of the Board of Directors to decide on a new issue of shares against cash payment, and with or without a provision on non-cash contribution or set-off or otherwise with conditions, in accordance with the Swedish Companies Act. Any cash or set-off issue with deviation from the shareholders' preferential rights shall be carried out on market terms.

The main purpose of the authorisation is to give the Board of Directors flexibility in the work of ensuring that the Company can raise capital for company and business acquisitions in an appropriate manner. The authorisation shall also enable the Board of Directors to make decisions on private placements, even in situations that do not involve acquisitions but are more concerned with securing the Company's liquidity.

NOMINATION COMMITTEE

Alcadon Group's corporate governance work is, to a great extent, inspired by the Code. The Code states that the Nomination Committee is the General Meeting's body with the sole task of preparing the meeting's decisions on election and fee issues and, where applicable, procedural matters for the next Nomination Committee.

The members of the Nomination Committee shall, regardless of how they are appointed, safeguard the interests of all shareholders.

Prior to the 2024 Annual General Meeting, the Nomination Committee for Alcadon Group AB has been appointed in accordance with the principles decided at the 2023 Annual General Meeting, which means, among other things, that:

- The Chairman of the Board shall, no later than 15 October 2023, convene the three largest shareholders in terms of voting rights or owners representing the three largest groups of owners of the Company, each of whom has the right to appoint one member of the Nomination Committee.
- In addition, the Chairman of the Board shall be a member of the Nomination Committee at the time of its establishment.

Nomination Committee

On 26 October 2023, in accordance with the above, Alcadon Group AB informed that Alcadon Group's Nomination Committee for the 2024 Annual General Meeting consists of:

- Carl Johan Högbom (appointed by and representing Investment AB Spiltan)
- Anders Bladh (appointed by and representing Ribbskottet AB)
- Jacob Lundgren (appointed by and representing Andra AP-fonden)
- Pierre Fors (Chairman of the Board)

The Nomination Committee has evaluated the Board of Directors' work, competence, and composition. In the evaluation, the Nomination Committee has given special consideration to the requirement of versatility and breadth in the Board of Directors, and the requirement for an even gender distribution. The results of the board evaluation have been submitted in writing to the Nomination Committee, the Board of Directors, the CEO and the auditor. The board evaluation has been discussed at several of the Nomination Committee's working meetings and at an ordinary Board meeting of Alcadon Group AB.

The members have not received any fees or remuneration for their work in the Nomination Committee. The Nomination Committee held five minuted meetings in 2023 and 2024, as well as a number of other meetings.

Proposals to be presented to the 2024 Annual General Meeting for resolution

The Nomination Committee will present proposals to the 2024 Annual General Meeting for resolutions on:

- election of the Chairman of the Meeting
- remuneration and fees to the Board of Directors and the auditor
- the number of board members and deputies
- election of board members and Chairman of the Board
- election of auditor
- principles of the Nomination Committee's work

It is noted that Pierre Fors did not participate in resolutions regarding the Nomination Committee's proposal for board fees, nor in resolutions regarding the Nomination Committee's proposal to re-elect Pierre Fors to the Board of Directors.



THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

To the General Meeting of the Shareholders of Alcadon Group AB (publ), reg.no. 559009-2382

Tasks and responsibilities

It is the Board of Directors that is responsible for the 2023 corporate governance statement on pages 19–24 and for preparing it in accordance with the Annual Accounts Act.

Focus and scope of the examination

Our examination was conducted in accordance with FAR's auditing standard RevR 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance statement has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and the generally accepted auditing practice in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6, section 6, the second paragraph, items 2–6 of the Annual Accounts Act and chapter 7, section 31, the second paragraph of the same law are consistent with the annual accounts and consolidated accounts, and are in accordance with the Annual Accounts Act.

Stockholm, Sweden, 26 March 2024

Grant Thornton Sweden AB

Daniel Forsgren

Authorized Public Accountant

