

## Broad market recovery. Allgon growing for the future.

All comments and figures in this report refer to continuing operations unless otherwise stated.

- Sales totalled SEK 115.1 million, which was 3 percent lower than the same period of the previous year.
- EBITDA for the quarter was SEK 26.0 million, which was 27 percent better than the same period of the previous year. Allgon is demonstrating its strength in sales, support and the flexibility of digital tools.
- Allgon is increasing the emphasis on its core operations and established new businesses in the US and Germany. Allgon has taken steps to complete the streamlining of its business by selling the Smarteq subsidiary.
- In the first quarter of 2021 investment company Bure became the principal owner of Allgon.

### Fourth quarter of 2020

- Net sales totalled SEK 115.1 (119.0) million, a decrease of 3.3 percent compared with the corresponding quarter of the previous year.
- EBITDA in the quarter amounted to SEK 26.0 (20.4) million, representing an EBITDA margin of 22.6 (17.2) percent.
- Operating profit amounted to SEK 19.5 (10.0) million, corresponding to an operating margin of 17.0 (8.4) percent.
- Earnings for the quarter amounted to SEK 8.3 (16.7) million, resulting in earnings per share of SEK 0.15 (0.30).
- Profit for the quarter from discontinued operations amounted to SEK -1.2 (-2.0) million.
- Cash flow from operating activities was SEK 13.6 (17.2) million.

### January to December 2020

- Net sales totalled SEK 443.2 (474.1) million, a decrease of 6.5 percent compared with the previous year.
- EBITDA in the period amounted to SEK 86.6 (89.5) million, corresponding to an EBITDA margin of 19.6 (18.9) percent.
- Operating profit amounted to SEK 31.4 (61.9) million, equating to an operating margin of 7.1 (13.1) percent.
- Earnings for the period amounted to SEK -9.2 (44.6) million, resulting in earnings per share of SEK -0.16 (0.79).
- Profit for the period from discontinued operations amounted to SEK -23.7 (2.2) million.
- Cash flow from operating activities was SEK 35.6 (67,6) million.
- The Board of Directors proposes that no dividend be paid for the 2020 financial year.

SEK thousand	2020:Q4	2020:Q3	2020:Q2	2020:Q1	2019:Q4	Total 12 mths
<b>Continuing operations<sup>1</sup></b>						
Net sales	115,146	107,057	96,162	124,789	119,025	443,155
Gross profit	89,402	84,764	73,968	94,188	90,484	342,323
Gross margin (%)	77.6%	79.2%	76.9%	75.5%	76.0%	77.2%
EBITDA	26,013	26,328	15,247	19,051	20,436	86,639
Operating profit/loss (EBIT)	19,539	19,643	-19,042	11,212	9,974	31,353
Operating margin (%)	17.0%	18.3%	-19.8%	9.0%	8.4%	7.1%
Pre-tax profit/loss	14,495	13,216	-24,775	4,811	3,140	7,747
Earnings after tax	8,310	8,374	-27,832	1,923	16,712	-9,224
Earnings per share (SEK)	0.15	0.15	-0.50	0.03	0.30	-0.16
Cash flow from operating activities <sup>2</sup>	13,576	-4,864	17,106	9,748	17,212	35,566
Net debt/EBITDA (x) (12-month rolling basis)	2.7	3.0	3.3	2.7	2.4 <sup>3</sup>	2.7 <sup>3</sup>
<b>Group total, including discontinued operations</b>						
Earnings after tax	7,159	-1,320	-40,662	1,864	14,714	-32,960
Earnings per share (SEK)	0.13	-0.02	-0.72	0.03	0.26	-0.59

<sup>1</sup> Group as a whole excluding Satmission, WSI & Smarteq.

<sup>2</sup> From 1/1/2020, amortisation of financial lease liabilities is recognised under financing activities. Comparative figures have been restated.

<sup>3</sup> Including assets and liabilities related to discontinued operations. Figures have not been restated on the basis of discontinued operations.

*Allgon is a world leader in industrial radio control. We develop, manufacture and supply solutions for various applications to customers around the world.*

This is a translated copy from the Swedish original. If any conflict occurs in the translation the Swedish version will prevail.

## Broad market recovery. Allgon growing for the future.



**Industry is continuing to ramp up. Allgon is seeing this through increased demand and greater customer activity. We are gradually approaching the high levels of the previous year. But we remain vigilant and ready for changes in market conditions. Our marked recovery is based on strong, longstanding customer relationships, flexible working methods and more digital tools. Based on this experience, we are continuing to develop for the future.**

Industries worldwide have adapted and are increasingly recovering. We are seeing this reflected in greater interest in complex deals and stronger demand. Our radio control products help make industry's machinery, technology and cranes more efficient.

By the third quarter our core business, radio control, had

made a marked recovery and was only 6 percent lower than the previous year's levels. This difference was cut to 3 percent in the fourth quarter. Sales for December were completely level with the same period of the previous year. This means we can look ahead with confidence and resilience. We now expect industry to continue to return to normal levels, with a full recovery anticipated by the fourth quarter of 2021. I'm also impressed by the performance of our subsidiaries Tele Radio and Åkerströms, which are only six months behind schedule. We have taken new market share and expanded the business further, putting us in a strong position following the global lockdown.

### Industry looking ahead

By October our industrial customers were back in countries such as Finland, Norway, the Netherlands, Turkey and Poland. And by the end of November, Sweden and Germany were also back at 2019 levels, despite a number of lockdowns in Germany. The countries furthest behind in the recovery are those in Eastern Europe and Russia. The UK will also take some time. We are seeing more of a slowdown on newer and smaller markets where we have fewer established customer relationships.

We have gained new customers in the logistics sector. This is as a result of the growth in online retail over the past year, increasing pressure on Europe's biggest logistics companies, which are expanding automation.

In the transport sector, an international truckmaker has ordered radio control for its vehicles to allow drivers to control trucks remotely in particularly hazardous or challenging environments. This technology is now available in trucks in several European countries.

### Adaptation is our hallmark

The past year's experience of a high degree of flexibility is influencing the way we develop our servicing, sales and deliveries. Over the year, Allgon has demonstrated that it can cope with the unexpected and the entire Group has adapted well.

Digital tools are a significant growth area in industry. Customers that previously depended entirely on physical servicing have switched to more digital channels. This is a major change and a more significant improvement than many have realised. Customers are demanding more speed, precision and control. This is where our digital expertise has come into its own, and it's an advantage that we aim to continue developing.

Allgon also sees further opportunities for consolidation of the global radio control market. The sector currently consists of around 35 companies. Many of these companies are family owned, which is why there haven't been many mergers in the sector. With its strong reputation, working methods and its objectives, Allgon is well positioned to drive consolidation in the longer term.

### **Digital development**

Despite the pandemic, we have intensified our research and development to ensure that, together with our customers, we are best positioned when economies reopen.

More industrial companies want to develop and integrate a number of digital formats to gain a better overview and planning of their business. This involves new platforms, effective services and data analysis. 5G may also be beneficial in this regard. Our main technology remains our established radio control products, which offer unrivalled quality and security.

There is significant interest in our new services that identify users and also document control in order to reduce wear and tear, interruptions and costs to aid efficiency and profitability. There is particular interest among heavy industry, nuclear energy, steel production, biochemistry and hydropower.

Having our own production in China and Vietnam is key to the reliability of our business operations. As the supply of components and shipping remains inconsistent, we have carefully adapted technology, production and stock to avoid delays. We have also increased the rate at which we update technology, future-proofing our products. We are monitoring the development of the global semiconductor shortage, which we are prepared for. This shortage could, however, affect the rate of recovery of the entire sector.

### **Expansion in multiple stages**

Our expansion became more significant six years ago. We are now ramping up, with two new countries a year, and are established in 19 countries. Last year we moved into the US and Germany and opened a new subsidiary in India. And we are planning to expand further in 2021.

The bulk of our growth comes through our customers in countries where we are already established. Stage two sees us growing with the same customers in new countries. Stage three will see us working with new customers and sectors in new countries.

Opening offices in established markets is testament that the outlook for our industrial radio control systems is strong. We are then growing with the same customers and expanding into entirely new countries, such as Brazil, Russia and, just recently, India.

Our establishment of new subsidiaries can be described in two phases. Our first intermediate goal is to break even and then to pay 'dividends' to our parent company. The most recent new subsidiary to break even is in Brazil, which achieved this in the fourth quarter of 2020. The next phase of new subsidiaries can be seen in our Poland-based business. After three years, the parent company will receive the first dividend payment from its investment.

### **Bure becomes new principal owner**

In the first quarter of 2021 investment company Bure became the principal owner of Allgon. Bure's plan is to develop the company further within its own Group, and it is therefore delisting Allgon from the stock exchange. Henceforth Allgon's performance can be tracked as part of the Bure Group. I would therefore like to take the opportunity to thank all the shareholders who have patiently owned Allgon shares as over the years we have acquired, streamlined and gradually built a new, stronger Allgon.

Finally, both our customers and Allgon have demonstrated considerable strength at various stages of the past year. I am extremely grateful for the efforts of our employees, who adapted and created new ways for us to serve our customers. Our products and services are being used more and more widely in industry. We have helped ensure industrial capacity and developed new products, services and servicing for an increasingly digital world. And we have expanded in both mature and new markets. In other words, we are well prepared for society to reopen and for the global economy to resume its progress.

**Johan Hårdén, CEO & President, Allgon**  
*Stockholm, 25 February*



## Business areas

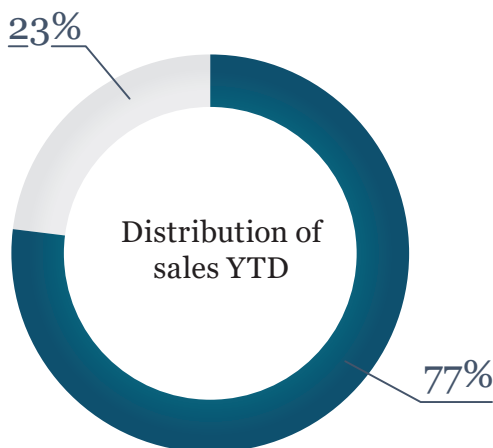
### Industrial Radio Control

Wholly owned subsidiaries Tele Radio International Holding group (Tele Radio) and Åkerströms Björbo AB (Åkerströms) are responsible for business in this sector.

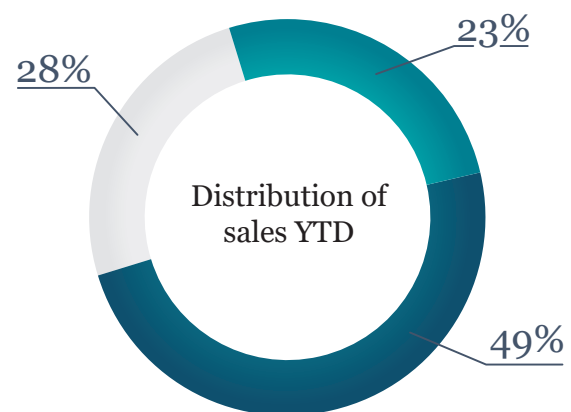
**Tele Radio develops, manufactures and markets robust radio control systems for industrial use.** Its product offering encompasses advanced radio systems that are specially designed for situations where there are significant safety and reliability requirements, for example in heavy industry, and simple systems for opening and closing gates. Tele Radio operates in 19 countries, with local subsidiaries providing sales and servicing functions and some product customisation. The company also has the support of authorised distributors.



**Åkerströms develops, manufactures and markets robust radio control products for industrial cranes, doors and mobile applications.** The company has a strong market position in Sweden's basic heavy industry, founded on longstanding customer relationships in which the company's well-developed servicing offering is an important factor. The company sells directly to its end users and through selected distributors and partners, who provide local and global servicing and support. Most of the company's customers are located in the area around the Baltic Sea.



■ Tele Radio  
■ Åkerströms



■ EU excluding Sweden<sup>1</sup>  
■ Sweden  
■ Other

<sup>1</sup> The figures include the UK.

## Antennas

Our wholly owned subsidiary Smarteq Wireless AB (Smarteq) is responsible for business in our Antennas segment. Smarteq is a specialist Swedish company with over 50 years' experience of antenna design. At 31 December, Smarteq's assets and liabilities were categorised as holdings for sale, as discussions have been initiated with various interested parties to find a more suitable owner for Smarteq.

**Smarteq develops and supplies antennas and antenna solutions with a focus on high performance, robustness and reliability.** The company develops its products by working closely with its global customers, mainly in the automotive, energy and industrial sectors. It has an extensive product portfolio of advanced, multi-functional, high-performance antennas. Smarteq is a market leader in the field of antennas for smart electricity meters and charging stations in the Nordic countries and is a development partner for customised and inbuilt antenna solutions for the automotive industry.





## Financial statements for business areas

### *Performance of the market and our business*

**Allgon's core business of industrial radio control remains solid amid the market turmoil of 2020. After the most significant volatility had subsided, the fourth quarter showed a clear recovery in orders and sales. We are continuing our research and development, and are seeing steady growth in the response from customers. We are seeing a clear return to a more normal business climate. At the start of 2021 we have also announced that our subsidiary Smarteq is ready to be sold.**

Allgon can look back on an unforeseen year, which ended with the market recovering almost fully. Early on in the year Allgon became aware of sudden turmoil relating to the pandemic, with volatility peaking in late April. In the third and fourth quarters, industry made a clear and gradual recovery, and by December it was almost back at a normal level.

Customer investment appetite grew in the fourth quarter, although some sectors are still showing some caution. Meanwhile, the mobile segment and warehousing and logistics have increased significantly. This partially offset the overall decrease. The process industry is showing increasing signs of caution, as it follows broader market flows. However, these customers are still showing interest in new products and solutions, which could provide a good basis for the next few quarters.



The precision of our deliveries returned to a high level in the quarter. Our production is stable and performing well, both in China and our recently established operations in Vietnam. Allgon is still experiencing occasional disruptions to certain components from subcontractors and this is expected to persist in 2021. We have started using more suppliers to ensure deliveries to customers. The results of this have been satisfactory, without leading to an increase in costs.

Allgon companies continue to work remotely using digital tools. This has ensured the protection of colleagues' health. Working from home has made contact with customers both easier in some respects and more difficult in other respects. It has on occasion also sped up sales and we have completed sales more quickly than usual. This experience has shown

the company's strength and demonstrated our companies' willingness and ability to adapt.

Several companies in the group focused on skills development of employees in the fourth quarter. They are also recruiting to ensure they are more proactive as organisations in readiness for the continued recovery.

### *Industrial Radio Control*

SEK thousand	2020:Q4	2020:Q3	2020:Q2	2020:Q1
Net sales	115,146	107,045	96,131	124,724
EBITDA	30,526	29,907	18,924	25,045
Operating profit/loss (EBIT)	23,954	23,572	12,719	18,473
Operating margin (%)	20.8%	22.0%	13.2%	14.8%
Average number of employees	337	337	338	339
Net sales/employee	342	318	284	368

### *Tele Radio*

Tele Radio's sales decreased by 4.3 percent in the fourth quarter compared with the corresponding period of 2019. And sales for December were in line with those for December 2019. Tele Radio's customers have made a full recovery on a number of markets, while some are showing caution and a few are adopting a defensive position. The general picture is one of a broad recovery.

Tele Radio is implementing its expansion plans, and in the quarter opened a new subsidiary in India and another sales office in the US. The company's development department has recruited more employees to position the company for the initiatives it is undertaking. The company is also expanding the range of its most popular Panther and Tiger radio control products. The aim is to complement its adjacent product range, boosting the flexibility and impact of the existing product areas.

Tele Radio has increased sales in the mobile business area. Remote control of trucks accounts for a notable increase. Tele Radio has also entered into a strategic agreement with a major international truckmaker. The market for highly effective remote control of trucks is expected to grow further. Another segment experiencing growth is radio control for warehousing, as a result of increased online retail during the pandemic.

Tele Radio is optimistic about the recovery of customers and growing demand in 2021, and aims to establish another two subsidiaries during the year.

### *Åkerströms*

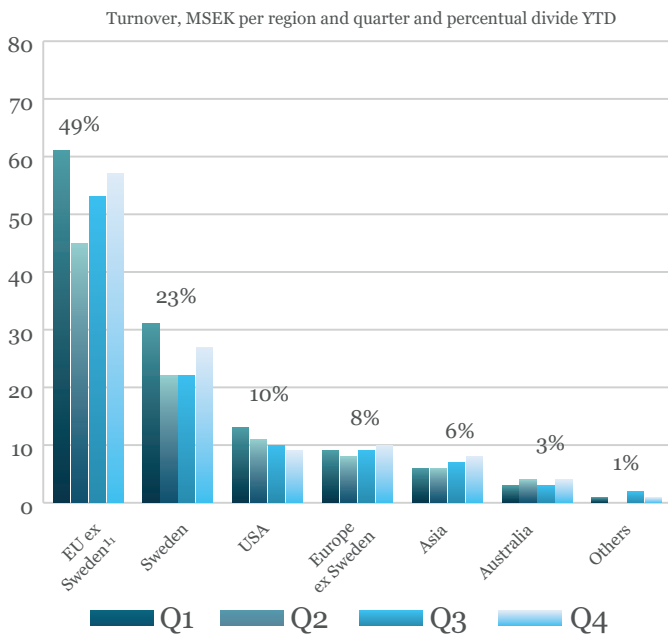
Demand continued to increase in the fourth quarter. Billing was level with the corresponding quarter of 2019. Orders rose sharply to their highest-ever level. Orders for the quarter were 10 percent up on last year's figures. This provides a good basis for sales in the next few quarters. Signs of recovery vary from sector to sector. The process industry is still waiting for clearer economic indications. But other industries are expanding more substantially.

And the Nordic process industry's long-term aims are clear and place strong requirements on continued research and development. The service has also attracted a growing interest from sectors with strict security standards. Åkerströms' technical advances in the Access\_Ctrl system are generating particularly significant interest. Access\_Ctrl could provide industry with significant savings in terms of reduced wear and tear and maintenance. Åkerströms has also recruited a new business developer to take sales forward.

Åkerströms is seeing growing demand from OEMs. The mobile sector is seeing rising sales, for example from construction vehicles, road-cleaning trucks and truck tailgate lifts. Åkerströms has also developed services for skidpans in Norway, which ordered customisations of the wireless Sesam control unit for easier operation.

Åkerströms' fourth quarter was much more solid. Orders increased, and Åkerströms has provided in-house training and recruited new personnel. Working from home continues to minimise the risk to colleagues' health and digital tools are providing benefits in terms of faster completion of sales than with traditional business travel.

Åkerströms' production and logistics have experienced few or no disruptions. The cost of shipping has increased partially, mainly due to the shortage of containers in China. A number of competitors experienced difficulties supplying their products during the period, providing an opportunity for Åkerströms, which will hopefully lead to new sales over the next few quarters.



<sup>1</sup> The figures include the UK.



## Connectivity

SEK thousand	2020:Q4	2020:Q3	2020:Q2	2020:Q1
Net sales	13,999	14,766	12,966	15,160
EBITDA	-755	713	-1,431	1,752
Operating profit/loss (EBIT)	-1,017	465	-1,828	1,071
Operating margin (%)	-7.3%	3.2%	-14.1%	7.1%
Average number of employees	13	13	12	12
Net sales/employee	1,077	1,136	1,080	1,263

### Smarteq

Smarteq is the last subsidiary of the Allgon Group that operates outside the core business of industrial radio control. The streamlining of the Group will continue in 2021, as in January Allgon announced that Smarteq is ready to be sold. The company is in a position to grow with a new, more sector-focused long-term owner.

Smarteq saw strong demand in the fourth quarter for the company's robust antennas and associated products. Sales were particularly notable in the smart electricity meters area. Smarteq expects to have full delivery speed over the next two quarters. The company has also increased its volume of deliveries to logistics company Cargotec, which has signed several new framework orders. Smarteq also received a new order from security company Malux. These new orders strengthen Smarteq's operations and provide scope for better performance and stability going forward. Smarteq's employees also carried on working from home, with good outcomes for employee health, and continued high-quality servicing and sales.

Smarteq also improved its margins, supported by currency effects and less use of air freight than before. The company has also started passing express air freight costs on to customers where this was provided at the request of customers. This also improved margins.

Looking ahead, Smarteq sees increased sales opportunities, particularly in respect of smart electricity meters, charging stations for electric vehicles and communication between vehicles (V2X), particularly for private vehicles. Fleet management is also expected to expand as suppliers look for ways of making their vehicles trackable to provide better planning and greater efficiency. This requires antennas that can, for example, handle WiFi and satellite connections.

In summary, Smarteq is well equipped to grow further. Over the past year the company has taken a number of important steps to position itself on the antennas market. Smarteq is at the leading edge in terms of know-how, technology, customer relationships and is set for new opportunities for increased collaboration.



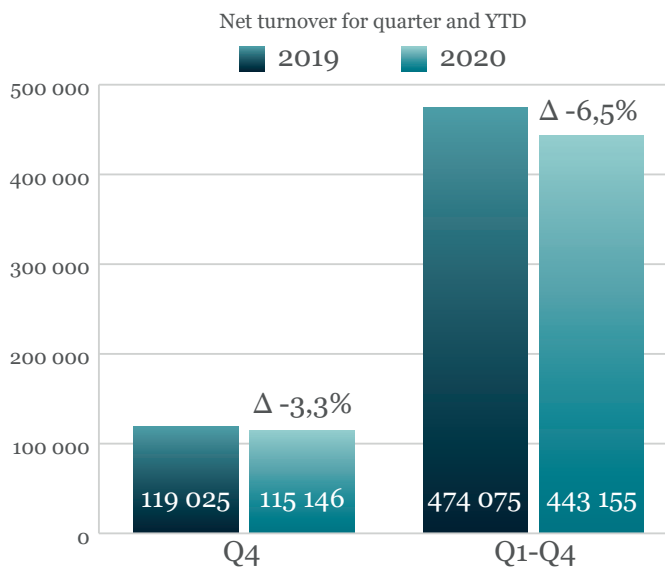


## Financial overview

### Fourth quarter 2019

#### Net sales

Net sales for the fourth quarter decreased by SEK 3.9 million to SEK 115.1 (119.0) million compared with the corresponding quarter of the previous year. The decrease is attributable to the COVID-19 pandemic that is affecting countries across the world to a greater or lesser degree. Sales in the industrial radio control business area were SEK 8.1 million higher than in the third quarter of the year. The performance of the various segments is shown in Note 4.



#### Gross and operating profit

Gross profit was SEK 89.4 (90.5) million, corresponding to a gross margin of 77.6 (76.0) percent. The movement in gross profit is mainly due to variation in the product mix and currency fluctuations.

Operating profit amounted to SEK 19.5 (10.0) million, giving an operating margin of 17.0 (8.4) percent. Personnel costs benefited from compensation of SEK 2.0 million for staff on furlough in the Swedish companies and equivalent government support at Tele Radio's foreign subsidiaries. Other operating income is affected by positive currency effects of SEK 1.9 million.

#### Net financial income/expenses

Net financial income/expenses for the fourth quarter amounted to SEK -5.0 (-6.8) million.

Interest on Allgon bonds is STIBOR 3M plus 6.75 percent. Bond interest charged to the quarter amounted to SEK -4.8 (-4.9) million. Other bond-related expenses reported under interest expenses and similar profit/loss items amounted to SEK -0.7 (-0.5) million.

Interest expenses relating to external loans and overdrafts amounted to SEK -0.3 (-1.3) million.

Exchange rate fluctuation amounted to SEK 0.6 (-0.4) million and other financial income amounted to SEK 0.2 (0.3) million.

#### Earnings for the quarter

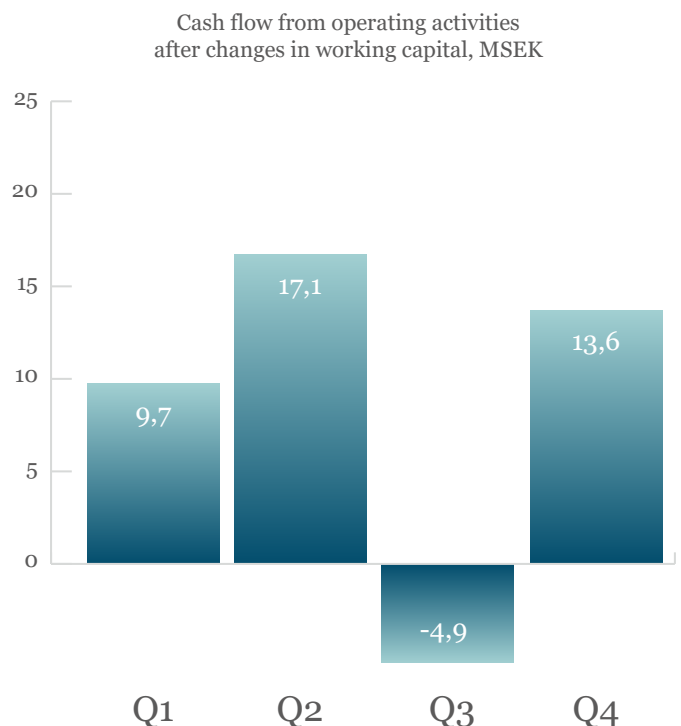
Pre-tax profit for the quarter amounted to SEK 14.5 (3.1) million. Profit after tax for the quarter amounted to SEK 8.3 (16.7) million. Tax for the quarter was SEK -6.2 (-13.6) million.

Tax expenses for the year were mainly attributable to Tele Radio's subsidiaries outside Sweden, and an adjustment of deferred tax attributable to loss carry-forwards in Allgon and Åkerströms.

Minority interests' share of the profit for the quarter amounted to SEK -0.2 (0.0) million. Minority interests consist of local subsidiary managers' holdings in Tele Radio's and Smarteq's foreign subsidiaries. Profit for the quarter represents earnings per share of SEK 0.15 (0.30). The difference between the earnings for the quarter and comprehensive income for the quarter was SEK -11.3 (-6.7) million and is due to translation differences relating to the Tele Radio group. The quarter's profit attributable to operations under liquidation amounts to SEK -1.2 (-2.6) million.

#### Cash flow for the quarter

Cash flow from operating activities after changes in working capital was SEK 13.6 (17.2) million. Cash flow from investing activities was SEK -0.6 (-19.1) million and consisted mainly of investments in intangible assets and property, plant and equipment. Allgon also received the final payment of SEK 1.1 million from the sale of WSI during the quarter. Cash flow from financing activities amounted to SEK -5.8 (-5.3) million and consisted mainly of changes in utilised overdraft facilities, amortisation of lease liabilities and a dividend payment to minority interests in the Tele Radio Group. Total cash flow for the period was SEK 7.1 (9.6) million.



## The January – December period

### Net sales

Net sales for the period decreased by SEK 30.9 million to SEK 443.2 (474.1) million compared with the previous year. The decrease was mainly attributable to the COVID-19 pandemic that is affecting countries across the world to a greater or lesser degree.

The performance of the various segments is shown in Note 4.

### Gross and operating profit

Gross profit was SEK 342.3 (362.3) million, corresponding to a gross margin of 77.2 (76.4) percent. Operating profit amounted to SEK 31.4 (61.9) million, giving an operating margin of 7.1 (13.1) percent. Personnel costs benefited from compensation of SEK 5.9 million for staff on furlough in Swedish companies and equivalent government support at Tele Radio's foreign subsidiaries. Other operating income is affected by positive currency effects of SEK 4.0 million. Depreciation for the period includes a write-down of goodwill for the IoT segment of SEK 27.1 million.

### Net financial income/expenses

Net financial income/expenses for the period amounted to SEK -23.6 (-23.5) million.

Interest on Allgon bonds is STIBOR 3M plus 6.75 percent. Bond interest charged to the period amounted to SEK -19.1 (-19.1) million. Other bond-related expenses recognised under interest expenses and similar profit/loss items amounted to SEK -2.8 (-2.6) million.

Interest expenses relating to external loans and overdrafts amounted to SEK -2.1 (-2.3) million.

Exchange rate fluctuations amounted to SEK 0.6 (-0.1) million and other financial items amounted to SEK 0.3 (0.5) million. Earnings from participations in Group companies, attributable to negative surplus value in WSI Intressenter of SEK 0.6 million and a positive surplus value in Tele Radio of SEK 1.0 million of SEK, charges net financial income/expense with SEK -0.3 million.

### Profit/loss in the period

Pre-tax profit for the period amounted to SEK 7.7 (38.4) million. Income after tax for the period amounted to SEK -9.2 (44.6) million. Tax for the period amounted to SEK -17.0 (6.3) million.

Tax expenses were attributable to Tele Radio's subsidiaries outside Sweden, and an adjustment of deferred tax attributable to loss carry-forwards in Allgon and Åkerströms. Minority interests' share of the profit for the period amounted to SEK 2.4 (4.4) million. Minority interests consist of local subsidiary managers' holdings in Tele Radio's and Smarteq's foreign subsidiaries. Profit for the period corresponds to earnings per share of SEK -0.16 (0.79). The difference between the earnings for the period and comprehensive income for the period was SEK -18.4 (2.8) million and is due to translation differences relating to the Tele Radio Group. Profit for the period attributable to operations under liquidation amount to SEK -23.7 (2.2) million.

### Cash flow for the period

Cash flow from operating activities after changes in working capital was SEK 35.6 (67.6) million. Cash flow from financing activities was SEK -15.7 (-34.5) million. Investing activities include payment of the final consideration in respect of the acquisition of Tele Radio and the sale of Satmission and WSI. Cash flow from financing activities amounted to SEK -36.2 (-18.5) million and consisted mainly of changes in utilised overdraft facilities, amortisation of lease liabilities, a dividend payment in the Tele Radio Group, acquisition of outstanding minority interests' share in Tele Radio's UK subsidiary, which is now wholly owned, and payment of a vendor loan in respect of WSI.

### Financial position at 31/12/2020

The current ratio – current assets excluding stock relative to current liabilities and including discontinuing operations – was 163 (124) percent at the end of the period. Cash and cash equivalents at period end, including discontinuing operations, amounted to SEK 82.1 (98.4) million. At the reporting date, unutilised overdraft facilities totalled SEK 36.3 (26.7) million. Available overdraft facilities amounted to SEK 41.0 million.

At 31 December 2020, the Group's equity amounted to SEK 276.2 (327.6) million, corresponding to SEK 4.91 (5.83) per share.

### Parent company results

The parent company, Allgon AB (publ.), undertakes the management of the Group. During the year, the parent company invoiced SEK 6.4 (6.0) million for services rendered. Cash and cash equivalents at period end amounted to SEK 4.9 (0.4) million. Equity amounted to SEK 229.5 (298.4) million.

### Significant events in the fourth quarter

- On 1 October, it was announced that Allgon was selling WSI to Sigma Connectivity AB. The capital loss impacted the third quarter of 2020.
- On 9 November, Smarteq announced that it had received its first order for V2X technology, allowing vehicles to receive and transmit data between each another and between local infrastructure. The value of the initial development work is around SEK 2 million over the next two years.
- On 16 November it was announced that Tele Radio is opening a third sales office in western Germany.
- On 1 December it was announced that Tele Radio is establishing a subsidiary in Pune, India.
- On 14 December Latour Industries AB made a cash offer of SEK 10.75 per share to Allgon shareholders.
- On 14 December Allgon's Board of Directors issued a statement about the public purchase offer by Latour Industries. The Board unanimously advised Allgon shareholders to accept the offer.



- On 22 December Bure Equity AB (publ) made a cash offer of SEK 13.50 per share to Allgon shareholders.
- On 22 December Allgon's Board commented on the public purchase offer by Bure. The Board took a favourable view of Bure's offer being higher than that of Latour Industries.

### Significant events after the reporting period

- On 4 January Latour Industries withdrew its purchase offer to Allgon shareholders.
- On 8 January Allgon's Board of Directors issued a statement about the public purchase offer by Bure. The Board unanimously advised Allgon shareholders to accept the offer.
- On 11 January Allgon announced that it had started the process to sell antenna company Smarteq.
- On 11 January Tele Radio announced that it is establishing a subsidiary in the US industrial belt in Minneapolis, Minnesota.
- In January the subsidiary Smarteq gained a new CEO.
- On 5 February Bure announced that it had approximately 93.2% of all shares and votes in Allgon. On this basis, Bure declared the offering unconditional and announced that its offer had been fulfilled.
- On 8 February notification was issued of an extraordinary general meeting (EGM) of Allgon to be held on 25 February owing to Bure fulfilling its public purchase offer. The EGM will determine the number of Board members, the election of the chairman and board fees.
- On 9 February Allgon announced the early redemption of its bond loan (ISIN SE0011282649). The redemption date is planned to be 5 March 2021. Redemption is conditional on Allgon entering into a facility agreement of SEK 300 million.
- On 15 February Allgon announced that the Board had taken the decision to apply to delist Allgon shares from Nasdaq First North Growth Market. The final day of trading on First North would be announced after Allgon had had this confirmed by Nasdaq.
- On 16 February Allgon announced that Nasdaq had approved the company's delisting application. Nasdaq Stockholm has determined that the final day of trading in Allgon shares will be 2 March 2021.
- On 19 February, a compulsory redemption process was initiated to redeem the remaining shares in Allgon, as Bure holds more than nine tenths of the shares in Allgon (Announcement id: K97116/21).
- On 23 February, Allgon announces that the condition of the pressrelease issued on 9 February, regarding early redemption of the bond, has been met. The redemption date for the bond will be 5 March and will take place at the so-called "make whole price" together with accrued interest, which amounts to a total of SEK 289,692 thousand.

### Seasonal fluctuation

The Allgon Group does not traditionally experience seasonal fluctuation; the year reflects customers' production days, which vary from quarter to quarter. The lowest net sales and

operating profit figures normally come in the third quarter, which has the lowest number of production days due to holiday periods in the Group's main markets. Performance in December is lower due to reduced levels of customer activity around the Christmas holiday period. Overall, this means that the first half of the year is normally stronger than the second half.

### Risks and uncertainties

The risks primarily arise from market trends in the Group's different business areas, financial risks whereby the Group may need additional capital for the running of the business and production risks related to both its own and outsourced production. There are also risks associated with product development and the Group's intangible assets. The spread of COVID-19 and its impact on global business and financial performance has had, and will continue to have, an adverse effect on Allgon's income and earnings during 2020. It is difficult to assess the extent of the impact in the longer term as this is dictated by external factors beyond the company's control. For a more detailed description of the risks the Group is exposed to, please see the Annual Report for 2019, pages 58–59.

### Estimates and judgments

The preparation of the interim report requires management to make estimates and assumptions that affect the application of accounting policies and the amounts of assets, liabilities, income and expenses reported. Actual results may differ from these estimates and assessments. The extent of the impact of Covid-19 in the longer term is difficult to assess as this is dictated by external factors beyond the company's control. The critical assessments and sources of uncertainty in estimates can be found in the Annual Report for 2019, page 57, Note K3.

### Personnel

At period end, the Group had 352 (371) employees (including operations being discontinued). The table below shows the average number of employees for the period.

Average number of employees	31/12/2020	31/12/2019
Allgon AB	4	3
Smarteq Wireless AB <sup>1</sup>	13	12
WSI Sweden AB <sup>2</sup>	18	21
Satmission AB <sup>3</sup>	1	4
Allgon Supply AB	–	1
Åkerströms Björbo AB	54	53
Industrial Internet of X AB <sup>4</sup>	3	6
Allgon Comm. Tianjin Ltd. <sup>5</sup>	17	17
Tele Radio Group	267	254
<b>Total</b>	<b>377</b>	<b>371</b>

<sup>1</sup> Business classified as being discontinued at 31 December 2020.

<sup>2</sup> Business divested to Sigma Connectivity at 30 September 2020.

<sup>3</sup> Business divested to ASTG (KebNi) at 1 April 2020.

<sup>4</sup> Business discontinued in Q2; last employee left in Q3.

<sup>5</sup> Includes 5 people employed on long-term contracts.

## Allgon's shares and share capital

Owners	B shares Number of votes 1	Percentage of capital and votes
Verdane Capital VI	14,392,620	25.60%
AB, Bure	6,410,924	11.40%
Tibia Konsult AB	5,742,103	10.21%
Verdane Capital VI B	3,874,686	6.89%
Bertil Görling	2,333,278	4.15%
Goldman Sachs Bank Europé SE, W8IMY	2,065,901	3.67%
Ola Samelius and companies	1,401,248	2.49%
Nordnet Pensionsförsäkring AB	1,333,953	2.37%
Försäkringsaktiebolaget Avanza Pension	1,266,223	2.25%
Jan Robert Pärsson	935,000	1.66%
	<b>39,755,936</b>	<b>70.71%</b>
Other	16,466,661	29.29%
<b>Total shares</b>	<b>56,222,597</b>	<b>100.00%</b>

Allgon's class B shares (ALLG B) are listed on Nasdaq First North Growth Market. Total share capital is SEK 281.1 million, consisting of 56,222,597 class B shares. No class A shares have been issued. Each share carries one vote.

The breakdown of the 10 largest shareholders in Allgon at 31/12/2020 is shown in the table above. On 22 December 2020 Bure Equity AB (publ) made a public purchase offer to Allgon shareholders. By the end of the acceptance period on 2 February 2021 Bure owned 93.2 percent of Allgon shares. The acceptance period was extended to 26 February and Bure intends to make a compulsory purchase of the remaining shares.

On 15 February 2021 Allgon applied for delisting from Nasdaq First North Growth Market and on 16 February Nasdaq approved the application for delisting, with a final trading date of 2 March 2021.

As at 31 December 2020, the Group's equity, excluding minority interests, amounted to SEK 276.2 (327.6) million, corresponding to SEK 4.91 (5.83) per share.

## Bond loans

On 7 June 2018, Allgon issued a secured bond for SEK 276 million within a SEK 500 million facility. The bond has a maturity of four years, ending on 7 June 2022. The bond carries interest of STIBOR 3M plus 6.75 percent.

The bond has been listed on the Company Bond List at Nasdaq Stockholm, and the first day of trading was 1 August 2018.

On 16 February Allgon communicated its right to call for the early redemption of all outstanding bonds, in accordance with the terms of the bond. The redemption date for the bond will be 5 March 2021, with a record date of 26 February 2021. The repurchase is conditional on Allgon entering into a SEK 300 million facility agreement before the record date. Should the terms not be met before the record date, the repurchase will not be requested. The fulfilment of the terms was confirmed to the bondholders through a press release on 23 February.

Ticker: ALLG 101

ISIN: SE0011282649

CCY: SEK

Interest: STIBOR 3M + 6.75% (Ref.floor rate)

Payment: Quarterly

End date: 7 June 2022



## Consolidated statement of comprehensive income

SEK thousand	2020	2019	2020	2019
	OCT - DEC	OCT - DEC	JAN - DEC	JAN - DEC
Net sales	115,146	119,025	443,155	474,075
Work performed for the company's own use and capitalised	132	623	786	624
	<b>115,278</b>	<b>119,648</b>	<b>443,941</b>	<b>474,699</b>
Raw materials and consumables	-25,744	-28,541	-100,832	-111,749
Other external expenses	-24,010	-23,076	-88,768	-99,913
Personnel costs	-42,274	-49,330	-173,933	-174,943
Depreciation/amortisation	-6,474	-10,462	-55,287	-27,631
Other operating income/expenses	2,763	1,735	6,232	1,439
<b>Operating profit/loss (EBIT)</b>	<b>19,539</b>	<b>9,974</b>	<b>31,353</b>	<b>61,902</b>
<b>Profit/loss from financial items</b>				
Interest income and similar profit/loss items	642	3,242	1,807	4,150
Interest expenses and similar profit/loss items	-5,686	-10,076	-25,413	-27,692
<b>Net financial income/expenses</b>	<b>-5,044</b>	<b>-6,834</b>	<b>-23,606</b>	<b>-23,542</b>
<b>Pre-tax profit/loss (EBT)</b>	<b>14,495</b>	<b>3,140</b>	<b>7,747</b>	<b>38,360</b>
Tax on profit for the year	-6,185	13,572	-16,971	6,269
<b>Profit/loss in the period, continuing operations</b>	<b>8,310</b>	<b>16,712</b>	<b>-9,224</b>	<b>44,629</b>
Profit/loss in the period, discontinued operations	-1,151	-1,998	-23,736	2,247
<b>Profit/loss in the period, total for Group</b>	<b>7,159</b>	<b>14,714</b>	<b>-32,960</b>	<b>46,876</b>
<b>Other comprehensive income</b>				
Translation difference	-11,349	-6,738	-18,419	2,838
<b>Comprehensive profit/loss for the period</b>	<b>-4,190</b>	<b>7,976</b>	<b>-51,379</b>	<b>49,714</b>
<b>Profit/loss for the period attributable to</b>				
Parent company's shareholders	7,347	14,736	-35,343	42,479
Non-controlling interests	-188	-22	2,383	4,397
	<b>7,159</b>	<b>14,714</b>	<b>-32,960</b>	<b>46,876</b>
<b>Comprehensive profit/loss for the period attributable to</b>				
Parent company's shareholders	-3,515	8,125	-53,006	44,800
Non-controlling interests	-675	-149	1,627	4,914
	<b>-4,190</b>	<b>7,976</b>	<b>-51,379</b>	<b>49,714</b>
Earnings per share before dilution, continuing operations (SEK)	0.15	0.30	-0.16	0.79
Earnings per share before dilution, total for Group (SEK)	0.13	0.26	-0.59	0.83
Earnings per share after dilution, continuing operations (SEK)	0.15	0.30	-0.16	0.79
Earnings per share after dilution, total for Group (SEK)	0.13	0.26	-0.59	0.83

## Consolidated statement of net financial income/expenses

SEK thousand	2020	2019	2020	2019
	OCT - DEC	OCT - DEC	JAN - DEC	JAN - DEC
Interest income	215	331	309	511
Foreign exchange gains	427	-201	1,498	527
Unpaid additional consideration	-	3,112	-	3,112
<b>Total income</b>	<b>642</b>	<b>3,242</b>	<b>1,807</b>	<b>4,150</b>
Interest expenses	-23	-447	-665	-1,039
Foreign exchange losses	152	-181	-941	-587
Impairment of shares in subsidiaries	-	-3,112	-348	-3,112
Interest on overdraft facilities	-9	-	-162	-
Bond issue expenses	-704	-537	-2,816	-2,613
Bond interest expenses	-4,829	-4,929	-19,144	-19,057
Lease interest expenses	-273	-869	-1,333	-1,268
Other expenses	-	-1	-4	-16
<b>Total expenses</b>	<b>-5,686</b>	<b>-10,076</b>	<b>-25,413</b>	<b>-27,692</b>
<b>Total net financial income/expenses</b>	<b>-5,044</b>	<b>-6,834</b>	<b>-23,606</b>	<b>-23,542</b>

## Condensed consolidated statement of financial position

SEK thousand	31/12/2020	31/12/2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Goodwill	302,324	366,253
Trademarks	25,000	25,004
Other non-current intangible assets	24,287	35,214
Buildings & refurbishment of leased property	35,519	32,891
Machinery, tools and equipment	16,380	19,423
Other non-current assets	5,097	886
Deferred tax assets	26,947	31,294
<b>Total non-current assets</b>	<b>435,554</b>	<b>510,965</b>
<b>Current assets</b>		
Inventories	87,233	97,633
Current receivables	63,914	89,742
Cash and cash equivalents	77,473	98,428
Assets included in the divestment group are classified as held for sale	25,208	-
<b>Total current assets</b>	<b>253,828</b>	<b>285,803</b>
<b>TOTAL ASSETS</b>	<b>689,382</b>	<b>796,768</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	276,208	327,552
Non-controlling interests	4,449	10,142
Other long-term liabilities	309,623	296,800
Overdraft facilities	-	7,118
Current interest-bearing liabilities	-	2,499
Deferred tax liability	3,720	7,662
Current liabilities	77,281	144,995
Liabilities included in the divestment group are classified as held for sale	18,101	-
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>689,382</b>	<b>796,768</b>

## Condensed consolidated statement of changes in equity

SEK thousand	2020 JAN – DEC	2019 JAN – DEC
Equity at beginning of period	337,694	290,808
Profit/loss for the period	-32,960	46,876
Effect of changes to accounting principles	-	14
Other comprehensive income	-18,419	2,838
<b>Total comprehensive income for the period</b>	<b>-51,379</b>	<b>49,728</b>
<b>Transactions with shareholders</b>		
Non-controlling interests (dividend)	-4,823	-2,842
Minority interest divested during the year	-835	-
<b>Total transactions with shareholders</b>	<b>-5,658</b>	<b>-2,842</b>
<b>Equity at end of period</b>	<b>280,657</b>	<b>337,694</b>



## Consolidated statement of cash flows

SEK thousand	2020 OCT – DEC	2019 OCT – DEC	2020 JAN – DEC	2019 JAN – DEC
<b>Operating activities</b>				
Profit/loss after financial items, continuing operations	14,495	3,140	7,747	38,360
Profit/loss after financial items, operations being discontinued	-1,064	-1,844	-3,168	2,401
Adjustment for items not included in cash flow				
Depreciation/amortisation of tangible and intangible assets	2,059	6,077	41,157	19,505
Amortisation of right-of-use assets	3,090	5,405	14,130	12,191
Changes in provisions	-704	-101	-1,676	107
Capitalised interest	686	842	2,744	3,367
Other items not included in cash flow	-13,052	11,504	-7,856	-1,081
Income tax paid	-7,701	-4,795	-15,902	-9,964
<b>Cash flow from operating activities before changes in working capital</b>	<b>-2,191</b>	<b>20,228</b>	<b>37,178</b>	<b>64,886</b>
<b>Changes in working capital</b>				
Change in inventories	9,052	4,211	-2,991	-1,442
Change in accounts receivable	9,911	10,373	9,752	-6,634
Change in current receivables	4,023	-19	-5,091	-3,972
Change in current liabilities	-7,219	-17,581	-3,282	14,775
<b>Cash flow from operating activities</b>	<b>13,576</b>	<b>17,212</b>	<b>35,566</b>	<b>67,613</b>
<b>Investing activities</b>				
Investments in intangible assets	-708	-2,346	-4,425	-3,454
Investments in subsidiaries	-	-	-25,000	-25,000
Investments in tangible assets	-1,029	37	-4,159	-6,088
Divestment of subsidiaries <sup>2</sup>	1,103	-	17,863	-
<b>Cash flow from investing activities</b>	<b>-634</b>	<b>-2,309</b>	<b>-15,721</b>	<b>-34,542</b>
<b>Financing activities</b>				
Net change in overdraft	-405	1,112	-2,399	-2,723
Borrowings	-	-1	-	-
Acquisition of subsidiaries	-	-	-3,333	-
Dividend to minority interests	-1,298	-657	-2,171	-2,842
Amortisation of lease liabilities <sup>1</sup>	-3,286	-5,716	-14,129	-12,924
Repayment of interest bearing loans	-852	-	-14,152	-1
<b>Cash flow from financing activities</b>	<b>-5,841</b>	<b>-5,262</b>	<b>-36,184</b>	<b>-18,490</b>
<b>Cash flow for the period</b>	<b>7,101</b>	<b>9,641</b>	<b>-16,339</b>	<b>14,581</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>74,988</b>	<b>88,787</b>	<b>98,428</b>	<b>83,847</b>
<b>Cash and cash equivalents at period end</b>	<b>82,089</b>	<b>98,428</b>	<b>82,089</b>	<b>98,428</b>

<sup>1</sup> From 1/1/2020, amortisation of financial lease liabilities is recognised under financing activities. Comparative figures have been restated.

## Consolidated income statement per quarter

SEK thousand	2019:Q1	2019:Q2	2019:Q3	2019:Q4	2020:Q1	2020:Q2	2020:Q3	2020:Q4
Net sales	123,358	117,642	114,050	119,025	124,789	96,162	107,057	115,146
Work performed for the company's own use and capitalised	-	-	1	623	267	166	221	132
	<b>123,358</b>	<b>117,642</b>	<b>114,051</b>	<b>119,648</b>	<b>125,056</b>	<b>96,328</b>	<b>107,278</b>	<b>115,278</b>
Raw materials and consumables	-28,909	-28,041	-26,258	-28,541	-30,601	-22,194	-22,293	-25,744
Other external expenses	-27,538	-27,362	-21,936	-23,076	-26,367	-18,648	-19,743	-24,010
Personnel costs	-42,496	-43,306	-39,812	-49,330	-46,474	-42,425	-42,760	-42,274
Depreciation/amortisation	-5,849	-5,856	-5,464	-10,462	-7,839	-34,289	-6,685	-6,474
Other operating income/expenses	486	853	-1,635	1,735	-2,564	2,187	3,847	2,763
<b>Operating profit/loss (EBIT)</b>	<b>19,051</b>	<b>13,930</b>	<b>18,946</b>	<b>9,974</b>	<b>11,212</b>	<b>-19,042</b>	<b>19,643</b>	<b>19,539</b>
<b>Profit/loss from financial items</b>								
Interest income and similar profit/loss items	146	180	582	3,242	850	279	36	642
Interest expenses and similar profit/loss items	-6,197	-5,687	-5,732	-10,076	-7,252	-6,012	-6,463	-5,686
<b>Net financial income/expenses</b>	<b>-6,051</b>	<b>-5,507</b>	<b>-5,150</b>	<b>-6,834</b>	<b>-6,402</b>	<b>-5,733</b>	<b>-6,427</b>	<b>-5,044</b>
<b>Pre-tax profit/loss (EBT)</b>	<b>13,000</b>	<b>8,423</b>	<b>13,796</b>	<b>3,140</b>	<b>4,811</b>	<b>-24,775</b>	<b>13,216</b>	<b>14,495</b>
Tax on profit/loss in the period	-2,920	-3,910	-473	13,572	-2,887	-3,057	-4,842	-6,185
Minority interests' share of profit/loss	-1,342	-1,480	-1,596	22	-824	-595	-1,151	188
Profit/loss, continuing operations	1,508	4,256	-1,518	-1,998	-60	-12,831	-9,694	-1,151
<b>Profit/loss attributable to parent company's shareholders</b>	<b>10,246</b>	<b>7,289</b>	<b>10,209</b>	<b>14,736</b>	<b>1,039</b>	<b>-41,258</b>	<b>-2,471</b>	<b>7,347</b>

## Group key data per quarter

SEK thousand	2019:Q1	2019:Q2	2019:Q3	2019:Q4	2020:Q1	2020:Q2	2020:Q3	2020:Q4
Growth in sales (%) <sup>1</sup>	376.2%	334.0%	54.1%	7.5%	1.2%	-18.3%	-6.1%	-3.3%
Operating margin (%)	15.4%	11.8%	16.6%	8.4%	9.0%	-19.8%	18.3%	17.0%
Earnings after tax per share (SEK) <sup>2</sup>	0.18	0.13	0.18	0.26	0.02	-0.73	-0.04	0.13
Equity per share (SEK)	5.25	5.40	5.68	5.83	6.00	5.08	4.98	4.91
Return on equity (ROE) (%) <sup>2</sup>	3.5%	2.4%	3.3%	4.6%	0.3%	Neg	Neg	2.6%
Cash flow from operating activities per share (SEK)	0.38	0.38	0.14	0.31	0.17	0.30	-0.09	0.24
Total investments including IFRS 16, total for Group	22,721	4,385	9,303	20,585	11,117	16,770	2,312	8,054
Total investments excluding IFRS 16, total for Group	1,008	1,978	1,637	1,465	2,852	2,061	1,934	1,737
Net debt (+), net receivables (-) <sup>3</sup>	211,403	220,514	225,706	232,282	235,425	265,524	241,087	236,809
Share price at end of period (SEK)	6.16	8.10	7.32	11.15	6.10	6.92	9.12	14.10
Highest share price during period (SEK)	6.56	9.38	9.02	12.20	11.95	8.28	9.38	14.30
Lowest share price during period (SEK)	5.08	6.14	7.12	7.10	5.50	5.88	6.70	6.72
Market value at end of period	346,334	455,406	411,552	626,886	342,958	389,060	512,750	792,739
Weighted number of shares during period (1000s)	56,223	56,223	56,223	56,223	56,223	56,223	56,223	56,223
Number of shares at end of period (1000s)	56,223	56,223	56,223	56,223	56,223	56,223	56,223	56,223

<sup>1</sup> Continuing operations restated, 2019–2020.

<sup>2</sup> Relates to the total Group.

<sup>3</sup> 2020 recalculated to include only continuing operations; 2019 relates to the total Group.

## Group key data

SEK thousand	2020 OCT – DEC	2019 OCT – DEC	2020 JAN – DEC	2019 JAN – DEC
<b>Profit/loss</b>				
<b>Continuing operations</b>				
Net sales	115,146	119,025	443,115	474,075
Growth in sales (%)	-3.3%	7.5%	-6.5%	99.4%
Gross profit	89,402	90,484	342,323	362,326
Gross margin (%)	77.6%	76.0%	77.2%	76.4%
EBITDA	26,013	20,436	86,639	89,533
Operating profit/loss (EBIT)	19,539	9,974	31,353	61,902
Operating margin (%)	17.0%	8.4%	7.1%	13.1%
Profit/loss after financial items	14,495	3,140	7,747	38,360
Profit/loss after tax, attributable to parent company's shareholders, total for Group	7,159	14,714	-32,960	46,876
Earnings after tax	8,310	16,712	-9,224	44,629
Earnings per share <sup>1</sup>	0.15	0.30	-0.16	0.79
Earnings per share, total for Group <sup>1</sup>	0.13	0.26	-0.59	0.83
<b>Financial position</b>				
<b>Total Group</b>				
Equity excluding minority interests	276,208	327,552	276,208	327,552
Equity ratio (%)	41%	42%	41%	42%
Net debt <sup>2</sup>	236,809	232,282	236,809	232,282
Current ratio (%)	246%	186%	246%	186%
Return on capital employed (ROCE) (%)	3.2%	1.8%	5.2%	11.0%
Return on equity (ROE) (%)	2.6%	4.6%	Neg	13.9%
<b>Share data<sup>1</sup></b>				
Earnings per share, continuing operations (SEK)	2.05	2.12	7.88	8.43
Equity per share (SEK)	4.91	5.83	4.91	5.83
Cash flow from operating activities per share (SEK) <sup>3</sup>	0.24	0.31	0.63	1.20
Share price at end of period (SEK)	14.10	11.15	14.10	11.15
Average number of shares at end of period (1000s)	56,223	56,223	56,223	56,223
<b>Personnel information</b>				
Earnings per employee, continuing operations	339	349	1,285	1,419
Average number of employees, continuing operations	340	341	345	334

<sup>1</sup> Earnings per share is the same before and after dilution since there are no outstanding options or convertibles that could cause dilution.

<sup>2</sup> Net debt for 2020 is restated to include only continuing operations. Figures for 2019 include assets and liabilities relating to discontinued operations. The figures have not been restated.

<sup>3</sup> From 1/1/2020, amortisation of financial lease liabilities is recognised under financing activities. Comparative figures have been restated.



## Definitions of key financial data

Key data	Definition/calculation	Purpose
Gross margin	Net sales less cost of goods sold (gross profit) as a percentage of net sales.	Used to measure the profitability of production.
Operating margin	Operating profit/loss (EBIT) after depreciation, amortisation and impairment as a percentage of net sales.	Used to measure operational profitability.
EBITDA	Operating profit/loss (EBIT) before depreciation, amortisation and impairment.	EBITDA together with EBITA provides an overall picture of profit generated by operating activities.
Equity ratio	Equity including minority interests as a percentage of total assets.	Shows the proportion of assets financed using equity. Assets not financed using equity are financed by borrowing.
Debt/equity ratio	Interest-bearing liabilities divided by equity.	Shows the extent of the company's liabilities in relation to equity and is thus a measure of the company's financial strength.
Current ratio	Current assets divided by total current liabilities excluding deferred tax liability.	Used to measure liquidity.
Return on capital employed	Operating profit/loss plus financial income as a percentage of average capital employed. Includes minority interests' share of profit/loss and equity.	Shows the company's earning capacity independent of financing, i.e. how the company has obtained a return on the capital made available by shareholders and lenders.
Average capital employed	Total assets less non-interest-bearing provisions and liabilities, based on opening and closing capital for the year.	Used in other calculations.
Return on equity	Profit/loss for the year after tax attributable to the parent company's shareholders divided by average equity. Equity does not include minority interests in subsidiaries.	Shows the return the owners receive on the capital they have invested.
Average equity	Average equity is calculated as the average of opening and closing balances.	Used in other calculations.
Average number of employees	The total number of employees in the month divided by the number of months in the period.	Used in other calculations.
Sales per employee	Sales divided by the average number of employees.	Used to assess the company's efficiency.
Earnings per share (SEK)	Profit/loss for the period attributable to the parent company's shareholders divided by the average number of shares.	Used to establish the value of the company's outstanding shares.
Equity per share (SEK)	Equity attributable to the parent company's shareholders divided by the average number of shares.	Used to calculate equity per share.
Average number of shares	The weighted average number of shares at the close of each month.	Used in other calculations.
Net debt	Recognised interest-bearing liabilities less cash and cash equivalents.	Used to track the company's indebtedness.
Net debt/EBITDA	Net debt at the end of the period divided by EBITDA, adjusted on a rolling 12-month basis.	Net debt/EBITDA provides an estimate of the company's ability to reduce its debt. It represents the number of years it would take to repay debt if net debt and EBITDA remained at a constant level, without taking into account cash flows in respect of interest, tax and investments.
Investments	Investments in property, plant and equipment, including and excluding the effect of IFRS 16.	The difference recognised between actual investments and capitalised lease expenses.

## Reconciliation of key ratios not defined in accordance with IFRS

The company presents certain financial measurements in this interim report that are not defined in accordance with IFRS. We are of the opinion that these measurements provide investors and company management with valuable, supplementary information, as they enable relevant trends to be assessed. Allgon's definitions of these measurements may differ from other companies' definitions of the same

concepts. The financial measurements should therefore be seen as a complement to, rather than a replacement for, measurements defined in accordance with IFRS. Definitions are given below of measurements not defined in accordance with the IFRS interim report. Reconciliation of the measurements is shown in the table below. For definitions of key data, see page 17.

SEK thousand	2020 OCT – DEC	2020 JUL – SEP	2020 APR – JUN	2020 JAN – MAR	Total 12 mths	2019
<b>(A) Operating profit/loss (EBIT)</b>	<b>18,582</b>	<b>18,857</b>	<b>-20,115</b>	<b>11,179</b>	<b>28,503</b>	<b>64,622</b>
Amortisation and impairment of acquisition-related intangible fixed assets	2,315	2,315	2,315	2,315	9,260	9,260
<b>(B) EBITA</b>	<b>20,897</b>	<b>21,172</b>	<b>-17,800</b>	<b>13,494</b>	<b>37,763</b>	<b>73,882</b>
Depreciation, amortisation and impairment of property plant and equipment and intangible fixed assets	4,422	4,618	32,473	6,502	48 015	22,436
<b>(C) EBITDA</b>	<b>25,319</b>	<b>25,790</b>	<b>14,673</b>	<b>19,996</b>	<b>85,778</b>	<b>96,318</b>
<b>(D) Adjusted EBITA</b>	<b>20,897</b>	<b>21,172</b>	<b>-17,800</b>	<b>13,494</b>	<b>37,763</b>	<b>73,882</b>
Less EBITDA of operations being discontinued	694	536	573	-945	858	-6 786
<b>(E) Adjusted EBITDA</b>	<b>26,013</b>	<b>26,326</b>	<b>15,246</b>	<b>19,051</b>	<b>86,639</b>	<b>89,533</b>
<b>(F) Net sales, continuing operations</b>	<b>115,146</b>	<b>107,057</b>	<b>96,162</b>	<b>124,789</b>	<b>443,155</b>	<b>474,075</b>
<b>(F) Net sales, total for Group</b>	<b>129,145</b>	<b>127,910</b>	<b>117,415</b>	<b>150,249</b>	<b>524,719</b>	<b>574,162</b>
<b>(A/F) EBIT margin (%)</b>	<b>16.1%</b>	<b>17.6%</b>	<b>-20.9%</b>	<b>9.0%</b>	<b>6.4%</b>	<b>13.6%</b>
<b>(B/F) EBITA margin (%)</b>	<b>18.1%</b>	<b>19.8%</b>	<b>-18.5%</b>	<b>10.8%</b>	<b>8.5%</b>	<b>15.6%</b>
<b>(C/F) EBITDA margin (%)</b>	<b>22.0%</b>	<b>24.1%</b>	<b>15.3%</b>	<b>16.0%</b>	<b>19.3%</b>	<b>20.3%</b>
<b>(D/F) Adjusted EBITA margin (%)</b>	<b>18.1%</b>	<b>19.8%</b>	<b>-18.5%</b>	<b>10.8%</b>	<b>8.5%</b>	<b>15.6%</b>
<b>(E/F) Adjusted EBITDA margin (%)</b>	<b>22.6%</b>	<b>24.6%</b>	<b>15.9%</b>	<b>15.3%</b>	<b>19.6%</b>	<b>18.9%</b>

Net debt relates to the total Group for 2019 and continuing operations for 2020.

Calculation of net debt	31/12/2020	30/09/2020	30/06/2020	31/03/2020	31/12/2019	30/09/2019
Long-term interest-bearing liabilities	-271,998	-271,312	-270,626	-269,940	-269,254	-268,568
Utilised overdraft facilities	-	-	-10,474	-	-7,118	-6,006
Current interest-bearing liabilities	-	-	-5,045	-4,982	-14,824	-14,670
IFRS 16 effect on interest-bearing liabilities	-42,284	-40,770	-54,157	-45,262	-39,514	-25,249
Cash and cash equivalents	77,473	70,995	74,778	84,760	98,428	88,787
<b>Net debt*</b>	<b>-236,809</b>	<b>-241,087</b>	<b>-265,524</b>	<b>-235,424</b>	<b>-232,282</b>	<b>-225,706</b>
Adjusted EBITDA (rolling 12 months pro forma)	86,639	81,060	79,143	83,683	96,318	90,954
<b>Net debt/Adjusted EBITDA</b>	<b>2.7</b>	<b>3.0</b>	<b>3.4</b>	<b>2.8</b>	<b>2.4</b>	<b>2.5</b>

\*Excluding conditional additional consideration in respect of Tele Radio (SEK 25 million).



## Parent company's condensed income statement

SEK thousand	2020	2019	2020	2019
	OCT - DEC	OCT - DEC	JAN - DEC	JAN - DEC
Net sales	1,392	1,500	6,421	6,000
	1,392	1,500	6,421	6,000
Other external expenses	-2,816	-3,148	-9,220	-11,015
Personnel costs	-2,090	-2,480	-8,490	-7,407
<b>Operating profit/loss (EBIT)</b>	<b>-3,514</b>	<b>-4,128</b>	<b>-11,289</b>	<b>-12,422</b>
<b>Profit/loss from financial items</b>				
Capital loss on sales of shares in group companies	-	-	-13,688	-
Impairment of shares in group companies	-12,253	-15,696	-29,277	-15,696
Interest income and similar profit/loss items	160	265	1,009	1,242
Interest expenses and similar profit/loss items	-5,869	-5,544	-22,668	-21,987
<b>Net financial income/expenses</b>	<b>-17,962</b>	<b>-20,975</b>	<b>-64,624</b>	<b>-36,441</b>
<b>Pre-tax profit/loss (EBT)</b>	<b>-21,476</b>	<b>-25,103</b>	<b>-75,913</b>	<b>-48,863</b>
Year-end appropriations	10,607	12,852	10,607	12,852
Tax on profit/loss in the period	-3,658	17,933	-3,658	17,933
<b>Profit/loss</b>	<b>-14,527</b>	<b>5,682</b>	<b>-68,964</b>	<b>-18,078</b>

## Condensed parent company balance sheet

SEK thousand	31/12/2020	31/12/2019
<b>ASSETS</b>		
<b>Non-current assets</b>		
Shares in subsidiaries	479,809	513,882
Receivables from subsidiaries	14,542	26,765
Deferred tax assets	14,275	17,933
Other financial assets	4,556	177
<b>Total non-current assets</b>	<b>513,182</b>	<b>558,757</b>
<b>Current assets</b>		
Receivables from subsidiaries	-	44,421
Current receivables	526	980
Cash and cash equivalents	4,924	395
<b>Total current assets</b>	<b>5,450</b>	<b>45,796</b>
<b>TOTAL ASSETS</b>	<b>518,632</b>	<b>604,553</b>
<b>EQUITY AND LIABILITIES</b>		
Equity	229,463	298,427
Provisions	417	220
Long-term liabilities	271,998	269,254
Liabilities to subsidiaries	10,267	7,153
Other current liabilities	6,487	29,499
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>518,632</b>	<b>604,553</b>

## Note 1 Company information

Allgon AB (publ), corporate ID number 556387-9955, is a Swedish publicly traded company with its registered office in Stockholm, Sweden. In this report, Allgon AB (publ) is referred to either by its full name or as the “parent company”. The Allgon Group is referred to as “the Allgon Group”, “the Group” or “Allgon”. All figures are expressed in thousands of Swedish kronor (SEK thousand), unless otherwise stated. Information in brackets relates to the previous year. For details of the earnings and financial position of the Group and the parent company, please see the financial statements above.

Allgon AB (publ) is listed on the Nasdaq First North Growth

Market, an alternative marketplace and not a regulated market for the trading of shares and other securities, run by Nasdaq Stockholm.

The consolidated financial statements have been prepared in accordance with International Accounting Standards (IFRS). The accounting principles and the basis of calculation remain unchanged from the Annual Report for 2019. Important accounting and valuation principles are set out on pages 50–57 of the Annual Report for 2019.

No new or revised IFRS standards that have come into force in 2020 have had an effect on the Group’s accounts.

## Note 2 Financial assets and liabilities at fair value

The Group’s financial instruments – accounts receivable, cash and cash equivalents, accounts payable and other short or long-term liabilities – are reported at amortised cost. For these assets and liabilities, the fair value is deemed to match the carrying value. The book value is thus an approximation of the fair value, which is why these items are not classified

into levels in accordance with the valuation hierarchy.

Interest rates on loans are deemed to correspond in all material respects to current market rates and the loans are classified as level 2. The conditional additional consideration in respect of the acquisition of Tele Radio is recognised at fair value.

## Note 3 Related-party transactions

The Group’s previous CFO, Sten Hildemar, was contracted through a consultancy firm. The cost for the year is SEK 1,200 thousand and is reported under other external expenses.

Tele Radio has agreed a development partnership with JOBTech, in which Tele Radio’s CEO Ola Samelius, COO Jesper Ribbe and the head of Chinese operations, Bill Sun, are co-owners. During the year, the Allgon Group made sales of SEK 2.2 million to JOBTech and purchases of SEK 9.8 million from JOBTech. At the date of this report, the Group had receivables due from JOBTech of SEK 0.4 million and liabilities to JOBTech of SEK 0.7 million.

Tele Radio also has a development partnership with Aprod, in which Tele Radio CEO Ola Samelius, COO Jesper Ribbe, head of Chinese operations COO, Bill Sun, head of Turkish operations Ruhan Agar are co-owners. During the year, the Allgon Group made purchases of SEK 1.0 million from Aprod. At the date of this report, the Group has no liabilities in respect of Aprod.

The Chinese subsidiary Tele Radio Electronics Co. Ltd, had a liability to the company’s CEO of SEK 1.1 million, which was settled in full at the reporting date.

## Note 4 Segmental accounting

Allgon's segmental information is presented from a company management perspective, and operational segments are identified on the basis of internal reporting to the company's chief operational decision-makers. Allgon's chief operational decision-making body is the Group management team. Allgon has three operational segments: Industrial Radio Control, Antennas and Industrial IoT. This division reflects

the company's internal structure and reporting systems. The Antennas and Industrial IoT segments together make up the Connectivity business area, but, for the purposes of governance and monitoring, the business area is divided into two parts. Transfer pricing operates on a commercial basis. Intra-Group profit is eliminated.

### Results per segment per quarter

SEK thousand	2020	2020	2020	2020	2019	2019	2019	2019
	OCT - DEC	JUL - SEP	APR - JUN	JAN - MAR	OCT - DEC	JUL - SEP	APR - JUN	JAN - MAR
Industrial Radio Control segment	115,146	107,045	96,131	124,724	118,889	113,871	116,784	122,690
Industrial IoT segment	-	12	31	65	136	179	858	668
<b>Total net sales</b>	<b>115,146</b>	<b>107,057</b>	<b>96,162</b>	<b>124,789</b>	<b>119,025</b>	<b>114,050</b>	<b>117,642</b>	<b>123,358</b>
Industrial Radio Control segment	30,526	29 907	18,924	25,045	27,038	29,513	25,101	29,461
Industrial IoT segment	-59	-829	-2,073	-2,097	-2,536	-1,610	-872	-1,014
<b>Total operating profit/loss before depreciation/amortisation (EBITDA)</b>	<b>30,467</b>	<b>29,078</b>	<b>16,851</b>	<b>22,948</b>	<b>24,502</b>	<b>27,903</b>	<b>24,229</b>	<b>28,447</b>
Unallocated Group-wide expenses	-4,454	-2,750	-1,603	-3,896	-4,066	-3,493	-4,443	-3,547
Depreciation/amortisation	-6,474	-6,685	-34,289	-7,839	-10,462	-5,464	-5,856	-5,849
Net financial income/expenses	-5,044	-6,427	-5,733	-6,402	-6,834	-5,150	-5,507	-6,051
<b>Group pre-tax profit/loss (EBT)</b>	<b>14,495</b>	<b>13,216</b>	<b>-24,774</b>	<b>4,811</b>	<b>3,140</b>	<b>13,796</b>	<b>8,423</b>	<b>13,000</b>

### Results per segment

SEK thousand	2020	2019	2020	2019
	OCT - DEC	OCT - DEC	JAN - DEC	JAN - DEC
Industrial Radio Control segment	115,146	118,889	443 046	472,233
Industrial IoT segment	-	136	108	1,841
<b>Total net sales</b>	<b>115,146</b>	<b>119,025</b>	<b>443,154</b>	<b>474,074</b>
Industrial Radio Control segment	30,526	27,038	104 402	111,113
Industrial IoT segment	-59	-2,536	-5,058	-6,032
<b>Total operating profit/loss before depreciation/amortisation (EBITDA)</b>	<b>30,467</b>	<b>24,502</b>	<b>99,344</b>	<b>105,081</b>
Unallocated Group-wide expenses	-4,454	-4,066	-12,704	-15,548
Depreciation/amortisation	-6,474	-10,462	-55,287	-27,631
Net financial income/expenses	-5,044	-6,834	-23,606	-23,542
<b>Group pre-tax profit/loss (EBT)</b>	<b>14,495</b>	<b>3,140</b>	<b>7,747</b>	<b>38,360</b>



## Note 5 Discontinued operations

### Satmission

Satmission was sold on 12 May to Advanced Stabilized Technologies Group AB (ASTG), with a transaction date of 1 April. This was an initial step in Allgon's strategy to streamline the company and focus on industrial radio control. ASTG focuses on advanced systems and services for satellite communication and will be a better fit for Satmission in the long term. The capital loss is the difference between the carrying amount of assets and liabilities and the agreed consideration, which consists of 2,500,000 ASTG shares and an earn-out of no less than SEK 4.6 million over three years. All effects related to this are referred to as "discontinued operation".

### WSI

WSI Sweden AB was sold on 30 September till Sigma Connectivity. The company will operate in an effective new context within Sigma. The capital loss is the difference between the carrying amount of assets and liabilities and an agreed purchase price of SEK 16.7 million on a cash- and debt-free basis, which corresponds to a cash payment of SEK 15.5 million. All effects related to this are referred to as "discontinued operation".

### Smarteq

As a continued element of Allgon completing its focus on Industrial radio control, discussions began in the fourth quarter with various interested parties aimed at finding a more suitable owner for Smarteq. This has led to assets and liabilities in the fourth quarter being categorised as holdings for sale and accounted for in accordance with

the applicable principles for fixed assets held for sale and divested operations. All effects related to this are referred to as "operations being discontinued".

The financial information presented below corresponds to WSI, Satmission, and Smarteq's contributions to the Allgon Group's financial information after intra-Group dealings have been eliminated. The consolidated statement of comprehensive income for the comparative periods has been restated in accordance with the same principles. Earnings for Satmission, WSI and Smarteq have been excluded from the individual entries in the consolidated income statement. Instead, net profit/loss is shown as "Profit/loss for the period, divested operations", which is attributable in its entirety to owners of the parent company. The consolidated cash flow statement includes a complete cash flow statement for activity in the quarter and total cash flow for divested operations. Under IFRS, balance sheets from previous years may not be restated and so they remain unchanged.

SEK thousand	2020	2019	2020	2019
	OCT - DEC	OCT - DEC	JAN - DEC	JAN - DEC
Net sales	13,999	25,478	81,565	100,087
Work performed on behalf of other parties and capitalised	14	181	265	658
	<b>14,013</b>	<b>25,659</b>	<b>81,830</b>	<b>100,745</b>
Raw materials and consumables	-8,937	-12,714	-43,529	-45,503
Other external expenses	-1,858	-4,130	-10,734	-14,552
Personnel costs	-3,820	-9,544	-28,953	-34,343
Depreciation/amortisation	-263	-1,020	-1,989	-4,065
Other operating income/expenses	-150	19	465	439
<b>Operating profit/loss (EBIT)</b>	<b>-1,017</b>	<b>-1,730</b>	<b>-2,910</b>	<b>2,721</b>
<b>Profit/loss from financial items</b>				
Interest income and similar profit/loss items	-	-27	117	121
Interest expenses and similar profit/loss items	-47	-87	-375	-440
<b>Net financial income/expenses</b>	<b>-47</b>	<b>-114</b>	<b>-258</b>	<b>-319</b>
<b>Pre-tax profit/loss (EBT)</b>	<b>-1,064</b>	<b>-1,844</b>	<b>-3,168</b>	<b>2,402</b>
Tax on profit for the year	-87	-154	-87	-154
<b>Profit/loss for the period</b>	<b>-1,151</b>	<b>-1,998</b>	<b>-3,255</b>	<b>2,248</b>
Capital loss	-	-	-20,481	-
<b>Profit/loss in the period, discontinued operations</b>	<b>-1,151</b>	<b>-1,998</b>	<b>-23,736</b>	<b>2,248</b>

SEK thousand	31/12/2020	31/12/2019
<b>Non-current assets</b>		
Other non-current intangible assets	2,572	5,075
Buildings & refurbishment of leased property	-	108
Machinery, tools and equipment	764	1,768
Other non-current assets	13	41
<b>Total non-current assets</b>	<b>3,349</b>	<b>6,992</b>
<b>Current assets</b>		
Inventories	8,913	12,977
Current receivables	8,331	20,024
Cash and cash equivalents	4,615	7,542
<b>Total current assets</b>	<b>21,859</b>	<b>40,543</b>
<b>TOTAL ASSETS</b>	<b>25,208</b>	<b>47,535</b>
<b>Provisions</b>	<b>753</b>	<b>2,125</b>
Overdraft facilities	4,719	7,118
Current liabilities	12,629	20,106
<b>TOTAL LIABILITIES</b>	<b>18,101</b>	<b>29,349</b>

SEK thousand	2020 OCT - DEC	2019 OCT - DEC	2020 JAN - DEC	2019 JAN - DEC
Cash flow from operating activities	576	1,867	2,998	2,043
Cash flow from investing activities	-302	-630	-934	-2,414
Cash flow from financing activities	-60	-59	354	-2,235
<b>Cash flow for the period</b>	<b>214</b>	<b>1,178</b>	<b>2,418</b>	<b>-2,605</b>

### *Review by auditors*

The quarterly report has not been reviewed by the company's auditors.

### *Certification*

The Board and the CEO hereby declare that this quarterly report gives a true and fair view of the operations, financial position and financial results of the parent company and the Group, and describes the material risks and uncertainties to which the parent company and the companies that are members of the Group are deemed to be exposed.

Anders Björkman  
*Chairman of the Board*

Anna Stålenbring  
*Board member*

Björn Lindblom  
*Board member*

Ingalill Östman  
*Board member*

Per Nordlander  
*Board member*

Johan Hårdén  
*President & CEO*

*This information is information that Allgon AB (publ) is obliged to disclose pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the above-named CEO, at 8.30 am CET on 25 February 2021.*

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### *Forthcoming financial reports*

- Since Bure Equity AB (publ), as the new principal owner of Allgon, intends to delist Allgon from the stock exchange as of 2 March, this year-end report will be the last report that Allgon issues as a public company.
- Annual General Meeting 2021 takes place 2021-05-10



# ALLGON™

Allgon is a world leader in industrial radio control. We develop, manufacture and deliver industrial radio control solutions for customers around the world. Allgon has a long history in the field of wireless communication. We have focused in recent years on industrial radio control, a market in which we are now one of the five biggest global players. Industrial radio control is used in a range of different applications, in industry, construction and transport. Our solutions

often play a key, business-critical role for our customers in production and employee safety. The global market for industrial radio control is being driven by strong demand in all segments. Radio-controlled systems from our wholly owned subsidiaries Tele Radio and Åkerströms account for most of Allgon's sales. We are also investing in related new technology in our Connectivity business area. The Group has around 350 employees in 19 countries.

## *Our vision*

To be the global market leader in industrial radio control.

## *Our mission*

To provide the safest, most reliable industrial radio control solutions.

## *Our business concept*

We use industrial radio control solutions to create a safe, user-friendly working environment for our industry customers. In doing so, we make their production processes and logistics more cost-effective. We constantly develop our offer using advanced technology to meet the increasing needs of our customers in terms of certification, ergonomics and user-friendly solutions.

## *Strategy*

Allgon has clear growth targets and a vision to become the global market leader in industrial radio control, with good levels of profitability. To achieve this, we invest in Swedish and foreign companies that have a global focus. We give our customers access to new technology by investing in companies that are advancing in the industrial radio control market. Our experience and know-how enable us to develop and refine our companies sustainably.

# 5

In the top 5 globally for industrial radio control

# 19

Countries where our business is located

# 352

Total number of employees in the Group as at 31 June

## Contact details

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