



Alcadon Group

The Alcadon Way

# Enabling Digitalization for a **better** world



# 2023

January - December

YEAR-END REPORT

# Year-end report

1 January - 31 December 2023

The year concluded with a strong performance, marked by a continued increase in operating cash flow and solid growth

## FOURTH QUARTER 2023

- Net sales increased by 7.6 percent to MSEK 431 (401). In unchanged currency, sales increased by 3.3 percent.
- Operating profit before amortization of intangible assets (EBITA) increased by 29 percent to MSEK 39 (31), of which MSEK 6.7 (-0.8) was attributable to unrealized exchange rate gains and losses and the reversal of a contingent consideration of MSEK 6.0 (1.6).
- Cash flow from operating activities amounted to MSEK 42 (8.4), corresponding to SEK 1.92 (0.41) per share.
- Earnings per share amount to SEK 0.68 (0.67).
- The equity ratio remains at 44 percent as in Q3 2023.

## FULL YEAR JANUARY - DECEMBER 2023

- Net sales increased by 42 percent to MSEK 1,573 (1,110). In unchanged currency, sales increased by 31 percent.
- Operating profit before amortization of intangible assets (EBITA) increased by 56 percent to MSEK 107 (69), of which MSEK -1.5 (-6.4) was attributable to unrealized exchange rate gains and losses and the reversal of a contingent consideration of MSEK 6.0 (1.6). In 2022, acquisition costs of MSEK -4.3 were also included.
- Cash flow from operating activities amounted to MSEK 137 (24), corresponding to SEK 6.36 (1.21) per share.
- Earnings per share amount to SEK 1.76 (1.86).
- The equity ratio increased during the period to 44 percent from 37 percent.

|                                     | Quarter 4 |       | January - December |         |
|-------------------------------------|-----------|-------|--------------------|---------|
|                                     | 2023      | 2022  | 2023               | 2022    |
| Net sales, MSEK                     | 431.5     | 401.2 | 1,572.8            | 1,110.4 |
| Gross margin, %                     | 23.7      | 25.3  | 24.4               | 25.5    |
| EBITA, MSEK                         | 39.3      | 30.5  | 106.8              | 68.6    |
| EBITA, %                            | 9.1       | 7.6   | 6.8                | 6.2     |
| Profit or loss for the period, MSEK | 14.8      | 13.9  | 37.9               | 37.1    |
| Earnings per share, SEK             | 0.68      | 0.67  | 1.76               | 1.86    |

## SIGNIFICANT EVENTS DURING THE QUARTER

- No significant events have occurred during the period.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Despite a very strong cash flow during the year, the Board proposes that no dividend be paid for 2023, in light of good investment opportunities with good return potential going forward.

Stockholm, 23 February 2024

For further information contact:

Alcadon Group AB

Sonny Mirborn, CEO

Mobile: +46 70 639 50 92

E-mail: [smi@alca.se](mailto:smi@alca.se)

[www.alcadongroup.se](http://www.alcadongroup.se)

Certified Adviser:

Svensk Kapitalmarknadsgranskning AB (SKMG)

Tel: +46 8 913 008

E-mail: [ca@skmg.se](mailto:ca@skmg.se)

*This information is information that Alcadon Group AB is obliged to make public pursuant to the EU Market Abuse Regulation and the Securities Markets Act. The information was submitted for publication, through the agency of the contact person set out above, at 8:00 am on 23 February 2024.*



# A word from the CEO

- 7.6 percent organic growth with a 29 percent increase in EBITA, which, excluding unrealized currency effects and adjustments for items affecting comparability, resulted in an EBITA change of -10 percent.
- Continued strong cash flow from operating activities, amounting to MSEK 137 for the year and MSEK 42 for the quarter.
- Mixed demand situation in different segments and markets with continued positive development in the data center segment.
- Growth during the quarter has mainly taken place outside the Nordic region.

## DEVELOPMENTS DURING THE QUARTER

The quarter was our most successful to date in terms of EBITA. Even after adjusting for unrealized exchange rate gains and revaluation of contingent considerations, we were at a satisfactory level. With the partly challenging market environment in mind, we are satisfied with the level of growth and profit as well as the favorable cash flow we have achieved. The comparative figures were also relatively challenging as the organic pro forma growth was relatively high in Q4 2022 when the UK showed an organic growth of 34 percent and Sweden 17 percent.

Expanding to additional geographical markets and operating across multiple segments has resulted in a more stable development than historically for Alcadon. The progress in the data center segment in virtually all markets and also a good development in broadband in Germany and Benelux lifts our quarter.

In the broadband segment, we see a global transition from high-capacity utilization to overcapacity, as demand in larger markets has decreased. In this scenario, it is an advantage to be a flexible distributor and have a broader exposure both geographically and in different market segments. It is important to remember that all our efforts must be long-term and that a segment facing challenges today can be a driver of growth tomorrow.

Our focus on cash flow has resulted in the strongest operating cash flow in a single year for us with MSEK 137 (24) in total or SEK 6.4 (1.2) per share. With 41

percent in EBITDA/Working capital, we have also moved much closer to our internal target of 50 percent.

### The United Kingdom

Supported by strong growth in the data center segment, growth in local currency in the quarter was 16 percent. The earnings and margin development remains positive and the return on capital employed for the acquired Networks Centre (including the Netherlands) based on 2023 is very satisfactory. The broadband segment still shows a negative development, albeit with clear signs of a gradual improvement in 2024. In property networks, we continue to see a stable positive development.

### Sweden

The demand outlook for the Swedish market remains positive. Both the property network and broadband segments exhibit steady growth, signaling a continuation of the positive market trend. The decline in residential networks was more noticeable during the quarter than earlier in the year. Growth amounted to -5 percent during the quarter.

### Benelux

Benelux continues to be a success for the Group with good growth in all segments. With a solid foundation in the acquisitions we have made and joint efforts from other markets, we are confident in the region's continued development. Growth during the quarter amounted to 135 percent in local currency.

## Denmark

Affected by a continued weak broadband market, sales in local currency decreased by -50 percent during the quarter. The majority of our major broadband customers are signaling an increased activity level for 2024, despite the prevailing uncertainty. Other segments show continued favorable development.

## Germany

Growth during the quarter in local currency amounts to 58 percent. It is gratifying that sales in the German market have achieved stable quarterly sales that are significantly higher than in the previous year. Our view is that the broadband market in Germany generally exhibited a weak development during the quarter. Our sales are maintained and developed with the support of a good development with larger market players with whom Alcadon works closely. Today, the Group's exposure in Germany is almost exclusively focused on the broadband market.

## Norway

With a growth in local currency of -28 percent during the quarter, it is clear that the market continued to develop negatively. It is nevertheless clearer that an improvement in market conditions can be observed. At the same time, we can see that our investment in the data center segment, among others, is beginning to bear fruit, which should benefit future development. Gross margins have also strengthened to a satisfactory level.

## FINANCIALS

Net sales increased by 7.6 percent to MSEK 431 (401). Organic growth including currency effects was 7.6 percent and excluding currency effects 3.3 percent.

Other operating income amounts to MSEK 10.7 (1.6) and consists of revaluation (unrealized exchange rate effect) of contingent consideration of MSEK 4.6 (0.0) and reversal of contingent consideration of MSEK 6.0 (1.6).

The gross margin amounts to 23.7 (25.3) percent.

The increase in operating expenses, MSEK -68 (-65), is mainly due to the weaker Swedish krona and higher freight costs as a result of increased volumes.

Operating profit before amortization of intangible assets (EBITA) amounted to MSEK 39 (31) during the quarter. EBITA has been affected by MSEK 6.7 (-0.8) attributable to unrealized exchange rate gains and losses. Of this, MSEK 4.6 (-2.0) is revaluation of contingent considerations. Reversal of contingent considerations had an impact of MSEK 6.0 (1.6). Excluding unrealized exchange rate gains and losses and reversed contingent considerations, EBITA decreased by -10 percent and the EBITA margin amounted to 6.2 percent (7.5).

Amortization of acquired customer relationships

amounts to MSEK -3.6 (-4.8).

Profit for the period amounted to MSEK 15 (14).

Cash flow from operating activities amounted to MSEK 42 (8). Change in working capital amounted to MSEK 25 (-23) during the quarter.

Net debt amounts to MSEK 350 (447), of which MSEK 79 (86) is lease liabilities. This is a decrease of MSEK 97 from December 2022.

Net debt/EBITDA including and excluding IFRS 16, of 2.8 and 2.5 respectively, are both well below the covenant requirement from our lender. Contingent considerations are not part of the net debt as potential payments of contingent considerations are subject to requirements such as EBITDA growth.

EBITDA/Working capital continues to increase gradually during the year, which is a result of continuous efforts to rationalize the use of working capital.

## CONCLUDING REMARKS

With great pride in the commitment and drive of our employees to lead the Group forward, we reflect on the last quarter. Despite continued uncertainty and varied market demand situation, we are further strengthening our position by expanding our product range and promoting cross-border co-operation. We are also significantly improving our efficiency in managing our working capital and are seeing a satisfactory return on capital employed for all acquisitions in the last four years. Based on the 2023 outcome, initial purchase price and earn-outs paid to date, our acquisitions since 2020 have generated a return on capital employed of 12-17 percent. The return has also been achieved in a year when the Danish business experienced a difficult market situation, and the German and Belgian business is still in a start-up phase.

Decisions on capital allocation between different internal projects and acquisitions are not something we take lightly. So far, our acquisition choices and successful investments in selected segments have proven to be very successful.

I am also convinced that our sustainability efforts have contributed to our customers and employees feeling confident in recommending Alcadon to such a high degree. In 2023, we continued to take significant steps in this important area, and we are far from finished.

A big thank you to all the hard-working colleagues across the group!



**Sonny Mirborn**  
President and CEO  
Alcadon Group AB

| GROUP KEY FIGURES   | Quarter 4  |            | January - December |            |
|---|------------|------------|--------------------|------------|
|   | 2023       | 2022       | 2023               | 2022       |
| Net sales, MSEK   | 431.5      | 401.2      | 1,572.8            | 1,110.4    |
| Gross margin, %   | 23.7       | 25.3       | 24.4               | 25.5       |
| Operating profit before amortization of intangible assets (EBITA), MSEK         | 39.3       | 30.5       | 106.8              | 68.6       |
| Operating profit before amortization of intangible assets (EBITA), %            | 9.1        | 7.6        | 6.8                | 6.2        |
| Operating profit after depreciation/amortization (EBIT), MSEK                   | 34.7       | 25.5       | 88.8               | 62.3       |
| Operating margin after depreciation/amortization (EBIT), %                      | 8.0        | 6.3        | 5.6                | 5.6        |
| Profit or loss for the period, MSEK   | 14.8       | 13.9       | 37.9               | 37.1       |
| Net margin, %   | 3.4        | 3.5        | 2.4                | 3.3        |
| Equity ratio, %   | 44.1       | 36.8       | 44.1               | 36.8       |
| Return on equity, %   | 5.5        | 6.5        | 5.9                | 7.5        |
| Net interest-bearing liabilities, MSEK  | 349.6      | 447.1      | 349.6              | 447.1      |
| Net interest-bearing liabilities excluding leasing debt, MSEK                   | 270.5      | 361.3      | 270.5              | 361.3      |
| Operating profit before depreciation/amortization (EBITDA) / Working capital, % | 41.3       | 23.5       | 41.3               | 23.5       |
| Cash flow from operating activities, MSEK                                       | 41.7       | 8.4        | 136.6              | 24.1       |
| Cash flow from operating activities per share, SEK                              | 1.92       | 0.41       | 6.36               | 1.21       |
| Equity per share, SEK   | 30.8       | 27.9       | 30.8               | 27.9       |
| Earnings per share, SEK   | 0.68       | 0.67       | 1.76               | 1.86       |
| Number of shares at the end of the period                                       | 21,722,570 | 20,612,823 | 21,722,570         | 20,612,823 |
| Average number of shares  | 21,722,570 | 20,612,823 | 21,491,373         | 19,942,010 |
| Number of employees at the end of the period                                    | 164        | 179        | 164                | 179        |
| Average number of employees during the period                                   | 164        | 179        | 170                | 127        |

## DEFINITION

|   |   |
|---|---|
| Gross profit  | Net sales less cost of goods sold   |
| Gross margin:   | Gross profit as a percentage of net sales for the period.   |
| EBITA margin:   | Operating profit before amortization of intangible assets as a percentage of net sales for the period.  |
| EBIT margin:  | Operating profit after depreciation as a percentage of net sales for the period.  |
| Net margin:   | Profit for the period as a percentage of net sales.   |
| Return on equity:   | Net profit over the last 12 months as a percentage of average equity.   |
| Net interest-bearing liabilities:   | The net total of financial assets including cash and cash equivalents less interest-bearing provisions and liabilities. The amounts are calculated including lease liabilities in accordance with IFRS 16, amounting to MSEK 84 (89). |
| Operating profit before depreciation and amortization (EBITDA)/Working capital: | Operating profit before depreciation/ amortization (R12) divided by Working capital, calculated as Inventories plus Trade receivables minus Trade payables.   |
| Equity ratio:   | Equity as a percentage of total assets (excluding cash and financial assets) at the end of the period.  |
| Earnings per share:   | Net profit or loss for the period divided by the average number of shares during the period.  |
| Cash flow from operating activities per share, SEK:                             | Cash flow from operating activities divided by the average number of shares during the period.  |
| Operating expenses:   | Staff costs and other external operating costs.   |

The company applies ESMA's guidelines for alternative performance measures. An alternative performance measure is a financial measure that is not defined or stated in applicable rules for financial reporting (e.g. IFRS and the Swedish Annual Accounts Act). The alternative performance measures should therefore be explained in the financial statements. In accordance with these guidelines, the Group's alternative performance measures are defined above. The Group applies alternative performance measures because the company believes that they provide valuable supplementary information to management and investors as they are central to the understanding and evaluation of the Group's operations.

# Financial information

## REVENUE AND RESULTS

### Quarter

Net sales increased by 7.6 percent to MSEK 431 (401). Organic growth including currency effects was 7.6 percent and excluding currency effects 3.3 percent.

Other operating income amounts to MSEK 10.7 (1.6) and consists of the revaluation of contingent considerations of MSEK 4.6 (0.0) and the reversal of contingent consideration of MSEK 6.0 (1.6) relating to Alcadon ApS (formerly 6X International) in Denmark, which does not fall due for payment.

The gross margin amounts to 23.7 (25.3) percent.

The increase in operating expenses, MSEK -68 (-65), is mainly due to the weaker Swedish krona and higher freight costs due to increased volumes.

Operating profit before amortization of intangible assets (EBITA) amounted to MSEK 39 (31) during the quarter. EBITA was affected by MSEK 6.7 (-0.8) attributable to unrealized exchange rate gains and losses. Of this, MSEK 4.6 (-2.0) is revaluation of contingent considerations. Reversal of contingent consideration had an impact of MSEK 6.0 (1.6). Excluding unrealized exchange rate gains and losses and reversed contingent consideration, EBITA decreased by -10 percent and the EBITA margin amounted to 6.2 percent (7.4).

Amortization of acquired customer relationships amounts to MSEK -3.6 (-4.8), of which MSEK -3.2 (-4.5) relates to Networks Centre.

Profit for the period amounted to MSEK 15 (14).

### January - December

Net sales increased by 42 percent to MSEK 1,573 (1,110). Organic growth including currency impact was 3.7 percent, excluding currency impact -4.3 percent and acquired growth was 38 percent. In unchanged currency, sales increased by 31 percent. Pro forma organic growth was 5.5 percent.

Other operating income amounts to MSEK 4.0 (1.6) and consists mainly of revaluation and reversal of contingent consideration of MSEK 3.3 (1.6).

The gross margin amounts to 24.4 (25.5) percent. The gross margin excluding the acquisition of Networks Centre was 26.0 (26.7) percent.

Operating expenses have increased compared to the previous year as a result of the acquisition of Networks Centre and the weaker Swedish krona. In 2022, costs were affected by MSEK -2.2 in revaluation of contingent consideration and MSEK -4.3 in acquisition costs.

Operating profit before amortization of intangible assets (EBITA) amounted to MSEK 107 (69) during the period, which is an increase of 56 percent. EBITA was affected by MSEK -1.5 (-6.4) attributable to unrealized exchange rate gains and losses. Of this, MSEK -2.6 (-2.0) is revaluation of contingent consideration. Reversal of contingent considerations has affected by MSEK 6.0 (1.6). In 2022, acquisition costs of MSEK -4.3 were included. Adjusted for the above, EBITA increased by 33 percent and the EBITA margin amounted to 6.5 percent (6.9).

Amortization of customer relationships amounts to MSEK -14.1 (-5.8).

Profit for the period amounted to MSEK 38 (37).

## CASH FLOW, INVESTMENTS AND CASH AND CASH EQUIVALENTS

### Quarter

Cash flow from operating activities amounted to MSEK 42 (8). Changes in working capital amounted to MSEK 25 (-23) during the quarter.

Other net investments in tangible, intangible and financial assets amounted to MSEK -1.9 (-3.8). Net cash flow from acquisitions amounted to MSEK -27 (-227) and relates to earn-out paid for Networks Centre.

Cash flow from financing activities amounted to MSEK -20 (-13) and consists partly of amortization of loans, amortization of lease liabilities and interest paid and received.

### January - December

Cash flow from operating activities amounted to MSEK 137 (24). Changes in working capital amounted to MSEK 34 (-54).

Other net investments in tangible, intangible and financial assets amounted to MSEK -8.8 (-12.9). Net cash flow from acquisitions amounted to MSEK -42 (-246) which relates to deferred payment for the acquisition of NWC -9 MSEK, earn-out payment of -26 MSEK (-2 MGBP) for the acquisition of NWC and earn-out payment of -6 MSEK (-4 MDKK) for the acquisition of Alcadon ApS (formerly 6X International ApS).

Cash flow from financing activities amounted to MSEK -125 (306) and consists of a new share issue of MSEK 50 (125) after issue costs, amortization of loans, amortization of lease liabilities and interest paid and received.

At the end of the period, the Group's cash and cash equivalents amounted to MSEK 63 (101). The approved overdraft facility with SEB amounts to MSEK

50 (50), of which MSEK 50 (45) was unutilized at the end of the period.

The company has financing with SEB without collateral. Previous financing in the Networks Centre has been paid off in full during the third quarter of 2023.

The parent company has no contingent liabilities or pledged assets.

## OPERATING EXPENSES

### Quarter

Operating expenses including cost of goods amounted to MSEK -398 (-365), an increase of 9 percent.

Operating expenses amounted to MSEK -68 (-65), an increase of 4.9 percent. Operating expenses have mainly increased due to the weaker Swedish krona.

### January - December

Operating expenses including cost of goods amounted to MSEK -1,449 (-1,028), an increase of 41 percent.

Operating expenses amounted to MSEK -261 (-199), an increase of 31 percent. In addition to the acquisition of Networks Centre, expenses have increased due to the weaker Swedish krona.

## PERSONNEL

The number of employees at the end of the period was 164 (179) and the average number of employees during the quarter was 164 (179).

## EXCHANGE RATE DIFFERENCES

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

Other exchange rate differences are classified as financial exchange rate differences, which include, among other things, exchange rate differences on loans and bank

The quarter's exchange rate difference of an operational nature amounted to MSEK 6.7 (-1.1), of which MSEK 4.6 (-2.5) is attributable to the revaluation of contingent consideration.

The year's exchange rate difference of an operational nature amounted to MSEK -1.5 (-5.7), of which MSEK -2.6 (-2.2) is attributable to the revaluation of contingent consideration.

Unrealized exchange rate differences on internal loans are reported in net financial items and amount to MSEK -6.3 in the fourth quarter and MSEK -3.2 for the

period January to December.

Exchange rate differences from the restatement of foreign operations are recognized in Other comprehensive income. The translation for the quarter amounts to MSEK -25 (9) and is due to the strengthening of the Swedish krona against GBP, EUR and DKK. During the year, the translation amounts to MSEK 6.3 (11.4) and is due to the weakening of the Swedish krona against these currencies.

## THE PARENT COMPANY

The operations of the parent company, reg. no. 559009-2382, include group management, finance and IR/PR. Profit after financial items for the quarter amounts to MSEK 5.9 (-7.6), of which MSEK 10.6 (-2.0) is attributable to the translation and reversal of contingent consideration.

Profit after financial items for the year amounts to MSEK 4.4 (-15.3), of which MSEK 3.3 (-0.6) is attributable to the translation and reversal of additional contingent consideration.

At the end of the period, cash and cash equivalents amounts to MSEK 29 (80).

## DISPUTES

The Group has no significant ongoing disputes at the end of the period.

## RISKS AND UNCERTAINTIES

The risks and uncertainties that apply to the Alcadon Group are described in the annual report and on the company's website [www.alcadongroup.se](http://www.alcadongroup.se).

No significant changes have occurred that would require further modification of these descriptions.

## RELATED PARTY TRANSACTIONS

During the year, the Group, through Alcadon Group AB, had transactions of MSEK 0.9 (0.8) with Paseca AB, which is owned by the Chairman of the Board, Pierre Fors. The transactions relate to consultancy services.

Through Networks Centre, the Group has had sales of MSEK 2.5 (0.0) and purchases of MSEK 4.5 (0.0) with Xsicute Ltd, which is partly owned and controlled by Networks Centre's former principal owner Duncan Lindsay and Networks Centre's CEO James Reid. The transactions relate to the sale and purchase of products.

Furthermore, Networks Centre has purchased marketing services of MSEK 0.8 (0.0) from HCO Consulting, which is owned and controlled by Networks Centre's former principal owner Duncan Lindsay.

All transactions are considered commercial and based on market conditions. No other significant

transactions with related parties have taken place during the year.

## GOODWILL

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

The impairment tests carried out at year-end showed that there was no need for impairment.

In connection with the acquisition of the 6X Group in Denmark and Germany, currently Alcadon ApS and Alcadon GmbH, in January 2021, 32 MDKK (MSEK 43 at the time of acquisition) of the purchase price was allocated to Goodwill. At the acquisition of 6X Belgium, currently Alcadon BV, in December 2021, MEUR 0.7 (MSEK 7 at the time of acquisition) of the purchase price was allocated to Goodwill.

In connection with the acquisition of Networks Centre, total surplus value of MGBP 33.1 (415) has been allocated with MGBP 26 (MGBP 326 at the time of acquisition) to goodwill. The remainder has been allocated to customer relationships which are being amortized over 10 years.

Goodwill amounted to MSEK 676 (671) as of 31 December 2023.

## INTEREST EXPENSE

Interest expenses for the quarter amounted to MSEK -7.1 (-9.8). Of the interest expenses, MSEK -0.9 (-1.4) relates to non-cash discounting effect related to the contingent consideration for the acquisition of Networks Centre and MSEK -0.4 (-0.4) to interest expenses on right-of-use assets.

## FUTURE DEVELOPMENTS

Alcadon's financial goals over a business cycle and Vision 2025 entail a continued focus on profitable growth both organically and through acquisitions and will take Alcadon to become a reputable European premium partner operating in carefully selected business areas related to the digitalization of society.

### Financial targets over a business cycle

- **Growth** - Annual sales growth of 20 percent
- **Profitability** - EBITA margin exceeding 10 percent
- **Indebtedness** - Net interest-bearing debt/EBITDA R12 adjusted (proforma) between 2 and 3.

| Financial targets | Target | Q3 2022 | Q4 2022 | Q1 2023 | Q2 2023 | Q3 2023 | Q4 2023 |
|-------------------|--------|---------|---------|---------|---------|---------|---------|
| Growth            | 20%    | 43%     | 51%     | 68%     | 79%     | 68%     | 42%     |
| Profitability     | >10%   | 5.9%    | 6.2%    | 6.2%    | 5.6%    | 6.4%    | 6.8%    |
| Indebtedness      | 2-3    | 3.8     | 3.7     | 3.2     | 3.2     | 2.8     | 2.8     |

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

**Profitability** - Alcadon's annual average EBITA margin shall exceed 10 percent over a business cycle. EBITA is defined as operating profit before amortization of intangible assets.

**Indebtedness** - Alcadon's long-term leverage shall be between 2 and 3 times EBITDA. EBITDA is defined as operating profit before depreciation and amortization, excluding acquisition costs, including pro forma from acquisitions.

### Vision 2025

- Net sales - 2.600 MSEK
- EBITA - 280 MSEK
- EBITA % - 10.8

Furthermore, the board decided on the following key objectives for Alcadon.

- **Customer loyalty** - Net Promoter Score above 30
- **Employee engagement** - Employee Net Promoter Score (eNPS) above 30

| Other targets       | Targets | 2022 | 2023 |
|---------------------|---------|------|------|
| Employee engagement | >30     | 40   | 22   |
| Customer loyalty*   | >30     | 54*  | 57   |

\*Measured in Sweden and Norway in 2022. 2023 includes all companies.

**Customer loyalty** - measured by Net Promoter Score (NPS), which provides a measure of how willing customers are to recommend Alcadon. NPS is measured by customers ranking Alcadon on a scale of 1-10 where the number of ambassadors is then compared to the number of critics. Ambassadors are deemed to be anyone who responded between 9-10 while critics are deemed to be anyone who responded between 1-6.

**Employee engagement** - measured by the Employee Net Promoter Score (eNPS) which provides a measure of how willing employees are to recommend their workplace. Employees rank Alcadon on a scale of 1-10, and the number of ambassadors is then compared to the number of critics. Ambassadors are deemed to be anyone who responded between 9-10 while critics are deemed to be anyone who responded between 1-6.



## AUDITOR'S REVIEW

This report has been reviewed by the company's auditor.

## FINANCIAL CALENDAR

|                      |   |
|----------------------|---|
| Annual report 2023   | By week 13, 2024                                |
| Q1 report 2024       | 26 April 2024, 08:00 a.m.                       |
| AGM 2024             | 26 April 2024, 10:00 a.m.                       |
| Q2 report 2024       | 9 August 2024, 08:00 a.m.                       |
| Q3 report 2024       | 25 October 2024, 08:00 a.m.                     |
| Year-end report 2024 | No later than week 8, 2025                      |
| Annual Report 2024   | No later than three weeks prior to the 2025 AGM |
| AGM 2025             | 25 April 2025 at 10:00 a.m.                     |

## ANNUAL GENERAL MEETING (AGM) 2023

The 2023 Annual General Meeting was held on 28 April 2023 in Stockholm. For information about the AGM and the decisions made, please refer to the company's communiqué from the AGM, which is available on the company's website [www.alcadongroup.se/investerare/bolagsstammor/](http://www.alcadongroup.se/investerare/bolagsstammor/).

## AGM 2024

The Annual General Meeting 2024 will take place in Stockholm on Friday 26 April 2024 at 10:00 am. Shareholders who wish to have a matter addressed at the meeting must submit such a proposal to the Chairman of the Board, Pierre Fors, in good time before the publication of the notice of the meeting, which is expected to be published at the end of March 2024.

## DIVIDEND

Despite a very strong cash flow during the year, the Board proposes that no dividend be paid for 2023, in light of good investment opportunities with good return potential going forward.

## WARRANTS

In accordance with the decision of the Annual General Meeting in April 2021, 26 employees subscribed for warrants within the framework of an incentive program, Option Program 2021/2024. The transfer took place at the current market value of the warrants after calculation according to Black & Scholes. Each warrant entitles the holder to subscribe for one new share in Alcadon Group during the period from 26 February 2024 to 24 March 2024. The subscription price amounts to SEK 44.50. Upon full exercise of the warrants, up to 110,000 shares can be issued, which corresponds to a dilution of approximately 0.5 percent calculated on the company's 21,722,570 number of shares.

The average price of ordinary shares during January to December and October to December has been lower

than the exercise price of the warrants, so the shares are not included in the calculation of the diluted number of shares in the financial tables.

In accordance with the decision of the Annual General Meeting in April 2022, 19 employees subscribed for warrants within the framework of an incentive program, Option Program 2022/2025. The transfer took place at the current market value of the warrants after calculation according to Black & Scholes. Each warrant entitles the holder to subscribe for one new share in Alcadon Group during the period from 24 February 2025 to 21 March 2025. The subscription price amounts to SEK 99.97. Upon full exercise of the warrants, up to 60,000 shares can be issued, which corresponds to a dilution of approximately 0.3 percent calculated on the company's 21,722,570 number of shares.

The average price of ordinary shares during January to December and October to December has been lower than the exercise price of the warrants, so the shares are not included in the calculation of the diluted number of shares in the financial tables.

In accordance with the decision of the Annual General Meeting in April 2023, 19 employees subscribed for warrants within the framework of an incentive program, Option Program 2023/2026. The transfer took place at the current market value of the warrants after calculation according to Black & Scholes. Each warrant entitles the holder to subscribe for one new share in Alcadon Group during the period from 23 February 2026 to 20 March 2026. The subscription price amounts to SEK 62.4. Upon full exercise of the warrants, up to 125,000 shares can be issued, which corresponds to a dilution of approximately 0.6 percent calculated on the company's 21,722,570 number of shares.

The average price of ordinary shares during January to December and October to December has been lower than the exercise price of the warrants, so the shares are not included in the calculation of the diluted number of shares in the financial tables.

For more information on the program, please refer to the company's website [www.alcadongroup.se/investors/companies/](http://www.alcadongroup.se/investors/companies/)

## SHARE INFORMATION

Alcadon Group AB's share is listed on Nasdaq First North since 14 September 2016. As of 31 December 2023, the number of shares amounts to 21,722,570.

On 21 March 2023, Alcadon Group carried out a directed new issue of 974,818 shares at a subscription price of SEK 54 per share. The subscription price in the new issue was determined through a so-called "accelerated bookbuilding" procedure. Through the rights issue, Alcadon received approximately MSEK 52.6 before issue costs. The number of shares in Alcadon Group AB thus increased from 20,612,823 to

21,587,641 after the issue.

On 23 March 2023, incentive program 2019/2023:1-6 was concluded, whereby six employees, including the Company's CEO and CFO, subscribed for shares with the support of warrants. The number of shares in Alcadon Group AB thereby increased from 21 587 641 to 21 722 570.

For companies listed on Nasdaq First North, a Certified Adviser is required to exercise certain supervision. Alcadon Group's Certified Adviser is Svensk Kapitalmarknadsgranskning AB (SKMG).

The share price at the end of the period was SEK 34.95 (31 December 2023).

- Company name: Alcadon Group AB
- Ticker: ALCA
- Number of shares: 21 722 570
- ISIN: SE0008732218

## LOANS & CREDITS

Alcadon's financing consists of a bank loan with SEB of initially MSEK 380, which runs for 3+1 years from August 2022. After repayments, the SEB loans amount to MSEK 333 as of 31 December 2023.

Conditions in brief

- Bank loan, MSEK 130, straight amortization 10 years, interest rate STIBOR 3M + 1.4-2.4 percentage points depending on debt/equity ratio.
- Bank loan, MSEK 250, straight amortization 10 years, interest rate STIBOR 3M + 1.4-2.4 percentage points depending on debt/equity ratio.
- Overdraft facility MSEK 50, SEB base rate + 1.2 percentage points, 0.4 percent annual credit fee.
- Acquisition credit of MSEK 30, interest rate STIBOR 3M + 1.4-2.4 percentage points depending on debt/equity ratio, 0.35 percent on unused amount.

In total, the Group's bank loans amounted to MSEK 333 (463) as of 31 December 2023, of which MSEK 38 (125) is reported as a current liability under Other interest-bearing liabilities, MSEK 0 (4.9) is reported under Bank overdraft facility and MSEK 295 (333) is reported as non-current under Liabilities to credit institutions. In September 2023, previous short-term financing in Networks Centre was paid off in full. Short-term debt of MSEK 38 (130) relates to the amortization plan for the loans with SEB.

The company reports covenants related to:

1. leverage ratio, Net debt/EBITDA R12 <3,
2. cash flow in relation to amortization and financing

expense >1

The debt/equity ratio is calculated excluding lease liabilities and including leasing costs attributable to operating leases. In the event of an acquisition, the ratio may exceed 3.5 for three consecutive quarters. EBITDA R12 is calculated including acquired EBITDA as if the company had belonged to the group for 12 months.

The approved overdraft facility with SEB amounts to MSEK 50 (50), of which MSEK 50 (45) was unutilized at the end of the period.

## ACCOUNTING PRINCIPLES & NOTES

See pages 16-17 for accounting principles and notes.

## OWNERSHIP

The largest shareholders in Alcadon Group as of 31 December 2023.

| Name                          | Shareholding      | Shareholding, % |
|-------------------------------|-------------------|-----------------|
| Investment AB Spiltan         | 3,445,893         | 15.9%           |
| Ribbskottet Aktiebolag        | 2,400,000         | 11.0%           |
| Andra AP-Fonden               | 1,512,524         | 7.0%            |
| Athanase Industrial Partners  | 1,413,507         | 6.5%            |
| Susanne Stengade Holding ApS  | 981,780           | 4.5%            |
| Avanza Pension                | 922,864           | 4.2%            |
| Consensus Asset Management    | 778,192           | 3.6%            |
| Jeansson, Theodor             | 681,910           | 3.1%            |
| Nordnet Pensionsförsäkring AB | 579,824           | 2.7%            |
| ÖstVäst Capital Management    | 549,833           | 2.5%            |
| Norron Fonder                 | 546,632           | 2.5%            |
| Swedbank Robur Microcap       | 545,000           | 2.5%            |
| Fondita Fund Management       | 375,000           | 1.7%            |
| Lindsay, Duncan               | 317,088           | 1.5%            |
| Lindsay, Natalie              | 314,389           | 1.4%            |
| Cicero Fonder                 | 270,349           | 1.2%            |
| Evli Fund Management          | 253,108           | 1.2%            |
| Hajskäret Invest AB           | 208,459           | 1.0%            |
| Mårtensson, Jonas             | 208,092           | 1.0%            |
| Reid, James                   | 202,621           | 0.9%            |
| <b>Grand Total</b>            | <b>16,507,065</b> | <b>76.0%</b>    |
| <b>Others</b>                 | <b>5,215,505</b>  | <b>24.0%</b>    |
| <b>Total</b>                  | <b>21,722,570</b> | <b>100.0%</b>   |

## OTHER IMPORTANT INFORMATION

Certain financial and other information presented in the report has been rounded to make the information more accessible to the reader. This may mean that the figures in some columns do not correspond exactly to the totals given.

| ALCADON GROUP - THE GROUP   | Quarter 4    |              | January - December |                |
|---|--------------|--------------|--------------------|----------------|
| Condensed statement of profit or loss (MSEK)                                      | 2023         | 2022         | 2023               | 2022           |
| <b>INCOME STATEMENT</b>   |              |              |                    |                |
| Net sales, Note 2   | 431.5        | 401.2        | 1,572.8            | 1,110.4        |
| Other operating income  | 10.7         | 1.6          | 4.0                | 1.6            |
| <b>Total income</b>   | <b>442.2</b> | <b>402.8</b> | <b>1,576.9</b>     | <b>1,112.0</b> |
| Operating expenses including cost of goods  | -397.8       | -364.9       | -1,449.3           | -1,027.5       |
| <b>Operating profit before depreciation/amortization</b>                          | <b>44.4</b>  | <b>36.3</b>  | <b>127.6</b>       | <b>84.5</b>    |
| Depreciation of tangible assets   | -5.1         | -5.8         | -20.8              | -15.9          |
| <b>Operating profit before amortization of intangible assets</b>                  | <b>39.3</b>  | <b>30.5</b>  | <b>106.8</b>       | <b>68.6</b>    |
| Amortization of intangible assets   | -4.5         | -5.0         | -17.9              | -6.3           |
| <b>Operating profit</b>   | <b>34.7</b>  | <b>25.5</b>  | <b>88.8</b>        | <b>62.3</b>    |
| Net financial items   | -14.0        | -6.4         | -37.6              | -10.7          |
| <b>Profit after net financial items</b>   | <b>20.7</b>  | <b>19.0</b>  | <b>51.3</b>        | <b>51.6</b>    |
| Tax on profit for the year  | -6.0         | -5.2         | -13.4              | -14.5          |
| <b>Profit or loss for the period</b>  | <b>14.8</b>  | <b>13.9</b>  | <b>37.9</b>        | <b>37.1</b>    |
| Attributable to:  |              |              |                    |                |
| Non-controlling interests   | 0.0          | 0.0          | 0.0                | 0.0            |
| The parent company's shareholders   | 14.8         | 13.9         | 37.9               | 37.1           |
| <b>Profit or loss for the period</b>  | <b>14.8</b>  | <b>13.9</b>  | <b>37.9</b>        | <b>37.1</b>    |
| <b>Other comprehensive income</b>   |              |              |                    |                |
| Translation differences for the period due to restatement of foreign subsidiaries | -25.5        | 8.8          | 6.3                | 11.4           |
| <b>Total comprehensive income for the period</b>                                  | <b>-10.7</b> | <b>22.7</b>  | <b>44.1</b>        | <b>48.4</b>    |
| <b>Total comprehensive income for the period attributable to:</b>                 |              |              |                    |                |
| Non-controlling interests   | 0.0          | 0.0          | 0.0                | 0.0            |
| The parent company's shareholders   | -10.7        | 22.7         | 44.1               | 48.4           |
| <b>DATA PER SHARE</b>   |              |              |                    |                |
| <b>Number of shares</b>   |              |              |                    |                |
| Number of shares at the end of the period   | 21,722,570   | 20,612,823   | 21,722,570         | 20,612,823     |
| Average number of shares  | 21,722,570   | 20,612,823   | 21,491,373         | 19,942,010     |
| Average number of shares (after dilution)   | 21,722,570   | 21,062,823   | 21,542,373         | 20,392,010     |
| <b>Earnings per share</b>   |              |              |                    |                |
| Earnings per share for the period based on average number of shares, SEK          | 0.68         | 0.67         | 1.76               | 1.86           |
| Diluted earnings per share for the period, SEK                                    | 0.68         | 0.66         | 1.76               | 1.82           |
| <b>Equity per share</b>   |              |              |                    |                |
| Equity per share at the end of the period, SEK                                    | 30.8         | 27.9         | 30.8               | 27.9           |

## Condensed statement of financial position (MSEK)

**BALANCE SHEET****Fixed assets**

|                               |       |       |
|-------------------------------|-------|-------|
| Goodwill                      | 675.7 | 671.0 |
| Other intangible fixed assets | 121.6 | 135.1 |
| Tangible fixed assets         | 91.4  | 99.5  |
| Financial fixed assets        | 7.6   | 5.0   |

**Total fixed assets****896.3****910.6****Current assets**

|                      |       |       |
|----------------------|-------|-------|
| Inventories          | 293.9 | 345.3 |
| Trade receivables    | 294.4 | 274.9 |
| Other current assets | 33.8  | 30.5  |
| Cash and bank        | 62.5  | 101.3 |

**Total current assets****684.6****751.9****TOTAL ASSETS****1,580.9****1,662.5****Equity**

|   |       |       |
|---|-------|-------|
| Share capital   | 1.0   | 1.0   |
| Other contributed capital                             | 401.4 | 351.3 |
| Retained earnings including net profit for the period | 267.0 | 222.9 |
| Equity attributable to parent company shareholders    | 669.5 | 575.1 |
| Non-controlling interests                             | 0.0   | 0.0   |

**Total equity****669.5****575.1****Provisions**

|                          |       |       |
|--------------------------|-------|-------|
| Other provisions, Note 3 | 108.1 | 140.3 |
|--------------------------|-------|-------|

**Total provisions****108.1****140.3****Long-term liabilities**

|                                    |       |       |
|------------------------------------|-------|-------|
| Deferred tax liability             | 31.6  | 33.3  |
| Liabilities to credit institutions | 294.5 | 332.5 |
| Other long-term liabilities        | 60.4  | 65.6  |

**Total long-term liabilities****386.5****431.4****Current liabilities**

|                                    |       |       |
|------------------------------------|-------|-------|
| Bank overdraft facility            | 0.0   | 4.9   |
| Other interest-bearing liabilities | 57.2  | 145.3 |
| Trade payables                     | 279.2 | 260.5 |
| Other current liabilities          | 80.4  | 104.9 |

**Total current liabilities****416.8****515.6****TOTAL EQUITY AND LIABILITIES****1,580.9****1,662.5**

| <b>ALCADON GROUP - THE GROUP</b>  | <b>Quarter 4</b> |              | <b>January - December</b> |              |
|---|------------------|--------------|---------------------------|--------------|
| <b>Condensed changes in equity (MSEK)</b>                                       | <b>2023</b>      | <b>2022</b>  | <b>2023</b>               | <b>2022</b>  |
| Opening equity  | 680.2            | 555.5        | 575.1                     | 340.7        |
| Other changes in equity   | 0.0              | -3.2         | -2.8                      | -3.2         |
| Other contributed capital   | 0.0              | 0.0          | 53.0                      | 198.9        |
| Dividend  | 0.0              | 0.0          | 0.0                       | -9.8         |
| Innehav utan bestämmande inflytande   | 0.0              | 0.1          | 0.0                       | 0.1          |
| Comprehensive income for the period attributable to parent company shareholders | -10.7            | 22.7         | 44.1                      | 48.4         |
| <b>Closing equity</b>   | <b>669.5</b>     | <b>575.1</b> | <b>669.5</b>              | <b>575.1</b> |

| <b>ALCADON GROUP - THE GROUP</b>                              | <b>Quarter 4</b> |              | <b>January - December</b> |               |
|---|------------------|--------------|---------------------------|---------------|
| <b>Consolidated condensed statement of cash flows (MSEK)</b>  | <b>2023</b>      | <b>2022</b>  | <b>2023</b>               | <b>2022</b>   |
| Operating profit  | 34.7             | 25.5         | 88.8                      | 62.3          |
| Adjustments for non-cash items, etc.                          | -10.6            | 15.9         | 31.0                      | 33.5          |
| Income tax paid   | -7.3             | -10.0        | -17.0                     | -17.4         |
| Change in working capital                                     | 24.9             | -23.0        | 33.9                      | -54.2         |
| <b>Net cash flow from operating activities</b>                | <b>41.7</b>      | <b>8.4</b>   | <b>136.6</b>              | <b>24.1</b>   |
| Acquisition of fixed tangible and intangible assets           | -1.3             | -3.2         | -6.2                      | -11.8         |
| Change in financial fixed assets                              | -0.6             | -0.6         | -2.6                      | -1.0          |
| Business combinations   | -26.5            | -13.8        | -41.7                     | -246.2        |
| <b>Cash flow from investing activities</b>                    | <b>-28.4</b>     | <b>-17.7</b> | <b>-50.5</b>              | <b>-259.0</b> |
| Dividend paid   | 0.0              | 0.0          | 0.0                       | -9.8          |
| New issuance/Warrant proceeds                                 | 0.0              | 0.0          | 50.2                      | 126.1         |
| Interest paid and received and other financial items          | -7.5             | -6.3         | -30.8                     | -11.7         |
| Amortization of lease liabilities                             | -3.6             | -3.3         | -14.8                     | -10.7         |
| Amortization  | -9.1             | -7.2         | -129.5                    | -55.6         |
| Borrowings  | 0.0              | 3.8          | 0.0                       | 268.2         |
| <b>Cash flow from financing activities</b>                    | <b>-20.2</b>     | <b>-12.9</b> | <b>-125.0</b>             | <b>306.4</b>  |
| <b>Cash flow for the period</b>                               | <b>-7.0</b>      | <b>-22.3</b> | <b>-38.9</b>              | <b>71.5</b>   |
| <b>Reconciliation of changes in cash and cash equivalents</b> |                  |              |                           |               |
| Opening balance, cash and cash equivalents                    | 70.7             | 122.9        | 101.3                     | 28.4          |
| Exchange rate difference on cash and cash equivalents         | -1.3             | 0.7          | 0.1                       | 1.4           |
| Closing balance, cash and cash equivalents                    | 62.5             | 101.3        | 62.5                      | 101.3         |
| <b>Change in cash and cash equivalents</b>                    | <b>-7.0</b>      | <b>-22.3</b> | <b>-38.9</b>              | <b>71.5</b>   |

| ALCADON GROUP AB - PARENT COMPANY            |  | Quarter 4   |             | January - December |              |
|--|--|-------------|-------------|--------------------|--------------|
| Condensed statement of profit or loss (MSEK) |  | 2023        | 2022        | 2023               | 2022         |
| <b>INCOME STATEMENT</b>                      |  |             |             |                    |              |
| Net sales                                    |  | 2.8         | 2.1         | 11.1               | 8.7          |
| Other operating income                       |  | 10.6        | 0.0         | 3.3                | 0.0          |
| <b>Total income</b>                          |  | <b>13.3</b> | <b>2.1</b>  | <b>14.4</b>        | <b>8.7</b>   |
| Operating expenses                           |  | -4.8        | -5.1        | -17.5              | -17.0        |
| <b>Operating profit</b>                      |  | <b>8.5</b>  | <b>-3.0</b> | <b>-3.1</b>        | <b>-8.3</b>  |
| Net financial items                          |  | -2.6        | -4.6        | 7.6                | -7.0         |
| <b>Profit after net financial items</b>      |  | <b>5.9</b>  | <b>-7.6</b> | <b>4.4</b>         | <b>-15.3</b> |
| Appropriations                               |  | 30.1        | 13.3        | 30.1               | 13.3         |
| <b>Profit or loss before tax</b>             |  | <b>36.0</b> | <b>5.6</b>  | <b>34.6</b>        | <b>-2.1</b>  |
| Tax on profit for the year                   |  | -7.3        | -1.6        | -3.5               | 0.0          |
| <b>Profit or loss for the period</b>         |  | <b>28.7</b> | <b>4.0</b>  | <b>31.0</b>        | <b>-2.1</b>  |

| ALCADON GROUP AB - PARENT COMPANY                     |  | 2023-12-31     | 2022-12-31     |
|---|--|----------------|----------------|
| Condensed statement of financial position (MSEK)      |  |                |                |
| <b>BALANCE SHEET</b>                                  |  |                |                |
| <b>Fixed assets</b>                                   |  |                |                |
| Other intangible fixed assets                         |  | 0.0            | 0.0            |
| Financial fixed assets                                |  | 768.4          | 768.3          |
| Long-term receivables from group companies            |  | 298.2          | 169.1          |
| <b>Total fixed assets</b>                             |  | <b>1,066.6</b> | <b>937.4</b>   |
| <b>Current assets</b>                                 |  |                |                |
| Receivables from Group companies                      |  | 0.4            | 0.0            |
| Other current assets                                  |  | 1.8            | 2.9            |
| Cash and bank   |  | 28.9           | 80.1           |
| <b>Total current assets</b>                           |  | <b>31.1</b>    | <b>83.1</b>    |
| <b>TOTAL ASSETS</b>                                   |  | <b>1,097.7</b> | <b>1,020.5</b> |
| <b>Equity</b>   |  |                |                |
| Share capital   |  | 1.0            | 1.0            |
| Retained earnings including net profit for the period |  | 438.1          | 356.3          |
| <b>Total equity</b>                                   |  | <b>439.2</b>   | <b>357.3</b>   |
| <b>Provisions</b>                                     |  |                |                |
| Other provisions                                      |  | 107.9          | 140.3          |
| <b>Total provisions</b>                               |  | <b>107.9</b>   | <b>140.3</b>   |
| <b>Long-term Liabilities</b>                          |  |                |                |
| Other borrowings                                      |  | 294.5          | 332.5          |
| Liabilities to Group companies                        |  | 62.7           | 81.8           |
| <b>Total long-term liabilities</b>                    |  | <b>357.2</b>   | <b>414.3</b>   |
| Current interest-bearing liabilities                  |  | 38.0           | 42.9           |
| Liabilities to Group companies                        |  | 143.9          | 56.6           |
| Current liabilities                                   |  | 11.6           | 9.1            |
| <b>Total current liabilities</b>                      |  | <b>193.5</b>   | <b>108.6</b>   |
| <b>TOTAL EQUITY AND LIABILITIES</b>                   |  | <b>1,097.7</b> | <b>1,020.5</b> |

| <b>CONSOLIDATED QUARTERLY DATA</b>                                |  | <b>Q4</b>    | <b>Q3</b>    | <b>Q2</b>    | <b>Q1</b>    | <b>Q4</b>    | <b>Q3</b>    | <b>Q2</b>    | <b>Q1</b>   |
|---|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|-------------|
| <b>INCOME STATEMENT, MSEK</b>                                     |  | <b>2023</b>  | <b>2023</b>  | <b>2023</b>  | <b>2023</b>  | <b>2022</b>  | <b>2022</b>  | <b>2022</b>  | <b>2022</b> |
| Net sales   |  | 431.5        | 381.4        | 371.1        | 388.8        | 401.2        | 288.0        | 216.1        | 205.1       |
| <b>Profit</b>   |  |              |              |              |              |              |              |              |             |
| Operating profit before amortization of intangible assets (EBITA) |  | 39.3         | 28.0         | 11.4         | 28.1         | 30.5         | 11.6         | 10.7         | 15.8        |
| Profit after net financial items                                  |  | 20.7         | 12.1         | 2.0          | 16.3         | 19.0         | 7.7          | 10.7         | 14.2        |
| Profit or loss for the period                                     |  | 14.8         | 13.7         | -2.2         | 11.6         | 13.9         | 4.7          | 7.9          | 10.6        |
| <b>Margin measures in %</b>                                       |  |              |              |              |              |              |              |              |             |
| Gross margin, %   |  | 23.7         | 23.8         | 24.2         | 26.0         | 25.3         | 23.5         | 26.0         | 28.3        |
| Operating margin (EBITA), %                                       |  | 9.1          | 7.3          | 3.1          | 7.2          | 7.6          | 4.0          | 4.9          | 7.7         |
| Net margin, %   |  | 3.4          | 3.6          | -0.6         | 3.0          | 3.5          | 1.6          | 3.7          | 5.2         |
| <b>BALANCE SHEET (MSEK)</b>                                       |  |              |              |              |              |              |              |              |             |
| <b>Assets</b>   |  |              |              |              |              |              |              |              |             |
| Total fixed assets  |  | 896          | 926          | 953          | 914          | 911          | 888          | 398          | 390         |
| Total current assets  |  | 685          | 703          | 729          | 725          | 752          | 735          | 435          | 427         |
| <b>Total assets</b>   |  | <b>1,581</b> | <b>1,629</b> | <b>1,682</b> | <b>1,639</b> | <b>1,662</b> | <b>1,623</b> | <b>832</b>   | <b>817</b>  |
| <b>Equity &amp; liabilities</b>                                   |  |              |              |              |              |              |              |              |             |
| Total equity  |  | 669          | 680          | 687          | 644          | 575          | 556          | 480          | 479         |
| Total long-term liabilities & provisions                          |  | 495          | 558          | 574          | 562          | 572          | 563          | 148          | 153         |
| Total current liabilities   |  | 417          | 391          | 421          | 434          | 516          | 505          | 204          | 185         |
| <b>Total equity &amp; liabilities</b>                             |  | <b>1,581</b> | <b>1,629</b> | <b>1,682</b> | <b>1,639</b> | <b>1,662</b> | <b>1,623</b> | <b>832</b>   | <b>817</b>  |
| <b>CASH FLOW (MSEK)</b>   |  |              |              |              |              |              |              |              |             |
| Net from operating activities                                     |  | 41.7         | 60.1         | 17.9         | 17.7         | 8.4          | 22.1         | -12.6        | 5.9         |
| Investing activities  |  | -28.4        | -0.6         | -3.6         | -17.9        | -17.7        | -229.1       | -4.4         | -7.3        |
| Financing activities  |  | -20.2        | -72.9        | -35.4        | 3.3          | -12.9        | 235.8        | -17.3        | 100.8       |
| <b>Cash flow for the period</b>                                   |  | <b>-7.0</b>  | <b>-13.5</b> | <b>-21.1</b> | <b>3.0</b>   | <b>-22.3</b> | <b>28.8</b>  | <b>-34.3</b> | <b>99.4</b> |
| <b>OTHER KEY FIGURES</b>  |  |              |              |              |              |              |              |              |             |
| Earnings per share, SEK   |  | 0.68         | 0.63         | -0.10        | 0.56         | 0.67         | 0.23         | 0.40         | 0.55        |
| Return on equity, %   |  | 5.5          | 5.4          | 4.2          | 6.3          | 6.5          | 6.8          | 8.8          | 10.5        |
| Equity per share, SEK   |  | 30.8         | 31.3         | 31.6         | 29.6         | 27.9         | 23.3         | 24.5         | 24.4        |
| Cash flow from operating activities per share, SEK                |  | 1.9          | 2.8          | 0.8          | 0.8          | 0.4          | 1.1          | -0.6         | 0.3         |
| Share price at the end of the period, SEK                         |  | 35.0         | 28.1         | 39.9         | 50.6         | 74.3         | 68.6         | 72.0         | 85.6        |

## NOTE 1. ACCOUNTING PRINCIPLES

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee interpretations as adopted by the EU. Furthermore, the Swedish Financial Reporting Board's recommendation RFR 1 regarding supplementary accounting rules for groups has been applied.

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

For the group and the parent company, the same accounting principles and calculation methods have been applied as in the most recent annual report, except for new standards and interpretations and amendments to existing standards and interpretations that apply from 1 January 2023 or later.

### IFRS 16 Leases

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

Where Alcadon is the lessee, the right-of-use assets are recognized as a right of use in the statement of financial position, while the future obligation to the lessor is recognized as a liability in the statement of financial position. The Group leases office and warehouse premises and cars. Short-term leases and leases of low value assets are not included as they are expensed as they arise.

Closing values in the balance sheet as of 31 December 2023:

- Rights of use: MSEK 82 (89), recognized in Tangible fixed assets.
- Lease liabilities: MSEK 79 (86), divided into MSEK 60 (66) other long-term liabilities and MSEK 19 (20) other interest-bearing liabilities.

### Other

No other IFRS or IFRIC interpretations that are not yet effective are expected to have a material impact on the Group's financial statements. Significant accounting policies are summarized in the 2022 annual report. See the company's website [www.alcadongroup.se](http://www.alcadongroup.se) for more information.

## NOTE 2. OPERATING INCOME

Alcadon sells goods in different regions and revenue from sales is recognized in the income statement when control has been transferred to the customer. Furthermore, the Group provides services in the form of technical support and service agreements. Technical support is considered a separate performance obligation where revenue is recognized over time. Service contracts are recognized on a straight-line basis over the contract period. See table below for net sales by region.

| Geographic market (external net sales)<br>MSEK | Quarter 4    |              | January - December |                |
|--|--------------|--------------|--------------------|----------------|
|  | 2023         | 2022         | 2023               | 2022           |
| Sweden   | 89.8         | 94.4         | 369.0              | 349.9          |
| Norway   | 23.3         | 34.0         | 110.2              | 148.1          |
| Denmark  | 40.4         | 74.9         | 171.9              | 286.6          |
| Germany  | 31.0         | 18.2         | 113.8              | 38.4           |
| The United Kingdom                             | 195.9        | 159.5        | 649.7              | 236.1          |
| The Benelux                                    | 51.0         | 20.1         | 158.2              | 51.2           |
| <b>Total</b>                                   | <b>431.5</b> | <b>401.2</b> | <b>1,572.8</b>     | <b>1,110.4</b> |



### NOTE 3. OTHER PROVISIONS

| MSEK                      | Quarter 4    |              | January - December |              |
|---------------------------|--------------|--------------|--------------------|--------------|
|                           | 2023         | 2022         | 2023               | 2022         |
| Opening provisions        | 143.9        | 146.8        | 140.3              | 26.8         |
| New provisions            | 0.3          | 0.0          | 0.3                | 116.1        |
| Reversed provisions       | -5.1         | -9.8         | -2.5               | 0.0          |
| Exchange rate differences | -4.5         | 3.8          | 2.5                | 3.7          |
| Payments                  | -26.5        | -0.6         | -32.5              | -6.3         |
| <b>Closing provisions</b> | <b>108.1</b> | <b>140.3</b> | <b>108.1</b>       | <b>140.3</b> |

Provision as of 31 December 2023 relates to contingent consideration for the acquisition of Alcadon ApS (formerly 6X International ApS) of MSEK 9 (MDKK 6), and contingent consideration for the acquisition of Networks Centre of MSEK 99 (MGBP 7.7).

In the first quarter of 2023, MSEK 6 (MDKK 4) was paid in earn-out for Alcadon ApS and in the fourth quarter of 2023, MSEK 27 (MGBP 2) was paid in earn-out for Networks Centre.

During the fourth quarter, MSEK 6 (MDKK 4) in contingent consideration for Alcadon ApS (formerly 6X International ApS) was reversed as it did not fall due for payment.

The contingent consideration for the acquisition of Networks Centre of MSEK 99 (MGBP 7.7) refers to the discounted value of the remaining contingent consideration of MGBP 8.0, which corresponds to MSEK 102 calculated at the closing rate. The difference between the discounted value in the balance sheet and the remaining contingent consideration (MGBP 0.3) is recognized as an interest expense in the financial net until any payment date for the contingent consideration. The interest expense during the fourth quarter amounts to MSEK -0.9 (-1.4) and January - December MSEK -3.5.

The Board of Directors and the CEO certify that the interim report gives a true and fair view of the Parent Company's and the Group's financial position and results and provides a true and fair view of the development of the Parent Company's and the Group's operations, and describes significant risks and uncertainties faced by the Parent Company and the companies included in the Group.

**Stockholm, 23 February 2024**

**Pierre Fors**

Chairman of the Board

**Jonas Mårtensson**

Vice-Chairman

**Marie Ygge**

Board member

**Lars Engström**

Member of the Board of Directors

**Sonny Mirborn**

Chief Executive Officer

## DEFINITION OF ALTERNATIVE KEY RATIOS

|  | Quarter 4 |      | January - December |      |
|--|-----------|------|--------------------|------|
|  | 2023      | 2022 | 2023               | 2022 |
| <b>Operating profit before amortization of intangible assets (EBITA), MSEK</b> |           |      |                    |      |
| Operating profit after depreciation/amortization (EBIT), MSEK                  | 34.7      | 25.5 | 88.8               | 62.3 |
| Amortization of intangible assets  | 4.5       | 5.0  | 17.9               | 6.3  |
| Operating profit before amortization of intangible assets (EBITA), MSEK        | 39.3      | 30.5 | 106.8              | 68.6 |

|  | Quarter 4 |       | January - December |         |
|--|-----------|-------|--------------------|---------|
|  | 2023      | 2022  | 2023               | 2022    |
| <b>Operating expenses</b>                  |           |       |                    |         |
| Operating expenses including cost of goods | 397.8     | 364.9 | 1,449.3            | 1,027.5 |
| Cost of goods                              | 329.3     | 299.6 | 1,188.6            | 826.8   |
| Operating expenses                         | 68.5      | 65.3  | 260.7              | 200.7   |

|  | 2023-12-31   | 2022-12-31   |
|--|--------------|--------------|
| <b>Net interest-bearing liabilities, MSEK</b>                  |              |              |
| Long-term Liabilities to credit institutions                   | 294.5        | 332.5        |
| Short-term Liabilities to credit institutions                  | 38.5         | 125.1        |
| Bank overdraft facility  | 0.0          | 4.9          |
| Cash and cash equivalents                                      | -62.5        | -101.3       |
| <b>Net interest-bearing liabilities excluding leasing debt</b> | <b>270.5</b> | <b>361.3</b> |
| Long-term lease liabilities                                    | 60.4         | 65.6         |
| Short-term lease liabilities                                   | 18.7         | 20.2         |
| <b>Net interest-bearing liabilities</b>                        | <b>349.6</b> | <b>447.1</b> |

|   | Quarter 4    |              |
|---|--------------|--------------|
|   | 2023         | 2022         |
| <b>Indebtedness</b>   |              |              |
| EBITDA R12  | 127.6        | 84.5         |
| EBITDA R12 Proforma (period before acquisition*)  | 0.0          | 34.0         |
| Acquisition costs   | 0.0          | 4.2          |
| Revaluation and reversal of contingent consideration  | -3.3         | 0.4          |
| <b>EBITDA R12 adjusted (proforma)</b>   | <b>124.3</b> | <b>122.7</b> |
| Leasing cost IFRS16, operating leases inkl. proforma  | -15.3        | -15.1        |
| <b>EBITDA R12 adjusted IFRS16 (proforma)</b>  | <b>108.9</b> | <b>107.6</b> |
| Net interest-bearing liabilities  | 349.6        | 447.1        |
| <b>Net interest-bearing liabilities/ EBITDA R12 adjusted (proforma)</b>                               | <b>2.8</b>   | <b>3.7</b>   |
| Net interest-bearing liabilities excluding leasing debt   | 270.5        | 361.3        |
| <b>Net interest-bearing liabilities excluding leasing debt/ EBITDA R12 adjusted IFRS16 (proforma)</b> | <b>2.5</b>   | <b>3.4</b>   |

\*Refers to the period before acquisition as if acquired companies had been part of the group for the last 12 months.

# Addresses



## Alcadon Group

### **Alcadon Group AB**

Segelbåtsvägen 2  
112 64 Stockholm  
Tel: + 46 8-657 36 00  
Org.nr. 559009-2382  
[www.alcadongroup.se](http://www.alcadongroup.se)

### **Alcadon AB Sweden, Stockholm**

Segelbåtsvägen 2  
112 64 Stockholm  
Tel: + 46 8-657 36 00  
[www.alcadon.se](http://www.alcadon.se)

### **Göteborg**

Flöjelbergsgatan 8B  
431 37 Mölndal  
Tel: + 46 31-386 88 00  
[www.alcadon.se](http://www.alcadon.se)

### **Malmö**

Stenyxegatan 9  
213 76 Malmö  
Tel: + 46 40-31 22 60  
[www.alcadon.se](http://www.alcadon.se)

### **Örebro**

Adolfsbergsgatan 4  
702 27 Örebro  
Tel: + 46 19-271 270  
[www.alcadon.se](http://www.alcadon.se)

### **Alcadon AS Norway, Oslo**

Alfaset 1, Industrivei 4  
0668 Oslo, Norge  
Tel: +47 23 17 78 80  
[www.alcadon.no](http://www.alcadon.no)

### **Sandefjord**

Østre Kullerød 5  
3241 Sandefjord, Norge  
Tel: +47 33 48 33 48  
[www.alcadon.no](http://www.alcadon.no)

### **Hamar**

Parkgata 24  
2317 Hamar, Norge  
Tel: +47 33 48 33 41/43  
[www.alcadon.no](http://www.alcadon.no)

### **Bergen**

Littleåsveien 49  
5132 Nyborg, Norge  
Tel: +47 33 48 33 42  
[www.alcadon.no](http://www.alcadon.no)

### **Mosjøen**

Petter Dass gate 3  
8656 Mosjøen, Norge  
Tel: +47 95 96 80 56  
[www.alcadon.no](http://www.alcadon.no)

### **Alcadon ApS Denmark**

Moellevej 9, E1  
2990 Nivaa, Denmark  
Tel: +45 4570 7077  
[www.alcadon.dk](http://www.alcadon.dk)

### **Alcadon GmbH Germany**

Wahlerstraße 14  
D-40472 Düsseldorf, Germany  
Tel. +49 211 8758 7503  
[www.alcadon.de](http://www.alcadon.de)

### **Alcadon BV Belgium**

Plaslaar 38 e  
2500 Lier, Belgium  
Tel: +32 3 326 26 03  
[www.alcadon.be](http://www.alcadon.be)

### **Alcadon Bv Netherlands**

Zekeringstraat 17 A  
1014 BM Amsterdam, Netherlands  
Tel: +31 6 2850 2333  
[www.alcadon.nl](http://www.alcadon.nl)

### **Networks Centre United Kingdom**

Bentley House, Wiston Business Park  
London Road, Pulborough RH20 3DJ, UK  
Tel: +44 140 375 4233  
[www.networkscentre.com](http://www.networkscentre.com)

### **Svensk Kapitalmarknadsgranskning AB (SKMG)**

Certified Adviser  
Fähusgatan 5  
603 72 Norrköping  
Tel: +46 8 913 008  
E-post: [ca@skmg.se](mailto:ca@skmg.se)  
Org.nr. 559200-5283  
[www.skmg.se](http://www.skmg.se)

