



Alcadon Group

The Alcadon Way

Enabling Digitalization for a better world



2025

January - March

INTERIM REPORT

Interim report

1 January - 31 March 2025

Weak results in a persistently challenging market environment, but strengthened gross margin and profitability (P/WC)

The English version of the interim report is a translation of the official Swedish report. In case of discrepancies, the Swedish version shall prevail.

FIRST QUARTER OF 2025

- Net sales increased by 1.1 percent to SEK 404 (399) million. In unchanged currency rates, net sales increased by 0.6 percent.
- Adjusted operating profit before amortisation of intangible assets (EBITA adjusted) decreased by -20 percent to SEK 22 (27) million. The adjustment relates to SEK -5.5 (6.2) million attributable to unrealised exchange rate gains and losses and reversal of contingent consideration of SEK -3.3 (0.0) million.
- Operating profit before amortisation of intangible assets (EBITA) increases by 45 percent to SEK 31 (21) million
- Cash flow from operating activities amounted to SEK 11 (12) million, corresponding to SEK 0.45 (0.56) per share.
- Earnings per share amount to SEK 0.33 (0.62).
- The equity ratio remains at 52 percent from 31 December 2024.

	Quarter 1		Full year
	2025	2024	2024
Net sales, SEK million	403.6	399.2	1,603.8
Gross margin, %	25.2	24.3	25.3
Adjusted EBITA, SEK million	21.8	27.3	105.1
EBITA adjusted, %	5.4	6.8	6.6
EBITA, SEK million	30.6	21.1	94.4
EBITA, %	7.6	5.3	5.9
Profit or loss for the period, SEK million	8.1	13.6	36.9
Earnings per share, SEK	0.33	0.62	1.54

SIGNIFICANT EVENTS DURING THE QUARTER

- On 7 January, Fredrik Valentin took over as President and CEO. Pierre Fors thus stepped down from the role of acting President and CEO and returned to his previous position as Chairman of the Board. Jonas Mårtensson, who had been Chairman of the Board between 1 October and 6 January, has returned to his previous role as Vice Chairman.
- Despite a strong cash flow during the year, the Board of Directors proposes that no dividend be paid for 2024, in light of favourable investment opportunities with good return potential going forward.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- No significant events have occurred after the end of the period.

Stockholm, 28 April 2025

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This information is information that Alcadon Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CET on 28 April 2025.



A word from the CEO

- **Continued restraint in broadband rollout in Europe and increased global uncertainty affecting many of our customers**
- **Some increase in sales and stronger gross margin, but weighed by adapted inventory levels to a weaker market**
- **Continued focus on profitability before volume - some strengthening of our profitability measure P/WC**

DEVELOPMENTS DURING THE QUARTER

Net sales during the quarter increased by 1.1 percent to SEK 404 million (399). The gross margin increased from 24.3 percent to 25.2 percent. Adjusted EBITA decreases by -20 percent to SEK 22 million (27). Adjusted EBITA margin weakened to 5.4 percent (6.8) in the quarter.

Continued focus on working capital and, above all, the sale of slow-moving inventory affects the gross margin and operating profit, but at the same time lowers our working capital so that our profitability measure Profit over working capital (P/WC) improves to 32 percent (30). Inventory decreases by SEK 30 million compared to the previous quarter but is SEK 5 million higher than last year.

The data center segment is growing in all markets and the outlook for the future remains good.

Sales to other commercial property networks are stable but without major growth, which is in line with expectations given the market situation.

The broadband segment, and in particular sales to the fibre rollout in Europe, remain consistently weak and we are experiencing a market situation with a high degree of price pressure and large inventories among many players.

The United Kingdom

Growth in local currency was 8.0 percent in the quarter and 6.1 percent compared to the previous quarter. As in the previous quarter, the data center segment continues to develop well, while we are seeing a cautious recovery in both the broadband segment and commercial property networks, albeit from low levels.

Sweden

Growth was -5.4% in the quarter and 3.1% compared to the previous quarter. The decline continues to be driven by weak demand in the residential network and broadband segments, while commercial property networks continue to perform well, driven by increasing data center business.

The Benelux

Growth in local currency was -29 percent during the quarter and 10 percent compared to the previous quarter. In Belgium, Proximus' acquisition of Fiberklaar continues to create delays in ongoing fibre projects while awaiting approval from the competition authorities, which makes order intake weaker. In the Netherlands, we continue to work on data centers.

Denmark

Growth in local currency was -9.8 percent in the quarter and -19 percent compared to the previous quarter. The broadband segment remains weak and the growth of recent quarters came to a halt in Q1. At the same time, the development in the data center segment is positive with a number of good project deliveries.

Ireland

Growth in local currency amounts to -14 percent compared to last year and 17 percent compared to the previous quarter. The business in Ireland, which was acquired on 2 April 2024, is relatively heavily weighted towards projects and revenue can therefore fluctuate, while the market is expected to be stable going forward. With high targets for earn-outs, the requirements for the first year's earn-out were not met. The remaining part of

SEK 3.3 million has therefore been reversed in full and has a positive impact on operating profit.

Germany

Growth in local currency was -37 percent during the quarter and 38 percent compared to the previous quarter. We are experiencing continued restraint in the fibre rollout in Germany, leading to strong competition and intense price pressure on the projects that are coming out. Our increased focus on streamlining tied-up capital, primarily by adjusting slow-moving inventory, has begun to yield results in the form of lower inventory levels, but at the cost of a weaker gross margin. Given the market situation, the adjustment is expected to continue to have a negative impact on both growth and gross margins in the near future, while cash flow should strengthen.

Norway

Growth amounted to -9.1 percent during the quarter and 9.6 percent compared to the previous quarter. The year-on-year decrease is attributable to a weaker market, primarily in commercial property networks. At the same time, we see continued opportunities in the data center segment, which is expected to increase in the future.

FINANCIALS

Net sales increased by 1.1 percent to SEK 404 (399) million. In unchanged currency rates, net sales increased by 0.6 percent. Organic growth including currency effects was -6.3 percent, excluding currency effects -6.8 percent and acquired growth was 7.4 percent.

The gross margin strengthened to 25.2 (24.3) percent.

Other operating income amounts to SEK 8.0 (0.2) million, of which reversal of contingent considerations amounts to SEK 3.3 (0.0) million and revaluation of contingent considerations amounts to SEK 4.1 (0.0) million.

Expenses amount to SEK -73 (-71) million, of which the acquisition of Wood, which is consolidated from 2 April 2024, is included with SEK -5.4 (0.0) million. In Q1 2024, revaluation of contingent considerations is included with SEK -5.1 million.

Adjusted operating profit before amortisation of intangible assets (EBITA adjusted) decreased by -20 percent to SEK 22 (27) million.

Amortisation of acquired customer relationships amounts to SEK -4.5 (-3.5) million.

Profit for the period amounted to SEK 8.1 (13.6) million.

Cash flow from operating activities during the quarter amounted to SEK 11 (12) million. Change in working capital amounted to SEK 2.1 (-21) million.

Profit over working capital (P/WC) increases to 32 (30)

Net debt amounted to SEK 359 (277) million, of which SEK 70 (80) million was lease liabilities.

Net debt/EBITDA including and excluding leases, amounts to 2.9 (2.3) and 2.8 (1.9) respectively, which is in line with the previous quarter and within the Group's

long-term target. The year-on-year increase is due to the acquisition of Wood Communications in Ireland in April 2024.

CONCLUDING REMARKS

Alcadon Group's first quarter of 2025 was weighed down in terms of earnings by a continued weak broadband market in Europe. At the same time, we are experiencing high activity in data centers and our businesses that are more weighted towards this type of business are performing well.

Our increased focus on profitability over volume has now begun to be implemented in all units and adaptation to the adjusted strategy is ongoing. Combined with our ambition to generate strong cash flows over time, this means that during the quarter we increased our efforts to adapt inventory levels to the prevailing lower demand and thus free up working capital, primarily by selling off slow-moving inventory.

The generally turbulent global environment and increased uncertainties around tariffs and trade wars are affecting sentiment in the broadband market in particular, where we continue to see restraint in investment in national infrastructure. At the same time, the underlying need for broadband expansion remains in countries with a lower share of connected homes.

In the businesses of the Alcadon Group, we have therefore increased efforts to balance our reliance on singular customer and market segments, and are now working more actively to broaden our offering across all our markets, in different ways and from different starting points.

An important component in this work is our experienced and committed employees, all of whom need to continue to develop their skills and seek new approaches for both new and additional sales in network communication. During my almost 100 days as CEO of Alcadon Group, I have had the privilege of meeting a large number of our employees, and I have great confidence in both their ability and willingness to change.

During the quarter, we have clarified expectations around the decentralised business model where subsidiaries have the ultimate responsibility for developing their business based on various overall guidelines linked to the level of profitability (P/WC). We have also started to introduce clearer target management and more structured follow-up, without stifling local entrepreneurship. This is work that will take time, but which I am convinced will yield results in the long run.



Fredrik Valentin
President and CEO
Alcadon Group AB

INDICATORS FOR THE GROUP	Quarter 1		Full year
	2025	2024	2024
Net sales, SEK million	403.6	399.2	1,603.8
Gross margin, %	25.2	24.3	25.3
Adjusted EBITA, SEK million	21.8	27.3	105.1
EBITA margin adjusted, %	5.4	6.8	6.6
Operating profit before amortisation of intangible assets (EBITA), SEK million	30.6	21.1	94.4
Operating margin before amortisation of intangible assets (EBITA), %	7.6	5.3	5.9
Operating profit after depreciation (EBIT), SEK million	25.3	16.7	73.6
Operating margin after depreciation (EBIT), %	6.3	4.2	4.6
Profit for the period, SEK million	8.1	13.6	36.9
Net margin, %	2.0	3.4	2.3
Equity ratio, %	51.6	51.7	52.1
Return on equity, %	3.7	5.6	4.6
Net interest-bearing liabilities, SEK million	358.8	277.4	363.0
Net interest-bearing liabilities excluding leasing, SEK million	289.3	197.4	288.2
EBITA R12 adjusted (proforma) / Working capital, % (P/WC)	31.9	30.1	35.7
Cash flow from operating activities, SEK million	11.0	12.4	125.0
Cash flow from operating activities per share, SEK	0.45	0.56	5.24
Equity per share, SEK	33.1	33.2	34.9
Earnings per share, SEK	0.33	0.62	1.54
Number of shares at the end of the period	24,511,026	23,777,365	24,511,026
Average number of shares, pcs	24,511,026	22,065,036	23,868,959
Number of employees at the end of the period	184	168	189
Average number of employees during the period	183	165	183



DEFINITIONS

Gross profit:	Net sales minus cost of goods sold.
Gross margin:	Gross profit as a percentage of net sales for the period.
EBITA margin:	Operating profit before amortisation of intangible assets as a percentage of net sales for the period.
EBITA margin adjusted:	Operating profit before amortisation of intangible assets as a percentage of net sales for the period, adjusted for the reversal of acquisition costs, the deduction/reversal of results from earn-outs and unrealised foreign exchange gains and losses.
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 for the last 12 months as a percentage of average equity.
Net interest-bearing liabilities:	<p>Net 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, totalling SEK 70 (80) million.</p> <p>Contingent considerations are not part of net debt as potential contingent consideration payments are subject to requirements such as EBITDA growth, operating margin development and cash flow.</p>
P/WC (EBITA R12 adjusted (proforma) / Net working capital):	<p>Adjusted EBITA R12 divided by Net Working Capital, calculated as Inventory plus Accounts Receivable minus Accounts Payable.</p> <p>EBITA R12 adjusted proforma is calculated as EBITA for the last 12 months with reversal of acquisition costs and deduction/reversal of results from earn-outs. Proforma refers to the period before acquisition as if the acquired companies had been part of the group for the last 12 months.</p>
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 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 for the period.
Expenses:	Refers to personnel costs and other external operating expenses.

The company applies the ESMA guidelines on alternative performance measures. An alternative performance measure is a financial measure that is not defined or specified in applicable financial reporting rules (e.g. IFRS and the Annual Accounts Act). The APMs 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 APMs because it believes that they provide valuable supplementary information to management and investors as they are central to the understanding and evaluation of the Group's business.

Financial information

REVENUE AND PROFIT

The quarter

Net sales increased by 1.1 percent to SEK 404 (399) million. In unchanged currency rates, net sales increased by 0.6 percent. Organic growth including currency effects was -6.3 percent, excluding currency effects -6.8 percent and acquired growth was 7.4 percent.

The gross margin strengthened to 25.2 (24.3) percent. The gross margin excluding the acquisition of Wood was 24.8 (24.3) percent.

Other operating income amounts to SEK 8.0 (0.2) million, of which reversal of contingent considerations amounts to SEK 3.3 (0.0) million and revaluation of contingent considerations amounts to SEK 4.1 (0.0) million.

Expenses amount to SEK -73 (-71) million, of which the acquisition of Wood, which is consolidated from 2 April 2024, is included with SEK -5.4 (0.0) million. In Q1 2024, revaluation of contingent considerations is included with SEK -5.1 million.

Adjusted operating profit before amortisation of intangible assets (EBITA adjusted) decreased by -20 percent to SEK 22 (27) million. The adjustment relates to SEK -5.5 (6.2) million attributable to unrealised exchange rate gains and losses, of which SEK 4.1 (-5.1) million is revaluation of contingent consideration, and reversal of contingent consideration of SEK -3.3 (0.0) million.

EBITA increased by 45 percent to SEK 31 (21) million

Amortisation of acquired customer relationships amounts to SEK -4.5 (-3.5) million, of which SEK -3.2 (-3.1) million relates to Networks Centre, SEK -0.4 (-0.4) million to Alcadon Denmark and SEK -1.0 (0.0) million to Wood Communications.

Profit for the period amounted to SEK 8.1 (13.6) million.

CASH FLOW, INVESTMENTS AND LIQUID ASSETS

The quarter

Cash flow from operating activities amounted to SEK 11 (12) million. Cash flow from changes in working capital amounted to SEK 2.1 (-21) million during the quarter.

Other net investments in tangible, intangible and financial fixed assets amounted to SEK -0.4 (-5.7) million.

Cash flow from financing activities amounted to SEK -20 (115) million, of which SEK -10 (-9.5) million is amortisation of bank loans, SEK -5.1 (-6.0) million is interest paid and received, SEK -3.3 (-2.6) million is amortisation of lease liabilities and SEK -1.8 (60) million is change in overdraft facilities.

In Q1 2024, financing was raised for the acquisition of Wood Communications, which was completed on 2 April 2024. The financing of a total of SEK 133 million was provided through a new share issue of SEK 73 million, a raised acquisition loan of SEK 30 million and a temporarily raised overdraft facility of SEK 31 million.

At the end of the period, the Group's cash and cash equivalents amounted to SEK 45 (186) million. The overdraft facility granted by SEB amounts to SEK 80 (81) million, of which SEK 61 (50) million was undrawn at the end of the period.

The company has financing with SEB without collateral. The parent company has no contingent liabilities or pledged assets.

OPERATING EXPENSES

The quarter

Operating expenses amounted to SEK -375 (-373) million, which is an increase of 0.5 percent.

Expenses amounted to SEK -73 (-71) million, which is an increase of 3.3 percent. The increase is mainly due to the acquisition of Wood, SEK -5.4 million, which is consolidated from 2 April 2024. Q1 2024 includes revaluation of contingent considerations of SEK -5.1 million.

STAFF

The number of employees at the end of the period was 184 (168) and the average number of employees during the quarter was 183 (165). The acquisitions of Wood in Ireland and Xsicut in the UK in Q2 2024 have added 13 and 8 people respectively to the Group.

EXCHANGE RATE DIFFERENCES

Under IFRS, exchange differences of an operating nature are recognised in operating profit as other operating income/expenses. All exchange differences arising from commitments to customers and suppliers are classified here. Exchange rate differences attributable to the translation of contingent considerations are also recognised in operating profit as other operating income/expenses.

Other exchange rate differences are classified as financial exchange rate differences, which include exchange rate differences on foreign currency loans and bank balances.

The operating exchange rate difference for the quarter amounted to SEK 5.5 (-6.2) million, of which SEK 4.1 (-5.1) million is attributable to the revaluation of contingent considerations.

Unrealised exchange rate differences on internal loans are reported in net financial items and amounted to SEK -9.6 (8.0) million during the quarter.

Exchange rate differences on translation of foreign operations are recognised as other comprehensive income. The translation for the quarter amounts to SEK -52 (33) million and is due to the strengthening of the Swedish krona against GBP, EUR and DKK.

THE PARENT COMPANY

The activities of the Parent Company, reg. no. 559009-2382, comprise group management, finance and IR/PR.

Profit after financial items for the quarter amounted to SEK 6.6 (-9.3) million, of which SEK 7.4 (-5.1) million is attributable to the translation and reversal of contingent considerations.

At the end of the period, cash and cash equivalents amounted to SEK 0.0 (147) million. The overdraft facility granted by SEB amounts to SEK 80 (81) million, of which SEK 61 (50) million was undrawn at the end of the period.

DISPUTES

At the end of the period, the Group has no significant ongoing disputes.

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.

Any trade barriers in the form of increased tariffs could have a negative effect in the form of higher prices for imported goods. We are monitoring developments closely, but do not currently believe that this will have any significant impact.

There have been no further significant changes that would require a further amendment to these descriptions.

TRANSACTIONS WITH RELATED PARTIES

During the year, the Group, through Alcadon Group AB, had transactions of SEK -0.3 (-0.2) million with Paseca AB, which is owned by the Chairman of the Board, Pierre Fors. The transactions relate to consulting services and for the work as interim CEO during the period 1 January - 6 January.

All transactions are deemed to be commercial and based on market terms. There were no other significant transactions with related parties during the year.

GOODWILL

Goodwill is tested for impairment on an ongoing basis and is recognised at cost less accumulated impairment losses.

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

Goodwill as at 31 March 2025 amounted to SEK 769 (799) million.

INTEREST EXPENSES

Interest expenses for the quarter amounted to SEK -5.2 (-6.6) million. Of the interest expense, SEK -0.6 (-0.9) million relates to the non-cash discounting effect attributable to the earn-out provisions for the acquisitions of Networks Centre and Wood, and SEK -0.4 (-0.4) million to interest expenses on right-of-use assets.

FUTURE DEVELOPMENT

Alcadon's financial targets over a business cycle imply a continued focus on profitable growth both organically and through acquisitions and will take Alcadon to become a reputable European premium partner active in carefully selected business areas related to the digitalisation of society.

Financial targets over a business cycle

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

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

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

Indebtedness - Alcadon's long-term indebtedness should be between 2 and 3 times EBITDA. EBITDA is defined as operating profit before depreciation and amortisation, excluding acquisition costs, including proforma from acquisitions.

Other key objectives for Alcadon.

Goodwill, SEK million, Cash-generating unit	Country	2025-03-31	2024-03-31	2024-12-31
Alcadon AB	Sweden	224.7	224.7	224.7
Alcadon AS	Norway	64.4	64.4	64.4
Alcadon ApS	Denmark	46.1	49.0	48.9
Alcadon BV	Belgium	7.4	7.8	7.8
Networks Centre Ltd.	The United Kingdom	337.4	350.2	359.8
Wood Communications	Ireland	88.5	0.0	93.7
		768.6	696.2	799.3

Financial												
objectives (R12)	Objective	Q3 2022	Q4 2022	Q1 2023	Q2 2023	Q3 2023	Q4 2023	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025
Growth	20%	43%	51%	68%	79%	68%	42%	22%	13%	6.7%	2.0%	1.6%
Profitability	>10%	5.9%	6.2%	6.2%	5.6%	6.4%	6.8%	6.3%	7.3%	6.6%	5.9%	6.5%
Indebtedness	2-3	3.8	3.7	3.2	3.2	2.8	2.8	2.3	2.3	2.9	2.8	2.9

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

Other objectives	Objective	2022	2023	2024	2025
Employee engagement	>30	40	22	29	-
Customer loyalty*	>30	54	57	49	-

*Measured in Sweden and Norway in 2022. Other years measured in companies belonging to the group throughout the year. 2025 will be measured later in the year.

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

THE AUDITOR'S REVIEW

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

FINANCIAL CALENDAR

Annual General Meeting 2025	29 April 2025 at 10:00 am
Q2 report	8 August 2025 at 8.00 am
Q3 report	24 October 2025 at 8.00 am
Year-end report 2025	By week 8, 2026
Annual report 2025	No later than three weeks before the 2026 Annual General Meeting
Annual General Meeting 2026	29 April 2026 at 10:00

AGM 2025

The 2025 Annual General Meeting will take place in Stockholm on Tuesday 29 April 2025 at 10:00.

DIVIDEND

In the light of favourable investment opportunities with good return potential going forward, the Board of Directors proposes, despite a strong cash flow during the year, that no dividend be paid for 2024.

WARRANTS

In accordance with the decision of the Annual General Meeting in April 2023, 19 employees have subscribed for warrants under an incentive programme, Option Programme 2023/2026. The subscription was made at the current market value of the options 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 may be issued, which corresponds to a dilution of approximately 0.5 percent calculated on the company's 24,511,026 shares.

Closing balance	2023/2026	2024/2027	2024/2028
Number of warrants	125,000	74,000	200,000
Date of allotment	2023-05-08	2024-05-13	2024-07-08
Exercise date	2026-02-23	2026-11-02	2028-05-01
Share price at allotment (SEK)	47.8	34.8	36.0
Volatility	37%	38%	38%
Duration	2.9 years	3.3 years	3.9 years
Yield dividend	2.09%	2.87%	2.00%
Risk-free return	2.84%	2.72%	2.80%
Fair value per warrant at allotment (SEK)	6.44	6.21	5.97
Exercise price at allotment (SEK)	62.4	47.5	50.7
Exercisable from/to	2026-02-23	2026-11-02	2028-05-01
	2026-03-20	2027-08-13	2028-05-31

The average price of ordinary shares during January to March has been below the exercise price of the options, so the shares are not included in the calculation of the number of diluted shares in the financial tables.

In accordance with the decision of the Annual General Meeting in April 2024, 13 employees have subscribed for warrants under an incentive programme, Option Programme 2024/2027. The subscription was made at the current market value of the options after calculation according to Black & Scholes. Each warrant entitles the holder to subscribe for one new share in Alcadon Group during the period from 2 November 2026 to 13 August 2027. The subscription price amounts to SEK 47.5. If the warrants are fully exercised, up to 74,000 shares can be issued, which corresponds to a dilution of approximately 0.3 percent calculated on the company's 24,511,026 shares.

The average price of ordinary shares during January to March has been below the exercise price of the options, so the shares are not included in the calculation of the number of diluted shares in the financial tables.

In accordance with the decision of the Extraordinary General Meeting on 4 July 2024, the incoming CEO, Fredrik Valentin, subscribed in July 2024 for 200,000 warrants under an incentive programme, Option Programme 2024/2028. The subscription was made at the current market value of the options after calculation according to Black & Scholes. Each warrant entitles the holder to subscribe for one new share in Alcadon Group during the period from 1 May 2028 to 31 May 2028. The subscription price amounts to SEK 50.7. If the warrants are fully exercised, up to 200,000 shares can be issued, which corresponds to a dilution of approximately 0.8 percent calculated on the company's 24,511,026 shares.

The average price of ordinary shares during January to March has been below the exercise price of the options, so the shares are not included in the calculation of the number of diluted shares in the financial tables.

For more information on the programmes, please see the company's website www.alcadongroup.se/investors/corporate-lines/

SHARE INFORMATION

Alcadon Group AB's share has been listed on Nasdaq First North since 14 September 2016. The number of shares as of 31 March 2025 amounts to 24,511,026.

Companies listed on Nasdaq First North are required to have a Certified Adviser who, among other things, must exercise certain supervision. Alcadon Group's Certified Adviser is Svensk Kapitalmarknadsgranskning AB (SKMG).

Share price at the end of the period was SEK 24.00 (31 March 2025).

- Company name: Alcadon Group AB
- Short name: ALCA
- Number of Shares: 24,511,026
- ISIN: SE0008732218

LOANS & CREDITS

Alcadon's financing consists of a bank loan with SEB of initially SEK 380 million, which runs until August 2026.

After annual repayments and with an acquisition credit of SEK 30 million, the SEB loans amount to SEK 315 (353) million as of 31 March 2025.

Conditions in brief

- Bank loan, SEK 130 million, straight amortisation 10 years, interest rate STIBOR 3M + 1.4-2.4 percentage points depending on debt/equity ratio.
- Bank loan, SEK 250 million, straight amortisation 10 years, interest rate STIBOR 3M + 1.4-2.4 percentage points depending on debt/equity ratio.
- Overdraft facility of SEK 80 million, SEB base rate + 1.2 percentage points, 0.4 percent annual credit fee.
- Acquisition credit of SEK 30 million, straight amortisation 10 years, 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 financing amounts to SEK 334m (384) as of 31 March 2024, of which SEK 41m (38) is reported as a current liability under Current liabilities to credit institutions, SEK 274m (315) is reported as non-current under Liabilities to credit institutions and SEK 19m (31) relates to utilised overdraft facilities. Current liabilities of SEK 41m (38) relate to the amortisation 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 amortisation and financing costs >1

The debt/equity ratio is calculated excluding lease liabilities and including lease expenses 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 overdraft facility granted by SEB amounts to SEK 80 million (81), of which SEK 61 million (50) was undrawn at the end of the period.

ACCOUNTING POLICIES & NOTES

See pages 17-18 for accounting policies and notes.

OWNERSHIP STRUCTURE

Largest shareholders in Alcadon Group as of 31 March 2025 (source: Monitor, Modular Finance).

Name	Shareholding	Shareholding %.
Investment AB Spiltan	3,895,893	15.9%
Ribbskottet Aktiebolag	2,455,000	10.0%
Jeansson, Theodor	2,153,851	8.8%
Andra AP-Fonden	2,132,524	8.7%
Norron Fonder	1,029,478	4.2%
Susanne Stengade Holding ApS	981,780	4.0%
Swedbank Robur Microcap	820,000	3.3%
Consensus Asset Management	740,000	3.0%
Avanza Pension	610,183	2.5%
Cicero Fonder	583,212	2.4%
Mahony, Keith	564,355	2.3%
ÖstVäst Capital Management	549,833	2.2%
Fondita Fund Management	440,000	1.8%
Lindsay, Duncan	317,088	1.3%
Lindsay, Natalie	314,389	1.3%
Lindberg, Peter	285,000	1.2%
Nordnet Pensionsförsäkring AB	266,330	1.1%
Athanase Industrial Partners	263,135	1.1%
Hajskäret Invest AB	208,459	0.9%
Mårtensson, Jonas	208,092	0.8%
Grand Total	18,818,602	76.8%
Others	5,692,424	23.2%
Total	24,511,026	100.0%

OTHER IMPORTANT INFORMATION

Certain financial and other information presented in the report has been rounded to make the information more accessible to the reader. As a result, figures in some columns may not align exactly with the totals shown.

ALCADON GROUP - THE GROUP	Quarter 1		Full year
Condensed statement of comprehensive income (SEK million)	2025	2024	2024
INCOME STATEMENT			
Net sales, Note 2	403.6	399.2	1 603.8
Other operating income	8.0	0.2	0.8
Total revenue	411.6	399.4	1 604.6
Operating expenses	-374.8	-373.0	-1 486.4
Operating profit before depreciation	36.8	26.4	118.2
Depreciation of tangible assets	-6.2	-5.3	-23.8
Operating profit before amortisation of intangible assets	30.6	21.1	94.4
Amortisation of intangible assets	-5.3	-4.4	-20.7
Operating profit	25.3	16.7	73.6
Net financial income	-10.4	0.4	-17.7
Profit or loss after financial items	15.0	17.1	56.0
Tax on profit for the year	-6.9	-3.5	-19.1
Profit or loss for the period	8.1	13.6	36.9
Attributable to:			
Non-controlling interests	0.0	0.0	0.0
Shareholders of the Parent Company	8.1	13.6	36.9
Profit or loss for the period	8.1	13.6	36.9
Other comprehensive income			
Exchange rate differences on translation of foreign subsidiaries	-52.1	33.3	48.0
Total comprehensive income for the period	-44.0	46.9	84.9
Total comprehensive income for the period attributable to:			
Non-controlling interests	0.0	0.0	0.0
Shareholders of the Parent Company	-44.0	46.9	84.9
DATA PER SHARE			
Number of shares			
Number of shares at the end of the period	24,511,026	23,777,365	24,511,026
Average number of shares, pcs	24,511,026	22,065,036	23,868,959
Number of shares (after dilution), pcs	24,511,026	22,065,036	23,868,959
Earnings per share			
Earnings per share for the period based on average number of shares, SEK	0.33	0.62	1.54
Earnings per share for the period (diluted), SEK	0.33	0.62	1.54
Equity per share			
Equity per share at the end of the period, SEK	33.1	33.2	34.9

ALCADON GROUP - THE GROUP
Financial position in summary (SEK million)
BALANCE SHEET
Fixed assets

Goodwill	768.6	696.2	799.3
Other intangible assets	138.3	124.2	152.5
Tangible fixed assets	84.2	91.8	92.2
Financial fixed assets	7.8	8.2	8.7

Total fixed assets
998.9 **920.5** **1,052.7**
Current assets

Inventories	277.4	272.2	308.1
Accounts receivable	264.6	286.7	241.9
Other current assets	34.1	48.4	40.5
Cash and bank	44.9	185.9	57.9

Total current assets
621.0 **793.2** **648.3**
TOTAL ASSETS
1,620.0 **1,713.7** **1,701.1**
Equity capital

Share capital	1.2	1.1	1.2
Other contributed capital	503.3	474.8	503.3
Retained earnings including profit or loss for the period	307.8	313.8	351.7

Equity attributable to shareholders of the Parent Compa-ny
812.3 **789.8** **856.2**

Non-controlling interests	0.0	0.0	0.0
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Total equity
812.3 **789.8** **856.2**
Provisions

Other provisions, Note 4	61.2	113.9	67.8
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Total provisions
61.2 **113.9** **67.8**
Long-term liabilities

Deferred tax liability	30.1	33.3	33.1
Liabilities to credit institutions	274.0	315.0	283.5
Other long-term liabilities	49.0	59.9	53.4

Total non-current liabilities
353.1 **408.2** **370.0**
Current liabilities

Overdraft facility	19.3	30.6	21.1
Current liabilities to credit institutions	40.9	37.8	41.5
Other interest-bearing liabilities	20.5	20.1	21.5
Trade payables	231.9	230.5	248.9
Other current liabilities	80.7	82.9	74.1

Total current liabilities
393.3 **401.8** **407.0**
TOTAL EQUITY AND LIABILITIES
1,620.0 **1,713.7** **1,701.1**

ALCADON GROUP - THE GROUP	Quarter 1		Full year
	2025	2024	2024
Condensed statement of changes in equity (SEK million)			
Equity at the beginning of the period	856.2	669.5	669.5
Other changes in equity	0.0	0.0	0.0
Other contributed capital	0.0	73.5	101.9
Dividend	0.0	0.0	0.0
Non-controlling interests	0.0	0.0	0.0
Comprehensive income for the period attributable to Parent Company share-holders	-44.0	46.9	84.9
Equity at the end of the period	812.3	789.8	856.2

ALCADON GROUP - THE GROUP	Quarter 1		Full year
	2025	2024	2024
Consolidated cash flow in summary (SEK million)			
Operating profit	25.3	16.7	73.6
Adjustments for non-cash items,, etc.	-9.2	28.9	51.9
Income tax paid	-7.2	-12.0	-25.5
Change in working capital	2.1	-21.2	24.9
Net cash flow from operating activities	11.0	12.4	125.0
Acquisitions of tangible and intangible assets	-0.3	-5.1	-6.5
Change in financial fixed assets	-0.2	-0.6	-1.1
Business combinations	0.0	0.0	-170.7
Cash flow from investing activities	-0.4	-5.7	-178.3
Dividends paid	0.0	0.0	0.0
New issue/payment of warrants	0.0	73.5	75.1
Interest paid and received and other financial items	-5.1	-6.0	-25.1
Amortisation of lease liabilities	-3.3	-2.6	-17.7
Amortisation	-10.0	-9.5	-67.9
Borrowings/Change in bank overdraft facilities	-1.8	59.8	80.9
Cash flow from financing activities	-20.2	115.2	45.3
Cash flow for the period	-9.6	121.9	-7.9
Reconciliation of changes in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period	57.9	62.5	62.5
Exchange rate difference in cash and cash equivalents	-3.3	1.5	3.3
Cash and cash equivalents at the end of the period	44.9	185.9	57.9
Change in cash and cash equivalents	-9.6	121.9	-7.9

PARENT COMPANY - ALCADON GROUP AB			
Condensed statement of comprehensive income (SEK mil-lion)	Quarter 1		Full year
	2025	2024	2024
INCOME STATEMENT			
Net sales	2.3	4.4	13.1
Other operating income	7.4	0.0	0.0
Total revenue	9.7	4.4	13.1
Operating expenses	-4.5	-10.6	-24.2
Operating profit	5.2	-6.2	-11.1
Net financial income	1.4	-3.1	-5.5
Profit or loss after financial items	6.6	-9.3	-16.7
Appropriations	0.0	0.0	14.8
Profit or loss before tax	6.6	-9.3	-1.9
Tax on profit for the year	-1.8	1.7	-0.8
Profit or loss for the period	4.7	-7.6	-2.6

PARENT COMPANY - ALCADON GROUP AB			
Financial position in summary (SEK million)	2025-03-31	2024-03-31	2024-12-31
	BALANCE SHEET		
Fixed assets			
Intangible fixed assets	0.2	0.3	0.3
Financial fixed assets	916.6	768.4	916.9
Non-current receivables from group companies	279.0	296.7	280.5
Total fixed assets	1,195.9	1,065.4	1,197.7
Current assets			
Receivables from group companies	0.0	0.5	0.8
Other current assets	2.3	7.6	1.1
Cash and bank	0.0	146.6	0.0
Total current assets	2.3	154.7	1.9
TOTAL ASSETS	1,198.1	1,220.1	1,199.6
Equity capital			
Share capital	1.2	1.1	1.2
Retained earnings including profit or loss for the period	542.0	503.9	537.2
Total equity	543.2	505.0	538.4
Provisions			
Other provisions	61.2	113.7	67.8
Total provisions	61.2	113.7	67.8
Long-term liabilities			
Liabilities to credit institutions	274.0	315.0	283.5
Liabilities to group companies	47.3	62.0	62.1
Total non-current liabilities	321.3	377.0	345.6
Bank overdraft facility	19.3	30.6	21.1
Current liabilities to credit institutions	41.0	38.0	41.0
Liabilities to group companies	206.2	148.2	193.9
Other current liabilities	6.1	7.6	-8.1
Total current liabilities	272.5	224.3	247.8
TOTAL EQUITY AND LIABILITIES	1,198.1	1,220.1	1,199.6

QUARTERLY GROUP DATA	Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
INCOME STATEMENT (MSEK)	2025	2024	2024	2024	2024	2023	2023	2023
Net sales	403.6	389,0	390.4	425.2	399.2	431.5	381.4	371.1
Profit								
Adjusted operating profit before amortisation of intangible assets (EBITA adjusted)*	21.8	24.8	20.5	32.6	27.3	26.5	22.8	21.4
Operating profit before amortisation of intangible assets (EBITA)	30.6	24.9	18,0	30.4	21.1	39.3	28,0	11.4
Profit after financial items	15,0	13.5	8.5	16.8	17.1	20.7	12.1	2,0
Profit or loss for the period	8.1	6.9	5.4	11,0	13.6	14.8	13.7	-2.2
Marginal measure in %.								
Gross margin %.	25.2	25.7	24.4	26.7	24.3	23.7	23.8	24.2
Adjusted operating margin, EBITA adjusted %*	5.4	6.4	5.2	7.7	6.8	6.1	6,0	5.8
Operating margin, EBITA %.	7.6	6.4	4.6	7.2	5.3	9.1	7.3	3.1
Net margin %.	2,0	1.8	1.4	2.6	3.4	3.4	3.6	-0.6
BALANCE SHEET (MSEK)								
Assets								
Total fixed assets	999	1053	1049	1052	920	896	926	953
Total current assets	621	648	664	708	793	685	703	729
Total assets	1,620	1,701	1,713	1,759	1,714	1,581	1,629	1,683
Equity & Liabilities								
Total equity	812	856	831	822	790	669	680	687
Total non-current liabilities & provisions	414	438	454	535	522	495	558	574
Total current liabilities	393	407	427	402	402	417	391	421
Total equity & liabilities	1,620	1,701	1,713	1,759	1,714	1,581	1,629	1,683
CASH FLOW (MSEK)								
Net from operating activities	11,0	38.9	14.4	60.2	12.4	41.7	60.1	17.9
Investment activities	-0.4	-1.5	-68.3	-102.8	-5.7	-28.4	-0.6	-3.6
Financing activities	-20.2	-31.5	11.7	-50,0	115.2	-20.2	-72.9	-35.4
Cash flow for the period	-9.6	6,0	-42.2	-92.6	121.9	-7,0	-13.5	-21.1
OTHER KEY FIGURES								
Earnings per share, SEK	0.33	0.28	0.22	0.45	0.62	0.68	0.63	-0.1
Return on equity, %	3.7	4.3	5.4	6.6	5.6	5.5	5.4	4.2
Equity per share, SEK	33.1	34.9	33.9	33.5	33.2	30.8	31.3	31.6
Cash flow from operating activities per share, SEK	0.45	1.59	0.59	2.47	0.56	1.92	2.77	0.83
Share price at end of period, SEK	24,0	29,0	34.6	34.6	38.2	35,0	28.1	39.9

*Operating profit adjusted for the reversal of acquisition costs, deduction/reversal of results from earn-outs and unrealised exchange gains and losses.

NOTE 1. ACCOUNTING POLICIES

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. In addition, the recommendation of the Swedish Financial Reporting Board, RFR 1 regarding additional accounting rules for Groups has been applied.

This interim report has been prepared for the Group in accordance with the Swedish Annual Accounts Act and IAS 34 Interim Financial Reporting and for the Parent Company in accordance with the Swedish 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 policies and methods of computation have been applied as in the most recent annual report, except for new standards and interpretations and amendments to existing standards and interpretations that are effective from 1 January 2025 or later.

IFRS 16 Leases

Alcadon applies IFRS 16 Leases.

As Alcadon is the lessee, the right-of-use assets are recognised as a right-of-use asset in the statement of financial position, while the future obligation to the lessor is recognised 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 directly.

Closing balance sheet values as at 31 March 2025:

- Right-of-use assets: SEK 71 (83) million, recognised in Property, plant and equipment
- Lease liabilities: SEK 70 (80) million, recognised as SEK 49 (60) million in other non-current liabilities and SEK 21 (20) million in other interest-bearing liabilities

Other

IFRS 18 Presentation and disclosure in financial statements is applicable for annual periods beginning on or after 1 January 2027. The standard will replace IAS 1 Presentation of Financial Statements and introduce new requirements that will help achieve comparability in reporting the performance of similar entities and provide users with more relevant information and transparency. IFRS 18 will not affect the recognition or measurement of items in the financial statements, i.e. will have no impact on net profit. Management will start assessing the impact of the application of the new standard in 2025.

None of the other IFRS or IFRIC interpretations that are not yet effective are expected to have a material impact on the consolidated financial statements. The 2024 Annual Report summarises the significant accounting policies. See the company's website www.alcadongroup.se for more information.

NOTE 2. NET SALES

Alcadon is mainly engaged in the sale of goods, which accounts for more than 99 percent of net sales. Sales are made in different regions and revenue from sales is recognised in the income statement when control has been transferred to the customer. The Group also provides services in the form of technical support and service contracts. Technical support is considered a separate performance obligation and revenue is recognised over time. Service contracts are recognised on a straight-line basis over the contract period. See table below for net sales by region.

Geographical market (external net sales) SEK million	Quarter 1		Full year
	2025	2024	2024
Sweden	86.0	90.9	347.5
Norway	24.4	27.5	92.0
Denmark	26.0	29.0	126.4
Germany	17.9	28.6	102.5
The United Kingdom	171.6	155.7	626.4
Ireland	29.7	0.0	85.0
The Benelux	48.0	67.5	224.0
Total	403.6	399.2	1,603.8

NOTE 3. CONTINGENT CONSIDERATIONS

SEK million	Quarter 1		Full year
	2025	2024	2024
Contingent considerations, opening balance	67.8	108.1	108.1
New contingent considerations	0.0	0.0	30.7
Reversal of contingent considerations	-2.5	0.9	-1.0
Exchange rate differences	-4.1	4.9	6.9
Disbursements	0.0	0.0	-77.0
Contingent considerations, closing balance	61.2	113.9	67.8

The contingent consideration as of 31 March 2025 relates to contingent consideration for the acquisition of Networks Centre of SEK 39 million and Wood Communications of SEK 23 million.

The contingent consideration for the Networks Centre acquisition of £39m (£2.9m) relates to the discounted value of the remaining contingent consideration of £3.0m, which equates to £39m calculated at the closing rate. Total possible remaining contingent consideration amounts to GBP 3.0 million, which corresponds to SEK 39 million calculated at the closing rate.

The contingent consideration for the acquisition of Wood Communications of SEK 23 million (EUR 2.0 million) refers to the discounted value of the remaining contingent consideration of EUR 2.2 million, which corresponds to SEK 24 million calculated at the closing rate. The total possible remaining contingent consideration amounts to EUR 2.3 million, which corresponds to SEK 25 million calculated at the closing rate.

The difference between the discounted values in the balance sheet and the remaining contingent considerations (GBP 0.0 million and EUR 0.2 million) is recognised as an interest expense in net financial items until any payment dates for the earn-outs. The interest expense during the quarter amounts to SEK -0.6 (-0.9) million.

The Board of Directors and the CEO certify that the interim report provides a true and fair view of the Parent Company's and the Group's financial position and results of operations and provides a fair overview 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, 28 April 2025

Pierre Fors

Chairman of the Board of Directors

Jonas Mårtensson

Vice Chairman of the Board of Directors

Marie Ygge

Member of the Board of Directors

Lars Engström

Member of the Board of Directors

Mikael Vaezi

Member of the Board of Directors

Fredrik Valentin

Chief Executive Officer

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