



Alcadon Group



2021

ANNUAL REPORT

Content

Annual Report 2021

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The year in brief

Significant events during the year

- Alcadon Group acquires 6X International ApS and its German subsidiary 6X International GmbH.
- 26 employees subscribes for their full allotment of warrants.
- Alcadon deepens cooperation and enters into a new cooperation agreement with one of the leading installation companies in the Nordics.
- Alcadon concludes supply agreement for fiber optic accessories with Norlys in Denmark, with an estimated value of about MDKK 50-60.
- Alcadon is awarded three major procurement contracts for city network rollouts across Sweden. The contracts extend over 3-4 years with expected revenues of approximately MSEK 10 per annum.
- Alcadon concludes a framework agreement of 18 months with Emtelle in Germany, with an estimated sales value of between MEUR 4 and 4.5 per annum.
- Alcadon enters into a new exclusive supply agreement with Norlys in Denmark for a period of 3+1 years, with estimated sales per annum of MDKK 30-35.
- Alcadon secures its 10th FTTH project in Germany, worth MEUR 1.
- Alcadon was refinanced in July 2021. The Group's new main bank is now SEB.
- Alcadon signs agreement with Deutsche Glasfaser at an estimated value of MEUR 20 per annum. The agreement extends over 3 + 1 years.
- Alcadon carries out a directed new issue of 500,000 shares to Consensus Asset Management, raising proceeds of approximately MSEK 29 before issuance costs.
- Alcadon's Norwegian subsidiary Alcadon AS wins a project to Forsvarsbygg with an estimated worth of approximately MNOK 13.
- Alcadon acquires 80 percent of Belgian 6X International BV with an option for the remaining 20 percent.

Historical summary

| | 2021 | 2020 | 2019 |
|-------------------------|-------|-------|-------|
| Net sales, MSEK | 736.5 | 467.6 | 485.2 |
| Operating profit, MSEK | 65.9 | 43.1 | 31.1 |
| Operating margin, % | 8.9 | 9.2 | 6.4 |
| Earnings per share, SEK | 2.62 | 1.72 | 1.15 |
| Solidity, % | 49 | 52 | 48 |



A word from the CEO

A TRANSFORMATIVE YEAR SETTING THE FOUNDATION FOR CONTINUOUS STRONG DEVELOPMENT

2021 was a good year for Alcadon. With strong growth, transformative acquisitions, and operations across three new geographic markets, we have solid foundation for the future. A capital injection adding additional institutional long-term owners and a successful refinancing also make for a favourable outlook.

The challenges arising from the pandemic have, at times, been difficult to manage, but our employees have been able to resolve most difficulties, which has contributed to the Group's positive development during 2021. The Russian invasion of Ukraine is horrific, of course, and our hearts and support go out to the victims of this tragedy. From the operational point of view, Alcadon is indirectly but manageably affected by the conflict, akin to an extension of the problems relating to the pandemic.

Net sales for the full year 2021 increased by 57 percent to MSEK 736. Operating profit after depreciation/amortization (EBIT) increased by 53 percent to MSEK 66, and earnings per share increased by 52 percent. Excluding direct acquisition costs and negative currency effects, operating profit increased by 64 percent. Gross margins and operating margins were relatively stable, reaching 28 and 9 percent, respectively. The financial position is strong, with solidity remaining high at 49 percent and net debt including lease liabilities totaling MSEK 152 as of 31 December 2021. During Q1 2022, a new share issue raised proceeds of approximately MSEK 128 before issuance costs.

We finished the year strongly, increasing net sales by 86 percent. The Group's operational and financial prospects for organic and acquisition-based growth in 2022 are very good.

The conditions are also good for a positive development in our industry. The need for a strong network infrastructure and connectivity is growing with the increasing amounts of data.

An increase in the amounts of data is inevitable as people seek flexibility, and the technology shift towards 5G creates new opportunities. This acts as a stimulus for public and private measures that promote the roll-out of digital infrastructure.

Today, there is a very tangible positive development in broadband rollouts and in the data center segment in several markets, and growth in radio/5G solutions is gradually becoming more prominent. Moreover, 80 percent of the bandwidth is used indoors, which inevitably will lead to increased demands on indoor connectivity in the future – an area in which Alcadon has traditionally performed very well.

The focus of Alcadon's efforts over the past three years has been to further strengthen the Group's position in relation to the segments of our core business that have the most clear potential for growth. These efforts have been successful and should give us opportunities to gain market share in a very interesting growth industry moving forward.

THE ALCADON WAY

During the year, we have clarified our strategy and the way forward as well as our culture and the purpose of our activities. This has laid the foundation for the expansion we intend to pursue over the coming years.

The Group's purpose and overall objective clearly relates to the digitalization of society, where Alcadon in a distinctive way will enable the creation of a connected world. By 2025, at the latest, we will be a reputable European player in the premium segment of carefully selected areas related to the digitalization of society.

We stick to what we know and expand in a well-considered way within areas that we understand and master. We do this with a European perspective and in line with our core values.

ORGANIC DEVELOPMENT AND ACQUISITIONS

Profitable growth is a key part of our strategy. Each part of the Group must have a clear plan for organic growth, with distinct measurable initiatives that are monitored regularly and with a clear link to our vision.

Several high-achieving individuals have joined us in recent months and will contribute to an acceleration of our organic growth. Our very committed and satisfied employees, an active sustainability agenda, and a clear vision all contribute to making us attractive as an employer. Our current focus within the Group is on creating new revenue streams through cross-selling and product launches in several geographic markets.

Every strategic choice is based on an assessment of whether organic measures or acquisitions will be the most appropriate. When expanding geographically, acquisitions are often preferable, and that was the approach we chose for our expansion into Denmark, Belgium and Germany.

In the context of an acquisition, we want to feel very comfortable that it will strengthen the Group and that it makes sense from an industrial perspective. Over time, we have established a solid acquisition process to ensure value creation. Our acquisitions are successful when the integration process and realization of synergies starts at the time of first contact; when we stick to our core competencies; and when we ensure that cultural and strategic similarities exist.

Today, our pipeline of potential acquisitions is strong, and there is considerable interest in joining Alcadon. On this basis, we choose our acquisitions meticulously.

2022

We are now looking forward to a new fruitful year. Pandemics and conflicts notwithstanding, we are confident that 2022 will be a good year for Alcadon.

With our establishment in the Benelux, we have created further opportunities for growth and widened the Group's geographical scope in accordance with our European strategy. The Netherlands and Belgium will also be two very interesting markets in our industry in the coming years.

The year 2022 will be characterized by continued growth initiatives, with focus on a number of product launches in several countries and efforts to leverage the skills of the Group. The idea is also to carry out additional value-adding acquisitions to support growth.

THE JOURNEY CONTINUES

The period since the IPO in 2016 has been marked by a series of value-adding acquisitions and a very interesting market development. In 2019, a change project was initiated with the aim of advancing the Group to the next level. The initial focus was to strengthen profitability through increased efficiency and improved gross margins. This effort proved successful and continued in 2020 with investments in logistics capacity and targeting growth segments.

As stated previously, 2021 was a transformative year when we, with a good profitability and a strong organizational foundation, were able to step out into Europe, further raising our ambitions. As we sum up 2021, we do it with satisfaction. We can clearly see that our acquisitions deliver and that our model of integration works. The performance in Denmark and Germany has been remarkable, with strong and profitable growth. To acquire the right company with the right people in a familiar industry is a good recipe for success.

Profitability and growth are not incompatible concepts. We have proven that in the past, and we will continue to pursue it in the future. Network infrastructure is the foundation of a digitalized and sustainable society, and the conditions for profitable growth are excellent.

I, and especially our extraordinary employees, are eager to demonstrate what we can achieve.

Sonny Mirborn
CEO and President



The organization of the Group

ALCADON GROUP

Operations began in 1988 and the current Group was formed on 21 December 2015. The activities are conducted through subsidiaries in Sweden, Norway, Denmark, Germany, and Belgium. Alcadeltaco AB is a holding company and conducts no operational activities. The Group's functions for group management, finance and IR/PR are handled by the parent company.

OPERATING COMPANIES

Alcadon AB is present in Stockholm (the head office), Malmö, Gothenburg and Örebro. The company also has sales representatives in Finland. Most of the distribution takes place through the Swedish central warehouse, located in Västberga south of Stockholm, and through local stores in the vicinity of each local office and the central warehouse.

Alcadon AS, Norway, has offices and warehouses in Oslo and Sandefjord and sales offices in Bergen, Hamar and Mosjøen.

Alcadon ApS, Denmark, has headquarters and warehouses in Nivå, north of Copenhagen.

Alcadon GmbH, Germany, has offices and warehouses in Kiel.

6X International B.V., Belgium, has offices and warehouses in Lier.

STRATEGY & GOVERNANCE

Alcadon Group's strategy is to grow organically and through acquisitions.

Organic growth is achieved by continuous development of the business models of the companies in conjunction with a flexible organization and an ongoing analysis of the driving forces in the market.

Acquired businesses should either strengthen Alcadon Group's total offering and position, expand its geographic presence or complement the group's customer base.

The leadership in acquired companies should be characterized by competence and entrepreneurship, good earning power and a proven business model.

Each active subsidiary of the group should strive to identify and realize synergies between the companies when the gains are higher than the coordination costs.

ALCADON GROUP AB

ALCADELTACO AB

ALCADON AB

ALCADON AS

ALCADON ApS¹

ALCADON GMBH¹

6X INTERNATIONAL BV²

¹⁾ Alcadon ApS and Alcadon GMBH are part of the Group as of January 2021 and are not included in the 2020 financial statements.

²⁾ 6X International B.V. is part of the Group as of 7 December 2021 and is not included in the 2020 financial statements.



Business description

INTRODUCTION

Since 1988, Alcadon develops and offers products, solutions and systems in network infrastructure/data communication. The range includes fiber- and copper-based solutions and both passive and active products. At present, business is carried out in Sweden, Norway, Denmark, Germany, Belgium, and, as of February 2022, the Netherlands. Sales mostly target installers, operators, construction companies, integrators, municipalities and data centers.

The core of our offering comprises proprietary solutions, with the production outsourced to partner factories in a number of countries with which we have cooperated for many years. The proprietary range is complemented by products and solutions from leading international manufacturers. The combination of private label systems, such as ECS and DC Line, and partnerships with leading international operators creates a balance resulting in a complete and competitive, clearly premium offering and a flexible business model.

The Alcadon culture is characterized by entrepreneurship, a focus on sales and pride in being able to offer the market a depth of skills in network infrastructure, regardless of the application.

The strength of Alcadon's business concept lies in extensive competence and experience in network infrastructure and the related technology development, in combination with a strong focus on quality and service. This allows Alcadon to offer well-functioning and com-

prehensive network infrastructure solutions to a broad customer base comprising network installers, system integrators, construction companies and network owners.

Alcadon is established in Sweden, Norway, Denmark, Germany, Belgium, and, as of February 2022, the Netherlands. The head office is located on Stora Essingen in Stockholm. The Group had 95 employees on 31 December 2021.

OUR 2025 VISION

By 2025, Alcadon will be a reputable European player in the premium segment of carefully selected business areas related to the digitalization of society.

BUSINESS CONCEPT

Alcadon's business concept is to meet the market's need and requirements for data communication products and systems, and to be a natural partner of companies that carry out installations and build network solutions for current and future needs. To offer a broad range of products with high availability and security of supply, at a reasonable price. To maintain a high level of competence with good knowledge of market developments to be able to offer goods and services that improve our customers' business opportunities.

BUSINESS MODEL

Alcadon's main niche in the market for data communications products is network infrastructure. The Company's business model is to develop systems and products and

act as a data communications distributor to installers, operators, construction companies, integrators, municipalities, data centers, and major end users.

The success factors are our customer focus, the staff's extensive skills and long experience, efficient logistics management, high-quality products, and prompt service of a high standard.

PRODUCTS

Alcadon offers a wide range of high-quality products and components for data- and telecommunications from leading manufacturers as well as private label brands such as ECS (European Cabling Systems), for commercial property networks, and DC Line, which is primarily targeted at residential networks.

ECS, a structured cabling system for passive infrastructure in commercial properties, has been supplied since 1995.

Since then, approximately 4,000 installers have been licensed by Alcadon for ECS installation, and more than two million systems have been installed in the Nordic countries. In 2021, private label brands represented 27 (29) percent of net sales.

The strength of Alcadon's business concept lies in extensive competence and experience in network communications and the technology developed in the field, in combination with a strong focus on quality and service. This allows Alcadon to offer well-functioning and comprehensive network infrastructure solutions to a broad customer base of network installers.

BUSINESS AREAS

We have defined our operations in four business areas.



COMMERCIAL PROPERTY NETWORKS

30% of sales (44%)

- Structured cabling systems for offices, industry, public municipality and hospital buildings.
- MPO¹⁾ systems and data center solutions.
- Active communications equipment such as switches, routers, and wireless.



FIBER NETWORKS/FTTx

55% of sales (34%)

- Complete solutions for fiber networks, including FTTH/B/P and 5G.
- The offer covers fiber solutions for, inter alia, energy companies, city networks, and operators.



RESIDENTIAL NETWORKS

10% of sales (18%)

- New production and repairs, conversion and extension work.
- Complete solutions for communications to residential properties.
- Complete solutions for electricity and communication within residential properties.



SERVICES

5% of sales (4%)

- Training.
- Network design.
- Troubleshooting.
- Fiber welds.
- Measuring instruments copper/fiber.
- Fiber blowing equipment.
- Rental.

¹⁾ MPO (Multi-fiber Push On) is a universal cable system for fiber networks.



FINANCIAL OBJECTIVES

Alcadon's financial objectives are for the Group to achieve growth in earnings per share at a rate of 10 percent per annum over an economic cycle, and for solidity to amount to not less than 25 percent.

LOCATION

Alcadon AB is present in Stockholm (the head office), Malmö, Gothenburg and Örebro. During the fourth quarter of 2020, three former local warehouses were replaced by a new central warehouse in Västberga, south of Stockholm. At the same time, a new store was opened in connection with the central warehouse. Alcadon AS has offices and warehouses in Oslo and Sandefjord and sales offices in Bergen, Hamar and Mosjøen. Alcadon also has sales representatives in Helsinki.

In January 2021, Alcadon carried out the acquisition of 6X International, headquartered in Nivå north of Copenhagen, Denmark. Since the end of 2019, 6X is also present in Germany following the establishment of the wholly-owned subsidiary 6X International GmbH, with an office in Kiel.

From the central warehouse in Stockholm and the warehouses in Oslo and Sandefjord, deliveries are sent daily to customers throughout Sweden and to the other Nordic countries.

CUSTOMERS

Alcadon directs sales to companies active in installation, system integrators, and companies and other market participants that operate or own data- and telecommunication networks. Network installers represent approximately 75 percent of the customers and thus are the Company's main customer group. Alcadon has more than 2,800 active customers where the ten largest customers usually account for around 30 percent of net sales.

The main market is Sweden, which in 2020 accounted for 73 percent of net sales, while the Norwegian market accounted for 27 percent of net sales.

SUPPLIERS

Alcadon has chosen to focus on a smaller number of market areas to stay at the forefront of the market development. The products are developed in cooperation with world-leading manufacturers and suppliers in Europe, the United States, and Asia, with close attention to developments relating to product standards and to the different needs of customers in the Nordic market.

Products under the private label brand ECS are manufactured at several factories around the world.

Alcadon offers products from around 200 suppliers in addition to the proprietary product range.

LOGISTICS AND WAREHOUSING

Alcadon stocks approximately 2,800 products.

In September 2020, four smaller local warehouses in Stockholm, Gothenburg, Malmö and Örebro were replaced by a new central warehouse in Västberga, south of Stockholm. The new central warehouse allows us to ensure a high delivery precision to the whole of Sweden and our Norwegian warehouses.

At the same time, it enhances our storage capacity and efficiency, which aligns with our ambition for growth. Alcadon is well experienced with efficient planning of purchasing and logistics, which is of great importance considering that the delivery time for certain products can be several months. The risk of inventory obsolescence is assessed as low.

PERSONNEL

As at 31 December 2020, Alcadon had 65 (62) employees. 50 (46) of the employees are based in Sweden and 15 (15) in Norway.

The majority of Alcadon's employees have extensive experience in the industry. The senior management and Alcadon's other employees are shareholders in Alcadon and therefore take a long-term approach to the continued development of the company.



HISTORIC MILESTONES

1988: Alcadon AB is established on Lilla Essingen, Stockholm, Sweden.

1989-1990: Offices open in Gothenburg, Oslo and Malmö.

1995: Launch of the proprietary cabling system ECS.

1997: Alcadon AB's headquarters is moved to Stora Essingen in Stockholm, gathering key functions of management, marketing, servicing, purchasing and economy in connection with the central warehouse.

1997: MRV Communications Inc, a U.S. Company listed on Nasdaq in the United States, acquires parts of Alcadon in a joint venture. MRV later acquires the remaining part of Alcadon AB as well and subsequently owns 100 percent of the company.

2012: DistIT acquires Alcadon from MRV Communications.

2015: DistIT announces its intention to carry out a spin-off and separate listing of Alcadon (under the Lex ASEA provisions) and Alcadon is prepared for listing on Nasdaq First North.

2016: Alcadon Group AB is listed on Nasdaq First North on 14 september 2016.

2017: Alcadon acquires DataConnect Norden AB and Svagströmsmateriel AB.

2018: Alcadon acquires CableCom AS.

2019: Sonny Mirborn takes position as new CEO and President.

2020: A new central warehouse is opened in Västberga, south of Stockholm. Alcadon signs agreement on the acquisition of Danish 6X International, with operations in Denmark and Germany.

2021: Alcadon steps out into Europe by acquiring 6X International ApS in Denmark and its German subsidiary as well as 6X International B.V. in Belgium.

COMPETITIVE ADVANTAGE AND GROWTH STRATEGY

Alcadon's main competitive advantage is the extensive competence and experience that exist in the company. Alcadon offers cost-efficient solutions with first-class service and support.

The staff helps customers find the right products and comprehensive solutions, taking future network technologies into consideration. We also offer training in the installation and use of our systems.

Quality is a clear priority for Alcadon, which competes through high product quality and level of service rather than through price. To achieve that, the company declines projects where the margin is very low, as such projects may involve a greater risk of compromising quality to achieve a profit.

A further significant competitive advantage is the private label brands ECS and DC-Line, which are developed in-house and adapted to the market. The combination of private label brands and brands from leading manufacturers makes Alcadon flexible and unique.

Alcadon's aim is to grow further, both organically and through strategic acquisitions that can complement existing operations.

Alcadon is continuously identifying prospective acquisitions that would contribute to further expansion in Alcadon's existing markets and other related markets. Potential acquisition targets are those that can add value from similar products that fit in with Alcadon's current activities, or products that enable the company to expand into new market segments.

Corporate governance report

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

Alcadon Group AB (publ), reg.no. 559009-2382 is a Swedish public limited company governed by Swedish law. During 2021, the business consisted of the operating subsidiaries Alcadon AB (Sweden), Alcadon AS (Norway), Alcadon ApS (Denmark), Alcadon GmbH (Germany), and 6X International B.V. (Belgium). Alcadon operates in Sweden, Norway, Denmark, Germany, and Belgium.

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

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

SHAREHOLDERS

Alcadon Group AB's share is listed on Nasdaq First North. Companies listed on Nasdaq First North are required to have a Certified Adviser with, among other things, responsibility for supervision. Alcadon Group's Certified Adviser is Svensk Kapitalmarknadsgranskning AB (SKMG).

The number of shareholders in Alcadon Group on 31 December 2021 totalled 6,509. For more information about shareholders and ownership structure, please refer to page 52.

GENERAL MEETING

The Company's highest decision-making body is the General Meeting, where the shareholders exercise their influence in the company. Shareholders who wish to participate at the General

Meeting, personally or via proxy, shall be entered in the share register six weekdays prior to the General Meeting and submit a registration to the company according to the notice.

Notice of the General Meeting shall be published in Post- och Inrikes Tidningar and on the Company's website (www.alcadongroup.se). An announcement that the notice has taken place shall be published in Svenska Dagbladet at the same time as the notice.

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

ANNUAL GENERAL MEETING 2021

On account of the ongoing spread of the coronavirus (SARS-CoV-2), the Annual General Meeting 2021 was carried out by postal vote. For information about the Annual General Meeting and the resolutions passed, please refer to the Company's AGM communiqué available on the Company's website: www.alcadongroup.se/investerare/bolagsstammor/

BOARD OF DIRECTORS

According to the Articles of Association, the Board of Directors shall consist of a minimum of three and a maximum of ten members, with a maximum of five alternates. The four elected members were appointed by the Annual General Meeting 2021 for the period up to the next Annual General Meeting, in accordance with the Swedish Code of Corporate Governance. There is no rule on the longest time a member may serve on the Board of Directors. The board members' average age is 59 years old, and one of the members is a woman.

Three of the board members are considered by the Nomination Committee to be independent in relation to the Company, the company management and the Company's major owners. Pierre Fors is considered by the Nomination Committee to be independent in relation to the Company's major shareholders. As he has previously been employed by the Company and is also a large shareholder in Alcadon Group AB, Pierre is not considered independent in relation to the Company and the company management. The Alcadon Group therefore fulfils the requirements set in the Code with regard the Board of Directors' independence in relation to the company, the company management, and the company's major owners. For more information about the board members elected by the General Meeting, please refer to page 53.

The work and responsibilities of the Board of Directors

On 23 April 2021, the Board of Directors adopted a Rules of Procedure for the Board with instructions regarding division of duties between the Board of Directors and the CEO and instructions for financial reporting. The Board of Directors is responsible for ensuring that Alcadon Group's organization is designed so that the accounting, management of funds, and other financial conditions are controlled in a satisfactory manner. The Board of Directors shall continuously assess the Group's financial situation.

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

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

At the board meeting where the annual accounts are presented, usually in February, the auditor takes part in order to convey their observations from the audit for the previous year. In addition to the ordinary meetings, the Board of Directors is called to extra meetings when the situation requires. During the year, the Board of Directors met 11 times, including a statutory board meeting.

Attendance frequency of the Board of Directors 2021

| Name | Position | Elected | Dependence | Attendance |
|------------------|---------------|---------|----------------------|------------|
| frequency | Ordförande | 2016 | Ja/Nej ¹⁾ | 11/11 |
| Pierre Fors | Chairman | 2016 | Yes/No ¹⁾ | 11/11 |
| Jonas Mårtensson | Vice Chairman | 2016 | No | 11/11 |
| Marie Ygge | Member | 2019 | No | 11/11 |
| Lars Engström | Member | 2020 | No | 11/11 |

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

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

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

The Board of Directors establishes Alcadon Group's overall goals and strategies, decides on budget and business plans, processes and approves annual accounts and interim reports, and defines key policies and regulatory systems. The Board of Directors shall follow the financial development, ensure the quality of financial reporting and internal control, and regularly

monitor and evaluate operations based on the objectives and guidelines set by the Board. The Board of Directors shall also decide on major investments and changes in Alcadon Group AB's organization and operations.

Remuneration of the Board of Directors

The Chairman of the Board and the board members were paid fees according to the parent company's Annual General Meeting 2021.

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

In addition to the ordinary fees, the Company has carried out transactions of MSEK 0.8 with Paseca AB which is owned by the Chairman of the Board, Pierre Fors. These transactions relate to consultancy services.

All transactions are considered commercially reasonable and based on market conditions.

Fees to the Board of Directors

| 2021 | KSEK |
|-----------------------------------------------------|------|
| Pierre Fors, board member and Chairman of the Board | 280 |
| Jonas Mårtensson, board member and Vice Chairman | 210 |
| Marie Ygge, board member | 140 |
| Lars Engström, board member | 140 |

BOARD COMMITTEES

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

AUDIT

Auditors have the task of reviewing the company's financial reporting and the Board of Directors' and CEO's administration of the company. The selection of auditor took place at the Annual General Meeting 2021, when Grant Thornton Sweden AB was re-elected as auditor for the period until the end of the Annual General Meeting 2022. The auditor in charge is Authorized Public Accountant Daniel Forsgren (born 1972).

The auditor in charge receives regular notices of board meetings and general meetings, board minutes, monthly financial reporting, CEO reports, and other information of material importance to the operations.

The audit also includes the company's internal controls and administration audit. The review is based on a risk assessment and specific areas of importance. At the Board of Directors'

yearly review of the annual accounts, the auditors present an audit report made in writing.

The auditor in charge has, on one occasion, met the Board of Directors to present the work relating to the evaluation of internal controls and the audit of the annual accounts for the financial year 2021. Members of the Board have, on some occasions during the year, met the auditor without the presence of the CEO or another person from the executive management.

Grant Thornton submits the audit report relating to Alcadon Group AB and the Group. Grant Thornton also performs services for companies within the Alcadon Group in addition to the audit work. This has mainly covered matters linked to the merger of subsidiaries, review of the year-end report, financial company inspections during the acquisitions of Alcadon ApS and 6X International B.V., and tax consultancy. For this work, Grant Thornton has invoiced a total amount of SEK 647 for 2021.

The auditor receives fees for its work in accordance with the decision at the Annual General Meeting. For information about auditor's fees during 2021, please see Note 5 on page 34.

CHIEF EXECUTIVE OFFICER

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

Every month, the CEO provides the members of the Board with the information required in order to monitor the Company's and the Group's position, operations and development, and keeps the Chairman of the Board regularly informed of operations. The CEO shall take the measures necessary for the accounting to be performed in accordance with law, and for the management of funds to be handled in a secure manner. For a more detailed division of responsibilities between the Board of Directors' and the CEO's tasks, there is a written CEO instruction which is continuously updated. The CEO attended all Board meetings in 2021.

Sonny Mirborn has been CEO and President of Alcadon Group AB since 11 July 2019.

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

REMUNERATION OF THE CEO AND OTHER SENIOR EXECUTIVES

The Board of directors determines and decides on the basic salary, variable remuneration, pension benefits, and other

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

In addition to the CEO, the group of other senior executives consists of six people. Through group management, we create opportunities for stronger leadership, we strengthen the ties between our Swedish and foreign operations, and promote cross-functional business development projects. Internal recruitment to group management means that we benefit from the collective experience and strong culture the company demonstrates today, while external recruitment provides us further good prerequisites when we enter the next phase in our development, with both continuity and development of our group management. The remuneration principles for 2021 are unchanged compared with the previously applied principles. The notice period for the CEO is a mutual notice of six months with full pay and other remuneration. In the event of termination by the Company, severance pay corresponding to three months' salary is paid. For other senior executives, a notice period of three to twelve months applies. For information about the amounts paid to the CEO and other senior executives, please refer to Note 7 on pages 36-37.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS IN FINANCIAL REPORTING

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

Alcadon Group's work with internal control is based on the internal control principles developed by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). These principles have five basic elements: 1. Control environment, 2. Risk assessment, 3. Control activities, 4. Information/communication, and 5. Monitoring.

Control environment

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

Risk assessment

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

reporting, operational risks, and legal risk. See also pages 18-19 with regard to risks and risk management.

Control activities

The Group's business processes include financial controls with respect to the approval and reporting of business transactions. The year-end and reporting process includes controls, which, among other things, relate to accounting, valuation and disclosure requirements, as well as regarding the application of material accounting principles and estimates, both in individual subsidiaries and at group level. The economics and finance function at Alcadon Group AB is responsible for the preparation of financial statements, quarterly reports, and controls and analyses in the Group and in all subsidiaries. The regular analysis of each operation's monthly financial reporting includes significant items such as assets, liabilities, income, expenses and cash flow.

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

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

Information/Communication

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

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

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

Monitoring

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

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

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

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

DIRECT OR INDIRECT SHAREHOLDINGS

As of 31 December 2021, people with a so-called insider position in the company own shares corresponding to 22.4 percent of the capital and votes in the company. See pages 53-54 for information on the shareholding of board members and senior executives.

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

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

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

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

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

VOTING RESTRICTIONS

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

CERTAIN ARTICLES OF ASSOCIATION PROVISIONS

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

AUTHORIZATIONS PROVIDED BY THE GENERAL MEETING

The Annual General Meeting on 23 April 2021 authorized the Board of Directors to, on one or more occasions before the next Annual General Meeting, with or without deviation from the shareholders' preferential rights, decide on a new issue of shares, the total number limited to not exceed 10 percent of the total number of outstanding shares in the Company at any time. The authorization shall include the right of the Board of Directors to decide on a new issue of shares against cash payment, and with or without a provision on non-cash contribution or set-off or otherwise with conditions, in accordance with the Swedish Companies Act. The main purpose of the authorization is to give the Board of Directors flexibility in the work of ensuring that the Company can raise capital for company and business acquisitions in an appropriate manner. The authorization shall also enable the Board of Directors to make decisions on private placements, even in situations that do not involve acquisitions but are more concerned with securing the Company's liquidity. The authorization covered a maximum of 1,642,174 shares, corresponding to a maximum of 10 percent of the Company's existing share capital on the date of the 2021 Annual General Meeting.

In September 2021, the Board of Directors made use of the authorization and carried out a directed issue of 500,000 shares in Alcadon, corresponding to approximately MSEK 29 before issuance costs. The rationale for the directed issue was to fund the Company's continued acquisitions, and the reason for the deviation from the shareholders' preferential rights was to diversify the shareholder base to include a shareholder of strategic importance to the Company. Following the new issue, the number of shares in Alcadon Group AB thus increased from 17,841,026 to 18,341,026.

In January 2022, the Board of Directors once again made use of the authorization to carry out a directed new issue of 1,284,103 shares at a subscription price of SEK 100 per share. The subscription price of the new issue was determined by means of the so-called accelerated book building process. Through the issue, Alcadon raised approximately MSEK 128 before issuance costs. The number of shares in Alcadon Group AB thus increased from 18,341,026 to 19,625,129 through the new issue.

NOMINATION COMMITTEE

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

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

Prior to the 2022 Annual General Meeting, the Nomination Committee for Alcadon Group AB has been appointed in accordance with the principles decided at the 2021 Annual General Meeting, which means, among other things, that:

- The Chairman of the Board shall, no later than 15 October 2021, convene the three largest shareholders in terms of voting rights or owners representing the three largest groups of owners of the Company, each of whom has the right to appoint one member of the Nomination Committee.
- In addition, the Chairman of the Board shall be a member of the Nomination Committee at the time of its establishment.

Nomination Committee

On 11 October 2021, in accordance with the above, Alcadon Group AB informed that Alcadon Group's Nomination Committee for the 2022 Annual General Meeting consists of:

- Sven Thorén (appointed by and representing Athanase Industrial Partner), Chairman of the Nomination Committee
- Anders Bladh (appointed by and representing Ribbskottet AB)
- Mikael Vaezi (appointed by and representing Investment AB Spiltan)
- Pierre Fors (Chairman of the Board)

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

The members have not received any fees or remuneration for their work in the Nomination Committee. At the three meetings of the Nomination Committee held, all members of the Nomination Committee participated by being physically present or via telephone.

Proposals to be submitted to the Annual General Meeting 2022 for decision

The Nomination Committee will submit proposals to the 2022 Annual General Meeting for decisions on:

- Election of a Chairman of the Annual General Meeting
- Remuneration and fees for the Board of Directors and the auditor
- The number of board members and alternates
- Election of the Board of Directors and the Chairman of the Board
- Election of auditor
- Principles for the Nomination Committee's work

It is noted that Pierre Fors did not participate in the decision regarding the Nomination Committee's proposal on remuneration of the board members, nor in the decision regarding the Nomination Committee's proposal on the re-election of Pierre Fors to the Board of Directors.

THE AUDITOR'S EXAMINATION OF THE CORPORATE GOVERNANCE STATEMENT

It is the Board of Directors that is responsible for the corporate governance statement and for preparing it in accordance with the Annual Accounts Act.

Our examination was conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement.

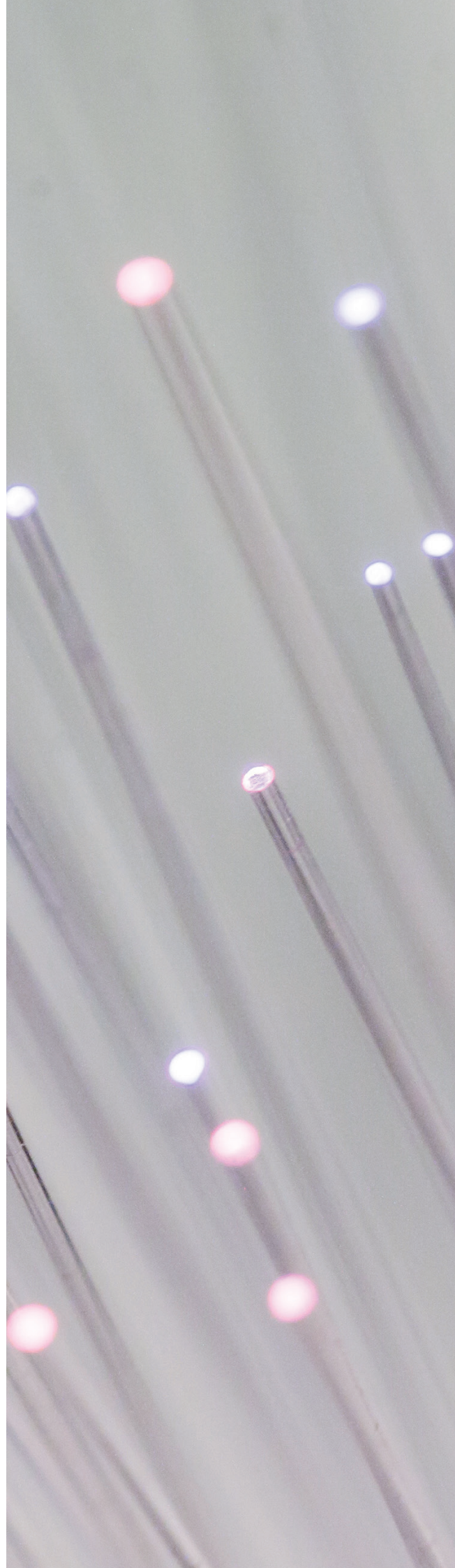
This means that our examination of the corporate governance statement has a different focus and is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and the generally accepted auditing practice in Sweden.

We believe that the examination has provided us with sufficient basis for our opinions.

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

Stockholm, Sweden, 23 March 2022

Grant Thornton Sweden AB Daniel Forsgren



Risks and risk management

Alcadon's operations are affected by a number of factors beyond the Group's control and also by many factors whose effects the Group can influence through its actions. The section below does not claim to be complete. Other risks and uncertainties currently unknown to the group or currently not considered material may also have a negative impact on the Group's operations. The risk description is not arranged in order of magnitude and is not intended to rank the probability of the various circumstances occurring. Nor does it indicate the potential impact of the risks should they occur. To assess the development of the Group, it is important to assess the aforementioned and potential additional risk factors and their significance for the future development of the Group. All risk factors have in common that they could, to varying degrees, impact negatively on the Group's operations, performance, and financial position.

OPERATIONAL AND INDUSTRY-RELATED RISKS

Fluctuations of the economic cycle

The demand for Alcadon's products is affected by the general economic climate in the markets where the Group is active, which is influenced, among other things, by interest rates, exchange rates, taxes, the development of the equity market, credit availability, the unemployment rate, and overall business conditions. Less favourable economic conditions may result in a deterioration in the conditions for new investments and maintenance among Alcadon's final customers and thus a negative impact on the demand for Alcadon's products. In addition, changes in raw material prices may affect the level of activity and result in investments being postponed and existing orders being delayed or cancelled.

The spread of the coronavirus has a negative impact on Alcadon's staffing situation, demand and supply chains. Since the onset of the pandemic, Alcadon has implemented a number of measures to secure the supply of goods and create safe conditions for employees, customers and suppliers. We are monitoring developments closely and maintain a high level of preparedness for additional measures should they be required. Focused efforts on efficiency-enhancing measures and a focus on margins have produced the desired effect. For the forthcoming quarter, a certain uncertainty prevails with regard to the impact of the pandemic, but network infrastructure has been an area left relatively unscathed; rather, the future outlook has only improved over the last year. No significant changes have occurred which would require these descriptions to be further amended.

Technology development

Alcadon is active in the data- and telecommunications market in the Nordic countries, Germany, and Belgium. Changes in the IT industry, where products and future technologies often develop rapidly, may thus be associated with a greater degree of uncertainty compared with companies operating in other, more stable industries and less volatile markets. The Group's products are intended for network infrastructure in the form of fiber and copper cables. There is a risk that new technologies are developed and introduced, which, depending on their success and Alcadon's ability to further develop products and systems, could affect Alcadon's market position.

Price pressure and competition

Alcadon's operations are conducted in an industry exposed to competition. Market participants compete on price, innovation, design and quality, but also on technology and market penetration. Alcadon is facing a large number of competitors, both traditional retailers and specialized suppliers. In recent years, the Group has seen increasing price pressure in the market, which has contributed to decreasing margins on certain product groups and a demand for cost-efficient solutions.

There is a risk that increased competition results in reduced demand for Alcadon's products. The Group may be forced to implement costly restructurings of the operations to maintain its market position and profitability.

Risks related to acquisitions

From time to time, Alcadon may evaluate potential acquisitions that align with the Group's strategic objectives. Acquisitions always involve risks in terms of, for example, errors of assessment at the time of acquisition, the cost of integrating the acquiree, and of possible restructuring efforts, financial commitments in the form of contingent consideration, and diversion of the executive management's focus on core activities.

If completed acquisitions fail to be successfully integrated, it may have a negative impact on the Group's performance and financial position. In addition, future acquisitions financed by equity may be dilutive for existing shareholders and debt financing may hamper the group's flexibility and restrict the use of capital.

Regulatory risks

The activities of Alcadon are not subject to licensing but are subject to laws, regulations and standards pertaining to, inter alia, taxes, personnel, the environment and product safety. If the Group fails to comply with such rules, it may face penalties as a result. In addition, unforeseen problems related to the quality of products could damage the Group's reputation and lead to increased warranty costs (see also the section "Risks related to product quality and product safety" below).

Any future amendments of laws, regulations or standards that result in stricter requirements or changed conditions with regard to product specifications, safety, health or the environment may have several negative implications, such as forcing the Group to make investments or take other measures in compliance. Such changes could also result in certain products of the Group becoming obsolete or the Group's operations becoming limited or obstructed.

Dependence on suppliers

In order to sell and deliver products, the Group depends on external deliveries fulfilling the agreed requirements with regard to quantities, qualities, delivery times, etc. Defective, delayed or unfulfilled deliveries from suppliers may in turn cause the subsidiaries' deliveries to be delayed, deficient or faulty, which could result in decreased sales.

Dependence on key individuals and personnel

As at 31 December 2021, the Group had 95 employees. The organization is thus relatively small, and Alcadon's future development is dependent on the Group's ability to retain and recruit personnel with relevant experience, knowledge and commitment. Should any member of management or other key employees terminate their employment, this could, at least in the short term, have a materially adverse effect.

Risks related to warehousing and transports

The Group has a central warehouse in Stockholm and smaller warehouses in connection with each local office. There is a risk that the warehouse is subjected to fire, water damage or theft. Even if the Group has the insurances required, such damages may lead to delayed or unfulfilled deliveries to customers, in turn causing damage to the Group's reputation. Should products be damaged during transportation from suppliers, the Group may not be able to deliver to customers on time.

Risks related to product quality and product safety

The products supplied by Alcadon may, in the event that the quality is insufficient, cause personal injury or damage on other property such as other equipment installed in conjunction with the damaged products or components. The Group issues warranties for its products, usually with a warranty period of 12 months. In relation to the private label brand ECS (European Cabling Systems), the warranty period is 15 years. The warranty imposes an obligation on Alcadon to replace or repair products that are inadequate in terms of quality or safety.

Tax risks

Alcadon conducts operations in a number of European countries. The operations in these countries are conducted in accordance with Alcadon's interpretation of applicable laws, regulations and judicial practices as well as the administrative practices of the tax authorities. It cannot be excluded, however,

that the tax authorities form a different evaluation in certain matters, and that the Group's previous or present tax situation changes by administrative decision. Moreover, revised tax legislation, possibly with retroactive effect, or revised interpretation of such legislation may have an adverse effect on the Group's operations, performance and financial position.

RISK MANAGEMENT

Alcadon's executive management is working continuously to develop and adapt the company in order to mitigate the risks described above and minimize the effects and damage caused by these risks. Since a significant proportion of sales is targeted to segments other than new construction and to final customers in a variety of industries, the Company has a reduced exposure to cyclical factors. The role as distributor of proven technology rather than developer of new proprietary technology makes us less exposed to the rapid development of the industry; our organization can distribute the technology that proves to be the leading one in each period of time. By developing private label brands and ensuring the staff's high level of knowledge about our niche, we can manage the price competition.

Our staff is an important resource and a means of competition, and it is, therefore, very good that the majority of key employees have been large shareholders in Alcadon for a long time. Furthermore, our good and long-standing relations with Asian and European suppliers are crucial for maintaining a high level of quality and ensuring the availability of goods to customers. Risks related to acquisitions are managed through a very detailed due diligence process, supported by external advisors and with the active participation of the Company's Board of Directors where several members have extensive experience of such processes. The management's industry expertise, which further covers the operations of acquired businesses, has also contributed to efficient integration.

FINANCIAL RISKS

For information about risk exposure and financial risk management, please refer to Note 2 on page 33.

Management report

The Board of Directors and the Chief Executive Officer of Alcadon Group AB, reg.no. 559009-2382, registered in Stockholm, hereby present the annual and consolidated accounts for the financial year 2021. The company is the parent company of the Alcadon Group.

GROUP STRUCTURE, REG.NO., AND OWNERSHIP

Alcadon Group AB, 559009-2382

| | |
|-------------------------------------|------|
| Alcadeltaco AB, 556813-7623 | 100% |
| Alcadon AB, 556480-4341 | 100% |
| Alcadon A/S, 952 334 891 | 100% |
| Alcadon ApS, 27048013 | 100% |
| Alcadon GmbH, 20/290/10989 | 100% |
| 6X International BV, BE0446.121.707 | 80% |

The company's share is listed on Nasdaq First North Stockholm since 14 September 2016.

THE GROUP'S OPERATIONS

The Alcadon Group began operations in 1988 and has since established itself as a leading supplier in the Nordics, with Sweden, Norway, and Denmark as the primary markets. Alcadon is also active in Germany and Belgium and, as of February 2022, in the Netherlands. The Group offers products and systems for data and telecommunications through suppliers of leading brands and the private label brand ECS, European Cabling Systems.

Alcadon AB is present in Stockholm (the head office), Malmö, Gothenburg and Örebro. The company has a central warehouse in Västberga south of Stockholm, Sweden, and local stores in the vicinity of each local office and the central warehouse.

Alcadon AS has offices and warehouses in Oslo and Sandefjord and sales offices in Bergen, Hamar and Mosjøen.

In January 2021, Alcadon carried out the acquisition of Alcadon ApS, headquartered in Nivå north of Copenhagen, Denmark. In addition, the company has the subsidiary Alcadon GmbH headquartered in Kiel, Germany.

In December 2021, 80 percent of 6X International B.V. in Lier, Belgium was acquired.

In February 2022, the subsidiary Alcadon B.V. was registered in the Netherlands.

From the central warehouse in Stockholm, the warehouses in Oslo and Sandefjord, and the warehouses in Denmark, Germany, and Belgium, deliveries are sent

daily to customers across all markets. Alcadon has also developed ECS, a structured cabling system for passive infrastructure in properties and industrial areas. The system has been supplied since 1995 and approximately 4,000 ECS installers are licensed by Alcadon.

Alcadon also has sales representatives in Helsinki.

In 2017, a private label product line called DC Line, which is primarily targeted at residential networks, was developed.

Denmark has its own preassembly, marketed under the Alcadon brand.

In 2021, ECS represented 16 (24) percent, DC-Line 3 (7) percent, and the assembly in Denmark 8 (-) percent of total net sales. Overall, private label brands represented 27 (31) percent.

Swedish customers represented 43 (73) percent of net sales during 2021, Norwegian customers 18 (27) percent, Danish 32 (-), German 7 (-), and Belgian 0 (-).

Alcadon is dependent on suppliers and their products in its operations. Cooperation takes place with suppliers in Europe, the United States, and Asia. Products under the private label brand ECS are manufactured in several factories in Taiwan, China, the United Kingdom, and Israel.

Alcadon offers products from more than 200 suppliers.

PERSONNEL

As at Friday, 31 December 2021, Alcadon had 95 (65) employees. The number of employees was 47 (50) in Sweden, 18 (15) in Norway, 21 (-) in Denmark, 5 (-) in Germany and 4 (-) in Belgium.

ECONOMY

Net sales increased by 57 percent to MSEK 736 (468) during the year. In unchanged currency levels, net sales increased by 59 percent. The organic growth was -3 percent and the acquired growth was 61 percent. The year was characterized by strong gross margins, although they declined slightly in the latter part of the year as a result of increased prices and a weakening of the Swedish krona – mainly against the dollar and the euro. In addition to the acquisitions carried out during the year,

overhead increased due to investments in new recruitments and marketing activities to create new revenue streams.

Operating result after depreciation/amortization (EBIT) amounted to MSEK 66 (43), an increase of 53 percent. The result was burdened by direct acquisition costs of MSEK -2.3 and foreign exchange losses of MSEK -2.4 (-0.8).

Profit or loss for the period amounted to MSEK 47 (29).

A summary of key indicators, the quarterly performance, and a comparison with the previous year is provided in the section Indicators and the year in quarters, on page 45.

Cash flow from operating activities amounted to MSEK 18 (31). Other net investments in tangible and intangible fixed assets amounted to MSEK -5,2 (-3,6). Net cash flow from acquisitions amounted to MSEK -44 during the year as a whole, of which MSEK -49 was paid in cash as settlement of the acquisition of the 6X group in Denmark and Germany. Acquired cash and cash equivalents amounted to MSEK 8, which results in a direct net cash flow of MSEK -41.

Moreover, MSEK -4.9 was paid in cash for 6X International BV in Belgium. Acquired cash and cash equivalents amounted to MSEK 1,3, which results in a direct net cash flow of MSEK -3,5.

Cash flow from financing activities amounted to MSEK 54, and consists in part of new issuance of MSEK 29, in part of an acquisition loan of MSEK 29 taken out in connection with the acquisition of the 6X group. The loan was repaid in full in connection with the refinancing.

At the end of the period, the Group's cash and cash equivalents amounted to MSEK 28 (5.6). The overdraft granted with SEB amounts to MSEK 50 (35), of which MSEK 36 (34) was undrawn at the end of the period.

Working capital in relation to net sales amounted to 23 (16) percent.

The Group has no significant tangible fixed assets other than rights of use assets.

As of 31 December 2021, the inventory value amounts to MSEK 152 (63).

The Group had a goodwill item of MSEK 338 (289) on 31 December 2021. The goodwill is attributable to the acquisition of the Alcadeltaco Group at the end of December 2015, as part of the creation of the current Group structure, and to the Group's subsequent acquisitions. Goodwill is tested for impairment regularly and is recognized at cost less accumulated impairment. The tests for impairment conducted at the end of the year indicated that no impairment loss had occurred.

INVESTMENTS

Alcadon's investments other than acquisitions normally consist of smaller continuous investments in tangible and intangible fixed assets, such as furniture and software, etc. Net investments in tangible and intangible fixed assets, excluding goodwill and acquired customer relations, amounted to MSEK 5.5 (3.6) during 2021.

FINANCING

In July 2021, Alcadon repaid existing loans of approximately MSEK 133 and raised new bank loans of MSEK 130. In addition, the existing overdraft facility was increased from MSEK 35 to MSEK 50, and an acquisition credit facility (RCF) of MSEK 60 was obtained to be used for future acquisitions.

Terms in brief

- Bank loan, MSEK 130, straight-line amortization over 7 years, interest rate STIBOR 3M + 1.3-1.8 percentage points depending on the debt-to-equity ratio.
- Overdraft facility MSEK 50, SEB base rate + 1.2 percentage points, 0.4 percent annual credit charge.
- Acquisition credit facility MSEK 60, interest rate STIBOR 3M + 1.3-1.8 percentage points depending on debt-to-equity ratio, 0.35 percent on undrawn amount.

The overdraft granted with SEB amounts to MSEK 50 (35), of which MSEK 36 (34) was undrawn at the end of the period.

The Group has lease liabilities linked to rights of use assets which amounted to MSEK 32 (38) as of 31 December 2021, of which MSEK 9 (9) current liabilities.

Apart from these, Alcadon has no other interest-bearing liabilities.

Solidity amounted to 49 (52) percent as of December 31, 2021.

FINANCIAL OBJECTIVES AND TARGET ACHIEVEMENT

Alcadon's financial objectives are for the Group to achieve growth in earnings per share at a rate of 10 percent per annum over an economic cycle and that solidity amounts to no less than 25 percent.

Earnings per share increased from SEK 1.72 to 2.62, corresponding to a 52 percent increase for the year. As of 31 December 2021, solidity amounted to 49 percent, which can be compared with 52 percent in the previous year.

SIGNIFICANT EVENTS DURING THE YEAR

- Alcadon Group acquires 6X International ApS and its German subsidiary 6X International GmbH.
- 26 employees subscribes for their full allotment of warrants.
- Alcadon deepens cooperation and enters into a new cooperation agreement with one of the leading installation companies in the Nordics.
- Alcadon concludes supply agreement for fiber optic accessories with Norlys in Denmark, with an estimated value of about MDKK 50-60.
- Alcadon is awarded three major procurement contracts for city network rollouts across Sweden. The contracts extend over 3-4 years with expected revenues of approximately MSEK 10 per annum.
- Alcadon concludes a framework agreement of 18 months with Emtelle in Germany, with an estimated sales value of between MEUR 4 and 4.5 per annum.
- Alcadon enters into a new exclusive supply agreement with Norlys in Denmark for a period of 3+1 years, with estimated sales per annum of MDKK 30-35.
- Alcadon secures its 10th FTTH project in Germany, worth MEUR 1.
- Alcadon was refinanced in July 2021. The Group's new main bank is now SEB.
- Alcadon signs agreement with Deutsche Glasfaser at an estimated value of MEUR 20 per annum. The agreement extends over 3 + 1 years.
- Alcadon carries out a directed new issue of 500,000 shares to Consensus Asset Management, raising proceeds of approximately MSEK 29 before issuance costs.
- Alcadon's Norwegian subsidiary Alcadon AS wins a project to Forsvarsbygg with an estimated worth of approximately MNOK 13.
- Alcadon acquires 80 percent of Belgian 6X International BV with an option for the remaining 20 percent.

SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

- Alcadon carries out a directed issue of approximately 1.28 million shares, raising about MSEK 128 in proceeds before issuance costs.
- The company is established in the Netherlands through the newly founded Alcadon B.V.
- The Board proposes that dividend of SEK 0.50 per share be paid.

- Russia's invasion of Ukraine has caused concern in many economies worldwide. The company management monitors the development but at present it is too early to judge possible long-term consequences of the conflict.

For more information, see Note 26 on page 43.

No additional significant events which would require disclosure have occurred since the end of the financial year.

OWNERSHIP

As of 31 December 2021, the company's share capital consisted of 18,341,026 shares, all with equal voting rights and equal right to dividend. The company had 6,509 shareholders on 31 December 2021, with the 20 largest shareholders controlling 73 percent of the number of votes and shares.

Owners with holdings that exceed 10 percent of the total number of shares are Investment AB Spiltan and Ribbskottet AB.

On 12 January 2022, Alcadon Group carried out a directed issue of 1,284,103 shares at a subscription price of SEK 100 per share. The subscription price of the new issue was determined by means of the so-called accelerated book building process. Through the issue, Alcadon raised approximately MSEK 128 before issuance costs. The number of shares in Alcadon Group AB thus increased from 18,341,026 to 19,625,129 through the new issue.

In-depth ownership information is provided in the section "Share and ownership" on pages 51-52.

ENVIRONMENTAL RESPONSIBILITY

Alcadon is not conducting any operations that are subject to compulsory licensing pursuant to the Swedish Environmental Code. The environmental impact of the operations mostly derives from the transport of goods, energy consumption, waste and packaging. Alcadon is working actively to minimize the impact on the environment in all of the said areas. The environmental impact is also taken into account in the selection of passenger modes of transport and electricity suppliers. Additional information is provided in Alcadon's sustainability report.

REMUNERATION OF SENIOR MANAGEMENT

The Group's guidelines for the remuneration of senior executives is described in the corporate governance report on page 12. Details of the remuneration of the Board of Directors and senior executives for 2021 are provided in Note 7.

FINANCIAL INSTRUMENTS

The Group is exposed to various risks associated with financial instruments, mainly trade receivables, long-term liabilities, and operating liabilities. A summary of these is provided in Note 14. The various types of risk and how they are managed are described in more detail in Note 2.

RISKS AND UNCERTAINTIES

Alcadon's operations, sales, and financial results may be affected by a number of uncertainties. The Group portrays the risks relating to its business activities and its risk management in this annual report. See the section "Risks and risk management" on pages 17-18 for the Group's assessment of various risk areas and Note 2 regarding financial risks.

SUSTAINABILITY REPORT

As of the 2019 financial year, the Group is subject to the obligation to prepare a Sustainability Report in accordance with the Swedish Annual Accounts Act. The Sustainability Report for 2021, which, in accordance with FAR's recommendation RevR12, has been reviewed by the company's auditor, will be presented on the Group's website no later than 30 June 2022. The same section describes the Group's Sustainability Policy and the principles that govern its Environmental and Corporate Responsibility. <https://alcadongroup.se/verksamhet/policy-for-hallbarhet/>.

EXPECTED FUTURE DEVELOPMENT

The Group will continue its efforts to strengthen its market position in network infrastructure and continue to develop its private label brands in parallel with the distribution of other, well-established brands. The Board of Directors and management assess potential strategic acquisitions on an ongoing basis.

THE PARENT COMPANY

The operations in the parent company comprise management of shares in subsidiaries, investor relations (IR/PR), and group management and economy. It also manages the Group's long-term external financing.

The parent company's net sales amounted to MSEK 13.3 (7.3) and the operating profit to MSEK 0.4 (-3.7). Profit or loss for the year amounted to MSEK 5.9 (-3.5). Solidity was 39 (39) percent.

CORPORATE GOVERNANCE REPORT

The Company has prepared a separate Corporate Governance Report, see pages 12-16 of the printed annual report and the auditor's opinion on page 17.

ANNUAL GENERAL MEETING

The Annual General Meeting 2022 will be held in Stockholm on Friday, 22 April 2022, 10:00 a.m. Shareholders wishing to have a matter considered at the general meeting shall submit their proposals to the Chairman of the Board, Pierre Fors, well in advance of the announcement of the notice of the Annual General Meeting, which is projected to be at the end of March 2022.

Proposed appropriations of profit or loss (SEK)

| | |
|---------------------------------|--------------------|
| Retained earnings: | 164,129,442 |
| Net profit or loss for the year | 5,878,354 |
| Total | 170,007,796 |

The Board of Directors proposes the following distribution of funds:

| | |
|----------------------------------------------|--------------------|
| Dividend to shareholders: SEK 0.50 per share | 9,812,565 |
| Carried forward to new account | 160,195,231 |
| Total | 170,007,796 |

The Board assesses that the dividend to shareholders with the proposed amount is justifiable with regards to the requirements for both the company and the group regarding the nature, scope and risks of the business and on the size of equity and also with regard to consolidation needs, liquidity and other positions. The financial position remains strong after the proposed dividend and is deemed to be fully sufficient for the company to be able to meet its obligations in both the short and long term.

The financial position of the company and the Group as of 31 December 2021 and the result of the operations during 2021 are set out in the income statements, balance sheets, cash flow statements and notes to the financial statements below.

Financial statements

| INCOME STATEMENT (KSEK) | | THE GROUP | | THE PARENT COMPANY | |
|-----------------------------------------------------------------------|-------|---------------|---------------|--------------------|---------------|
| | NOTES | 2021 | 2020 | 2021 | 2020 |
| Operating income | | | | | |
| Net sales | 3 | 736,466 | 467,621 | 13,253 | 7,252 |
| Other operating income | | 56 | - | 36 | - |
| Total operating income | | 736,522 | 467,621 | 13,288 | 7,252 |
| Operating expenses | | | | | |
| Goods for resale | | -529,196 | -333,309 | - | - |
| Other external expenses | 5, 6 | -48,137 | -27,267 | -4,706 | -3,095 |
| Personnel costs | 7 | -81,745 | -54,135 | -8,213 | -7,844 |
| Operating profit before depreciation/amortization | | 77,444 | 52,910 | 370 | -3,687 |
| Depreciation and amortization of tangible and intangible fixed assets | 12,13 | -11,587 | -9,788 | - | - |
| Operating profit | | 65,857 | 43,122 | 370 | -3,687 |
| Profit from financial items | | | | | |
| Interest income and similar items | 8 | 1,088 | 137 | 165 | 3,984 |
| Interest expenses and similar items | 9 | -5,856 | -5,503 | -3,690 | -4,431 |
| Profit after net financial items | | 61,089 | 37,756 | -3,155 | -4,134 |
| Appropriations | | - | - | 10,757 | - |
| Tax on profit for the year | 10 | -13,970 | -8,717 | -1,723 | 653 |
| Net profit or loss for the year | | 47,119 | 29,038 | 5,878 | -3,481 |
| Attributable to: | | | | | |
| The parent company's shareholders | | 47,204 | 29,038 | | |
| Non-controlling interests | | -85 | - | | |
| Earnings per share, SEK | | | | | |
| Earnings per share | 4 | 2.62 | 1.72 | | |
| Diluted earnings per share | | 2.56 | 1.72 | | |

| STATEMENT OF OTHER COMPREHENSIVE INCOME | | THE GROUP | |
|---------------------------------------------------------------------------------------|-------|-----------|--------|
| | NOTES | 2021 | 2020 |
| Net profit or loss for the year | | 47,119 | 29 038 |
| Items that may be reclassified to profit or loss | | | |
| Translation differences for the period due to the restatement of foreign subsidiaries | | 2,783 | -1 980 |
| Other comprehensive income after tax | | 2,783 | -1 980 |
| Comprehensive income for the year | | 49,902 | 27 058 |
| Comprehensive income for the year attributable to: | | | |
| The parent company's shareholders | | 49,986 | 27 058 |
| Non-controlling interests | | -85 | - |

| BALANCE SHEET (KSEK) | | THE GROUP | | THE PARENT COMPANY | |
|-----------------------------------------|-------|----------------|----------------|--------------------|----------------|
| ASSETS | NOTES | 2020 | 2019 | 2020 | 2019 |
| Fixed assets | | | | | |
| Intangible fixed assets | | | | | |
| Goodwill | 11 | 338,141 | 289,169 | - | - |
| Software | 12 | 3,613 | 930 | - | - |
| Other intangible assets | | 12,213 | - | - | - |
| Total intangible assets | | 353,967 | 290,098 | 0 | 0 |
| Tangible fixed assets | | | | | |
| Equipment, tools, fixtures and fittings | | 4,185 | 3,290 | - | - |
| Rights of use | 6 | 31,589 | 37,785 | - | - |
| Total tangible fixed assets | 13 | 35,774 | 41,075 | 0 | 0 |
| Financial fixed assets | | | | | |
| Participations in Group companies | 15 | - | - | 299,389 | 40,357 |
| Receivables from Group companies | | - | - | 99,822 | 245,935 |
| Other long-term receivables | | 744 | - | - | - |
| Deferred tax assets | 21 | 461 | 2,143 | 354 | 1,221 |
| Total financial fixed assets | | 1,205 | 2,143 | 399,565 | 287,513 |
| Total fixed assets | | 390,946 | 333,316 | 399,565 | 287,513 |
| Current assets | | | | | |
| Inventories, etc. | | | | | |
| Finished goods and merchandise | 16 | 152,373 | 62,793 | - | - |
| Total inventories, etc. | | 152,373 | 62,793 | 0 | 0 |
| Current receivables | | | | | |
| Trade receivables | 17 | 131,412 | 49,408 | - | - |
| Receivables from Group companies | | - | - | 28,568 | - |
| Other receivables | | 2,923 | 842 | 1,011 | 142 |
| Tax assets | | 6,835 | 1,601 | 2,657 | 285 |
| Prepayments and accrued income | 18 | 9,940 | 5,183 | 977 | 1,314 |
| Total current receivables | | 151,110 | 57,035 | 33,213 | 1,740 |
| Cash and bank | | 28,373 | 5,550 | 4,754 | 97 |
| Total current assets | | 331,855 | 125,378 | 37,967 | 1,837 |
| TOTAL ASSETS | | 722,801 | 458,694 | 437,532 | 289,350 |

| BALANCE SHEET (KSEK) | | THE GROUP | | THE PARENT COMPANY | |
|-----------------------------------------------------|-----------|----------------|----------------|--------------------|----------------|
| EQUITY AND LIABILITIES | NOTES | 2021 | 2020 | 2021 | 2020 |
| Equity | 19 | | | | |
| Restricted equity | | | | | |
| Share capital | | 886 | 815 | 886 | 815 |
| Restricted reserves/statutory reserve | | 10 | - | 10 | - |
| Total restricted equity | | | | 896 | 815 |
| Non-restricted equity | | | | | |
| Other contributed capital | | 153,079 | 96,554 | - | - |
| Reserves | | 1,178 | -1,605 | - | - |
| Retained earnings including net profit for the year | | 185,314 | 138,097 | - | - |
| Retained profit | | - | - | 164,119 | 116,387 |
| Net profit or loss for the year | | - | - | 5,878 | -3,481 |
| Total non-restricted equity | | | | 169,998 | 112,906 |
| Equity attributable to parent company shareholders | | 340,467 | 233,861 | - | - |
| Non-controlling interests | | 247 | - | - | - |
| Total equity | | 340,714 | 233,861 | 170,894 | 113,720 |
| LIABILITIES | | | | | |
| Long-term liabilities | | | | | |
| Provisions | 26, 27 | 26,800 | - | 26,800 | - |
| Long-term interest-bearing liabilities | 20 | 111,429 | 650 | 111,429 | 650 |
| Deferred tax liabilities | 21 | 3,441 | 792 | - | - |
| Lease liabilities | 6 | 23,091 | 29,278 | - | - |
| Total long-term liabilities | | 164,761 | 30,720 | 138,229 | 650 |
| Current liabilities | | | | | |
| Trade payables | | 115,164 | 39,344 | 690 | 1,032 |
| Liabilities to Group companies | | - | - | 92,247 | 64,865 |
| Tax liabilities | | 10,387 | 3,817 | 0 | 0 |
| Current interest-bearing liabilities | 20 | 36,630 | 106,318 | 32,375 | 105,266 |
| Lease liabilities | 6 | 9,019 | 8,800 | - | - |
| Other liabilities | | 19,928 | 12,276 | 149 | 141 |
| Accruals and deferred income | 22 | 26,197 | 23,557 | 2,948 | 3,675 |
| Total current liabilities | | 217,326 | 194,113 | 128,409 | 174,979 |
| Total liabilities | | 382,087 | 224,833 | 266,638 | 175,629 |
| TOTAL EQUITY AND LIABILITIES | | 722,801 | 458,694 | 437,532 | 289,350 |

CHANGES IN EQUITY

| | Share capital | Restricted reserves/ Statutory reserve | Other contributed capital | Reserves | Retained earnings including profit for the year | Parent company share-holders | Non-controlling interests | Total equity |
|--------------------------------------|---------------|-------------------------------------------|---------------------------|---------------|-------------------------------------------------|------------------------------|---------------------------|----------------|
| THE GROUP | | | | | | | | |
| 2020 opening balance | 815 | - | 96,554 | 375 | 109,059 | 206,803 | - | 206,803 |
| Other comprehensive income | - | - | - | -1,980 | - | -1,980 | - | -1,980 |
| Dividend | - | - | - | - | - | - | - | - |
| Net profit or loss for the year | - | - | - | - | 29,038 | 29,038 | - | 29,038 |
| Closing balance on 2020-12-31 | 815 | - | 96,554 | -1,605 | 138,097 | 233,861 | - | 233,861 |
| 2021 opening balance | 815 | - | 96,554 | -1,605 | 138,097 | 233,861 | - | 233,861 |
| Non-cash issue | 47 | | 27,332 | - | - | 27,380 | - | 27,380 |
| New share issue | 24 | | 28,826 | - | - | 28,850 | - | 28,850 |
| Warrant proceeds | - | | 367 | - | - | 367 | - | 367 |
| Other comprehensive income | - | 10 | - | 2,783 | 13 | 2,806 | - | 2,806 |
| Dividend | - | | - | - | - | - | - | - |
| Acquisition of minority shareholding | - | | - | - | - | - | 331 | 331 |
| Net profit or loss for the year | - | | - | - | 47,204 | 47,204 | -85 | 47,119 |
| Closing balance on 2021-12-31 | 886 | 10 | 153,079 | 1,178 | 185,314 | 340,468 | 247 | 340,714 |

| | Share capital | Reserves | Retained earnings | Net profit or loss for the year | Total |
|--------------------------------------|---------------|-----------|-------------------|---------------------------------|----------------|
| THE PARENT COMPANY | | | | | |
| 2020 opening balance | 815 | 0 | 116,073 | 0 | 116,888 |
| Warrant proceeds | - | - | 313 | - | 313 |
| Dividend | - | - | - | - | 0 |
| Net profit or loss for the year | - | - | - | -3,481 | -3,481 |
| Closing balance on 2020-12-31 | 815 | 0 | 116,386 | -3,481 | 113,719 |
| 2021 opening balance | 815 | 0 | 116,386 | -3,481 | 113,719 |
| Carried forward to new account | - | - | -3,481 | -3,481 | - |
| Non-cash issue | 47 | - | 27,332 | - | 27,380 |
| New share issue | 24 | - | 28,826 | - | 28,850 |
| Warrant proceeds | - | - | 558 | - | 558 |
| Result of merger | - | 10 | -5,501 | - | -5,491 |
| Dividend | - | - | - | - | - |
| Net profit or loss for the year | - | - | - | 5,878 | 5,878 |
| Closing balance on 2021-12-31 | 886 | 10 | 164,120 | 5,878 | 170,894 |

| CASH FLOW STATEMENT (KSEK) | | THE GROUP | | THE PARENT COMPANY | |
|-----------------------------------------------------------------------------|-------|----------------|----------------|--------------------|----------------|
| | NOTES | 2021 | 2020 | 2021 | 2020 |
| Operating activities | | | | | |
| Operating profit | | 65,857 | 43,122 | 370 | -3,687 |
| Adjustments for non-cash items, etc. | 25 | 14,673 | 8,304 | 16,248 | |
| Income tax paid | | -13,834 | -10,344 | -4,619 | -5,059 |
| Cash flow from operating activities before change in working capital | | 66,696 | 41,082 | 11,998 | -8,746 |
| Change in working capital | | | | | |
| Change in inventories | | -61,412 | 12,623 | - | - |
| Change in trade and other receivables | | -33,491 | -11,187 | 168,438 | -5,097 |
| Change in trade and other payables | | 46,625 | -11,256 | -184,109 | 35,369 |
| Net cash flow from operating activities | | 18,418 | 31,262 | -3,673 | 21,526 |
| Investing activities | | | | | |
| Business combinations, additional consideration | 26 | -44,053 | -5,265 | -55,439 | -152 |
| Acquisition of intangible fixed assets | | -3,085 | -586 | - | - |
| Acquisition of tangible fixed assets | | -2,406 | -3,055 | - | - |
| Cash flow from investing activities | | -49,544 | -8,905 | -55,439 | -152 |
| Financing activities | | | | | |
| Dividend paid/new issuance | | 28,850 | - | 28,850 | - |
| Warrant proceeds | | 367 | 147 | 558 | 313 |
| Interest paid and received | 8, 9 | -4,768 | -5,367 | -3,525 | -447 |
| Amortization of lease liabilities | | -8,345 | -8,678 | - | - |
| Amortization | 20 | -134,916 | -21,532 | -134,916 | -21,267 |
| Borrowings | | 172,684 | 1,052 | 172,804 | - |
| Cash flow from financing activities | | 53,872 | -34,378 | 63,770 | -21,401 |
| Cash flow for the year | | 22,745 | -12,021 | 4,657 | -26 |
| Cash and cash equivalents at the beginning of the year | | 5,550 | 17,684 | 97 | 123 |
| Exchange rate difference in cash and cash equivalents | | 77 | -113 | - | - |
| Cash and cash equivalents at the end of the year | | 28,372 | 5,550 | 4,754 | 97 |

NOTE 1 – ACCOUNTING AND VALUATION POLICIES

1.1 IN GENERAL

The activities of Alcadon Group AB and its subsidiaries mainly comprise sales of products and systems for data- and telecommunications.

The parent company is a Swedish public listed company seated in Stockholm. Since 14 September 2016, the company's share is listed on Nasdaq First North under the ticker ALCA. The Company's Certified Adviser is Svensk Kapitalmarknadsgranskning AB (SKMG).

The financial statements for the financial year 2021 were approved by the Board of Directors and the Chief Executive Officer on 22 March 2022, and will be presented to the Annual General Meeting on 22 April 2022 for adoption.

The Group's operations are described in the Management Report.

1.2 BASIS OF ACCOUNTING

The Group's financial statements have been prepared in accordance with the Swedish Annual Accounts Act, the provisions in RFR 1 Supplementary Accounting Rules for Groups, and the International Financial Reporting Standards (IFRS) as adopted by the EU. The financial statements have been prepared on the going concern basis of accounting.

The parent company, Alcadon Group AB, prepares its reports in accordance with the Swedish Annual Accounts Act as well as the Swedish Financial Reporting Board's recommendations RFR 2 Accounting for Legal Entities. The main accounting policies used in the preparation of the financial statements are summarized below. Where the parent company applies different policies, these are specified under "Parent Company" below.

All assets, provisions and liabilities are recognized at cost unless otherwise specified.

Functional currency and reporting currency

Amounts are stated in thousands of SEK (KSEK) unless otherwise specified. Numbers within parentheses refer to the preceding year.

The parent company uses Swedish krona (SEK) as the functional currency, and this is also the reporting currency for the parent company and the Group. The financial statements are therefore stated in Swedish kronor.

Non-current and current items

Non-current assets and non-current liabilities consist essentially of amounts expected to be recovered or paid more than twelve months after the balance sheet date.

Current assets and current liabilities consist essentially of amounts expected to be recovered or paid within twelve months of the balance sheet date.

New and updated standards and interpretations in 2021

No new or updated standards and interpretations affecting the Group's financial statements have become effective.

Standards not yet effective and not applied in advance

As of the date of approval of these financial statements, the IASB has issued certain new standards, amendments, and interpretations of existing standards that are not yet effective. These are not expected to have a material impact on the Group's financial statements and have not been applied in advance.

1.3 ESTIMATES AND ASSESSMENTS

The Group's management makes estimates and assessments about the future. Such assessments are reviewed regularly and are based on past experience and other factors, including expectations of future events that are judged to be reasonable taking current conditions into consideration. By definition, the estimates for accounting purposes that follow from such estimates and assessments will rarely correspond to the actual outcome. The calculation of fair values of business combinations is based on valuation techniques for the various components of a business combination. In particular, the fair value of contingent consideration depends on the outcome of several variables. For the assessment of the items below, please refer to the respective reference in the 2021 Annual Report:

Impairment/goodwill – see 1.11 and 1.13

Inventories – see 1.14

Assessment of bad debts – see 1.18

1.4 CONSOLIDATED ACCOUNTS

The consolidated accounts include subsidiaries in which the parent company directly or indirectly holds more than 50 percent of the voting rights or otherwise has a controlling influence. The Group controls a company when it is exposed to or is entitled to variable returns from its holding in the company and is able to influence the return through the influence it exercises in the company.

The Group recognizes business combinations by means of the purchase method. The consideration transferred by the Group to obtain a controlling influence over a subsidiary is calculated as the sum of fair values as of the acquisition date of the assets transferred, the liabilities assumed, and the equity instruments issued by the Group, which includes the fair value of an asset or liability arising from a contingent consideration agreement.

Acquisition costs are expensed as incurred. Assets acquired and liabilities assumed are generally measured at fair value as of the acquisition date. The Group's equity thus only includes the portion of equity of each subsidiary that has been added after the acquisition.

Profit or loss and other comprehensive income of subsidiaries acquired or disposed of during the year are recognized as of the date when the acquisition or disposal becomes effective, as appropriate. Alcadon Group's foreign subsidiaries are translated using the current method. This implies that the assets and liabilities of foreign subsidiaries are translated at the exchange rate on the balance sheet date. All items in the income statements are translated at the average exchange rate for the year. Translation differences are recorded in 'Other comprehensive income' of the Group.

All intra-group transactions and balance sheet items are eliminated on consolidation, including unrealized gains and losses arising from transactions between Group companies. In the consolidated income statement, the fraction relating to non-controlling interest is recognized separately.

Non-controlling interests in the capital of subsidiaries are presented as a separate equity item in the consolidated balance sheet. Amounts recognized in the financial statements of subsidiaries have been adjusted, where necessary, to ensure consistency with the Group's accounting and valuation policies.

1.5 SEGMENT REPORTING

The reporting of operating segments corresponds to the internal reporting that shows an operating profit, which is regularly reviewed by the chief operating decision maker.

The chief operating decision maker is the function responsible for the allocation of resources and assessment of the performance of the operating segments. The Chief Executive Officer is the Group's chief operating decision maker. Alcadon has identified one operating segment, which corresponds to the Group's business as a whole. The assessment is based on the Chief Executive Officer's regular review of the business as a whole, which provides the basis for decisions on the allocation of resources and assessments of its performance.

1.6 TRANSLATION OF FOREIGN CURRENCY

Reporting currency

Items included in the financial statements of the various entities of the Group are measured in the currency of the economic environment in which each entity principally operates (functional currency). The consolidated financial statements are denominated in Swedish kronor (SEK), which is the Parent Company's reporting currency.

Transactions and balance sheet items

Transactions in foreign currency are translated to the functional currency in accordance with the exchange rates applicable on the transaction date or the date of remeasurement. Exchange rate gains and losses that arise in conjunction with payments of such transactions or in conjunction with translation of monetary assets and liabilities denominated in foreign currency at the exchange rate on the balance sheet date are recognized in profit or loss. Exchange rate differences are recognized in operating profit to the extent that they relate to operating transactions and otherwise in net financial items.

Group companies

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of that operation and are translated at the exchange rate on the balance sheet date.

1.7 REVENUE RECOGNITION

The Group's policy for recognizing revenue from contracts with customers is set out below.

Sales of goods

The Group engages in the wholesale of data- and telecommunications products and systems. In the majority of cases, Alcadon supplies goods without any related conditional undertakings of installation or support. Sales of goods are carried out in the Commercial Property Networks, Residential Networks, and Fiber Networks/FTTx business areas. Sales are recognized as revenue when control of the goods is transferred to the customer, which normally coincides with their delivery. Delivery occurs when the goods have been handed over in accordance with the terms of delivery, the risks of the goods have been transferred to the customer, and the customer has either accepted the goods in accordance with the contract, or the time span for objecting to the contract has expired, or the Group has objective evidence that all the criteria for acceptance have been met. There may be volume discounts based on cumulative sales over a period. Revenue from the sale of goods is recognized based on the price stated in the contract less esti-

mated volume discounts. A liability is recognized for expected volume discounts in relation to sales up to the balance sheet date.

Invoicing takes place in connection with delivery, and the payment period is normally 30 days.

Sales of services

The Group provides services in the form of:

- Technical support relating to supplied hardware
- Service contracts

Technical support is considered to be a distinct performance obligation for which revenue is recognized over time. Service agreements are recognized on a straight-line basis over the period of the agreement.

1.8 LEASES

The Group as lessee

For all contracts entered into on or after 19-01-01, the Group assesses whether the contract is, or contains, a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition, the Group assesses whether the contract meets the requirements of three evaluations, which are whether:

- The contract contains an identified asset that is either specifically identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group.
- The Group is entitled to substantially all the economic benefits arising from the use of the identified asset throughout the lease term, taking into account the Group's rights within the defined scope of the contract.
- The Group has the right to control the use of the identified asset throughout the lease term. The Group assesses whether it has the right to control 'how and for what purpose' the asset is used throughout the lease term.

Measuring and recognizing leases as the lessee

At the inception of the lease, the Group recognizes a right of use and a lease liability in the balance sheet. The right of use is measured at cost, which includes the amount at which the lease liability is initially measured; any initial direct costs incurred by the Group; the Group's estimated costs of dismantling and removing the asset at the end of the lease term; and any lease payments made prior to the inception of the lease (less any benefits received).

The Group amortizes the right of use on a straight-line basis from the inception of the lease to the earlier of the useful life of the right of use and the expiry of the lease. The Group further assesses the right of use for impairment when there is an indication of impairment.

At the inception of the lease, the Group measures the lease liability at the present value of the lease payments unpaid at that time. Lease payments are discounted using the implicit interest rate of the lease, or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

After the inception date, the liability is reduced by the lease payments which are allocated between amortization and financial costs.

1.9 BORROWING COSTS

Interest costs are recognized as an expense in the period in which they are incurred.

1.10 INCOME TAX

The tax expense or income for the period consists of current and deferred tax. Current tax is the tax calculated on the taxable profit for a period. Deferred tax is calculated using the balance-sheet method, which entails making a comparison between the carrying amounts of the Group's assets and liabilities with their respective tax bases.

The difference between these values is multiplied by the applicable tax rate to obtain the amount of the deferred tax asset/liability. Deferred tax assets are recognized in the balance sheet to the extent that it is probable that future taxable profit will be available against which they can be utilized.

1.11 INTANGIBLE FIXED ASSETS

Goodwill

Goodwill represents future economic benefits that arise from a business combination but are not individually identified and separately recognized. Financial instruments are recognized at cost less accumulated impairment. Goodwill is tested for impairment every year. See also Note 11.

Other intangible fixed assets

Other intangible fixed assets are recognized as assets in the balance sheet when they satisfy the criteria for intangible assets as set out in IAS 38; it is probable that future economic benefits associated therewith will flow to the Group; and the cost can be measured reliably.

Intangible fixed assets are recognized at cost less amortization according to plan and any impairment losses. Amortization according to plan is linear over the asset's estimated useful life.

The following amortization periods are applied:

| | |
|-------------------------------|------------|
| Software | 3-8 years |
| Other intangible fixed assets | 5-10 years |
| Customer relations | 10 years |

1.12 TANGIBLE FIXED ASSETS

Tangible fixed assets are recognized at cost less impairment and depreciation according to plan. Depreciation is calculated on a straight-line basis, based on the cost and the estimated useful life of the asset. The residual values and useful lives of the assets are assessed on each reporting date.

The following depreciation periods are applied:

| | |
|---------------------|-----------|
| Equipment and plant | 3-5 years |
| Computer hardware | 2-3 years |

1.13 IMPAIRMENT TESTING

Intangible and tangible fixed assets

The Company reviews the carrying amounts of its assets on each balance sheet date to assess if there is any indication of impairment. If such an indication exists, the recoverable amount of the asset is calculated as the higher of its value in use and its net realizable value.

Goodwill is tested for impairment every year, irrespective of whether there is any indication of impairment.

If the recoverable amount is below the carrying amount, an

impairment loss is recognized for the asset.

If the recoverable amount of the individual asset can not be determined, the recoverable amount of the cash-generating unit to which the asset belongs shall be determined, where the cash-generating unit is the smallest identifiable group of assets that generates cash flows that are largely independent of those from other assets. In the calculation of value in use, future cash flows are discounted at a pre-tax rate that is deemed to reflect the market's assessment of the time value of money and the specific risks associated with the asset.

A sensitivity analysis of the discount rate and growth assumptions is performed after each impairment test to determine whether the remaining excess value is material.

With the exception of goodwill, assets are reassessed if there are indications that a previous impairment loss no longer exists. If the impairment loss is no longer justified, in whole or in part, it is reversed in accordance with IAS 36.

Financial fixed assets

Assets recognized at amortized cost

The Group assesses the expected future credit losses that are associated with assets recognized at amortized cost. The Group recognizes a credit reserve for such expected credit losses at each reporting date.

For trade receivables, the Group applies the simplified approach to credit provisions, i.e., the reserve will correspond to the expected loss over the life of the trade receivable. To measure the expected credit losses, trade receivables have been grouped based on allocated credit risk characteristics and days past due. The Group uses forward-looking variables for expected credit losses.

Expected credit losses are recognized in the consolidated income statement under the other external expenses item.

1.14 INVENTORIES

Inventories refers to data- and telecommunications products. Inventories are measured according to the lowest value principle, i.e., at the lower of cost and net realizable value. Cost is determined using the first-in-first-out method.

Net realizable value is calculated as the estimated sales value less estimated cost of sales.

1.15 REMUNERATION OF EMPLOYEES

Pension obligations

The Group only has defined contribution pension plans, which means pension plans with fixed contributions paid to external legal entities. The Group has no legal or informal obligations to pay additional contributions beyond the fixed fee, which is expensed in the period in which the related personnel services are received.

Termination benefits

Termination benefits are paid when an employee's employment is terminated before the normal retirement date or when an employee accepts to voluntarily resign from employment in exchange for such benefits. The Company recognizes severance pay when it is demonstrably committed either to a termination according to a detailed formal plan without the possibility of withdrawal or to provide termination benefits as a result of an offer made to encourage voluntary resignation from employment.

1.16 PROVISIONS

Provisions are recognized when the Company has or can be considered to have an obligation as a result of events that have occurred, and it is probable that an outflow of resources will be required to settle the obligation. A further prerequisite is that the amount payable can be reliably estimated.

1.17 CONTINGENT LIABILITIES

A contingent liability is recognized when there is a possible obligation depending on the occurrence or non-occurrence of uncertain future events, or when there is an existing obligation where payment is not probable or the amount cannot be estimated reliably.

1.18 FINANCIAL INSTRUMENTS

Financial instruments are included in several different balance sheet items and are further described below.

Classification

The Group classifies its financial assets and liabilities as amortized cost or fair value through profit or loss. The classification depends on the purpose for which the financial asset or liability was acquired.

Financial assets at amortized cost

Assets held for the purpose of collecting contractual cash flows and where those cash flows represent only principal and interest are measured at amortized cost. The carrying amount of these assets is adjusted for any expected credit losses. Interest income from these financial assets is recognized using the effective interest method and is included in financial income. The Group's financial assets measured at amortized cost consist of the items trade receivables, other receivables, accrued contractual income, and cash and cash equivalents.

Financial liabilities at amortized cost

The Group's financial liabilities are classified as measured at amortized cost or fair value through profit or loss. Financial liabilities consist of other long-term liabilities, trade payables, and parts of other current liabilities.

Financial liabilities at fair value through profit or loss

Contractual contingent consideration relating to an acquisition is recognized at fair value through profit or loss.

Recognition of financial instruments

A financial asset or financial liability is recognized in the balance sheet when the Group becomes subject to the contractual terms of the instrument. A receivable is recognized when the Group has fulfilled its obligation and the other party has a contractual payment obligation, even if no invoice has been sent. Trade receivables are recorded in the balance sheet when the invoice is sent. A liability is recognized when the counterparty has fulfilled its obligation and the Group has a contractual payment obligation, even if no invoice has been received. Trade payables are recognized when the invoice has been received. A financial asset is removed from the balance sheet when rights are realized, expire, or the Group loses control of them. The same applies to part of a financial asset. Financial liabilities are removed from the balance sheet when the contractual obligation is paid or has otherwise ceased to exist. The same applies to part of a financial liability.

Financial assets and liabilities are offset and the net amount is recognized in the balance sheet only when there is a legally enforceable right to set off the amounts, and there is an intention to settle the amounts through net payments or to realize the asset and at the same time settle the liability. Purchases and sales of financial assets are recognized on the trade date. The trade date is the date on which the Group commits to purchase or sell the asset.

1.19 CASH FLOW STATEMENT

The cash flow statement is drawn up using the indirect method. This entails that the net income is adjusted for transactions that do not involve incoming or outgoing payments during the period. Cash and cash equivalents include cash, available balances with banks and credit institutions, and short-term liquid investments.

1.20 EARNINGS PER SHARE

The calculation of earnings per share is based on the Group's profit for the year attributable to the parent company's shareholders, divided by the weighted average number of shares outstanding during the year.

1.21 OTHER IMPORTANT INFORMATION

Some of the financial and other information presented herein has been rounded to make the information more accessible to the reader. This may entail that the amounts in some columns may not exactly add up to the specified total.

ACCOUNTING POLICIES OF THE PARENT COMPANY

The Parent Company's financial statements are prepared in accordance with the Swedish Annual Accounts Act (ÅRL) and RFR 2 Accounting for Legal Entities. In its financial statements, the Parent Company applies the International Financial Reporting Standards (IFRS) as adopted by the EU whenever possible within the framework of the ÅRL, taking into consideration the relationship between accounting and taxation. Consequently, the Parent Company applies the principles set out in Note 1 to the consolidated financial statements, with the below exceptions. Unless otherwise specified, the policies have been applied consistently for all presented years. Assets, provisions and liabilities are measured at cost unless otherwise specified below.

This implies in particular the following differences between the reporting of the Parent Company and the Group:

The income statement and balance sheet of the Parent Company are presented in accordance with the Swedish Annual Accounts Act's form of presentation.

Shares and participations in subsidiaries are recognized at cost less impairment in the Parent Company. Contingent consideration is measured based on the probability that the consideration transferred will be paid. Any changes in the provision adjust the cost. In the consolidated financial statements, contingent transferred consideration is recognized at fair value, with changes in value recognized in profit or loss.

In the Parent Company, untaxed reserves are recognized without breakdown into equity and deferred tax liabilities.

Appropriations in the income statement are also recognized including deferred tax. Group contributions are recognized as appropriations in the financial statements.

NOTE 2 - RISK EXPOSURE AND FINANCIAL RISK MANAGEMENT

Capital management

The Group's objectives related to the capital structure are to safeguard the Group's ability to continue as a going concern and thus provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. The Group's means to manage the capital structure include changing the dividend paid to shareholders, repaying capital to owners, issuing new shares, and disposing of assets to reduce debt.

The Group's capital management objective is to maintain a solidity of no less than 25 percent. Capital is defined as equity and refers to the equity attributable to the shareholders of the parent company. Equity amounted to MSEK 341 (234), corresponding to a solidity of 49 (52) percent. Thus, the objective was achieved. No cash dividend was resolved upon by the Annual General Meeting 2021. There were no changes in the capital management during the year. Available undrawn credit facilities at the end of the year amounted to MSEK 36 (34).

Financial risks

The Group's operations are exposed to a number of financial risks. These include price risk, credit risk, liquidity risk, and cash flow risk. The concept of price risk includes currency risk, interest rate risk, and market risk. The Company's assessed risk exposure and consequent risk management is set out below.

Currency risk

The currency risk involves exposure to the variation in value of financial instruments depending on foreign exchange rate fluctuations. To manage transactional currency risk, Alcadon has the opportunity to purchase currency for known future flows as needed, insofar as inflows cannot be matched to outflows.

Interest rate risk

The interest rate risk is that the value of financial liabilities may vary depending on changes in market interest rates. Alcadon's current credits have variable interest rates.

Credit risk

Credit risks arise when the company concludes an agreement with another party, and relates to the risk faced by the company that the counterparty fails to meet its obligations. Credit assessment of customers and other counterparties is carried out regularly in accordance with established procedures.

Liquidity and financing risk

Liquidity risk means the risk that the Group is unable to cover its need for money in stressed market conditions. Financing risk is the risk that loans need to be renewed at a higher cost of financing and with limited financing options, which may lead to the inability to fulfil payment obligations due to insufficient liquidity or difficulties in obtaining financing. Due to Alcadon's strong capital base, these risks are not considered significant. Furthermore, the executive management is closely monitoring the rolling forecasts of the Group's liquidity reserves based on projected cash flows.

Cash flow risk

No specific cash flow risks, other than those associated with the other risks outlined above, are considered to exist in the Group.

COVID-19

The spread of the coronavirus has a negative impact on Alcadon's staffing situation, demand and supply chains. Since the onset of the pandemic, Alcadon has implemented a number of measures to secure the supply of goods and create safe conditions for employees, customers and suppliers. We are monitoring developments closely and maintain a high level of preparedness for additional measures should they be required. Focused efforts on efficiency-enhancing measures and a focus on margins have produced the desired effect. For the forthcoming quarter, a certain uncertainty prevails with regard to the impact of the pandemic, but network infrastructure has been an area left relatively unscathed; rather, the future outlook has only improved over the last year. No significant changes have occurred which would require these descriptions to be further amended.

NOTE 3 – NET SALES

| Geographic market (external turnover) | THE GROUP | | THE PARENT COMPANY | |
|---------------------------------------|----------------|----------------|--------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Sweden | 316,440 | 342,963 | 11,940 | 7,252 |
| Norway | 136,007 | 124,658 | - | - |
| Denmark | 231,992 | - | 1,313 | - |
| Germany | 49,884 | - | - | - |
| Belgium | 2,142 | - | - | - |
| Total | 736,466 | 467,621 | 11,940 | 3,547 |

| Business areas | 2021 | 2020 | 2021 | 2020 |
|------------------------------|----------------|----------------|----------|----------|
| Commercial property networks | 218,803 | 206,733 | - | - |
| Residential networks | 77,593 | 84,823 | - | - |
| Fiber networks/FTTx | 403,652 | 160,057 | - | - |
| Services | 36,418 | 16,007 | - | - |
| Total | 736,466 | 467,621 | 0 | 0 |

The Group has no customer representing more than 10 percent of net sales.

NOTE 4 – EARNINGS PER SHARE

| | THE GROUP | |
|------------------------------------------------------------------------|-------------|-------------|
| | 2021 | 2020 |
| Average number of shares used in the calculation of earnings per share | 17,945,952 | 16,859,246 |
| Number of shares at the end of the period (NOTE 19) | 18,341,026 | 16,859,246 |
| Profit or loss for the year (KSEK) | 47,119 | 29,038 |
| Earnings per share, SEK | 2.62 | 1.72 |
| Average number of shares after dilution (NOTE 29) | 18,359,285 | 16,859,246 |
| Diluted earnings per share (SEK) | 2.56 | 1.72 |

NOTE 5 – REMUNERATION OF THE AUDITOR

| | THE GROUP | | THE PARENT COMPANY | |
|----------------------------------------------|---------------|-------------|--------------------|-------------|
| | 2021 | 2020 | 2021 | 2020 |
| Grant Thornton | | | | |
| -Audit engagements | -880 | -735 | -320 | -300 |
| -Audit work in addition to audit engagements | -72 | -60 | -72 | -60 |
| -Tax consultancy services | -115 | - | -115 | - |
| -Other services | -460 | -60 | -460 | -20 |
| Total | -1,527 | -855 | -967 | -380 |

NOTE 6 – LEASES AND RIGHTS OF USE

As of 2019, leases are reported in accordance with IFRS 16 Leases, see Note 1. Where Alcadon is the lessee, lease assets are recognized as rights of use in the statement of financial position and the future obligations to the lessors are recognized as liabilities in the statement of financial position. As a lessee, Alcadon has both financial and operating leases. The Group rents office and warehouse premises, which are operating leases, and cars, which are financial leases.

| SPECIFICATION BY TYPE OF ASSET | CARS | OFFICE SPACE | TOTAL |
|-----------------------------------|---------------|----------------|----------------|
| | 2021 | 2021 | 2021 |
| Amortization | -1,642 | -6,933 | -8,575 |
| Interest expense | -201 | -434 | -635 |
| Total cash flow | -1,788 | -7,193 | -8,981 |
| Carrying amount, rights of use | 6,675 | 24,913 | 31,589 |
| Recognized lease liability | | | |
| Current | -3,063 | -5,956 | -9,019 |
| Non-current, 1-5 years | -3,761 | -16,896 | -20,657 |
| Non-current, >5 years | 0 | -2,435 | -2,435 |
| Total | -6,824 | -25,287 | -32,111 |

Short-term leases and leases of low-value assets are excluded, as these are expensed as they arise. Costs of short-term leases and leases of low-value assets amount to MSEK -1.7 (-0.1).

NOTE 7 – SALARIES, REMUNERATIONS, AND NUMBER OF EMPLOYEES

| | 2021 | | 2020 | |
|------------------------------------|--------------------------------|---------------|--------------------------------|---------------|
| | Number of members on the Board | Of whom women | Number of members on the Board | Of whom women |
| Parent company (Alcadon Group AB) | 4 | 1 | 5 | 1 |
| Summa | 4 | 1 | 5 | 1 |
| | Average number of employees | Of whom women | Average number of employees | Of whom women |
| <i>Sweden:</i> | | | | |
| -Parent company (Alcadon Group AB) | 2 | - | 2 | - |
| -Alcadon AB (Subsidiary in Sweden) | 47 | 6 | 44 | 4 |
| <i>Foreign subsidiaries:</i> | | | | |
| -Alcadon AS Norway | 17 | 4 | 15 | 4 |
| -Alcadon ApS Denmark | 18 | 4 | - | - |
| Alcadon GmbH Germany | 3 | 0 | - | - |
| 6X International BV Belgium | 0 | 0 | - | - |
| Total | 87 | 15 | 61 | 8 |

NOTE 7 – SALARIES, REMUNERATIONS, AND NUMBER OF EMPLOYEES (CONT'D.)

Number of employees of the Group at the end of the period 95 (65). Salaries and other remuneration broken down by country and for board members, chief executive officers and other employees are presented in the tables below:

| | 2021 | | 2020 | |
|-----------------------------------|----------------------------|-------------------------------|----------------------------|-------------------------------|
| | Salaries and remunerations | Social security contributions | Salaries and remunerations | Social security contributions |
| Parent company (Alcadon Group AB) | -5,975 | -1,730 | -5,744 | -1,650 |
| Subsidiaries | -62,232 | -9,885 | -35,426 | -8,939 |
| Total | -68,207 | -11,615 | -41,170 | -10,589 |

| | Board members, CEO and other senior executives | Other employees | Board members, CEO and other senior executives | Other employees |
|-----------------------------------------|------------------------------------------------|-----------------|------------------------------------------------|-----------------|
| <i>Sweden:</i> | | | | |
| -Parent company (Alcadon Group AB) | -5,975 | - | -5,744 | - |
| -Alcadon AB (Other companies in Sweden) | -3,437 | -25,063 | -2,799 | -22,070 |
| <i>Foreign subsidiaries:</i> | | | | |
| -Alcadon AS Norway | -1,658 | -11,296 | -1,837 | -8,720 |
| -Alcadon ApS Denmark | -2,756 | -15,327 | | |
| Alcadon GmbH Germany | - | -2,359 | | |
| 6X International BV Belgium | - | -338 | | |
| Total | -13,826 | -54,382 | -10,380 | -30,790 |

| | Board members, CEO and other senior executives | Other employees | Board members, CEO and other senior executives | Other employees |
|-----------------------------------|------------------------------------------------|-----------------|------------------------------------------------|-----------------|
| Of which pension costs | | | | |
| Parent company (Alcadon Group AB) | -838 | - | -786 | - |
| Subsidiaries | -963 | -2,967 | -374 | -1,771 |
| Total | -1,801 | -2,967 | -1,160 | -1,771 |

SALARIES AND OTHER BENEFITS TO SENIOR EXECUTIVES DURING THE YEAR 2021 AMOUNT TO THE FOLLOWING:

| Year 2021 (KSEK) | Salary/Fee | Pension | Variable remuneration | Other remuneration | Total |
|---------------------------------------|----------------|---------------|-----------------------|--------------------|----------------|
| <i>The Board of Directors</i> | | | | | |
| Pierre Fors (Chairman) | -280 | - | - | -800 | -1,080 |
| Jonas Mårtensson | -210 | - | - | - | -210 |
| Marie Ygge | -140 | - | - | - | -140 |
| Lars Engström | -140 | - | - | - | -140 |
| Sonny Mirborn (CEO) | -2,184 | -648 | -780 | - | -3,612 |
| Other senior executives ¹⁾ | -8,189 | -1,153 | -1,903 | - | -11,245 |
| Total | -11,143 | -1,801 | -2,683 | -800 | -16,427 |

¹⁾ Other senior executives number 6 persons.

NOTE 8 – INTEREST INCOME AND SIMILAR ITEMS

| | THE GROUP | | THE PARENT COMPANY | |
|--------------------------------------|--------------|------------|--------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Interest income | 70 | 64 | 30 | - |
| Financial currency effects | 497 | - | - | - |
| Interest income from Group companies | - | - | 135 | 3,984 |
| Other financial income | 522 | 73 | - | - |
| Total | 1,088 | 137 | 165 | 3,984 |

NOTE 9 – INTEREST EXPENSES AND SIMILAR ITEMS

| | THE GROUP | | THE PARENT COMPANY | |
|--------------------------------------|---------------|---------------|--------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| Interest expenses | -3,704 | -4,663 | -3,177 | -4,199 |
| Financial currency effects | -451 | 16 | -23 | - |
| Interest expenses, lease liabilities | -635 | -374 | - | - |
| Other financial expenses | -1,066 | -482 | -490 | -232 |
| Total | -5,856 | -5,503 | -3,690 | -4,431 |

NOTE 10 – TAX ON PROFIT FOR THE YEAR

| | THE GROUP | | THE PARENT COMPANY | |
|-----------------------------------------------------------------|----------------|---------------|--------------------|------------|
| | 2021 | 2020 | 2021 | 2020 |
| Current tax | -12,536 | -10,443 | - | -214 |
| Deferred tax liabilities | -1,434 | 1,726 | -1,723 | 867 |
| Recognized tax | -13,970 | -8,717 | -1,723 | 653 |
| <i>Effective tax rate 22.9% (23.1%) for the Group in 2021</i> | | | | |
| Recognized profit before tax | 61,089 | 37,756 | 7,602 | -4,134 |
| Tax according to the applicable Swedish tax rate, 20.6% (21.4%) | -12,584 | -8,080 | -1,566 | 885 |
| <i>Tax effect of:</i> | | | | |
| Adjustment for foreign tax rates | -618 | -120 | - | - |
| Adjustment of previous years' taxes | - | -218 | - | -214 |
| Non-deductible expenses and non-taxable income | -768 | -299 | -157 | -18 |
| Recognized tax | -13,970 | -8,717 | -1,723 | 653 |

NOTE 11 - GOODWILL

| | THE GROUP | | THE PARENT COMPANY | |
|-------------------------|----------------|----------------|--------------------|----------|
| | 2021 | 2020 | 2021 | 2020 |
| Opening balance | 289,169 | 289,169 | - | - |
| Acquisitions | 48,416 | - | - | - |
| Translation differences | 556 | - | - | - |
| Carrying amount | 338,141 | 289,169 | 0 | 0 |

Goodwill is tested for impairment every year. The discount rate used on 2021-12-31 is 8.9 (9.1) for Sweden, 7.0 (7.5) percent for Norway, and 7.8 percent for Denmark. The discount rate used is based on WACC (Weighted Average Cost of Capital) before tax. The recoverable amount is calculated based on projected cash flow over the next 5 years, assuming an EBITDA margin of between 9.7-10.7 (8.3) percent for Norway, 11.5-12.5 (12.1) percent for Sweden, and 9-9.6 (-) percent for Denmark. The forecasts are derived from estimates in each cash-generating unit. During the process of developing the forecast, a number of assumptions are made, for example relating to sales price, volume, purchase price, and product mix, on which the future growth and EBITDA margin are based. The assumed perpetual growth rate after the forecast period amounts to 2 (2) percent. Management's method to determine the value or values included in the key assumptions reflects past experience and is consistent with external sources of information where applicable. The sensitivity analyses involved a decrease in the EBITDA margin and an increase in the discount rate. In Norway, the EBITDA margin may decrease to around 5 (5) percent before a possible impairment is identified, and the discount rate may increase to around 13.5 (11.1) percent. In Sweden, the EBITDA margin may decrease to around 7.5 (7.9) percent before a possible impairment is identified, and the discount rate may increase to around 13.7 (13.7) percent. In Denmark, the EBITDA margin may decrease to around 5.3 percent before a possible impairment is identified, and the discount rate may increase to around 12.7 percent. The sensitivity analyses demonstrate that there is relatively large scope for a reduction in the expected EBITDA margin and an increase in the discount rate before any impairment of goodwill arises.

NOTE 12 - OTHER INTANGIBLE ASSETS

| | THE GROUP | | THE PARENT COMPANY | |
|-------------------------------------------------------|---------------|--------------|--------------------|----------|
| | 2021 | 2020 | 2021 | 2020 |
| Acquisition value, opening balance | 1,667 | 1,081 | - | - |
| Acquisition value | 13,444 | - | - | - |
| Purchases | 3,085 | 586 | - | - |
| Disposals | -687 | | | |
| Accumulated acquisition value, closing balance | 17,509 | 1,667 | 0 | 0 |
| Amortization, opening balance | -737 | -488 | - | - |
| Amortization for the period | -1,632 | -249 | - | - |
| Disposals | 687 | | | |
| Accumulated amortization, closing balance | -1,682 | -737 | 0 | 0 |
| Carrying amount | 15,826 | 930 | 0 | 0 |

I samband med förvärvet av Alcadon ApS (tidigare 6X International ApS) och dess tyska dotterbolag Alcadon GmbH (tidigare 6X International GmbH) identifierades immateriella tillgångar hänförliga till kundrelationer om 13,3 MSEK vilka skrivs av på 10 år.

NOTE 13 – EQUIPMENT AND RIGHTS OF USE

| | THE GROUP | | THE PARENT COMPANY | |
|-------------------------------------------------------|----------------|----------------|--------------------|----------|
| | 2021 | 2020 | 2021 | 2020 |
| Acquisition value, opening balance | 62,329 | 29,923 | - | - |
| Acquisition value | 1,053 | - | - | - |
| Purchases | 2,406 | 32,406 | - | - |
| Disposals | -1,195 | | | |
| Accumulated acquisition value, closing balance | 65,788 | 62,329 | 0 | 0 |
| Depreciation, opening balance | -21,254 | -11,716 | - | - |
| Depreciation for the year according to plan | -9,955 | -9,538 | - | - |
| Disposals | 1,195 | | | |
| Accumulated depreciation, closing balance | -30,014 | -21,254 | 0 | 0 |
| Planned residual value, closing balance | 35,774 | 41,075 | 0 | 0 |

NOTE 14 – FINANCIAL ASSETS AND LIABILITIES

2021-12-31

| FINANCIAL ASSETS | Amortized cost | Total |
|--------------------------------|----------------|----------------|
| Other current financial assets | 1,199 | 1,199 |
| Trade receivables | 131,412 | 131,412 |
| Cash and cash equivalents | 28,373 | 28,373 |
| Total | 160,983 | 160,983 |

| FINANCIAL LIABILITIES | Fair value through profit or loss (FVTPL) | Other liabilities | Total |
|--------------------------|-------------------------------------------|-------------------|----------------|
| Long-term borrowings | - | 111,429 | 111,429 |
| Short-term borrowings | - | 36,630 | 36,630 |
| Trade and other payables | - | 115,164 | 115,164 |
| Contingent consideration | 26,800 | - | 26,800 |
| Total | 26,800 | 263,223 | 290,023 |

2020-12-31

| FINANCIAL ASSETS | Amortized cost | Total |
|--------------------------------|----------------|---------------|
| Other current financial assets | 1,227 | 1,227 |
| Trade receivables | 49,408 | 49,408 |
| Cash and cash equivalents | 5,550 | 5,550 |
| Total | 56,185 | 56,185 |

| FINANCIAL LIABILITIES | Fair value through profit or loss (FVTPL) | Other liabilities | Total |
|--------------------------|-------------------------------------------|-------------------|----------------|
| Long-term borrowings | - | 650 | 650 |
| Short-term borrowings | - | 106,318 | 106,318 |
| Trade and other payables | - | 39,344 | 39,344 |
| Contingent consideration | - | - | 0 |
| Total | 0 | 146,312 | 146,312 |

NOTE 14 – FINANCIAL ASSETS AND LIABILITIES (CONT'D.)

As of 31 December 2020, the Group's non-derivative financial liabilities have contractual maturities as follows:

| 2021-12-31 | Current | | Long-term | Total |
|----------------------------------|-----------------|---------------|----------------|----------------|
| | Within 6 months | 6-12 months | 1-5 years | |
| Loan SEB | 9,286 | 9,286 | 111,429 | 130,000 |
| Utilized bank overdraft facility | 13,800 | - | - | 13,800 |
| Other financing | 4,259 | - | - | 4,259 |
| Trade payables | 115,164 | - | - | 115,164 |
| Contingent consideration | 5,910 | 6,319 | 14,571 | 26,800 |
| Total | 148,419 | 15,605 | 125,999 | 290,023 |

NOTE 15 – PARTICIPATIONS IN GROUP COMPANIES

I koncernen ingår följande dotterbolag:

| Name/registered office | Reg.no. | Number of shares | Share % | Value |
|-----------------------------------------------|-----------------|------------------|---------|---------|
| Alcadeltaco AB, seated in Stockholm, Sweden | 556813-7623 | 100 | 100 | 189,770 |
| Alcadon ApS, seated in Nivaa, Denmark | 27 04 80 13 | 250 | 100 | 101,883 |
| 6X International B.V, seated in Lier, Belgium | BE 0446.121.707 | 2,800 | 80 | 7,736 |
| Via Alcadeltaco AB | | | | |
| Alcadon AB, seated in Stockholm, Sweden | 556480-4341 | 10,000 | 100 | |
| Via Alcadon ApS | | | | |
| Alcadon GmbH, seated in Kiel, Germany | 20/290/10989 | 24,701 | 100 | |
| Via Alcadon AB | | | | |
| Alcadon A/S, seated in Oslo, Norway | NO952334891 | 6,000 | 100 | |
| Change during the year | | | | |

Alcadon Intressenter AB, Alcadon Team Invest AB and CableCom Nordic AB merged with Alcadon Group AB. Alcadon ApS, Denmark, and its subsidiary Alcadon GmbH, Germany, and 6X International B.V, Belgium, were acquired by Alcadon Group AB.

| | THE GROUP | | THE PARENT COMPANY | |
|-------------------------------------------------------|-----------|----------|--------------------|---------------|
| | 2021 | 2020 | 2021 | 2020 |
| Accumulated acquisition values, opening balance | - | - | 40,357 | 40,205 |
| Merged companies | - | - | -40,357 | - |
| Addition by merger | - | - | 189,770 | - |
| Addition/Acquisition | - | - | 109,619 | 152 |
| Accumulated acquisition value, closing balance | 0 | 0 | 299,389 | 40,357 |
| Accumulated impairment, opening balance | - | - | - | - |
| Accumulated impairment, closing balance | 0 | 0 | 0 | 0 |
| Carrying amount | 0 | 0 | 299,389 | 40,357 |

NOTE 16 – INVENTORIES

| | THE GROUP | | THE PARENT COMPANY | |
|--------------|----------------|---------------|--------------------|----------|
| | 2021 | 2020 | 2021 | 2020 |
| Merchandise | 152,373 | 62,793 | - | - |
| Total | 152,373 | 62,793 | 0 | 0 |

The inventory value includes impairments for obsolescence of KSEK 3,281 (1,155). The allowance for obsolescence is based on the product turnover rate as well as historical statistics on obsolescence.

NOTE 17 – TRADE RECEIVABLES

| | THE GROUP | | THE PARENT COMPANY | |
|------------------------------------|----------------|---------------|--------------------|----------|
| | 2021 | 2020 | 2021 | 2020 |
| Gross trade receivables | 133,768 | 49,542 | - | - |
| Allowance for expected non-payment | -2,356 | -134 | - | - |
| Total trade receivables | 131,412 | 49,408 | 0 | 0 |

All amounts are short-term. The net carrying amount of trade receivables is considered to be a reasonable approximation of the fair value.

| | Not yet due | 1-30 days | > 30 days | > 60 days |
|------------------------------------|-------------|-----------|-----------|-----------|
| 2021-12-31 | | | | |
| Gross carrying amount | 105,565 | 19,246 | 1,464 | 7,493 |
| Allowance for expected non-payment | - | - | - | -2,356 |
| 2020-12-31 | | | | |
| Gross carrying amount | 40,753 | 6,029 | 2,516 | 243 |
| Allowance for expected non-payment | - | - | - | -134 |

All amounts are short-term. The net carrying amount of trade receivables is considered to be a reasonable approximation of the fair value.

NOTE 18 – PREPAYMENTS AND ACCRUED INCOME

| | THE GROUP | | THE PARENT COMPANY | |
|------------------------|--------------|--------------|--------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Accrued income | 1,199 | 1,227 | - | - |
| Prepaid insurance | 334 | 138 | 165 | 124 |
| Prepaid rent | 1,872 | 1,758 | - | - |
| Other prepayments | 6,535 | 2,060 | 812 | 1,190 |
| Carrying amount | 9,940 | 5,183 | 977 | 1,314 |

NOTE 19 – EQUITY

The share capital amounts to SEK 886,274.50, divided on 18,341,026 shares, each with a quota value of approximately SEK 0.05. All shares carry equal right to dividend and each share entitles the holder to cast one vote on the Annual General Meeting of the Parent Company.

Other contributed capital refers to capital contributed by owners and includes premium paid in connection with share issues.

Reserves exchange rate differences relating to the effects of exchange rate fluctuations on the translation of net investments in foreign subsidiaries into Swedish kronor.

Retained earnings including profit for the period include the Parent Company's profit and its share of the profit of subsidiaries and amounts of dividends.

| SUBSCRIBED AND PAID SHARES: | THE PARENT COMPANY | |
|------------------------------|--------------------|-------------------|
| | 2021 | 2020 |
| At the beginning of the year | 16,859,246 | 16,859,246 |
| Newly issued shares | 1,481,780 | - |
| Amount at year-end | 18,341,026 | 16,859,246 |

NOT 20 – SKULDER HÄNFÖRLIGA TILL FINANSIERINGSVERKSAMHETEN

In July 2021, Alcadon repaid existing loans of approximately MSEK 133 and raised new bank loans of MSEK 130. In addition, the existing overdraft facility was increased from MSEK 35 to MSEK 50, and an acquisition credit facility (RCF) of MSEK 60 was obtained to be used for future acquisitions.

Terms in brief

- Bank loan, MSEK 130, straight-line amortization over 7 years, interest rate STIBOR 3M + 1.3-1.8 percentage points depending on the debt-to-equity ratio.
- Overdraft facility MSEK 50, SEB base rate + 1.2 percentage points, 0.4 percent annual credit charge.
- Acquisition credit facility MSEK 60, interest rate STIBOR 3M + 1.3-1.8 percentage points depending on debt-to-equity ratio, 0.35 percent on undrawn amount.

The overdraft granted with SEB amounts to MSEK 50 (35), of which MSEK 36 (34) was undrawn at the end of the period.

The Group has lease liabilities linked to rights of use assets which amounted to MSEK 32 (38) as of 31 December 2021, of which MSEK 9 (9) current liabilities.

Apart from these, Alcadon has no other interest-bearing liabilities.

The Group's borrowings

Borrowing comprises the following financial liabilities:

| | LONG-TERM | | CURRENT | |
|----------------------------------|----------------|---------------|---------------|----------------|
| | 2021 | 2020 | 2021 | 2020 |
| Lease liabilities (IFRS 16) | 23,091 | 29,278 | 9,019 | 8,800 |
| Loan SEB | 111,429 | - | 18,571 | - |
| Other financing | - | - | 4,259 | - |
| Non-guaranteed bank loan (SHB) | - | - | - | 102,666 |
| Promissory note (Acquisition DC) | - | 650 | - | 2,600 |
| Bank overdraft facility | - | - | 13,800 | 1,052 |
| Total | 134,520 | 29,928 | 45,650 | 115,118 |

NOTE 21 – DEFERRED TAX LIABILITIES AND TAX ASSETS

Deferred taxes arising from temporary differences and unused tax losses, as follows. The tax loss carry-forwards are blocked due to the Group contributions received.

| | THE GROUP | | THE PARENT COMPANY | |
|--------------------------|----------------|--------------|--------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Untaxed reserves | -3,700 | -3,700 | - | - |
| Customer relations | -11,958 | - | - | - |
| IFRS 16 impact | 522 | 293 | - | - |
| Tax loss carryforwards | 1,634 | 9,721 | 1,654 | 5,706 |
| | -13,502 | 6,314 | 1,654 | 5,706 |
| Recognized as: | | | | |
| Deferred tax liabilities | -3,441 | -792 | - | - |
| Deferred tax assets | 461 | 2,143 | 354 | 1,221 |

NOTE 22 – ACCRUALS AND DEFERRED INCOME

| | THE GROUP | | THE PARENT COMPANY | |
|-----------------------------|---------------|---------------|--------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Accruals for employee costs | 17,046 | 9,451 | 2,552 | 801 |
| Other accrued expenses | 9,151 | 14,106 | 396 | 2,874 |
| Carrying amount | 26,197 | 23,557 | 2,948 | 3,675 |

NOTE 23 – PLEDGED ASSETS AND CONTINGENT LIABILITIES

Previously pledged shares in Alcadon AB were recovered in connection with the Company's refinancing in July 2021. The Company has business mortgages of MSEK 30 in Alcadon AB. The Group and the Parent Company have no contingent liabilities.

| | THE GROUP | | THE PARENT COMPANY | |
|-------------------------------------------|---------------|----------------|--------------------|----------|
| | 2021 | 2020 | 2021 | 2020 |
| Pledged assets | | | | |
| For own provisions and liabilities | | | | |
| Business mortgages | 30,000 | 30,000 | - | - |
| Net assets in subsidiaries | - | 258,538 | - | - |
| Total | 30,000 | 288,538 | 0 | 0 |

NOTE 24 – TRANSACTIONS BETWEEN GROUP COMPANIES

Of the Parent Company's net sales, sales to other Group companies accounted for 100 percent. There were no intra-group purchases.

NOTE 25 – ADJUSTMENT FOR ITEMS NOT INCLUDED IN CASH FLOW

| | THE GROUP | | THE PARENT COMPANY | |
|---------------------------|---------------|--------------|--------------------|----------|
| | 2021 | 2020 | 2021 | 2020 |
| Translation differences | 2,788 | -1,867 | - | - |
| Depreciation/amortization | 11,587 | 9,788 | - | - |
| Group contributions | - | - | 10,757 | - |
| Fusionsdifferens | - | - | 5,491 | - |
| Other adjustments | 297 | 383 | - | - |
| Total adjustments | 14,673 | 8,304 | 16,248 | 0 |

NOTE 26 – BUSINESS ACQUISITIONS

ALCADON APS (formerly 6X INTERNATIONAL APS) AND ITS GERMAN SUBSIDIARY ALCADON GMBH (formerly 6X International GmbH)

On 28 December 2020, Alcadon Group AB entered into a binding agreement to acquire all the shares in the Danish company 6X International ApS and its German subsidiary 6X International GmbH ("6X"), a leading supplier of solutions and systems in fiber networks and network infrastructure. The date of access was 7 January 2021, and as of this date, 6X is consolidated with Alcadon.

6X was established in 2003 and today is one of the leading niche suppliers in Denmark, operating in fiber networks and data centers. The company operates in Denmark and is also established in Germany since the end of 2019, through the foundation of the wholly-owned subsidiary 6X International GmbH. 6X has seen a strong and profitable growth in recent years. Since many years, 6X cooperates with leading international manufacturers and conducts its own assembly and configuration of customized solutions for, among others, energy and telecom customers, industry, data centers, network owners and wholesalers. The company's range, custom offerings and strong supplier relations are considered to complement Alcadon very well.

The acquisition analysis below was prepared in the first quarter of 2021. The purchase price of the shares, including contingent consideration, amounted to MSEK 100.3 of which MSEK 48.6 was paid in cash and MSEK 27.4 was paid through a non-cash issue of 981,780 shares in Alcadon Group AB. The value per share was set at SEK 27.89, based on Alcadon's market value between 17 December 2020 and 5 January 2021.

Conditional consideration amounts to not more than MDKK 18 in cash depending on the improvement in performance of 6X over the coming 36 months. Contingent consideration amounts to MDKK 18 and is remeasured at fair value at each balance sheet date, and any changes are recognized as other expenses or other income in operating profit. Identified intangible assets of MSEK 13.3 relate to customer relationships and are amortized over 10 years. The amortization period of 10 years is determined based on the assessed annual loss of net sales attributable to the respective asset. Identified intangible assets have been measured by estimating the future discounted cash flows. The deferred tax liability attributable to the identified intangible assets amounts to MSEK -2.9 in the acquisition analysis, and is dissolved in step with the amortization. The amortization will have an annual impact on operating profit of MSEK -1.3, and an MSEK -1 impact on profit or loss. Net assets, including identified intangible assets and deferred tax liability, amount to MSEK 57.5 in the acquisition analysis.

Goodwill amounts to MDKK 31.5, relating to the company's expected future earning power and the personnel of 6X. The acquisition increased the Group's indebtedness by MSEK 40.5. In connection with the acquisition, an acquisition loan of MSEK 29 was taken out, which, in July 2021, was refinanced together with the other loans.

Direct acquisition costs of MSEK -1.5 are included in operating expenses for 2021.

NOTE 26 – BUSINESS ACQUISITIONS

During 2021, the 6X Group contributed net sales of MSEK 283, operating profit (EBIT) of MSEK 30, and net profit of MSEK 24.

| ACQUISITION ANALYSIS (MSEK) | Reported value at the acquisition date | Adjustment to fair value | Fair value |
|----------------------------------------------------|----------------------------------------|--------------------------|--------------|
| Fair value of the consideration transferred | | | |
| Shares | | | 27,4 |
| Cash | | | 48,6 |
| Contingent consideration | | | 24,4 |
| Total purchase price | | | 100,3 |
| Identifiable net assets | | | |
| Intangible fixed assets | 0,0 | 13,3 | 13,3 |
| Other fixed assets | 1,2 | 0,0 | 1,2 |
| Inventories | 23,3 | 0,0 | 23,3 |
| Current receivables | 47,8 | 0,0 | 47,8 |
| Cash and cash equivalents | 8,0 | 0,0 | 8,0 |
| Deferred tax liabilities | -0,0 | -2,9 | -2,9 |
| Trade and other payables | -33,2 | 0,0 | -33,2 |
| Acquired net assets | | | 57,5 |
| Goodwill arising on acquisition | | | 42,8 |
| Initial consideration in cash and cash equivalents | | | 48,6 |
| Acquired cash and cash equivalents | | | 8,0 |
| Cash flow arising from acquisition | | | 40,5 |

6X INTERNATIONAL BV IN BELGIEN

On 7 December 2021, Alcadon Group AB acquired 80 percent of Belgian 6X International BV, a distributor of fiber-optic solutions and systems in Belgium. It was accessed on the same day, and the company is consolidated with Alcadon as of this date. The purchase includes an option to acquire or dispose of the remaining 20 percent, which can be exercised between 2024 and 2028. The exercise price amounts to 5 times the company's average EBIT in the two years prior to the exercise of the option.

6X International BV was established in 1991 and is a Belgian value-adding distributor specialized in fiber-optic componentry and systems. The company is established in several segments, including FTTx/telecom, data centers, cabling systems, and industrial solutions, and customers include installation companies, system integrators, network operators, and data centers. 6X International BV also has longstanding relationships with most of the reputable manufacturers.

As of 31 December 2021, a preliminary acquisition analysis was drawn up as below: The purchase price of the shares, including contingent consideration, amounted to MSEK 6.9 of which MSEK 4.9 was paid in cash.

Conditional consideration amounts to not more than MEUR 0.2 in cash depending on the improvement in performance of 6X over the coming 36 months. Contingent consideration shall be remeasured at fair value at each balance sheet date, and any changes are recognized as other expenses or other income in operating profit.

Goodwill amounts to MEUR 0.6, relating to the company's expected future earning power and the personnel of 6X. The acquisition increased the Group's indebtedness by approximately MSEK 6.9.

Direct acquisition costs of MSEK -0.8 are included in operating expenses for the fourth quarter 2021.

During 2021, 6X Belgium contributed net sales of MSEK 2.1, operating profit (EBIT) of MSEK -0.4, and net profit of MSEK -0.4 between the date of access, 7 December 2021, and 31 December 2021. During 2021, the 6X Group contributed net sales of MSEK 38, operating profit (EBIT) of MSEK -0.2, and net profit of MSEK -0.5.

| PRELIMINARY ACQUISITION ANALYSIS (MSEK) | Reported value at the acquisition date | Adjustment to fair value | Fair value |
|----------------------------------------------------|----------------------------------------|--------------------------|------------|
| Fair value of the consideration transferred | | | |
| Cash | | | 4.9 |
| Contingent consideration | | | 2.1 |
| Total purchase price | | | 6.9 |
| Identifiable net assets | | | |
| Intangible fixed assets | 0.1 | 0.0 | 0.1 |
| Other fixed assets | 0.3 | 0.0 | 0.3 |
| Inventories | 4.9 | 0.0 | 4.9 |
| Current receivables | 7.5 | 0.0 | 7.5 |
| Cash and cash equivalents | 1.3 | 0.0 | 1.3 |
| Trade and other payables | -12.6 | 0.0 | -12.6 |
| Minority interest (20%) | -0.3 | 0.0 | -0.3 |
| Acquired net assets | | | 1.3 |
| Goodwill arising on acquisition | | | 5.6 |
| Initial consideration in cash and cash equivalents | | | 4.9 |
| Acquired cash and cash equivalents | | | 1.3 |
| Cash flow arising from acquisition | | | 3.5 |

NOTE 27 – PROVISIONS

| | THE GROUP | | THE PARENT COMPANY | |
|------------------------------------|---------------|----------|--------------------|----------|
| | 2021 | 2020 | 2021 | 2020 |
| Provisions, opening balance | 0 | 400 | - | - |
| New provisions | 26,474 | 0 | - | - |
| Reversed provisions | - | -400 | - | - |
| Exchange rate differentials | 326 | - | - | - |
| Payments | - | - | - | - |
| Provisions, closing balance | 26,800 | 0 | 0 | 0 |

Provision as of December 31, 2021, relates to contingent consideration for the acquisition of Alcadon ApS (formerly 6X International ApS) of MDKK 18 and contingent consideration for the acquisition of 6X International BV of KEUR 200.

NOTE 28 – RELATED PARTY TRANSACTIONS

During 2021, the Group, through Alcadon AS, carried out transactions of MSEK 3.4 (3.2) with companies where Alcadon's Norwegian CEO, Roy W Furulund, has a controlling influence. The main transactions relate to the renting of premises in Sandefjord and the use of an external warehouse. In addition, the Group, through Alcadon Group AB, carried out transactions of MSEK 0.8 (0.7) with Paseca AB, which is owned by the Chairman of the Board, Pierre Fors. These transactions relate to consultancy services. All transactions are considered commercially reasonable and based on market conditions. No other material related party transactions were carried out during the year.

NOTE 29 – WARRANTS

On 11 July 2019, 340,000 warrants were subscribed. 240,000 were subscribed by Sonny Mirborn (CEO) and 100,000 by the subsidiary Alcadeltaco AB. On the same day, 30,000 of the subsidiary's warrants were in turn sold on to Niklas Svensson (CFO).

On 7 September 2020, Alcadeltaco AB transferred the remaining 70,000 warrants from the warrant program 2019/2023 to five senior executives of the company. The transfer was made at the current market value of the warrants after an updated calculation according to Black & Scholes.

The warrant program 2019/2023, which the extraordinary general meeting on 10 July 2019 resolved upon, comprises a total of 340,000 warrants. Each warrant entitles the holder to subscribe for one new share in Alcadon Group during the period from 20 March 2023 to 17 April 2023, which may entail a dilution of 1.9 percent calculated on the basis of the company's 18,341,026 shares.

The average share price of ordinary shares during the period January to December exceeded the exercise price of the warrants. Hence, the shares are included in the calculation of the number of shares after dilution in financial tables.

In accordance with the Annual General Meeting's resolution in April 2021, 26 employees have elected to subscribe for warrants under an incentive scheme. The transfer was made at the current market value of the warrants after calculation according to Black & Scholes. Each warrant entitles the holder to subscribe for one new share in Alcadon Group during the period from 26 February 2024 to 24 March 2024. The subscription price amounts to SEK 44.50. Upon full exercise of the warrants, up to 110,000 shares may be issued, which corresponds to a dilution of approximately 0.6 percent calculated on the basis of the company's 18,341,026 shares.

The average share price of ordinary shares during the period January to December exceeded the exercise price of the warrants. Hence, the shares are included in the calculation of the number of shares after dilution in financial tables.

For more information about the program, please see the Company's website, www.alcadongroup.se/investerare/bolagsstammor/.

| Closing balance | Number of shares |
|-------------------------------------------|------------------|
| Outstanding as of 2020-01-01 | 440,000 |
| <i>Exercisable as of 31 December 2020</i> | - |
| Allotted | - |
| Forfeited | - |
| Exercised | - |
| Expired | -100,000 |
| Outstanding as of 2020-12-31 | 340,000 |
| <i>Exercisable as of 31 December 2021</i> | - |
| Allotted | 110,000 |
| Forfeited | - |
| Exercised | - |
| Expired | - |
| Outstanding as of 2021-12-31 | 450,000 |

| Values | 2019/2023 | 2021/2024 |
|-----------------------------------------------------------------------|-------------------|-------------------|
| Number of warrants | 340,000 | 110,000 |
| Time of subscription | 2019-07-12 | 2021-05-31 |
| Date of redemption | 2023-03-19 | 2024-02-25 |
| Share price at the time of subscription (kr) | 27.44 | 36.99 |
| Volatility | 28% | 35% |
| Duration | 3,8 years | 2,8 years |
| Yield dividend | 3.0% | 2.7% |
| Risk-free return | -0.5% | -0.3% |
| Fair value per option at the time of subscription (SEK) ¹⁾ | 1.88 - 3.66 | 5.07 |
| Strike price at the time of subscription (SEK) ²⁾ | 27.44 | 44.50 |
| Redeemable from / to | 2023-03-20 | 2024-02-26 |
| | 2023-04-17 | 2024-03-24 |

¹⁾The weighted average fair value at the subscription date amounted to SEK 3.13.

²⁾Warrant program 2019/2023 is a so-called barrier option with 6 different levels. Level 1 comprises 50 percent of the options and level 2-6 comprise 10 percent each. The barrier level for Level 1 is SEK 41.16 and thereafter the level increases with SEK 4 per level up to SEK 61.16 for level 6.

NOTE 30 - EVENTS AFTER THE BALANCE SHEET DATE

- Alcadon carries out a directed issue of approximately 1.28 million shares, raising about MSEK 128 in proceeds before issuance costs.
- The company is established in the Netherlands through the newly founded Alcadon B.V.
- The Board proposes that dividend of SEK 0.50 per share be paid.
- Russia's invasion of Ukraine has caused concern in many economies around the world. Management is monitoring developments, but at present it is too early to assess the possible long-term consequences of the conflict.

Indicators

| INDICATORS FOR THE GROUP | 2021 | 2020 | 2019 |
|---------------------------------------------------------------|------------|------------|------------|
| Operating income, MSEK | 736.5 | 467.6 | 485.2 |
| Gross margin % | 28.1 | 28.7 | 26.8 |
| Operating profit after depreciation/amortization (EBIT), MSEK | 65.8 | 43.1 | 31.1 |
| Operating margin after depreciation/amortization (EBIT), % | 8.9 | 9.2 | 6.4 |
| Profit or loss for the period, MSEK | 47.1 | 29.0 | 19.5 |
| Net margin, % | 6.4 | 6.2 | 4.0 |
| Solidity, % | 49.1 | 51.9 | 47.8 |
| Return on equity, % | 15.8 | 13.1 | 9.6 |
| Net interest-bearing liabilities, MSEK | 151.8 | 137.4 | 109.9 |
| Cash flow from operating activities, MSEK | 18.4 | 31.3 | 35.6 |
| Cash flow from operating activities per share, SEK | 1.0 | 1.9 | 2.1 |
| Equity per share, SEK | 18.6 | 13.9 | 12.3 |
| Earnings per share, SEK | 2.62 | 1.72 | 1.15 |
| Number of shares at the end of the period | 18,341,026 | 16,859,246 | 16,859,246 |
| Average number of shares | 17,945,952 | 16,859,246 | 16,859,246 |
| Number of employees at the end of the period | 95 | 65 | 62 |
| Average number of employees | 87 | 61 | 67 |

DEFINITIONS

| | |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Gross margin: | Gross result as a percentage of net sales for the period. |
| EBIT margin: | Operating result after depreciation as a percentage of net sales for the period. |
| Net margin: | Profit or loss for the period as a percentage of net sales. |
| Return on equity: | Net profit or loss for the last 12 months as a percentage of average equity. |
| Net interest-bearing liabilities: | The net total of financial assets including cash and cash equivalents less interest-bearing provisions and liabilities. The calculations include lease liabilities in accordance with IFRS 16 totaling MSEK 32 (38). |
| Solidity: | Equity as a percentage of total assets (excluding cash balance and financial assets) at the end of the period. |
| Earnings per share: | Net profit or loss for the period divided by the average number of shares during the period. |
| Cash flow from operating activities per share, SEK: | Cash flow from operating activities divided by the average number of shares during the period. |

The Company applies the ESMA Guidelines on Alternative Performance Measures. An alternative performance measure is a financial measure other than those defined or specified in the applicable rules of financial reporting (such as IFRS and the Swedish Annual Accounts Act). The alternative performance measures must therefore be explained in the financial reports. In accordance with these guidelines, the Group's alternative performance measures are defined above. The Group applies alternative performance measures as the Company has made the assessment that they provide valuable, additional information to the management and investors, since they are key to the understanding and evaluation of the Group's operations.

Financial quarterly overview for the Group

| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
|---------------------------------------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| INCOME STATEMENT, MSEK | 2021 | 2021 | 2021 | 2021 | 2020 | 2020 | 2020 | 2020 |
| Net sales | 206.4 | 182.7 | 177.4 | 170.0 | 110.8 | 95.1 | 131.1 | 130.6 |
| Profit | | | | | | | | |
| Operating profit after depreciation/amortization (EBIT) | 15.2 | 17.3 | 17.2 | 16.2 | 9.4 | 6.7 | 17.6 | 9.4 |
| Profit after net financial items | 14.5 | 16.4 | 15.7 | 14.5 | 8.2 | 5.3 | 16.1 | 8.3 |
| Profit or loss for the period | 11.0 | 12.8 | 12.5 | 10.8 | 6.3 | 4.0 | 12.3 | 6.4 |
| Margin measures in % | | | | | | | | |
| Gross margin % | 27.3 | 27.8 | 28.7 | 28.9 | 31.2 | 29.9 | 30.0 | 24.5 |
| Operating margin % | 7.4 | 9.5 | 9.7 | 9.5 | 8.5 | 7.1 | 13.4 | 7.2 |
| Net margin % | 5.3 | 7.0 | 7.1 | 6.3 | 5.7 | 4.2 | 9.4 | 4.9 |
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| BALANCE SHEET (MSEK) | 2021 | 2021 | 2021 | 2021 | 2020 | 2020 | 2020 | 2019 |
| Assets | | | | | | | | |
| Total fixed assets | 390.9 | 386.1 | 387.7 | 390.2 | 333.3 | 327.7 | 304.0 | 305.7 |
| Total current assets | 331.9 | 314.9 | 262.0 | 219.6 | 125.4 | 157.4 | 183.2 | 159.7 |
| Total assets | 722.8 | 701.0 | 649.7 | 609.9 | 458.7 | 485.1 | 487.2 | 465.4 |
| Equity & liabilities | | | | | | | | |
| Total equity | 340.7 | 328.6 | 285.8 | 273.9 | 233.9 | 227.6 | 223.1 | 210.9 |
| Total long-term liabilities & provisions | 164.8 | 164.5 | 54.0 | 57.6 | 30.7 | 28.9 | 117.3 | 118.9 |
| Total current liabilities | 217.3 | 207.9 | 309.9 | 278.3 | 194.1 | 228.6 | 146.8 | 135.7 |
| Total equity & liabilities | 722.8 | 701.0 | 649.7 | 609.9 | 458.7 | 485.1 | 487.2 | 465.4 |
| | Q4 | Q3 | Q2 | Q1 | Q4 | Q3 | Q2 | Q1 |
| CASH FLOW (MSEK) | 2021 | 2021 | 2021 | 2021 | 2020 | 2020 | 2020 | 2019 |
| Net from operating activities | -8.0 | -8.8 | 14.9 | 20.0 | 20.8 | -16.8 | 24.3 | 2.7 |
| Investing activities | -6.4 | -0.7 | -0.5 | -41.6 | -0.8 | -7.1 | -0.7 | -0.9 |
| Financing activities | 11.9 | 18.2 | -8.8 | 32.6 | -20.4 | -4.9 | -4.5 | -4.0 |
| Cash flow for the period | -2.5 | 8.8 | 5.6 | 11.0 | -0.3 | -28.8 | 19.1 | -2.1 |

Signature of the annual report

The Board of Directors certifies that the annual report has been prepared in accordance with generally accepted accounting practice. The annual accounts provide a true and fair view of the Company's position and performance, and the management report provides a true and fair overview of the development of the Company's operations, position and performance, and describes material risks and uncertainties faced by the Company.

The consolidated accounts have been prepared in accordance with the international accounting standards that are referred to in Regulation (EC) No 1606/2002 of the European Parliament and of the Council of 19 July 2002 on the application of international accounting standards. The consolidated accounts provide a true and fair view of the Group's position and performance, and the management report for the Group provides a true and fair overview of the development of the Group's operations, position and performance, and describes material risks and uncertainties faced by the companies included in the Group.

Stockholm, Sweden, 23 March 2022

Pierre Fors
Chairman of the Board

Jonas Mårtensson
Vice Chairman

Marie Ygge
Director

Lars Engström
Director

Sonny Mirborn
CEO

Our audit report relating to this annual report was issued on 23 March 2022.
Grant Thornton Sweden AB

Daniel Forsgren
Authorized Public Accountant

Share information

Alcadon Group AB's share is listed on Nasdaq First North since 14 September 2016.

The number of shares in Alcadon Group AB amounted to 18,341,026 as of 31 December 2021. In January 2021, an directed non-cash issue of 981,780 shares was carried out in connection with the acquisition of 6X International AS. In September 2021, a directed new issue of 500,000 shares to Consensus Asset Management was carried out.

On 12 January 2022, Alcadon Group carried out a directed new issue of 1,284,103 shares. The number of shares in Alcadon Group AB thus increased from 18,341,026 to 19,625,129 after the issuance.

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

Company name: Alcadon Group AB

Ticker: ALCA

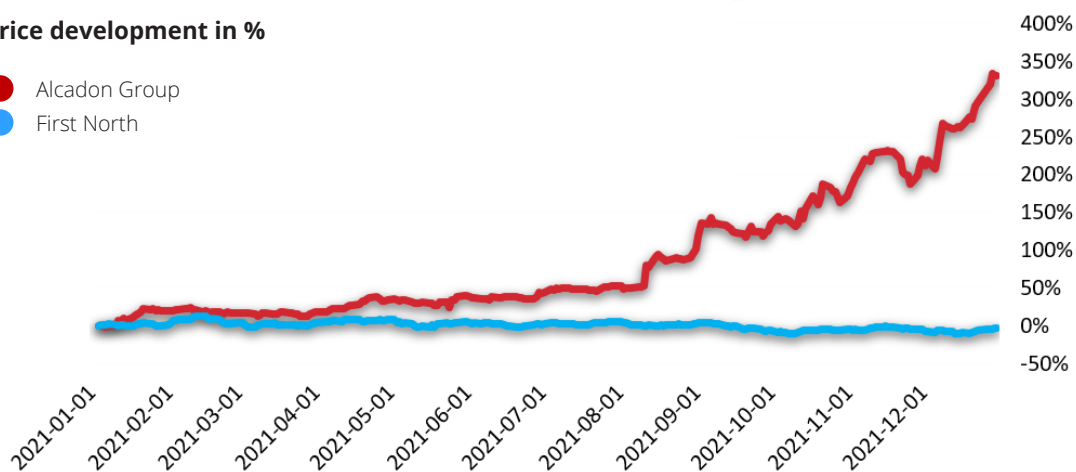
Number of shares: 18,341,026

ISIN: SE0008732218

SHARE PERFORMANCE CHART 2021

Price development in %

- Alcadon Group
- First North



OWNERSHIP

| Namn | Shareholding | Shareholding, % |
|-----------------------------------------|-------------------|-----------------|
| Investment AB Spiltan | 2,230,893 | 12.2% |
| Ribbskottet Aktiebolag | 2,000,000 | 10.9% |
| Athanase Industrial Partners | 1,443,507 | 7.9% |
| Consensus Asset Management | 1,180,000 | 6.4% |
| Susanne Stengade Holding ApS | 981,780 | 5.4% |
| Försäkringsaktiebolaget, Avanza Pension | 907,102 | 4.9% |
| Nordnet Pensionsförsäkring AB | 658,533 | 3.6% |
| Jeansson, Theodor | 530,000 | 2.9% |
| SEB AB, Luxembourg Branch, W8IMY | 491,691 | 2.7% |
| Sparebank 1 Markets AS | 415,625 | 2.3% |
| Ålandsbanken AB, W8IMY | 376,865 | 2.1% |
| RBCB LUX UCITS EX-MIG | 344,533 | 1.9% |
| J.P. MORGAN BANK LUXEMBOURG S.A. | 310,550 | 1.7% |
| Catella Småbolagsfond | 308,483 | 1.7% |
| BNY Mellon SA/NV (FORMER BNY), W8IMY | 281,022 | 1.5% |
| Hajskäret Invest AB | 208,459 | 1.1% |
| Mårtensson, Jonas | 208,092 | 1.1% |
| Humle Småbolagsfond | 200,000 | 1.1% |
| Ljungman, Mikael | 198,157 | 1.1% |
| UBS Europe SE, Luxembourg Branch, W8IMY | 186,381 | 1.0% |
| TOP 20 | 13,461,673 | 73.4% |
| OTHERS | 4,879,353 | 26.6% |
| TOTAL | 18,341,026 | 100.0% |

DISTRIBUTION OF SHARES ON 31 DECEMBER 2021

| Shareholding | Number of owners | Number of shares |
|------------------|------------------|-------------------|
| 100 001 - | 27 | 14,259,468 |
| 20 001 - 100 000 | 39 | 1,690,795 |
| 5 001 - 20 000 | 81 | 814,451 |
| 1 001 - 5 000 | 361 | 804,541 |
| 501 - 1000 | 403 | 317,798 |
| 201 - 500 | 619 | 218,223 |
| 101 - 200 | 673 | 109,227 |
| 1 - 100 | 4,306 | 126,523 |
| | 6,509 | 18,341,026 |

Board of Directors

PIERRE FORS

Pierre Fors, born in 1963, member of the board since 2015, Chairman since 2020. Former CEO and President of Alcadon Group AB until July 2019. Pierre holds a degree from EMI (Executive Management Institute) and was employed by Alcadon between 1993 and 2019, including as CEO of Alcadon Group between 2001 and 2019. Pierre has experience from a number of positions across the IT and telecom industry, including at Telia.

Other board assignments: Chairman of the Board of Paseca AB and Niutech Group AB, member of the board of Alcadon AB, Alcadeltaco AB, and Alcadon AS. Independent in relation to the company's major shareholders. Dependent in relation to the company and the executive management.

Shareholding as of 2021-12-31: 80,000



JONAS MÅRTENSSON

Jonas Mårtensson, born in 1963, member of the board since 2015, Chairman between 2016 and 2019. Employed by Alted AB since 2006, where he also is a co-owner and serves as a board member. For 17 years, Jonas has been working for investment banks (SEB Enskilda, Maizels, Westerberg & Co, and Nordea) as an adviser in mergers and acquisitions as well as with capital raisings and IPOs.

Other board assignments: Chairman of the Board of OPP Owner AB, member of the board of DistIT AB, Slitevind AB, DO Intressenter AB, JNM Invest AB, DLaboratory Sweden AB and Niutech Group AB. Independent in relation to the company, company management and major shareholders.

Shareholding as of 2021-12-31: 208,092



MARIE YGGE

Marie Ygge, born in 1958, member of the board since 2019. Marie has extensive experience from leading positions in the IT industry, including with Microsoft (2005–2017) and, prior to that, IBM (1985–2005). During these years, Marie has held a number of managerial positions where she has been the Swedish responsible for sales to the public sector, large enterprises and small- and medium-sized customers. Her most recent role was as Head of Business Development for Public Sector at Microsoft EMEA (2014–2017). Marie holds a M.Sc. from KTH Royal Institute of Technology and runs her own consultancy business.

Other board assignments: Board member of SOS Alarm AB, TCO Utveckling AB and Teknik 200 AB. Independent in relation to the company, company management and major shareholders.

Shareholding as of 2021-12-31: 2,000



LARS ENGSTRÖM

Lars Engström, born in 1963, holds a M.Sc. from the University of Linköping. Lars has extensive experience from leading positions in leading Swedish industrial companies. Between 2016 and 2019, he was the head of Sandvik's business segments Mining and Rock Technology (2016–2019) and Mining (2015–2016). Prior to that, he served as the acting CEO and President of BE Group between 2014 and 2015. In addition, Lars was the CEO and President of Munters AB between 2006 and 2014. Prior to 2006, Lars held a number of leading positions within Atlas Copco and Seco Tools.

Other board assignments: Chairman of the Board of Botnia Exploration Holding AB and Örebro Hockey Club as well as board member of Samhall AB and Normet Group Oy. Independent in relation to the company, company management and major shareholders.

Shareholding as of 2021-12-31: 5,850 shares.



Management

SONNY MIRBORN

CEO and President since July 2019, born in 1980.

Sonny holds a M.Sc. in Business and Administration and a M.Sc. in Industrial and Financial Economics from the University of Gothenburg. He has also studied at IMD and INSEAD. Sonny previously served as Head of Business Unit at Addtech, where he was responsible for Energy Products, Addtech's operations related to machine cable accessories, professional lighting and electrical installation products, primarily in Europe. Prior to joining Addtech, Sonny held the position as CEO of the CTM-Lyng Group, a Nordic manufacturer of electrical installation materials focusing on safe/smart home solutions, and of Rutab, a leading operator in cable accessories and electrical installation materials in Sweden and Norway. Sonny's experience further includes an Investment Manager position at Nordstjernan and a role as Strategy Consultant at Accenture.

Other board assignments: Sonny Mirborn is a member of the board of all subsidiaries in the Alcadon Group.

Shareholding as of 2021-12-31: 19,034 shares.

Other holdings: 240,000 warrants



NIKLAS SVENSSON

CFO since October 2019, born in 1981.

Niklas holds a Degree of Bachelor of Science in Business and Economics from the Lund University and previously held the position as CFO at the NVBS Group. Prior to that, Niklas served as Finance Director at the Sievert Group, part of the German Rothenberger Group. He has also worked in the field of audit, at Deloitte in Stockholm.

Other board assignments: Niklas Svensson is a member of the board of all subsidiaries in the Nordics and Germany within the Alcadon Group, as well as a member of the board of JN Redovisning AB.

Shareholding as of 2021-12-31: 8,000 shares.

Other holdings: 54,000 warrants



EINAR FERAGEN

Acting CEO of Alcadon AS since 1 January 2021.

Einar Feragen has a masters degree in economics and marketing (Master of Science) from BI Norwegian School of Management in Sandvika. He has previously worked with sales and marketing in the IT industry and the defense industry and has since 2020 held the job of sales manager at Alcadon AS with responsibility for sales and sales personnel throughout Norway. Most recently before joining Alcadon, Einar worked as sales manager in the export of capital equipment to the paint industry, with main markets in Europe and the USA. He also has a military education and has held senior positions in both Norway and abroad.

Shareholding as of 2021-12-31: 0 shares.

Other holdings: 2,000 warrants



SUSANNE STENGADE

Senior Vice President Central Europe and CEO Alcadon Denmark/Germany

CEO and member of the board of Alcadon ApS and GmbH (Denmark/Germany), born in 1967. Bachelor's degree in International Business from Niels Brock's Handelsakademi in Copenhagen. Susanne has held several senior positions in sales with a focus on fiber optic solutions in companies such as NKT and Draka. In 2003, Susanne founded 6X International, where she has been CEO ever since.

Shareholding as of 2021-12-31: 981,780 shares.



MAX LUNDSTEN

Chief Product Officer, born in 1975.

Employed since 1999. Has been responsible for product and development related to European Cabling Systems (ECS), among other things, as well as marketing. Before joining Alcadon, Max worked at Ericsson and LBW Elektronik. Max is a mechanical engineer and has also completed internal technology training programs at Ericsson. Max has no other ongoing assignments.

Shareholding as of 2021-12-31: 58,899 shares.

Other holdings: 4,000 warrants



PETER HJELMSTAD

Chief Purchasing Officer, born in 1973.

Peter has studied sales, purchasing and management at Företagsuniversitetet, and his most recent position was as VP and Purchasing Manager at Dataconnect. Prior to that, he gained long-standing experience from the data, telecommunications and security industries, for example as Product and Purchasing Manager at Ahlsell AB. Peter has no other ongoing assignments.

Shareholding as of 2021-12-31: 0 shares.

Other holdings: 3,000 warrants



MAGNUS LARSSON

Chief Sales Officer, born in 1970.

Magnus Larsson, born in 1970, has studied Business Administration at the Lund University. His most recent experience is as Head of KAM and Customer Development at Siemens Smart Infrastructure in Sweden. Magnus has held a number of leading sales positions in the Siemens Group, real estate and construction and the media industry. In addition, Magnus has worked as a consultant in sales management and strategy development. Magnus has no other ongoing assignments.

Shareholding as of 2021-12-31: 0 shares.

Other holdings: 24,000 warrants



Annual General Meeting

The Annual General Meeting of Alcadon Group AB will take place on Friday 22 April 2022 at 10.00 a.m. at the company's offices at Segelbåtsvägen 7, Stora Essingen, Stockholm, Sweden. Registration will commence at 9:30 am.

Notification, etc.

Shareholders who wish to participate at the Annual General Meeting must:

- be registered as a shareholder in the share register prepared by Euroclear Sweden AB ("Euroclear") as of Thursday, 15 April 2022, and
- notify their intention to attend the Annual General Meeting no later than Thursday, 22 April 2022 by casting an advance vote in accordance with the instructions below, so that the advance vote reaches Euroclear Sweden AB no later than that date.

A special form must be used to cast the advance vote. The form will be available on Alcadon Group AB's website www.alcadongroup.se. The advance voting form is considered valid registration. The completed form must reach Euroclear Sweden AB by Thursday, 22 April 2022 at the latest. The form can be sent by e-mail to GeneralMeetingService@euroclear.com or by post to Alcadon Group AB, "Annual General Meeting", c/o Euroclear Sweden, Box 191, 101 23 Stockholm, Sweden. Shareholders who are natural persons may also cast their advance votes electronically by means of BankID authentication via the Alcadon Group website. If the shareholder votes in advance by proxy, a power of attorney shall be enclosed with the form. If the shareholder is a legal entity, a certificate of registration or other form of authorization shall be enclosed with the form. The shareholder may not add any specific instructions or conditions to the advance vote. In such case, the vote (that is, the advance voting form as a whole) shall be invalid. Further instructions and conditions are set out in the advance voting form. To be entitled to participate in the general meeting, shareholders who hold shares through a nominee must, in addition to registering for the meeting, register the shares in their own name so that the shareholder is entered in the share register as of 15 April 2022. Such registration may be temporary (registration for voting rights) and shall be requested from the nominee, in accordance with the nominee's procedures, at such time in advance as the nominee determines. Registrations for voting rights made no later than 19 April 2022 will be taken into account in the preparation of the share register.

For more information, please visit the website of the company, www.alcadongroup.se

FINANCIAL CALENDAR

| | |
|-----------------------------|-----------------------------|
| Q1 Report 2022 | 22 April 2022, 8:00 a.m. |
| Annual General Meeting 2022 | 22 April 2022, 10:00 a.m. |
| Q2 Report 2022 | 12 August 2022, 8:00 a.m. |
| Q3 Report 2022 | 28 October 2022, 8:00 a.m. |
| Year-end report 2022 | Week 8, 2023 |
| Annual report 2022 | No later than week 12, 2023 |
| Annual General Meeting 2023 | No later than week 17, 2023 |

Contact information

For additional information, see the company website, www.alcadongroup.se, or contact CEO Sonny Mirborn, telephone +46 70 639 50 92.



Alcadon Group

Alcadon Group AB

Segelbåtsvägen 7
112 64 Stockholm
Phone: + 46 8-657 36 00
Corp. ID No. 559009-2382
www.alcadongroup.se

Alcadon AB Stockholm

Segelbåtsvägen 7
112 64 Stockholm
Phone: + 46 8-657 36 00
www.alcadon.se

Göteborg

Flöjelbergsgatan 8B
431 37 Mölndal
Phone: + 46 31-386 88 00
www.alcadon.se

Malmö

Stenyxegatan 9
213 76 Malmö
Phone: + 46 40-31 22 60
www.alcadon.se

Örebro

Adolfsbergsgatan 4
702 27 Örebro
Phone: + 46 19-271 270
www.alcadon.se

Alcadon AS Oslo

Alfaset 1, Industrivei 4
0668 Oslo
Phone: +47 23 17 78 80
www.alcadon.no

Sandefjord

Østre Kullerød 5
3241 Sandefjord
Phone: +47 33 48 33 48
www.alcadon.no

Hamar

Parkgata 24
2317 Hamar
Phone: +47 33 48 33 41/43
www.alcadon.no

Bergen

Litleåsveien 49
5132 Nyborg
Phone: +47 33 48 33 42
www.alcadon.no

Mosjøen

Petter Dass gate 3
8656 Mosjøen
Phone: +47 95 96 80 56
www.alcadon.no

Alcadon ApS

(previous 6X International ApS)
Denmark
Moellevej 9, E1
2990 Nivaa
Phone: +45 4570 7077
www.6x.dk

Alcadon GmbH

(previous 6X International GmbH)
Germany
Kaistrasse 90
24114 Kiel
Phone: +49 431 36304034
www.alcadon.de

Belgian 6X International BV Belgium

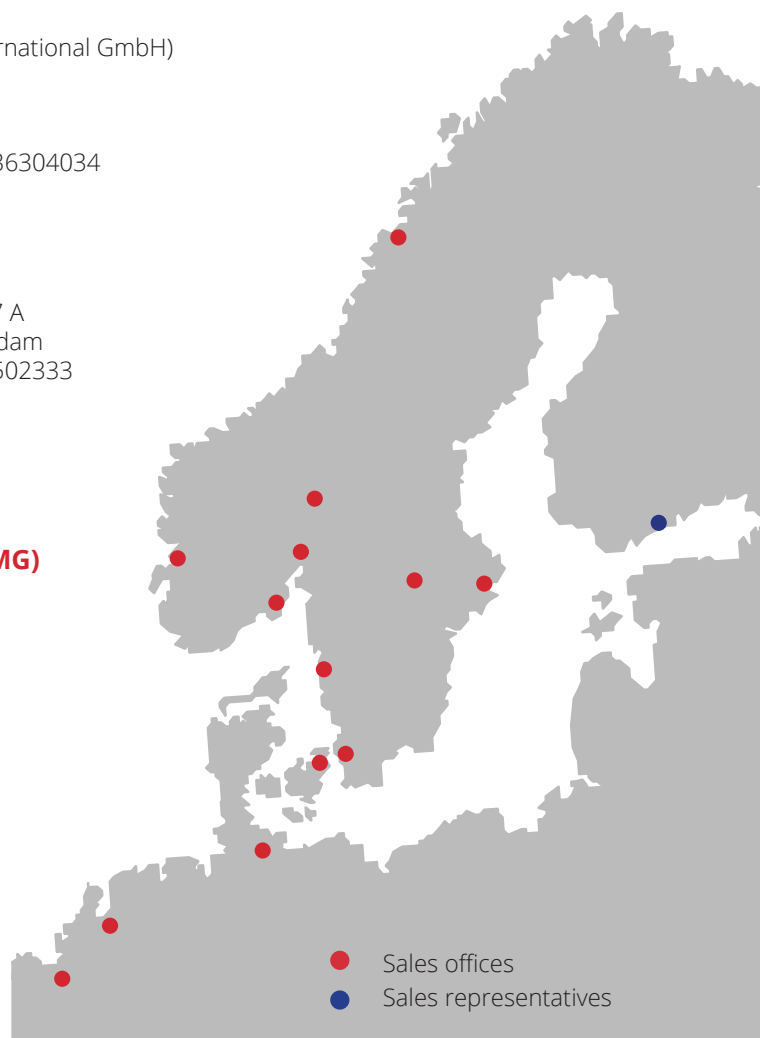
Plaslaar 38 e
2500 Lier
Phone: +32 3 326 26 03
www.6x.be

Alcadon Bv Netherlands

Zekeringstraat 17 A
1014 BM Amsterdam
Phone: +31 6 28502333
www.alcadon.nl

Svensk Kapitalmarknadsgranskning AB (SKMG)

Certified Adviser
Fähusgatan 5
603 72 Norrköping
Phone: +46 11 323 07 32
E-mail: ca@skmg.se
Corp. ID No. 559200-5283
www.skmg.se



● Sales offices
● Sales representatives



Alcadon Group AB

📍 Segelbåtsvägen 7, SE-112 64 Stockholm
✉ info@alcadongroup.se
☎ +46 (0)8 657 36 00
🌐 www.alcadongroup.se

