



Alcadon Group

The Alcadon Way

# Enabling Digitalization for a **better** world



**2024**  
January - September

INTERIM REPORT

# Interim report

1 January - 30 September 2024

Some growth for the quarter driven by Sweden and the acquisition in Ireland but weighed down by our smaller regions

## THIRD QUARTER 2024

- Net sales increased by 2.3 percent to SEK 390 (381) million. In unchanged currency rates, sales increased by 2.1 percent.
- Operating profit before amortisation of intangible assets (EBITA) decreased by -36 percent to SEK 18 (28) million including SEK -2.5 (5.1) million attributable to unrealised exchange rate gains and losses.
- Cash flow from operating activities amounted to SEK 14 (60) million, corresponding to SEK 0.59 (2.77) per share.
- Earnings per share amount to SEK 0.22 (0.63).
- The equity ratio increased during the period to 50 percent from 49 percent.

## INTERIM PERIOD JANUARY - SEPTEMBER 2024

- Net sales increased by 6.4 percent to SEK 1,215 (1,141) million. In unchanged currency rates, sales increased by 6.2 percent.
- Operating profit before amortisation of intangible assets (EBITA) increased by 3 percent to SEK 70 (67) million including SEK -2.3 (0.0) million in acquisition costs and SEK -8.5 (-8.2) million attributable to unrealised exchange rate gains and losses.
- Cash flow from operating activities amounted to SEK 87 (96) million, corresponding to SEK 3.66 (4.47) per share.
- Earnings per share amount to SEK 1.27 (1.08).
- The equity ratio increased during the period to 50 percent from 44 percent.

	Quarter 3		January - September		Full year
	2024	2023	2024	2023	2023
Net sales. MSEK	390.4	381.4	1,214.8	1,141.3	1,572.8
Gross margin. %	24.4	23.8	25.2	24.7	24.4
EBITA. MSEK	18.0	28.0	69.5	67.5	106.8
EBITA. %	4.6	7.3	5.7	5.9	6.8
Profit or loss for the period. MSEK	5.4	13.7	30.0	23.1	37.9
Earnings per share. SEK	0.22	0.63	1.27	1.08	1.76

## SIGNIFICANT EVENTS DURING THE QUARTER

- The Extraordinary General Meeting on 4 July 2024, with deviation from the shareholders' preferential rights, resolves on a directed new issue of 200,000 warrants, with the accompanying right to subscribe for a maximum of 200,000 new shares, within the framework of an incentive programme for the incoming CEO, Fredrik Valentin.
- President and CEO Sonny Mirborn will leave Alcadon at the end of September as previously communicated.

## SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Pierre Fors will take up the position of acting President and CEO on 1 October and at the same time step down as Chairman of the Board. Pierre will hold this position until Fredrik Valentin, who has been appointed as the new President and CEO, takes office in January 2025 at the latest. Pierre Fors will remain a member of the Board during this period. The Board of Directors has decided to appoint Jonas Mårtensson, Vice Chairman, as Chairman of the Board for the period until Fredrik Valentin takes up his position. The Board then intends to reappoint Pierre Fors as Chairman of the Board.

Stockholm, 25 October 2024

For further information contact:

Alcadon Group AB  
Pierre Fors, Acting CEO  
Mobile: +46 70 717 77 91  
E-mail: pfh@alca.se  
www.alcadongroup.se

Certified Adviser:  
Svensk Kapitalmarknadsgranskning AB (SKMG)  
Tel: +46 8 913 008  
E-mail: ca@skmg.se

*This information is information that Alcadon Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 CET on 25 October 2024.*



# A word from the CEO

- **A weak quarter for the Group with large differences between subsidiaries**
- **Improved demand situation in several markets and customer segments**
- **Increased focus on synergies between subsidiaries important initiative to strengthen the offer and our margins**
- **Preparing for the change of CEO in January**

## DEVELOPMENTS DURING THE QUARTER

Net sales for the quarter increased by 2.3 percent to SEK 390 million (381) and EBITA, excluding unrealised exchange rate gains and losses, decreased by -10 percent to SEK 20 million (23). The trend during the quarter varies between our geographical markets, with Sweden and the UK performing well, while Norway and Denmark continued to decline. After strong growth in Germany and The Benelux in the first half of the year, we experienced a decline in the third quarter, resulting in a weak quarter overall for the Group.

The data center segment continues to grow in most markets, although the rate of growth slowed in the third quarter compared with the first half of the year. The future looks good and we expect data centers to continue to drive growth.

With lower interest rates and reduced inflation, we are now seeing increased optimism in the broadband segment in several markets. Nevertheless, the market is still at historically low levels, impacted by past over-provisioning. We expect gradual improvements as investment appetite increases.

We continue to work on the integration of Wood Communications and the realisation of synergies within the Group.

### **The United Kingdom**

Growth in local currency amounted to 1.2 percent during the quarter. The data center segment continues to perform strongly and after a long period of weak market in the broadband segment with

negative growth, the segment is increasing again. At the same time, we have seen project delays in commercial property, which is holding back growth during the quarter.

### **Sweden**

Growth during the quarter was 11 percent and the positive trend continues. The market is still perceived as subdued but with gradual improvements. All segments except residential networks are showing good development. We saw strong growth in data centers in particular during the quarter.

### **The Benelux**

Growth amounted to -17 percent in local currency, with the Netherlands accounting for the decrease. Proximus' acquisition of the remaining part of the network operator Fiberklaar has caused some delays in ongoing projects. Proximus is the country's largest telecom operator and now owns 100 percent of Fiberklaar, with which Alcadon won a 5-year framework agreement in February 2023. With the help of subcontractors, Fiberklaar is building an open optical fibre network for public telecommunications services and aims to connect 1.5 million households and small businesses by the end of 2028. The development and market signals remain positive in several segments and the region delivers good margins and cash flow.

### **Denmark**

This quarter we are also experiencing a weak market with growth of -18 percent in local currency. At the

same time, we are seeing more positive signals of increased investment in broadband deployment going forward. It is still too early to assess the reliability of these forecasts, but we have seen increased market demand in the third quarter compared to the first half of the year.

### Ireland

Growth increased by 42 percent in local currency compared with the previous quarter, which was the first quarter as part of the Alcadon Group. Development has been good in all customer segments, and the integration with other Alcadon companies is proceeding according to plan.

### Germany

Growth during the quarter amounts to -29 percent in local currency. With increased focus on stronger margins, sales have decreased. At the same time, we are currently seeing weak demand from our customers and we are continuing to work on broadening our customer base in a market characterised by strong competition.

The German government's decision in July to increase investment in broadband deployment until 2028, from EUR 12 billion to EUR 38 billion, is a positive signal that clearly shows both need and intention going forward.

### Norway

Growth in local currency was -21 percent and market development remains weak, mainly to larger operators in the broadband segment. We are working on product launches and investments in the data center segment, which are expected to increase in the future.

## FINANCIALS

Net sales increased by 2.3 percent to SEK 390 (381) million. In unchanged currency rates, sales increased by 2.1 percent. Organic growth including currency effects was -6.7 percent, excluding currency effects -7.0 percent and acquired growth was 9.1 percent.

The gross margin amounts to 24.4 (23.8) percent.

The increase in expenses, SEK -71 (-62) million, is mainly due to the acquisition of Woods, SEK -4.5 million, which is consolidated from 2 April 2024, and unrealised exchange losses on revaluation of contingent considerations of SEK -1.9 million.

Operating profit before amortisation of intangible assets (EBITA) amounted to SEK 18 (28) million during the quarter. EBITA was affected by SEK -2.5 (5.1) million attributable to unrealised exchange rate gains and losses. Of this, SEK -1.9 (4.9) million is revaluation of contingent considerations. Excluding unrealised exchange rate gains and losses, EBITA decreased by -10 percent and the EBITA margin amounted to 5.2

percent (6.0).

Amortisation of acquired customer relationships amounts to SEK -4.4 (-3.7) million, of which SEK -3.3 (-3.3) million relates to Networks Centre, SEK -0.4 (-0.4) million to Alcadon Denmark and SEK -0.8 million to Wood Communications.

Profit for the period amounted to SEK 5.4 (13.7) million.

Cash flow from operating activities amounted to SEK 14 (60) million. The decrease is attributable to cash flow from changes in working capital, which amounted to SEK -8.3 (39) million during the quarter.

Net debt amounted to SEK 395 (356) million, of which SEK 79 (84) million was lease liabilities. The increase during the quarter is due to the contingent consideration paid for Networks Centre of SEK -67 million.

Net debt/EBITDA, including and excluding leasing, amounts to 2.9 (2.8) and 2.7 (2.5) respectively, which is within the framework of the Group's long-term target.

## CONCLUDING REMARKS

Alcadon is now taking the next step in the Group's development and I would like to take this opportunity to thank Sonny Mirborn for his work as CEO over the past five years. We have established strong market positions in several segments across Europe and have a highly committed workforce that provides a solid foundation for success.

Despite a turbulent environment, we have managed to navigate through the challenges, and our business has developed well. Our strategy and targets are in place, and we aim to further strengthen our performance. I see this as a financially weak quarter, while we note an improved demand situation in several markets and in several customer segments. Combined with our continued efficiency improvements and internal improvements this gives us strong confidence about the future.

The close co-operation between myself, the former CEO and the incoming CEO, together with other staff in the Group, will make this possible. My long experience of the business, since the 1990s and as Chairman of the Board for the past five years, facilitates this interim period during the last quarter of the year. We are working intensively to prepare for the arrival of Fredrik Valentin in January 2025.



**Pierre Fors**  
Acting President and CEO  
Alcadon Group AB

GROUP KEY FIGURES	Quarter 3		January - September		Full year
	2024	2023	2024	2023	2023
Net sales, MSEK	390.4	381.4	1,214.8	1,141.3	1,572.8
Gross margin, %.	24.4	23.8	25.2	24.7	24.4
Operating profit before amortisation of intangible assets (EBITA), MSEK	18.0	28.0	69.5	67.5	106.8
Operating profit before amortisation of intangible assets (EBITA), %.	4.6	7.3	5.7	5.9	6.8
Operating profit after depreciation/amortization (EBIT), MSEK	12.6	23.3	54.4	54.1	88.8
Operating margin after depreciation/amortization (EBIT), %	3.2	6.1	4.5	4.7	5.6
Profit for the period, MSEK	5.4	13.7	30.0	23.1	37.9
Net margin, %.	1.4	3.6	2.5	2.0	2.4
Equity ratio, %	50.0	43.7	50.0	43.7	44.1
Return on equity, %	5.4	5.4	5.8	5.7	5.9
Net interest-bearing liabilities, MSEK	394.6	355.9	394.6	355.9	349.6
Net interest-bearing liabilities excluding leasing debt, MSEK	315.5	271.4	315.5	271.4	270.5
Operating profit before depreciation/amortization (EBITDA) / Net working capital, %	41.0	33.5	41.0	33.5	41.3
Cash flow from operating activities, MSEK	14.4	60.1	86.7	95.8	136.6
Cash flow from operating activities per share, SEK	0.59	2.77	3.66	4.47	6.36
Equity per share, SEK	33.9	31.3	33.9	31.3	30.8
Earnings per share, SEK	0.22	0.63	1.27	1.08	1.76
Number of shares at the end of the period	24,511,026	21,722,570	24,511,026	21,722,570	21,722,570
Average number of shares, pcs	24,511,026	21,722,570	23,654,937	21,414,307	21,491,373
Number of employees at the end of the period	190	166	190	166	164
Average number of employees during the period	190	166	181	171	170



## DEFINITIONS

Gross profit:	Net sales less cost of goods sold.
Gross margin:	Gross profit as a percentage of net sales for the period.
EBITA margin:	Operating profit before amortisation of intangible assets as a percentage of net sales for the period.
EBIT margin:	Operating profit after depreciation/amortization as a percentage of net sales for the period.
Net margin:	Profit for the period as a percentage of net sales.
Return on equity:	Net profit for the last 12 months as a percentage of average equity.
Net interest-bearing liabilities:	<p>The net total of financial assets including cash and cash equivalents minus interest-bearing provisions and liabilities. The amounts are calculated including lease liabilities in accordance with IFRS 16, amounting to SEK 79 (84) million.</p> <p>Contingent considerations are not part of net debt as potential contingent consideration payments are subject to requirements such as EBITDA growth, operating margin development and cash flow.</p>
Operating profit before depreciation and amortisation (EBITDA) / Working capital:	Operating profit before depreciation (R12) divided by Net Working Capital, calculated as Inventories plus Trade receivables minus Trade payables.
Equity ratio:	Equity as a percentage of total assets (excluding cash and financial assets) at the end of the period.
Earnings per share:	Net profit for the period divided by the average number of shares during the period.
Cash flow from operating activities per share, SEK:	Cash flow from operating activities divided by the average number of shares for the period.
Operating expenses:	Refers to personnel costs and other external operating expenses.

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





## Financial information

### REVENUE AND PROFIT

#### The quarter

Net sales increased by 2.3 percent to SEK 390 (381) million. In unchanged currency rates, sales increased by 2.1 percent. Organic growth including currency effects was -6.7 percent, excluding currency effects -7.0 percent and acquired growth was 9.1 percent.

The gross margin amounts to 24.4 (23.8) percent. The gross margin excluding the acquisition of Wood was 24.8 (23.8) percent.

The increase in expenses, SEK -71 (-62) million, is mainly due to the acquisition of Woods, SEK -4.5 million, which is consolidated from 2 April 2024, and unrealised exchange losses on revaluation of contingent considerations of SEK -1.9 million.

Operating profit before amortisation of intangible assets (EBITA) amounted to SEK 18 (28) million during the quarter. EBITA was affected by SEK -2.5 (5.1) million attributable to unrealised exchange rate gains and losses. Of this, SEK -1.9 (4.9) million is revaluation of contingent considerations. Excluding unrealised exchange rate gains and losses, EBITA decreased by -10 percent and the EBITA margin amounted to 5.2 percent (6.0).

Amortisation of acquired customer relationships amounts to SEK -4.4 (-3.7) million, of which SEK -3.3 (-3.3) million relates to Networks Centre, SEK -0.4 (-0.4) million to Alcadon Denmark and SEK -0.8 million to Wood Communications.

Profit for the period amounted to SEK 5.4 (13.7) million

#### January - September

Net sales increased by 6.4 percent to SEK 1,215 (1,141) million. In unchanged currency rates, sales increased by 6.2 percent. Organic growth including currency effects was 1.3 percent, excluding currency effects 1.0 percent and acquired growth was 5.2 percent.

The gross margin amounts to 25.2 (24.7) percent. The gross margin excluding the acquisition of Wood was 25.1 (25.1) percent.

The increase in operating expenses, SEK -220 (-199) million, is mainly due to the acquisition of Woods, SEK -9.3 million, which is consolidated from 2 April 2024, acquisition costs of SEK -2.3 (0.0) million.

Operating profit before amortisation of intangible assets (EBITA) amounted to SEK 70 (67) million during the period, which is an increase of 3.0 percent. EBITA was affected by acquisition costs of SEK -2.3 (0.0) million and SEK -8.5 (-8.2) million attributable to unrealised exchange rate gains and losses. Of this, SEK -7.2 (-7.2) million is revaluation of contingent considerations. Adjusted for the above, EBITA increased by 6.1 percent and the EBITA margin amounted to 6.6 percent (6.6).

Amortisation of acquired customer relationships amounts to SEK -12.3 (-10.5) million, of which SEK -9.6 (-9.4) million relates to Networks Centre, SEK -1.1 (-1.1) million to Alcadon Denmark and SEK -1.6 million to Wood Communications.

Profit for the period amounted to SEK 30 (23) million.

### CASH FLOW, INVESTMENTS AND LIQUID ASSETS

#### The quarter

Cash flow from operating activities amounted to SEK 14 (60) million. Cash flow from changes in working capital amounted to SEK -8 (39) million during the quarter.

Other net investments in tangible, intangible and financial fixed assets amounted to SEK -0.6 (-0.3) million. Net cash flow for acquisitions amounted to SEK -67 (0.0) million and consists of contingent consideration paid for Networks Centre.

Cash flow from financing activities amounted to SEK 12 (-73) million. Cash flow from the utilisation of the overdraft facility amounted to SEK 32 (0) million. In addition, cash flow from financing activities consists of amortisation of loans, amortisation of lease liabilities, warrant payments and interest paid and received.

## January - September

Cash flow from operating activities amounted to SEK 87 (96) million. Cash flow from changes in working capital amounted to SEK 14 (9) million during the period.

Other net investments in tangible, intangible and financial fixed assets amounted to SEK -5.2 (-4.9) million. Net cash flow for acquisitions amounted to SEK -171 (-15) million and consisted of contingent considerations paid for Networks Centre of SEK -67 million, contingent considerations paid for Alcadon Denmark of SEK -9 million and net cash payment for Wood Communications of SEK -94 million.

Cash flow from financing activities amounted to SEK 77 million (-105). The increase is attributable to financing raised to pay for the acquisition of Wood on 2 April 2024. The financing amounting to SEK 133 million consists of a new share issue of SEK 73 million, an acquisition loan of SEK 30 million and a temporarily raised overdraft facility of SEK 31 million, which was repaid in full during the second quarter. In addition to the financing for the acquisition of Wood, cash flow from financing activities consists of cash flow from the use of the overdraft facility, amortisation of loans, amortisation of lease liabilities, warrant payments and interest paid and received.

At the end of the period, the Group's cash and cash equivalents amounted to SEK 51 (71) million. The overdraft facility granted by SEB amounts to SEK 80 (50) million, of which SEK 48 (50) million was unutilised at the end of the period.

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

## OPERATING EXPENSES

### The quarter

Operating expenses amounted to SEK -366 (-353) million, which is an increase of 3.6 percent.

Expenses amounted to SEK -71 (-63) million, which is an increase of 13 percent. The increase is mainly due to the acquisition of Woods, SEK -4.5 million, which is consolidated from 2 April 2024, and unrealised exchange rate losses on the revaluation of contingent considerations of SEK -1.9 million.

### January - September

Operating expenses amounted to SEK -1,129 (-1,059) million, which is an increase of 6.6 percent.

Expenses amounted to SEK -220 (-199) million, which is an increase of 10 percent. The increase is mainly due to the acquisition of Woods, SEK -9.3 million, which is consolidated from 2 April 2024, acquisition costs of SEK -2.3 (0.0) million.

## STAFF

The number of employees at the end of the period was 190 (167) and the average number of employees during the quarter was 181 (171). The acquisitions of Wood

in Ireland and Xsicute in the UK have added 13 and 8 people respectively to the Group.

## EXCHANGE RATE DIFFERENCES

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

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

The operating exchange rate difference for the quarter amounted to SEK -2.5 (5.1) million, of which SEK -1.9 (4.9) million is attributable to the revaluation of contingent considerations.

The exchange rate difference of an operating nature for the period amounted to SEK -8.5 (-8.2) million, of which SEK -7.2 (-7.2) million is attributable to the revaluation of contingent considerations.

Unrealised exchange rate differences on internal loans are recognised in net financial items and amount to SEK -0.6 million during the quarter and SEK 6.0 million during the period.

Exchange rate differences on translation of foreign operations are recognised in other comprehensive income. Translation for the quarter amounts to SEK 2.4 (-21) million, translation for the period amounts to SEK 30 (31) million.

## THE PARENT COMPANY

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

The result after financial items for the quarter amounted to SEK -3.9 (24) million, of which SEK -1.9 (4.9) million is attributable to the translation of contingent considerations.

The result after financial items for the period amounted to SEK -20 (-1.5) million, of which SEK -7.2 (-7.2) million is attributable to the translation of contingent considerations.

At the end of the period, cash and cash equivalents amounted to SEK 0.0 (1.1) million. The overdraft facility granted by SEB amounts to SEK 80 (50) million, of which SEK 48 (50) million was unutilised at the end of the period.

## DISPUTES

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

## RISKS AND UNCERTAINTIES

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



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

## TRANSACTIONS WITH RELATED PARTIES

During the period, the Group had transactions of SEK -0.7 (-0.6) million through Alcadon Group AB with Paseca AB, which is owned by the Chairman of the Board, Pierre Fors. The transactions relate to consulting services.

The Group has through April, through Networks Centre, had sales of SEK 0.6 (2.3) million and purchases of SEK -1.3 (-5.0) million with Xsicute Ltd which until May 2024 was partly owned and controlled by Networks Centre's former principal owner Duncan Lindsay and Networks Centre's CEO James Reid. The transactions relate to the sale and purchase of products. As of May 2024, Xsicute is part of the Alcadon Group.

In addition, Networks Centre has had purchases of marketing services of SEK -1.3 (-0.6) million from HCO Consulting, which is owned and controlled by Networks Centre's former principal owner Duncan Lindsay, and SEK -0.2 (0.0) million from X4R Ltd, which is owned and controlled by Networks Centre's CEO James Reid.

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

## GOODWILL

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

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

In connection with the acquisition of the 6X Group in Denmark and Germany, currently Alcadon ApS and Alcadon GmbH, in January 2021, DKK 32 million (SEK 43 million at the time of acquisition) of the purchase price has been allocated to Goodwill. At the acquisition of 6X Belgium, now Alcadon BV, in December 2021, EUR 0.7 million (SEK 7 million at the time of acquisition) of the purchase price has been allocated to Goodwill.

On acquisition of Networks Centre, the total surplus value of GBP 33.1 million (GBP 415 million) has been allocated with GBP 26 million (GBP 326 million at the date of acquisition) to Goodwill. The remainder has been allocated to customer relationships which are amortised over 10 years.

In the acquisition of Wood Communication in Ireland, a total preliminary surplus value of EUR 11.3 million (SEK 130 million) has been allocated with EUR 8.6 million (SEK 99 million at the time of acquisition) to goodwill. The remainder has been allocated to customer relationships which are amortised over 10 years.

Goodwill as at 30 September 2024 amounted to SEK 800 (691) million.

## INTEREST COST

Interest expenses for the quarter amounted to SEK -6.5 (-8.0) million. Of the interest expense, SEK -0.8 (-0.9) million relates to a non-cash discounting effect attributable to contingent consideration provisions for the acquisitions of Networks Centre and Wood, and SEK -0.5 (-0.4) million to interest expenses on right-of-use assets.

Interest expenses for the period amounted to SEK -20 (-23) million. Of the interest expense, SEK -2.8 (-2.6) million relates to the non-cash discounting effect attributable to the contingent consideration provisions for the acquisitions of Networks Centre and Wood, and SEK -1.4 (-1.3) million to interest expenses on right-of-use assets.

## FUTURE DEVELOPMENT

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

### Financial targets over a business cycle

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

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

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

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

### Vision 2025, adopted in September 2022

- Net sales - SEK 2.600 million
- EBITA - SEK 280 million
- EBITA % - 10.8

In addition, the Board of Directors decided on the following key objectives for Alcadon.

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

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

Other targets	Targets	2022	2023	2024
Employee engagement	>30	40	22	29
Customer loyalty	>30	54*	57	-

\*Measured in Sweden and Norway in 2022, all companies are included in 2023 and NPS 2024 will be measured later in the year.

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

**Employee engagement** - measured by the Employee Net Promoter Score (eNPS), which provides a measure of how willing employees are to recommend their workplace. Employees rate Alcadon on a scale from 1-10 where the number of promoters is compared to the number of detractors. Ambassadors are considered to be anyone who answered between 9-10 while critics are considered to be anyone who answered between 1-6.

## THE AUDITOR'S REVIEW

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

## FINANCIAL CALENDAR

Year-end report 2024	Last week 8, 2025
Annual Report 2024	No later than three weeks before the Annual General Meeting 2025
Annual General Meeting 2025	29 April 2025 at 10:00

## AGM 2024

The 2024 Annual General Meeting was held on 26 April 2024 in Stockholm. For information about the AGM and the resolutions adopted, please refer to the company's communiqué from the AGM, which is available on the company's website [www.alcadongroup.se/investerare/bolagsstammor/](http://www.alcadongroup.se/investerare/bolagsstammor/).

## DIVIDEND

In light of favourable investment opportunities with good return potential going forward, the Board of Directors proposed, despite a very strong cash flow during the year, that no dividend be paid for 2023.

## WARRANTS

In accordance with the decision of the Annual General Meeting in April 2022, 19 employees have subscribed for warrants under an incentive program, Warrant Program 2022/2025. 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 24 February 2025 to 21 March 2025. The subscription price amounts to SEK 99.97. Upon full exercise of the warrants, up to 60,000 shares may be issued, which corresponds to a dilution of approximately 0.2 percent calculated on the company's 24,511,026 shares.

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

In accordance with the decision of the Annual General Meeting in April 2023, 19 employees have subscribed for warrants under an incentive program, Warrant Program 2023/2026. The subscription 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 23 February 2026 to 20 March 2026. The subscription price amounts to SEK 62.4. Upon full exercise of the warrants, up to 125,000 shares may be issued, which corresponds to a dilution of approximately 0.5 percent calculated on the company's 24,511,026 shares.

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

In accordance with the decision of the Annual General Meeting in April 2024, 13 employees have subscribed for warrants under an incentive program, Warrant Program 2024/2027. The subscription 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 2 November 2026 to 13 August 2027. The subscription price amounts to SEK 47.5. Upon full exercise of the warrants, up to 74,000 shares may be issued, which corresponds to a dilution of approximately 0.3 percent calculated on the company's 24,511,026 shares.

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

In accordance with the decision of the Extraordinary General Meeting on 4 July 2024, the incoming CEO, Fredrik Valentin, subscribed in July 2024 for 200,000 warrants under an incentive program, Warrant Program 2024/2028. The subscription 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 1 May 2028 to 31 May 2028. The subscription price amounts to SEK 50.7. If the warrants are fully exercised, up to 200,000 shares can be issued, which corresponds to a dilution of approximately 0.8 percent calculated on the company's 24,511,026 shares.

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

For more information on the programs, see the company's website  
[www.alcadongroup.se/investors/corporate-lines/](http://www.alcadongroup.se/investors/corporate-lines/)

## SHARE INFORMATION

Alcadon Group AB's share has been listed on Nasdaq First North since 14 September 2016. As of 30 September 2024, the number of shares amounts to 24,511,026.

On 6 March 2024, Alcadon Group carried out a directed share issue of 2,054,795 shares at a subscription price of SEK 36.5 per share. The issue was carried out to partially finance the acquisition of Wood Communications Ltd and the subscription price was determined through a so-called "accelerated bookbuilding" procedure. Through the issue, Alcadon raised SEK 75 million before issue costs. The number of shares in Alcadon Group AB increased from 21,722,570 to 23,777,365 after the issue.

On 2 April 2024, Alcadon carried out a non-cash issue of 733,661 shares as part of the payment for the acquisition of Irish Wood Communications. The number of shares in Alcadon Group AB increased from 23,777,365 to 24,511,026 after the issue.

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

Share price at the end of the period amounted to SEK 41.00 (30 September 2024)

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

## LOANS & CREDITS

Alcadon's financing consists of a bank loan with SEB of originally SEK 380 million and runs until August 2026.

To part-finance the acquisition of Wood, the existing acquisition credit of SEK 30 million has been used and a temporarily increased overdraft facility of EUR 2.65 million (SEK 31 million). The temporary overdraft facility of EUR 2.65 million (SEK 31 million) ran until the end of May 2024 and has been amortised in full. The terms of the utilised acquisition credit and the temporary overdraft facility are set out below.

After repayments and with an acquisition credit of SEK 30 million, the SEB loans amount to SEK 335 million as of 30 September 2024. During the quarter, the overdraft facility was increased from SEK 50 million to SEK 80 million.

Conditions in brief

- Bank loan, SEK 130 million, straight amortisation 10 years, interest rate STIBOR 3M + 1.4-2.4 percentage points depending on debt/equity ratio.
- Bank loan, SEK 250 million, straight amortisation 10 years, interest rate STIBOR 3M + 1.4-2.4 percentage points depending on debt/equity ratio.
- Overdraft facility of SEK 80 million, SEB base rate + 1.2 percentage points, 0.4 percent annual credit fee.
- Acquisition credit of SEK 30 million, straight amortisation 10 years, interest rate STIBOR 3M + 1.4-2.4 percentage points depending on debt/equity ratio, 0.35 percent on unused amount.
- Temporary overdraft facility EUR 2.65 million (SEK 31 million), SEB base rate + 1.2 percentage points, 0.4 percent annual credit fee. Amortisation took place in full during the second quarter and the overdraft facility was terminated.

In total, the Group's bank financing amounts to SEK 367 million (342) as of 30 September 2024, of which SEK 42 million (38) is reported as a current liability under Current liabilities to credit institutions, SEK 293 million (304) is reported as non-current under Liabilities to credit institutions and SEK 32 million (0) relates to utilised overdraft facilities. Current liabilities of SEK 42 million (87) relate to the amortisation plan for the loans with SEB.

The company reports covenants related to:

1. leverage ratio, net debt/EBITDA R12 <3,
2. cash flow in relation to amortisation and financing costs >1

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

The overdraft facility granted by SEB amounts to SEK 80 million (50), of which SEK 48 million (50) was unutilised at the end of the period.

## ACCOUNTING POLICIES & NOTES

See pages 18-20 for accounting policies and notes.

## OWNERSHIP STRUCTURE

Largest shareholders in Alcadon Group as of 30 September 2024 (source: Monitor, Modular Finance).

Name	Shareholding	Shareholding %
Investment AB Spiltan	3,895,893	15.9%
Ribbskottet Aktiebolag	2,425,000	9.9%
Second AP Fund	2,132,524	8.7%
Athanase Industrial Partners	1,413,507	5.8%
Susanne Stengade Holding ApS	981,780	4.0%
Avanza Pension	916,672	3.7%
Consensus Asset Management	840,000	3.4%
Swedbank Robur Microcap	820,000	3.3%
Jeansson, Theodor	756,910	3.1%
Cicero Funds	583,212	2.4%
Mahony, Keith	564,355	2.3%
ÖstVäst Capital Management	549,833	2.2%
Norron Funds	500,331	2.0%
Nordnet Pensionsförsäkring AB	490,749	2.0%
Fondita Fund Management	440,000	1.8%
Lindsay, Duncan	317,088	1.3%
Lindsay, Natalie	314,389	1.3%
Hajskäret Invest AB	208,459	0.9%
Mårtensson, Jonas	208,092	0.8%
Evli Fund Management	206,978	0.8%
<b>Grand Total</b>	<b>18,565,772</b>	<b>75.7%</b>
<b>Others</b>	<b>5,945,254</b>	<b>24.3%</b>
<b>Total</b>	<b>24,511,026</b>	<b>100.0%</b>

## OTHER IMPORTANT INFORMATION

Some financial and other information presented in the report has been rounded to make it more accessible to the reader. This may mean that the figures in some columns do not add up exactly to the totals shown.



ALCADON GROUP - THE GROUP	Quarter 3		January - September		Full year
	2024	2023	2024	2023	2023
<b>Condensed statement of profit or loss (MSEK)</b>					
<b>INCOME STATEMENT</b>					
Net sales, Note 2	390.4	381.4	1,214.8	1,141.3	1,572.8
Other operating income	0.5	5.0	0.8	0.6	4.0
<b>Total revenue</b>	<b>390.9</b>	<b>386.4</b>	<b>1,215.6</b>	<b>1,142.0</b>	<b>1,576.9</b>
Operating expenses	-365.8	-353.1	-1,128.5	-1,058.8	-1,449.3
<b>Operating profit before depreciation</b>	<b>25.1</b>	<b>33.4</b>	<b>87.1</b>	<b>83.2</b>	<b>127.6</b>
Depreciation of tangible assets	-7.1	-5.4	-17.6	-15.7	-20.8
<b>Operating profit before amortisation of intangible assets</b>	<b>18.0</b>	<b>28.0</b>	<b>69.5</b>	<b>67.5</b>	<b>106.8</b>
Amortisation of intangible assets	-5.4	-4.7	-15.1	-13.4	-17.9
<b>Operating result</b>	<b>12.6</b>	<b>23.3</b>	<b>54.4</b>	<b>54.1</b>	<b>88.8</b>
Net financial income	-4.1	-11.2	-12.0	-23.6	-37.6
<b>Profit after financial items</b>	<b>8.5</b>	<b>12.1</b>	<b>42.5</b>	<b>30.5</b>	<b>51.3</b>
Tax on profit for the year	-3.1	1.5	-12.5	-7.4	-13.4
<b>Profit for the period</b>	<b>5.4</b>	<b>13.7</b>	<b>30.0</b>	<b>23.1</b>	<b>37.9</b>
Referred to:					
Non-controlling interests	0.0	0.0	0.0	0.0	0.0
Shareholders of the parent company	5.4	13.7	30.0	23.1	37.9
<b>Profit for the period</b>	<b>5.4</b>	<b>13.7</b>	<b>30.0</b>	<b>23.1</b>	<b>37.9</b>
<b>Other comprehensive income</b>					
Translation differences for the period due to restatement of foreign subsidiaries	2.4	-20.6	30.0	31.1	6.3
<b>Total comprehensive income for the period</b>	<b>7.9</b>	<b>-6.9</b>	<b>60.0</b>	<b>54.2</b>	<b>44.1</b>
<b>Total comprehensive income for the period attributable to:</b>					
Non-controlling interests	0.0	0.0	0.0	0.0	0.0
The parent company's shareholders	7.9	-6.9	60.0	54.2	44.1

DATA PER SHARE	Quarter 3		January - September		Full year
	2024	2023	2024	2023	2023
<b>Number of shares</b>					
Number of shares at the end of the period	24,511,026	21,722,570	24,511,026	21,722,570	21,722,570
Average number of shares, pcs	24,511,026	21,722,570	23,654,937	21,414,307	21,491,373
Number of shares (after dilution), pcs	24,511,026	21,722,570	23,654,937	21,832,570	21,542,373
<b>Earnings per share</b>					
Earnings per share for the period on average number, SEK	0.22	0.63	1.27	1.08	1.76
Earnings per share for the period (diluted), SEK	0.22	0.63	1.27	1.06	1.76
<b>Equity per share</b>					
Equity per share at the end of the period, SEK	33.9	31.3	33.9	31.3	30.8

**ALCADON GROUP - THE GROUP**
**Condensed statement of financial position (MSEK)**
**BALANCE SHEET**
**Fixed assets**

Goodwill	799.8	690.8	675.7
Other intangible assets	144.6	130.7	121.6
Tangible fixed assets	96.4	97.0	91.4
Financial fixed assets	8.5	7.2	7.6

<b>Total fixed assets</b>	<b>1,049.3</b>	<b>925.7</b>	<b>896.3</b>
---------------------------	----------------	--------------	--------------

**Current assets**

Inventories	298.9	305.3	293.9
Accounts receivable	272.0	283.0	294.4
Other current assets	41.8	44.2	33.8
Cash and bank	51.0	70.7	62.5

<b>Total current assets</b>	<b>663.7</b>	<b>703.2</b>	<b>684.6</b>
-----------------------------	--------------	--------------	--------------

**TOTAL ASSETS**

<b>1,713.1</b>	<b>1,628.9</b>	<b>1,580.9</b>
----------------	----------------	----------------

**Equity capital**

Share capital	1.2	1.0	1.0
Other contributed capital	503.3	401.4	401.4
Retained earnings including net profit for the period	326.8	277.7	267.0

<b>Equity attributable to parent company shareholders</b>	<b>831.4</b>	<b>680.2</b>	<b>669.5</b>
---	--------------	--------------	--------------

Non-controlling interests	0.0	0.0	0.0
---------------------------	-----	-----	-----

<b>Total equity</b>	<b>831.4</b>	<b>680.2</b>	<b>669.5</b>
---------------------	--------------	--------------	--------------

**Provisions**

Other provisions, note 4	70.1	143.9	108.1
--------------------------	------	-------	-------

<b>Total provisions</b>	<b>70.1</b>	<b>143.9</b>	<b>108.1</b>
-------------------------	-------------	--------------	--------------

**Long-term liabilities**

Deferred tax liability	34.5	45.4	31.6
Liabilities to credit institutions	293.0	304.0	294.5
Other long-term liabilities	56.7	64.5	60.4

<b>Total long-term liabilities</b>	<b>384.2</b>	<b>413.9</b>	<b>386.5</b>
------------------------------------	--------------	--------------	--------------

**Current liabilities**

Bank overdraft facility	31.8	0.0	0.0
Current liabilities to credit institutions	41.8	38.1	38.5
Other interest-bearing liabilities	22.3	20.0	18.7
Trade payables	249.8	235.4	279.2
Other current liabilities	81.7	97.3	80.4

<b>Total current liabilities</b>	<b>427.4</b>	<b>390.9</b>	<b>416.8</b>
----------------------------------	--------------	--------------	--------------

**TOTAL EQUITY AND LIABILITIES**

<b>1,713.1</b>	<b>1,628.9</b>	<b>1,580.9</b>
----------------	----------------	----------------

<b>ALCADON GROUP - THE GROUP</b>	<b>Quarter 3</b>		<b>January - September</b>		<b>Full year</b>
<b>Condensed changes in equity (MSEK)</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
Equity at the beginning of the period	822.3	687.1	669.5	575.1	575.1
Other changes in equity	0.0	0.0	0.0	-2.2	-2.8
Other contributed capital	1.2	0.0	101.9	53.0	53.0
Dividends	0.0	0.0	0.0	0.0	0.0
Non-controlling interests	0.0	0.0	0.0	0.0	0.0
Comprehensive income for the period attributable to parent company shareholders	7.9	-6.9	60.0	54.2	44.1
<b>Equity at the end of the period</b>	<b>831.4</b>	<b>680.2</b>	<b>831.4</b>	<b>680.2</b>	<b>669.5</b>

<b>ALCADON GROUP - THE GROUP</b>	<b>Quarter 3</b>		<b>January - September</b>		<b>Full year</b>
<b>Consolidated condensed statement of cash flows (MSEK)</b>	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>	<b>2023</b>
Operating profit	12.6	23.3	54.4	54.1	88.8
Adjustments for non-cash items, etc.	15.1	3.6	38.5	42.5	31.0
Income tax paid	-5.0	-5.9	-19.9	-9.7	-17.0
Change in working capital	-8.3	39.2	13.6	9.0	33.9
<b>Net cash flow from operating activities</b>	<b>14.4</b>	<b>60.1</b>	<b>86.7</b>	<b>95.8</b>	<b>136.6</b>
Acquisitions of tangible and intangible assets	-0.6	-0.3	-5.2	-4.9	-6.2
Change in financial fixed assets	-0.2	-0.4	-0.9	-2.0	-2.6
Business combinations	-67.5	0.0	-170.7	-15.2	-41.7
<b>Cash flow from investing activities</b>	<b>-68.3</b>	<b>-0.6</b>	<b>-176.8</b>	<b>-22.2</b>	<b>-50.5</b>
Dividends paid	0.0	0.0	0.0	0.0	0.0
New issuance/Warrant proceeds	1.2	0.0	75.1	50.2	50.2
Interest paid and received and other financial items	-6.3	-11.2	-18.7	-23.6	-30.8
Amortisation of lease liabilities	-5.3	-3.7	-13.0	-11.3	-14.8
Amortisation	-9.7	-58.1	-58.1	-120.4	-129.5
Loans raised/utilisation of overdraft facilities	31.8	0.0	91.6	0.0	0.0
<b>Cash flow from financing activities</b>	<b>11.7</b>	<b>-72.9</b>	<b>76.8</b>	<b>-105.1</b>	<b>-125.0</b>
<b>Cash flow for the period</b>	<b>-42.2</b>	<b>-13.5</b>	<b>-13.3</b>	<b>-31.4</b>	<b>-38.9</b>
<b>Reconciliation of changes in cash and cash equivalents</b>					
Opening balance of cash and cash equivalents	93.1	84.9	62.5	101.3	101.3
Exchange rate difference in cash and cash equivalents	0.1	-0.7	1.7	0.9	0.1
Closing balance of cash and cash equivalents	51.0	70.7	51.0	70.7	62.5
<b>Change in cash and cash equivalents</b>	<b>-42.2</b>	<b>-13.5</b>	<b>-13.3</b>	<b>-31.4</b>	<b>-38.9</b>

ALCADON GROUP AB - PARENT COMPANY		Quarter 3		January - September		Full year
Condensed statement of profit or loss (MSEK)		2024	2023	2024	2023	2023
<b>INCOME STATEMENT</b>						
Net sales		3.6	3.2	10.3	8.3	11.1
<b>Other operating income</b>		<b>0.0</b>	<b>4.9</b>	<b>0.0</b>	<b>0.0</b>	<b>3.3</b>
Total income		3.6	8.1	10.3	8.3	14.4
<b>Operating expenses</b>		<b>-7.2</b>	<b>-4.0</b>	<b>-23.1</b>	<b>-20.0</b>	<b>-17.5</b>
Operating profit or loss		-3.6	4.1	-12.8	-11.7	-3.1
<b>Net financial income</b>		<b>-0.3</b>	<b>19.8</b>	<b>-6.8</b>	<b>10.2</b>	<b>7.6</b>
Profit or loss after financial items		-3.9	24.0	-19.6	-1.5	4.4
<b>Appropriations</b>		<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	<b>30.1</b>
Profit or loss before tax		-3.9	24.0	-19.6	-1.5	34.6
<b>Tax on profit or loss for the year</b>		<b>0.6</b>	<b>1.6</b>	<b>3.9</b>	<b>3.8</b>	<b>-3.5</b>
<b>Profit or loss for the period</b>		<b>-3.3</b>	<b>25.6</b>	<b>-15.6</b>	<b>2.4</b>	<b>31.0</b>

ALCADON GROUP AB - PARENT COMPANY		2024-09-30	2023-09-30	2023-12-31
Condensed statement of financial position (MSEK)				
<b>BALANCE SHEET</b>				
<b>Fixed assets</b>				
Intangible fixed assets		0.3	0.0	0.0
Financial fixed assets		917.9	768.1	768.4
Non-current receivables from group companies		276.8	298.5	298.2
<b>Total fixed assets</b>		<b>1,195.0</b>	<b>1,066.6</b>	<b>1,066.6</b>
<b>Current assets</b>				
Receivables from group companies		0.8	3.2	0.4
Other current assets		8.1	7.1	1.8
Cash and bank		0.0	1.1	28.9
<b>Total current assets</b>		<b>9.0</b>	<b>11.4</b>	<b>31.1</b>
<b>TOTAL ASSETS</b>		<b>1,204.0</b>	<b>1,078.0</b>	<b>1,097.7</b>
<b>Equity capital</b>				
Share capital		1.1	1.0	1.0
Retained earnings including profit for the period		524.3	409.5	438.1
<b>Total equity</b>		<b>525.4</b>	<b>410.5</b>	<b>439.2</b>
<b>Provisions</b>				
Other provisions		70.1	143.9	107.9
<b>Total provisions</b>		<b>70.1</b>	<b>143.9</b>	<b>107.9</b>
<b>Long-term liabilities</b>				
Liabilities to credit institutions		293.0	304.0	294.5
Liabilities to group companies		62.1	92.2	62.7
<b>Total non-current liabilities</b>		<b>355.1</b>	<b>396.2</b>	<b>357.2</b>
Bank overdraft facility		31.8	0.0	
Current liabilities to credit institutions		41.0	38.0	38.0
Liabilities to group companies		173.5	81.6	143.9
Current liabilities		7.1	7.7	11.6
<b>Total current liabilities</b>		<b>253.3</b>	<b>127.3</b>	<b>193.5</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,204.0</b>	<b>1,078.0</b>	<b>1,097.7</b>



CONSOLIDATED QUARTERLY DATA	Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
INCOME STATEMENT, MSEK	2024	2024	2024	2023	2023	2023	2023	2022
Net sales	390.4	425.2	399.2	431.5	381.4	371.1	388.8	401.2
<b>Profit</b>								
Operating profit before amortisation of intangible assets (EBITA)	18.0	30.4	21.1	39.3	28.0	11.4	28.1	30.5
Profit after financial items	8.5	16.8	17.1	20.7	12.1	2.0	16.3	19.0
Profit or loss for the period	5.4	11.0	13.6	14.8	13.7	-2.2	11.6	13.9
<b>Marginal measure in %.</b>								
Gross margin %.	24.4	26.7	24.3	23.7	23.8	24.2	26.0	25.3
Operating margin, EBITA %.	4.6	7.2	5.3	9.1	7.3	3.1	7.2	7.6
Net margin %.	1.4	2.6	3.4	3.4	3.6	-0.6	3.0	3.5
<b>BALANCE SHEET (MSEK)</b>								
<b>Assets</b>								
Total fixed assets	1,049	1,052	920	896	926	953	914	911
Total current assets	664	708	793	685	703	729	725	752
<b>Total assets</b>	<b>1,713</b>	<b>1,759</b>	<b>1,714</b>	<b>1,581</b>	<b>1,629</b>	<b>1,683</b>	<b>1,639</b>	<b>1,662</b>
<b>Equity &amp; Liabilities</b>								
Total equity	831	822	790	669	680	687	644	575
Total non-current liabilities & provisions	454	535	522	495	558	574	562	572
Total current liabilities	427	402	402	417	391	421	434	516
<b>Total equity &amp; liabilities</b>	<b>1,713</b>	<b>1,759</b>	<b>1,714</b>	<b>1,581</b>	<b>1,629</b>	<b>1,683</b>	<b>1,639</b>	<b>1,662</b>
<b>CASH FLOW (MSEK)</b>								
Net from operating activities	14.4	60.2	12.4	41.7	60.1	17.9	17.7	8.4
Investment activities	-68.3	-102.8	-5.7	-28.4	-0.6	-3.6	-17.9	-17.7
Financing activities	11.7	-50.0	115.2	-20.2	-72.9	-35.4	3.3	-12.9
<b>Cash flow for the period</b>	<b>-42.2</b>	<b>-92.6</b>	<b>121.9</b>	<b>-7.0</b>	<b>-13.5</b>	<b>-21.1</b>	<b>3.0</b>	<b>-22.3</b>
<b>OTHER KEY FIGURES</b>								
Earnings per share, SEK	0.22	0.45	0.62	0.68	0.63	-0.10	0.56	0.67
Return on equity, %	5.4	6.6	5.6	5.5	5.4	4.2	6.3	6.5
Equity per share, SEK	33.9	33.5	33.2	30.8	31.3	31.6	29.6	27.9
Cash flow from operating activities per share, SEK	0.59	2.47	0.56	1.92	2.77	0.83	0.85	0.41
Share price at end of period, SEK	34.6	34.6	38.2	35.0	28.1	39.9	50.6	74.3

## NOTE 1. ACCOUNTING POLICIES

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

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

For the Group and the Parent Company, the same accounting policies and methods of computation have been applied as in the most recent annual report except for new standards and interpretations and amendments to existing standards and interpretations that are effective from 1 January 2024 or later.

### IFRS 16 Leases

Alcadon applies IFRS 16 Leases.

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

Closing balance sheet values as at 30 September 2024:

- Right-of-use assets: SEK 82 (87) million, recognised in Property, plant and equipment
- Lease liabilities: SEK 79 (84) million, recognised as SEK 57 (64) million in other non-current liabilities and SEK 22 (20) million in other interest-bearing liabilities

### Other

None of the other IFRS or IFRIC interpretations that are not yet effective are expected to have a material impact on the consolidated financial statements. The 2023 Annual Report summarises the significant accounting policies. See the company's website [www.alcadongroup.se](http://www.alcadongroup.se) for more information.

## NOTE 2. NET SALES

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

Geographic market (external net sales) MSEK	Quarter 3		January - September		Full year
	2024	2023	2024	2023	2023
Sweden	86.7	77.8	264.1	279.2	369.0
Norway	18.8	25.4	69.5	86.9	110.2
Denmark	36.8	46.3	93.4	131.5	171.9
Germany	20.1	29.1	89.2	82.8	113.8
The United Kingdom	152.7	153.1	460.4	453.8	649.7
Ireland	34.7	0.0	59.0	0.0	0.0
The Benelux	40.5	49.7	179.3	107.2	158.2
<b>Total</b>	<b>390.4</b>	<b>381.4</b>	<b>1,214.8</b>	<b>1,141.3</b>	<b>1 572.8</b>

## NOTE 3. BUSINESS COMBINATIONS

### WOOD COMMUNICATIONS IN IRELAND

On 2 April 2024, Alcadon Group acquired Wood Communications in Ireland through the acquisition of all shares in the parent company Lewralos Limited.

Wood Communications, founded in 1924, is one of Ireland's leading distributors of network products and systems for the data communications, data center, telecoms and security industries. At the time of acquisition, Wood Communications had 16 employees and over 500 customers. Approximately 40 percent of net sales come from the data center customer segment, approximately 40 percent from the commercial property

segment (cabling and accessories) and approximately 20 percent from broadband, industrial customers and security. Sales are made to a broad group of customer categories, including installers, data centers, energy producers and resellers. A majority of the business' 20 largest customers have been customers of Wood Communications since the years 1997-2013, underpinning strong and long-standing customer relationships with the business.

The acquisition will give Alcadon a broader exposure to new markets and customers in Europe, as well as synergies in product offering. The acquisition also enables new distribution rights in Ireland, cooperation with Alcadon's previous acquisition Network Centre and opportunities for Alcadon to contribute to further expansion in Europe. Wood Communications will continue to operate as an independent company within the Alcadon Group, in accordance with Alcadon's strategy of working with decentralised business units with synergy potential.

As of 30 September 2024, the preliminary acquisition analysis below has been prepared. The purchase price for the shares including contingent considerations amounts to SEK 159 million, of which SEK 94 million has been paid in cash. Contingent considerations amount to a maximum of EUR 2.9 million, which has been discounted in the acquisition analysis to SEK 31 million (EUR 2.7 million) and will be paid in cash depending on the improvement in earnings and cash flow generation in Wood over the next 36 months from the acquisition date. Contingent consideration is remeasured at fair value at each balance sheet date and any changes are recognised as other expenses or other income in operating profit. The discount rate is recognised in net financial items. Identified intangible assets, provisionally valued at EUR 2.7 million (SEK 31 million), relate to customer relationships and are amortised over 10 years. The 10-year amortisation period is based on an assessment of an annual loss of part of the net sales attributable to each asset. Valuation of identified intangible assets is based on estimates of future discounted cash flows. Deferred tax liabilities attributable to the identified intangible assets amount to EUR -0.3 million (SEK 3.8 million) in the acquisition announcement and are dissolved in line with amortisation. The amortisation will affect the operating result by SEK -3.1 million per year and the result will be affected by SEK -2.7 million. Preliminary net assets including identified intangible assets and deferred tax liabilities amount to SEK 60 million in the acquisition analysis. Goodwill amounts to EUR 8.7 million (SEK 99 million at the time of acquisition) and relates to the company's expected future earning capacity and the personnel in Wood Communications.

Wood Communications has contributed SEK 59 million in net sales, SEK 6.2 million in operating profit (EBITA) including acquisition costs of SEK -2.3 million and SEK 4.3 million in profit after tax from the acquisition date of 2 April 2024. If Wood Communications had been consolidated from 1 January 2024, the contribution would have been SEK 94 million in net sales, SEK 10.1 million in operating profit (EBITA) including acquisition costs of SEK -2.3 million and SEK 9.4 million in profit after tax.

<b>PRELIMINARY PURCHASE PRICE ALLOCATION (MSEK)</b>	<b>Carrying amount at the acquisition date</b>	<b>Fair value adjustment</b>	<b>Fair Value</b>
<b><u>Fair value of deferred compensation</u></b>			
Shares			27.4
Cash			100.5
Conditional contingent consideration			30.7
<b>Total purchase price</b>			<b>158.6</b>
<b><u>Identifiable net assets</u></b>			
Intangible fixed assets	0.0	31.2	31.2
Other fixed assets	5.2	0.0	5.2
Inventories	8.8	0.0	8.8
Short-term receivables	29.9	0.0	29.9
Cash and cash equivalents	6.8	0.0	6.8
Other long-term liabilities	-0.2	0.0	-0.2
Deferred tax liability	0.0	-3.7	-3.7
Other interest-bearing liabilities	0.0	0.0	0.0
Trade and other payables	-17.9	0.0	-17.9
<b>Net assets acquired</b>			<b>60.0</b>
<b><u>Goodwill on acquisitions</u></b>			
Purchase price in cash and cash equivalents			100.5
Acquired cash and cash equivalents			6.8
<b>Cash flow on acquisitions</b>			<b>-93.7</b>

## NOTE 4. OTHER PROVISIONS

MSEK	Quarter 3		January - September		Full year
	2024	2023	2024	2023	2023
Opening provisions	136.5	147.8	108.1	140.3	140.3
New provisions	0.0	0.0	30.7	0.0	0.3
Reversal of provisions	0.8	0.9	2.8	2.6	-2.5
Exchange rate differences	0.4	-4.7	5.4	7.1	2.5
Payments	-67.5	0.0	-77.0	-6.0	-32.5
<b>Outgoing provisions</b>	<b>70.1</b>	<b>143.9</b>	<b>70.1</b>	<b>143.9</b>	<b>108.1</b>

The provision as of 30 September 2024 relates to contingent consideration for the acquisition of Networks Centre of SEK 39 million and Wood Communications of SEK 31 million.

The contingent consideration for the Networks Centre acquisition of GBP 39 million (GBP 2.9 million) represents the discounted value of the remaining contingent consideration of GBP 3.0 million which equates to GBP 41 million calculated at the closing rate.

The contingent consideration for the acquisition of Wood Communications of SEK 31 million (EUR 2.7 million) refers to the discounted value of the remaining contingent consideration of EUR 2.9 million, which corresponds to SEK 33 million calculated at the closing rate.

The difference between the discounted values in the balance sheet and the remaining contingent considerations (GBP 0.1 million and EUR 0.2 million) is recognised as an interest expense in net financial items until any payment dates for the contingent considerations. The interest expense during the quarter amounts to SEK -0.8 (-0.9) million and during the period to SEK -2.8 (-2.6) million.

In the first quarter, SEK 9 million (DKK 6 million) was paid in final contingent consideration for Alcadon ApS and in the third quarter SEK 67.5 million (GBP 5.0 million) was paid in contingent consideration for Networks Centre.

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

**Stockholm, 25 October 2024**

**Jonas Mårtensson**

Chairman of the Board of Directors

**Marie Ygge**

Member of the Board of Directors

**Lars Engström**

Member of the Board of Directors

**Mikael Vaezi**

Member of the Board of Directors

**Pierre Fors**

Chief Executive Officer and Member of the Board of Directors

## DEFINITION OF ALTERNATIVE KEY RATIOS

	Quarter 3		January - September		Full year
	2024	2023	2024	2023	2023
<b>Operating profit before amortisation of intangible assets (EBITA), MSEK</b>					
Operating profit after depreciation/amortization (EBIT), MSEK	12.6	23.3	54.4	54.1	88.8
Amortisation of intangible assets	5.4	4.7	15.1	13.4	17.9
Operating profit before amortization of intangible assets (EBITA), MSEK	18.0	28.0	69.5	67.5	106.8

	Quarter 3		January - September		Full year
	2024	2023	2024	2023	2023
<b>Operating expenses</b>					
Operating expenses including cost of goods	365.8	353.1	1,128.5	1,058.8	1,449.3
Cost of goods sold	295.1	290.6	908.9	859.3	1,188.6
Operating expenses	70.7	62.5	219.6	199.5	260.7

	2024-09-30	2023-09-30	2023-12-31
<b>Net interest-bearing liabilities, MSEK</b>			
Long-term Liabilities to credit institutions	293.0	304.0	294.5
Short-term Liabilities to credit institutions	41.8	38.1	38.5
Bank overdraft facility	31.8	0.0	0.0
Cash and cash equivalents	-51.0	-70.7	-62.5
<b>Net interest-bearing liabilities excluding leasing debt</b>	<b>315.5</b>	<b>271.4</b>	<b>270.5</b>
Long-term lease liabilities	56.7	64.5	60.4
Short-term lease liabilities	22.3	20.0	18.7
<b>Net interest-bearing liabilities</b>	<b>394.6</b>	<b>355.9</b>	<b>349.6</b>

	Quarter 3		Full year
	2024	2023	2023
<b>Indebtedness</b>			
EBITDA R12	131.5	118.2	127.6
EBITDA R12 Proforma (period before acquisition*)	3.8	0.0	0.0
Acquisition costs	2.3	0.2	0.0
Revaluation and reversal of contingent consideration	-3.4	8.1	-3.3
<b>EBITDA R12 adjusted (proforma)</b>	<b>134.2</b>	<b>126.4</b>	<b>124.3</b>
Lease expense (IFRS16)	-18.0	-17.5	-16.2
<b>EBITDA R12 adjusted IFRS16 (proforma)</b>	<b>116.2</b>	<b>109.0</b>	<b>108.0</b>
Net interest-bearing liabilities	394.6	355.9	349.6
<b>Net interest-bearing liabilities/ EBITDA R12 adjusted (proforma)</b>	<b>2.9</b>	<b>2.8</b>	<b>2.8</b>
Net interest-bearing liabilities excluding leasing debt	315.5	271.4	270.5
<b>Net interest-bearing liabilities excluding leasing debt/ EBITDA R12 adjusted IFRS16 (proforma)</b>	<b>2.7</b>	<b>2.5</b>	<b>2.5</b>

\*Refers to period before acquisition as if acquired companies belonged to the group for the last 12 months.

# Addresses



## Alcadon Group

**Alcadon Group AB**  
Segelbåtsvägen 7  
112 64 Stockholm  
Tel: + 46 8-657 36 00  
Org.nr. 559009-2382  
www.alcadongroup.se

**Alcadon AB  
Stockholm**  
Segelbåtsvägen 7  
112 64 Stockholm  
Tel: + 46 8-657 36 00  
www.alcadon.se

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

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

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

**Alcadon AS  
Oslo**  
Alfaset 1, Industrivei 4  
0668 Oslo, Norge  
Tel: +47 23 17 78 80  
www.alcadon.no

**Sandefjord**  
Østre Kullerød 5  
3241 Sandefjord, Norge  
Tel: +47 33 48 33 48  
www.alcadon.no

**Bergen**  
Kokstadvegen 23  
5257 Kokstad  
Tel: +47 41 36 88 87  
www.alcadon.no

**Mosjøen**  
Petter Dass gate 3  
8656 Mosjøen, Norge  
Tel: +47 95 96 80 56  
www.alcadon.no

**Alcadon ApS  
Denmark**  
Moellevej 9, E1  
2990 Nivaa, Denmark  
Tel: +45 4570 7077  
www.alcadon.dk

**Alcadon GmbH  
Germany**  
Wahlerstraße 14  
D-40472 Düsseldorf, Germany  
Tel. +49 211 8758 7503  
www.alcadon.de

**Alcadon BV  
Belgium**  
Plaslaar 38 e  
2500 Lier, Belgium  
Tel: +32 3 326 26 03  
www.alcadon.be

**Alcadon Bv  
Netherlands**  
Zekeringstraat 17 A  
1014 BM Amsterdam, Netherlands  
Tel: +31 6 2850 2333  
www.alcadon.nl

**Networks Centre  
United Kingdom**  
Bentley House, Wiston Business Park  
London Road, Pulborough RH20 3DJ, UK  
Tel: +44 140 375 4233  
www.networkscentre.com

**Wood Communications  
Ireland**  
L7, Ballymount Industrial Estate,  
Ballymount Dr, Ballymount,  
Dublin, D12 FV07, Ireland  
Tel: +353 01 426 4000  
woodcomm.ie

**Svensk Kapitalmarknadsgranskning AB  
(SKMG)**  
Certified Adviser  
Fähusgatan 5  
603 72 Norrköping  
Tel: +46 8 913 008  
E-post: ca@skmg.se  
Org.nr. 559200-5283  
www.skmg.se

