



Alcadon Group

The Alcadon Way

Enabling Digitalization for a **better** world



2023

January - September

INTERIM REPORT

Interim report

1 January–30 September 2023

Strong cash flow from operating activities and operating profit development

THIRD QUARTER 2023

- Net sales increased by 32 percent to MSEK 381 (288). In unchanged currency levels, net sales increased by 27 percent.
- Operating profit before amortization of intangible assets (EBITA) increased by 142 percent to MSEK 28 (12) including MSEK 5.1 (-0.8) attributable to unrealized exchange rate gains and losses. In 2022, acquisition costs of MSEK -4.3 were also included.
- Cash flow from operating activities amounted to MSEK 60 (22) which corresponds to SEK 2.8 (1.1) per share.
- Earnings per share amounted to SEK 0.63 (0.23).
- During the period, solidity increased to 44 percent from 43 percent.

THE INTERIM PERIOD JANUARY–SEPTEMBER 2023

- Net sales increased by 61 percent to MSEK 1,141 (709). In unchanged currency levels, net sales increased by 49 percent.
- Operating profit before amortization of intangible assets (EBITA) increased by 142 percent to MSEK 68 (38) including MSEK -8.3 (-4.4) attributable to unrealized exchange rate gains and losses.
- Cash flow from operating activities amounted to MSEK 96 (15) which corresponds to SEK 4.5 (0.8) per share.
- Earnings per share amounted to SEK 1.08 (1.18).
- During the period, solidity increased to 44 percent from 37 percent.

	Quarter 3		January - September		Full year
	2023	2022	2023	2022	2022
Operating income, MSEK	381.4	288.0	1,141.3	709.2	1,110.4
Gross margin, %	23.8	23.5	24.7	25.7	25.5
EBITA, MSEK	28.0	11.6	67.5	38.1	68.6
EBITA, %	7.3	4.0	5.9	5.4	6.2
Profit or loss for the period, MSEK	13.7	4.7	23.1	23.2	37.1
Earnings per share, SEK	0.63	0.23	1.08	1.18	1.86

SIGNIFICANT EVENTS DURING THE QUARTER

- Alcadon has won a 4-year contract for the delivery of fiber-optic components starting on 1 September 2023. The contract has an estimated value of approximately MDKK 40-45 over the next 4 years. It can then be extended for another 2+2 years.
- Alcadon has received an order worth MGBP 3.7 for a newly constructed data centre in the United Kingdom. Most deliveries are expected to be shipped during Q4 2023, and the rest will be shipped and invoiced during Q1 2024.

SIGNIFICANT EVENTS AFTER THE PERIOD

- No significant events have taken place since the end of the period.

Stockholm, 27 October 2023

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This information is information that Alcadon Group AB is obliged to make public pursuant to the EU Market Abuse Regulation.

The information was submitted for publication, through the agency of the contact person set out above, at 8:00 am on 27 October 2023.



A word from the CEO

- A 32 percent growth in sales, with a 142 percent increase in EBITA and 37 percent increase in EBITA less unrealized exchange rate gains and acquisition costs
- Strong development of cash flow from operating activities in the quarter
- Overall strong growth in the data centre segment and somewhat weaker growth in the broadband segment

DEVELOPMENT DURING THE QUARTER

The outcome of the quarter was strong, with a solid cash flow of MSEK 60 from operating activities, a strong operating profit development and organic growth. In light of the challenging market situation, this is a satisfactory development.

The significant differences between our regions remain, with healthy development in the United Kingdom, Sweden, the Benelux and Germany, while Norway and Denmark are facing a weaker market.

The data centre segment is exhibiting a strong overall growth across the Group and is expected to continue to develop positively, not least as a result of increased investment in the market related to the progress in Artificial Intelligence (AI). The property networks segment is showing steady development across most markets, and the fiber networks segment is performing well in Sweden, Germany and the Benelux with a weaker trend in the United Kingdom, Norway and Denmark.

In addition, our view is that Alcadon is demonstrating slightly higher growth than the market as a whole, and we are receiving favourable indications regarding future developments.

We are also delighted to see that the acquired businesses have advanced well, achieving clear synergies together with the rest of the Group.

The United Kingdom

The development of sales is satisfactory with an 88 percent growth in local currency. Pro forma organic growth for the quarter was -2.1 percent. Earnings and margin development is positive. Growth in the

data centre segment continues to be satisfactory; the market experiences high growth and Alcadon is winning several interesting projects. The property networks segment remains stable also in this quarter, while the broadband segment is seeing a lower rate of growth than in 2022 and early 2023. Our view of the expected market development going forward is, based on the forecasts of our customers, positive, and it is encouraging to see that Networks Centre is off to an excellent start as part of Alcadon.

Sweden

The Swedish market continues to show a positive development, and the overall picture is that most segments, aside from residential networks, are developing well as a result of a stable market and increased market share. The growth rate is 4 percent, and at the same time, gross margins have now recovered following price increases during the quarter. This has resulted in a solid profit development in the Swedish market.

The Benelux

The development in both the Netherlands and Belgium have been successful for the Group. The growth of 257 percent in local currencies is highly satisfactory and is supported by strong growth rates across every segment. Pro forma organic growth for the quarter was 181 percent. The acquisition of 6X in Belgium has, thus far, proved successful, with a successful entry to an attractive broadband market on which the 5G rollout is also noticeably under way. Moreover, the Networks Centre acquisition has built a firm basis for solid growth in the Benelux data centre segment.

Denmark

Although signals from the fiber networks segment are somewhat more positive than before, the market is still characterized by a weak performance during the quarter which is impacting sales, down -47 percent in local currency. The data centre and industry segments have developed positively.

Germany

Sales continue to develop very positively, with a growth of 197 percent in local currency during the quarter. The level of activity is high among fiber operators in the German market, and there are positive signals from existing as well as prospective clients, despite the fact that the market long has been characterized by a certain shortage of available contractors.

Norway

During the quarter, September stood out as relatively strong but the market is still weak relative to 2022. The growth in local currency was -29 percent during the quarter. We have, however, reason to believe that the market conditions are about to improve in the near future in both the fiber networks and property networks segments. The gross margin saw a positive trend during the quarter following price increases implemented, which have stabilized the profit level in comparison to 2022.

FINANCIALS

Net sales increased by 32 percent to MSEK 381 (288). The organic growth was 1.5 percent including currency effects and -2.6 percent less currency effects. The acquired growth was 31 percent. In unchanged currency levels, net sales increased by 27 percent. Pro forma organic growth for the quarter was 2.6 percent. Gross margin amounted to 23.8 (23.5) percent. Gross margin excluding Networks Centre amounted to 24.5 (24.8) percent.

Overhead, MSEK -57 (-52), decreased sharply compared with the preceding quarter, MSEK -74, as a result of revaluation of contingent considerations of MSEK 4.9 (1.4) compared with MSEK -9.7 in Q2. Costs increased compared with the previous year, which is attributable to the Networks Centre acquisition and the weaker Swedish krona.

Operating profit before amortization of intangible assets (EBITA) amounted to MSEK 28 (12) during the quarter. EBITA was affected by MSEK 5.1 (-0.8) attributable to unrealized exchange rate gains and losses. MSEK 4.9 (1.4) of this amount derives from the revaluation of contingent considerations. The Q3 2022 amount also includes acquisition costs of MSEK -4.3. Excluding unrealized exchange rate gains and losses and the acquisition costs in 2022, EBITA increased by 37 percent and EBITA margin amounted to 6.0 (5.6) percent.

Amortization of acquired customer relations amounted to MSEK -3.7 (-0.3), of which MSEK -3.3 is attributable to Networks Centre.

Profit or loss for the period amounted to MSEK 14 (5). Cash flow from operating activities amounted to MSEK 60 (22). The change in working capital amounted to MSEK -39 (8) during the quarter.

The net debt amounts to MSEK 356 (432) of which MSEK 84 (89) are lease liabilities. This is a decrease of MSEK 91 since December 2022, when the net debt amounted to MSEK 447 of which MSEK 86 were lease liabilities.

Net debt/EBITDA including and excluding IFRS 16 were 2.8 and 2.5, respectively, and are both well below the covenant requirement of our lender, with whom we keep a good dialogue. Contingent considerations are not part of the net debt, as potential payments of contingent consideration are subject to conditions such as EBITDA growth. Our assessment is that the Group has a very solid financial position.

EBITDA/Working capital increases gradually over the year, which also is the result of a continuous effort to increase the efficiency of the deployment of the working capital.

CONCLUDING REMARKS

We are satisfied with the outcome of the quarter. The market development is largely unchanged since the second quarter, but overall, we are picking up on positive signals from the market.

The dialogue with our major customers is positive and our offering is highly valued. More specifically, the Group's capacity to manage larger and relatively complex projects in both the data centre and fiber networks segments has proven to be greatly appreciated in several markets. Thanks to the combination of our own brands/production, which accounts for about 20 percent of the Group's sales, and professional distribution, we have an offering that is both flexible and comprehensive.

With approximately 50 percent of sales in property networks, 30 percent in fiber networks and 20 percent in the data centre segment, we also find a proper balance of our offering and a solid foundation to provide our customers a comprehensive offering in network infrastructure.

With a healthy performance in terms of profit and cash flow, a stable financial position, and good dialogue on acquisitions and with customers, we have every reason to look to the future with confidence.



Sonny Mirborn
CEO and President
Alcadon Group AB

INDICATORS FOR THE GROUP	Quarter 3		January - September		Full year
	2023	2022	2023	2022	2022
Operating income, MSEK	381.4	288.0	1,141.3	709.2	1,110.4
Gross margin, %	23.8	23.5	24.7	25.7	25.5
Operating profit before amortization of intangible assets (EBITA), MSEK	28.0	11.6	67.5	38.1	68.6
Operating profit before amortization of intangible assets (EBITA), %	7.3	4.0	5.9	5.4	6.2
Operating profit after depreciation/amortization (EBIT), MSEK	23.3	11.1	54.1	36.8	62.3
Operating margin after depreciation/amortization (EBIT), %	6.1	3.9	4.7	5.2	5.6
Profit or loss for the period, MSEK	13.7	4.7	23.1	23.2	37.1
Net margin, %	3.6	1.6	2.0	3.3	3.3
Solidity, %	43.7	37.0	43.7	37.0	36.8
Return on equity, %	5.4	6.8	5.7	7.3	7.5
Net interest-bearing liabilities, MSEK	355.9	431.6	355.9	431.6	447.1
Net interest-bearing liabilities excluding leasing debt, MSEK	271.4	343.1	316.3	343.1	361.3
Operating profit before depreciation/amortization (EBITDA) / Working capital, %	33.5	20.3	33.5	20.3	23.5
Cash flow from operating activities, MSEK	60.1	22.1	95.8	15.2	24.1
Cash flow from operating activities per share, SEK	2.8	1.1	4.5	0.8	1.2
Equity per share, SEK	31.3	23.3	31.3	23.3	27.9
Earnings per share, SEK	0.63	0.23	1.08	1.18	1.86
Number of shares at the end of the period	21,722,570	20,612,823	21,722,570	20,612,823	20,612,823
Average number of shares	21,722,570	20,118,976	21,414,307	19,718,406	19,942,010
Number of employees at the end of the period	166	172	166	172	179
Average number of employees during the period	166	133	171	107	127

DEFINITIONS

Gross profit:	Total income minus cost of goods sold.
Gross margin:	Gross profit as a percentage of net sales for the period.
EBITA margin:	Operating result before amortization of intangible assets 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 89 (33).
Operating profit before depreciation/ amortization (EBITDA) / Working capital:	Operating profit before depreciation/amortization (R12) divided by Working capital, calculated as Inventories plus Trade receivables minus Trade payables.
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 Information

REVENUE AND RESULTS

The quarter

Net sales increased by 32 percent to MSEK 381 (288). The organic growth was 1.5 percent including currency effects and -2.6 percent less currency effects. The acquired growth was 31 percent. In unchanged currency levels, net sales increased by 27 percent. Pro forma organic growth for the quarter was 2.6 percent.

Gross margin amounts to 23.8 (23.5) percent. Gross margin excluding Networks Centre amounted to 24.5 (24.8) percent.

Overhead, MSEK -57 (-52), decreased sharply compared with the preceding quarter, MSEK -74, as a result of revaluation of contingent considerations of MSEK 4.9 (1.4) compared with MSEK -9.7 in Q2. Costs increased compared with the previous year, which is attributable to the Networks Centre acquisition and the weaker Swedish krona.

Operating profit before amortization of intangible assets (EBITA) amounted to MSEK 28 (12) during the quarter. EBITA was affected by MSEK 5.1 (-0.8) attributable to unrealized exchange rate gains and losses. MSEK 4.9 (1.4) of this amount derives from the revaluation of contingent considerations. The Q3 2022 amount also includes acquisition costs of MSEK -4.3. Excluding unrealized exchange rate gains and losses and the acquisition costs in 2022, EBITA increased by 41 percent and EBITA margin amounted to 6.0 (5.6) percent.

Amortization of acquired customer relations amounted to MSEK -3.7 (-0.3), of which MSEK -3.3 (0) is attributable to Networks Centre.

The tax expense for the quarter has been positively affected by SEK 3.8 million in reversed tax provisions for 2022 in Networks Centre and SEK 1.5 million for tax deductions related to revaluation of contingent considerations in 2023.

Profit or loss for the period amounted to MSEK 14 (5).

January-September

Net sales increased by 61 percent to MSEK 1,141 (709). The organic growth was 1.5 percent including currency effects and -2.1 percent less currency effects. The acquired growth was 59 percent. In unchanged currency levels, net sales increased by 49 percent.

Gross margin amounted to 25.1 (25.7) percent. Gross margin excluding the Networks Centre acquisition amounted to 25.2 (26.4) percent.

Overhead increased compared with the previous year, which is attributable to the Networks Centre acquisition and the weaker Swedish krona. Costs

were also impacted by revaluation of contingent considerations in the amount of MSEK -7.3 (0.4).

Operating profit before amortization of intangible assets (EBITA) amounted to MSEK 68 (38) during the period, an increase of 142 percent. EBITA was affected by MSEK -8.3 (-4.4) attributable to unrealized exchange rate gains and losses. MSEK -7.3 (0.4) of this amount derives from the revaluation of contingent considerations. In 2022, acquisition costs of MSEK -4.3 were included. Adjusted for the above, EBITA increased by 61 percent and EBITA margin amounted to 6.6 (6.6) percent.

Amortization of acquired customer relations amounted to MSEK -10.5 (-1.0), of which MSEK -9.4 is attributable to Networks Centre.

Profit or loss for the period amounted to MSEK 23 (23).

CASH FLOW, INVESTMENTS AND CASH AND CASH EQUIVALENTS

The quarter

Cash flow from operating activities amounted to MSEK 60 (22). The change in working capital amounted to MSEK 39 (8) during the quarter.

Other net investments in tangible and intangible fixed assets amounted to MSEK -0.3 (-2.2). Net cash flow from acquisitions amounted to MSEK 0 (-227).

Cash flow from financing activities amounted to MSEK -73 (236) and consisted in part of repayment of loans, repayment of lease liabilities, and interest paid and received.

January-September

Cash flow from operating activities amounted to MSEK 96 (15). The change in working capital amounted to MSEK 9 (-31) during the period.

Other net investments in tangible and intangible fixed assets amounted to MSEK -4.9 (-8.1). Net cash flow from acquisitions amounted to MSEK -15 (-232), relating to deferred payment for the NWC acquisition and paid contingent consideration of MDKK 4 relating to the acquisition of Alcadon ApS (formerly 6X International ApS).

Cash flow from financing activities amounted to MSEK -105 (319) and consisted in part of issue proceeds of MSEK 50 (125) after issuance costs, in part of amortization and decreased utilization of the bank overdraft facility of MSEK -120 (-47).

At the end of the period, the Group's cash and cash equivalents amounted to MSEK 71 (123). The overdraft granted with SEB amounts to MSEK 50 (50), of which MSEK 50 (49) was undrawn at the end of the period.

In connection with the Networks Centre acquisition, the company refinanced previous loans with SEB without pledged collateral. As of 30 September 2023, previous financing belonging to Networks Centre has been repaid in full.

There are no pledged assets or contingent liabilities in the parent company.

OPERATING EXPENSES

The quarter

Operating expenses amounted to MSEK -348 (-272), an increase of 28 percent.

Overhead amounted to MSEK -57 (-52), an increase of 10 percent. In addition to the acquisition of Networks Centre, overhead increased as a result of the weaker Swedish krona. During the quarter, the revaluation of contingent considerations resulted in a decrease in overhead of MSEK 4.9 (1.4).

January-September

Operating expenses amounted to MSEK -1,058 (-661), an increase of 60 percent.

Overhead amounted to MSEK -199 (-134), an increase of 48 percent. In addition to the acquisition of Networks Centre, overhead increased as a result of the weaker Swedish krona and revaluation of contingent considerations of MSEK -7.3 (0.4).

PERSONNEL

The number of employees at the end of the period was 166 (172). The average number of employees during the quarter was 166 (133).

EXCHANGE RATE DIFFERENCES

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

Other exchange rate differences are classified as financial exchange rate differences, which include, among other things, exchange rate differences on loans and bank balances denominated in foreign currencies.

For the quarter, exchange rate differences of an operating nature amounted to MSEK 5.1 (-0.8), of which MSEK 4.9 (1.4) is attributable to revaluation of contingent considerations.

For the year, exchange rate differences of an operating nature amounted to MSEK -8.3 (-4.4), of which MSEK -7.3 (0.4) is attributable to revaluation of contingent consideration.

Unrealised exchange rate differences on internal loans are reported in net financial items and amount to SEK -2.4 million in the third quarter and SEK 3.4 million for the period January to September.

Exchange rate differences from the restatement of foreign operations are recognized in Other comprehensive income. The quarter's restatement amounted to MSEK -21 (-2.3) and is attributable to the rise in value of SEK against GBP, EUR and DKK. For the year, the restatement amounts to MSEK 31 (2.5) attributable to the depreciation of the Swedish krona against said currencies.

THE PARENT COMPANY

The operations in the parent company, reg.no. 559009-2382, comprise group management, economy and IR/PR. For the quarter, profit or loss after financial items amounted to MSEK 0.6 (-2.4), of which MSEK 4.9 (1.4) is attributable to revaluation of contingent considerations.

For the year, profit or loss after financial items amounted to MSEK -24.8 (-7.7), of which MSEK -7.3 (0.4) is attributable to revaluation of contingent considerations.

At the end of the period, cash and cash equivalents amounted to MSEK 1.1 (89).

DISPUTES

As of the end of the period, the Group was not involved in any material ongoing disputes.

RISKS AND UNCERTAINTIES

The risks and uncertainties faced by the Alcadon Group are described in the Annual Report and on the company's website, www.alcadongroup.se.

No significant changes have occurred which would require these descriptions to be further amended.

RELATED PARTY TRANSACTIONS

During the first half of the year, the Group carried out transactions of MSEK 0.6 (0.6) with Paseca AB, which is owned by the Chairman of the Board, Pierre Fors, through Alcadon Group AB. These transactions relate to consultancy services.

Through Networks Centre, the Group had sales of MSEK 2.3 (0.0) and purchases of MSEK 5.0 (0.0) with Xsicute Ltd, which is partially owned and controlled by Networks Centre's former principal owner Duncan Lindsay and Networks Centre's CEO James Reid. The transactions relate to sales and purchases of products.

Furthermore, Networks Centre has had purchases of marketing services of SEK 0.6 (0.0) million from HCO Consulting, which is owned and controlled by Networks Centre's former principal owner Duncan Lindsay.

All transactions are considered commercially reasonable and based on market conditions. No other material related party transactions were carried out during the year.

GOODWILL

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

The tests for impairment conducted at year-end indicated no impairment.

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

In the preliminary acquisition analysis relating to the acquisition of Networks Centre, MGBP 26 (MSEK 326, at the time of the acquisition) of the total surplus value of MGBP 33.1 (MSEK 415), was allocated to Goodwill. The remaining part was allocated to customer relations, which are amortized over a period of 10 years.

For more information, please refer to the acquisition analyses in Note 3. As of 30 September 2023, goodwill amounted to MSEK 691 (761).

INTEREST COSTS

Interest costs amounted to MSEK -8.0 (-2.6) for the quarter. MSEK -0.9 (0.0) of the interest cost is non-cash discount rate attributable to contingent consideration provisioned for the acquisition of Networks Centre and MSEK -0.4 (-0.4) is interest cost relating to rights of use.

FUTURE DEVELOPMENTS

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 well-renowned European premium partner active in carefully selected business areas related to the digitalization of society.

Financial targets over a business cycle

- **Growth** – Annual sales growth of 20 percent
- **Profitability** – EBITA margin exceeding 10 percent
- **Indebtedness** – Net interest-bearing liabilities/ EBITDA (rolling 12 months) between 2 and 3

Growth – Alcadon shall have an average annual 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 should exceed 10 percent over a business cycle. EBITA is defined as operating profit before amortization of intangible assets.

Indebtedness – Alcadon's long-term indebtedness should stay within 2 to 3 times EBITDA. EBITDA is defined as operating profit before depreciation and amortization, excluding acquisition costs and including acquisition pro forma.

Vision 2025

- Net sales – MSEK 2,600
- EBITA – MSEK 280
- EBITA % – 10.8%

In addition, the Board of Directors resolved on the following key objectives for Alcadon:

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

Other objectives	Objective	2022
Employee engagement	>30	40
Customer loyalty*	>30	54

*Measured in Sweden and Norway during 2022. Other companies will follow in 2023.

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 rating 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 answered between 9-10 while critics are considered to be all those who answered 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 of 1-10, with the number of ambassadors then set against the number of critics. Ambassadors are considered to be all those who answered between 9-10 while critics are considered to be all those who answered between 1-6.

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

AUDITOR'S REVIEW

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

FINANCIAL CALENDAR

Year-end report 2023	No later than week 8, 2024
Annual Report 2023	No later than three weeks prior to the Annual General Meeting 2024
Annual General Meeting 2024	No later than week 17, 2024

ANNUAL GENERAL MEETING 2023

The Annual General Meeting 2023 was held in Stockholm on 28 April 2023. For information about the Annual General Meeting and the resolutions passed, please refer to the Company's AGM communiqué which is available on the Company's website, www.alcadongroup.se/investerare/bolagsstammor/.

DIVIDEND

In light of the completed acquisition of Networks Centre and the expectation of continued good growth, it was resolved that no dividend be paid for 2022.

WARRANTS

In accordance with the Annual General Meeting's resolution in April 2021, 26 employees subscribed for warrants under the warrant program 2021/2024 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 0.5 percent calculated on the basis of the company's 21,722,570 shares.

The average share price of ordinary shares during the period January to September exceeded the exercise price of the warrants. Hence, the shares are included in the calculation of the number of shares after dilution in the financial tables. During the period July to September, the average share price was below the exercise price. Hence, the warrants are not included in the calculation of the number of shares after dilution for the quarter.

In accordance with the Annual General Meeting's resolution in April 2022, 19 employees subscribed for warrants under the Warrant program 2022/2025 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 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 0.3 percent calculated on the basis of the company's 21,722,570 shares.

The average share price of ordinary shares during the periods January to September and July to September was below the exercise price of the warrants. Hence, the shares are not included in the calculation of the number of shares after dilution in the financial tables.

In accordance with the Annual General Meeting's resolution in April 2023, 19 employees subscribed for warrants under the warrant program 2023/2026 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 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 0.6 percent calculated on the basis of the company's 21,722,570 shares.

The average share price of ordinary shares during the period was below the exercise price of the warrants. Hence, the shares are not included in the calculation of the number of shares after dilution in the financial tables.

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

SHARE INFORMATION

Alcadon Group AB's share is listed on Nasdaq First North since 14 September 2016. As of 30 September 2023, the number of shares amounts to 21,722,570.

On 21 March 2023, Alcadon Group carried out a directed issue of 974,818 shares at a subscription price of SEK 54 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 52,6 before issuance costs. The number of shares in Alcadon Group AB thus increased from 20,612,823 to 21,587,641 through the new issue.

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

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 share price at the end of the period was SEK 28.1 (2023-09-30)

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

LOANS & CREDITS

Alcadon's financing consists of bank loans with SEB, initially of MSEK 380, extending over 3+1 years from August 2022. After repayments, the SEB loans amounted to MSEK 342 as of 30 September 2023.

Terms in brief

- Bank loan, MSEK 130, straight-line amortization over 10 years, interest rate STIBOR 3M + 1.4-2.4 percentage points depending on the debt-to-equity ratio.
- Bank loan, MSEK 250, straight-line amortization over 10 years, interest rate STIBOR 3M + 1.4-2.4 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 30, interest rate STIBOR 3M + 1.4-2.4 percentage points depending on debt-to-equity ratio, 0.35 percent on undrawn amount.

Overall, the Group's bank loans amount to MSEK 342 (445) as of 30 September 2023, of which MSEK 38 (103) is recognized as a current liability under Other interest-bearing liabilities and MSEK 304 (342) is recognized as long-term under Liabilities to credit institutions. As of 30 September 2023, previous short-term financing belonging to Networks Centre has been repaid in full. Current liabilities of MSEK 38 (103) refer to the amortization table of the loans with SEB.

The Company reports covenants relating to debt-to-equity ratio, Net debt/EBITDA (calculated less lease liability and including lease costs attributable to operational leasing), and cash flow in relation to amortization and financing costs.

The overdraft granted with SEB amounts to MSEK 50 (50), of which MSEK 50 (49) was undrawn at the end of the period.

ACCOUNTING POLICIES & NOTES

See pages 16-18 for accounting policies and notes.

OWNERSHIP

The largest shareholders of Alcadon Group as of 30 September 2023.

Name	Shareholding	Shareholding, %
Investment AB Spiltan	3,445,893	15.9%
Ribbskottet Aktiebolag	2,210,000	10.2%
Andra AP-Fonden	1,512,524	7.0%
Athanase Industrial Partners	1,413,507	6.5%
Susanne Stengade Holding ApS	981,780	4.5%
Consensus Asset Management	905,000	4.2%
Avanza Pension	788,850	3.6%
Jeansson, Theodor	681,910	3.1%
Nordnet Pensionsförsäkring AB	615,522	2.8%
Norron Fonder	611,632	2.8%
ÖstVäst Capital Management	549,833	2.5%
Swedbank Robur Microcap	545,000	2.5%
Fondita Nordic Micro Cap Investment, Fund	375,000	1.7%
Lindsay, Duncan	317,088	1.5%
Lindsay, Natalie	314,389	1.4%
Cicero Fonder	270,349	1.2%
Evli Swedish Small Cap Fund	231,258	1.1%
Hajskäret Invest AB	208,459	1.0%
Mårtensson, Jonas	208,092	1.0%
Roy W. Furulund	191,345	0.9%
Grand Total	16,377,431	75.4%
Others	5,345,139	24.6%
Total	21,722,570	100.0%

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 do not add up exactly to the specified total.

ALCADON GROUP - THE GROUP	Quarter 3		January - September		Full year
Condensed statement of profit or loss (MSEK)	2023	2022	2023	2022	2022
INCOME STATEMENT					
Operating income	381.4	288.0	1,141.3	709.2	1,110.4
Total income	381.4	288.0	1,141.3	709.2	1,110.4
Operating expenses	-348.1	-272.0	-1,058.1	-661.0	-1,025.9
Operating profit before depreciation/amortization	33.4	16.1	83.2	48.2	84.5
Depreciation of tangible assets	-5.4	-4.5	-15.7	-10.1	-15.9
Operating profit before amortization of intangible assets	28.0	11.6	67.5	38.1	68.6
Amortization of intangible assets	-4.7	-0.4	-13.4	-1.3	-6.3
Operating profit	23.3	11.1	54.1	36.8	62.3
Net financial items	-11.2	-3.5	-23.6	-4.2	-10.7
Profit after net financial items	12.1	7.7	30.5	32.6	51.6
Tax on profit for the year	1.5	-3.0	-7.4	-9.3	-14.5
Profit or loss for the period	13.7	4.7	23.1	23.2	37.1
Attributable to:					
Non-controlling interests	0.0	-0.5	0.0	-0.4	0.0
The parent company's shareholders	13.7	5.1	23.1	23.6	37.1
Profit or loss for the period	13.7	4.7	23.1	23.2	37.1
Other comprehensive income					
Translation differences for the period due to restatement of foreign subsidiaries	-20.6	-2.3	31.1	2.5	11.4
Total comprehensive income for the period	-6.9	2.4	54.2	25.7	48.4
Total comprehensive income for the period attributable to:					
Non-controlling interests	0.0	-0.5	0.0	-0.4	0.0
The parent company's shareholders	-6.9	2.9	54.2	26.2	48.4

	Quarter 3		January - September		Full year
DATA PER SHARE	2023	2022	2023	2022	2022
Number of shares					
Number of shares at the end of the period	21,722,570	20,612,823	21,722,570	20,612,823	20,612,823
Average number of shares	21,722,570	20,118,976	21,414,307	19,718,406	19,942,010
Average number of shares (after dilution)	21,722,570	20,568,976	21,832,570	20,168,406	20,392,010
Earnings per share					
Earnings per share for the period based on average number of shares, SEK	0.63	0.23	1.08	1.18	1.86
Diluted earnings per share for the period, SEK	0.63	0.23	1.06	1.15	1.82
Equity per share					
Equity per share at the end of the period, SEK	31.3	23.3	31.3	23.3	27.9

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

Goodwill, Note 3	690.8	761.3	671.0
Other intangible fixed assets, Note 3	130.7	19.6	135.1
Tangible fixed assets	97.0	102.4	99.5
Financial fixed assets	7.2	4.4	5.0

Total fixed assets

925.7	887.7	910.6
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Current assets

Inventories	305.3	275.9	345.3
Trade receivables	283.0	299.9	274.9
Other current assets	44.2	36.5	30.5
Cash and bank	70.7	122.9	101.3

Total current assets

703.2	735.2	751.9
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TOTAL ASSETS

1,628.9	1,622.9	1,662.5
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Equity

Share capital	1.0	1.0	1.0
Other contributed capital	401.4	351.3	351.3
Retained earnings including net profit for the period	277.7	203.4	222.9
Equity attributable to parent company shareholders	680.2	555.6	575.1
Non-controlling interests	0.0	-0.1	0.0

Total equity

680.2	555.5	575.1
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Provisions

Other provisions, Note 4	143.9	146.8	140.3
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Total provisions

143.9	146.8	140.3
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Long-term liabilities

Deferred tax liability, Note 3	45.4	4.6	33.3
Liabilities to credit institutions	304.0	342.0	332.5
Other long-term liabilities	64.5	69.2	65.6

Total long-term liabilities

413.9	415.7	431.4
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Current liabilities

Bank overdraft facility	0.0	1.1	4.9
Other interest-bearing liabilities	58.2	122.8	125.1
Trade payables	235.4	250.7	260.5
Other current liabilities	97.3	130.2	125.1

Total current liabilities

390.9	504.8	515.6
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TOTAL EQUITY AND LIABILITIES

1,628.9	1,622.9	1,662.5
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ALCADON GROUP - THE GROUP	Quarter 3		January - September		Full year
Condensed changes in equity (MSEK)	2023	2022	2023	2022	2022
Opening equity	687.1	480.3	575.1	340.7	340.7
Other changes in equity	0.0	0.0	0.0	0.0	-3.2
Other contributed capital	0.0	72.8	50.8	198.9	198.9
Dividend	0.0	0.0	0.0	-9.8	-9.8
Non-controlling interests	0.0	-0.5	0.0	-0.4	0.1
Comprehensive income for the period attributable to parent company shareholders	-6.9	2.9	54.2	26.2	48.4
Closing equity	680.2	555.5	680.2	555.5	575.1

ALCADON GROUP - THE GROUP	Quarter 3		January - September		Full year
Consolidated condensed statement of cash flows (MSEK)	2023	2022	2023	2022	2022
Operating profit	23.3	11.1	54.1	36.8	62.3
Adjustments for non-cash items, etc.	3.6	6.0	42.5	17.1	33.5
Income tax paid	-5.9	-2.5	-9.7	-7.5	-17.4
Change in working capital	39.2	7.5	9.0	-31.2	-54.2
Net cash flow from operating activities	60.1	22.1	95.8	15.2	24.1
Acquisition of fixed tangible and intangible assets	-0.3	-2.2	-4.9	-8.1	-11.8
Change in financial fixed assets	-0.4	-0.3	-2.0	-0.4	-1.0
Business combinations	0.0	-226.6	-15.2	-232.4	-246.2
Cash flow from investing activities	-0.6	-229.1	-22.2	-240.9	-259.0
Dividend paid	0.0	0.0	0.0	0.0	-9.8
New issuance/Warrant proceeds	0.0	0.0	50.2	116.2	126.1
Interest paid and received and other financial items	-11.2	-4.7	-23.6	-5.5	-11.7
Amortization of lease liabilities	-3.7	-2.9	-11.3	-7.4	-10.7
Amortization	-58.1	-20.0	-120.4	-47.4	-55.6
Borrowings	0.0	263.5	0.0	263.5	268.2
Cash flow from financing activities	-72.9	235.8	-105.1	319.4	306.4
Cash flow for the period	-13.5	28.8	-31.4	93.8	71.5
Reconciliation of changes in cash and cash equivalents					
Opening balance, cash and cash equivalents	84.9	93.5	101.3	28.4	28.4
Exchange rate difference on cash and cash equivalents	-0.7	0.6	0.9	0.7	1.4
Closing balance, cash and cash equivalents	70.7	122.9	70.7	122.9	101.3
Change in cash and cash equivalents	-13.5	28.8	-31.4	93.8	71.5

ALCADON GROUP AB - PARENT COMPANY	Quarter 3		January - September		Full year
Condensed statement of profit or loss (MSEK)	2023	2022	2023	2022	2022
INCOME STATEMENT					
Net sales	3.2	2.5	8.3	6.5	8.7
Other operating income	4.9	0.0	0.0	0.0	0.0
Total income	8.1	2.5	8.3	6.5	8.7
Operating expenses	-4.0	-3.1	-20.0	-11.8	-17.0
Operating profit	4.1	-0.7	-11.7	-5.3	-8.3
Net financial items	-3.5	-1.7	-13.1	-2.4	-7.0
Profit after net financial items	0.6	-2.4	-24.8	-7.7	-15.3
Appropriations	23.4	0.0	23.4	0.0	13.3
Profit or loss before tax	24.0	-2.4	-1.5	-7.7	-2.1
Tax on profit for the year	1.6	0.6	3.8	1.6	0.0
Profit or loss for the period	25.6	-1.8	2.4	-6.1	-2.1

ALCADON GROUP AB - PARENT COMPANY	2023-09-30	2022-09-30	2022-12-31
Condensed statement of financial position (MSEK)			
BALANCE SHEET			
Fixed assets			
Financial fixed assets	1,066.6	895.4	937.4
Total fixed assets	1,066.6	895.4	937.4
Current assets			
Receivables from Group companies	3.2	19.7	0.0
Trade receivables	0.0	0.0	0.0
Other current assets	7.1	7.0	2.9
Cash and bank	1.1	89.3	80.1
Total current assets	11.4	116.0	83.1
TOTAL ASSETS	1,078.0	1,011.4	1,020.5
Equity			
Share capital	1.0	1.0	1.0
Retained earnings including net profit for the period	409.5	352.3	356.3
Total equity	410.5	353.3	357.3
Provisions			
Other provisions	143.9	146.8	140.3
Total provisions	143.9	146.8	140.3
Long-term Liabilities			
Other borrowings	304.0	342.0	332.5
Liabilities to Group companies	92.2	95.1	81.8
Total long-term liabilities	396.2	437.1	414.3
Current interest-bearing liabilities	38.0	39.1	42.9
Liabilities to Group companies	81.6	7.2	56.6
Current liabilities	7.7	27.9	9.1
Total current liabilities	127.3	74.3	108.6
TOTAL EQUITY AND LIABILITIES	1,078.0	1,011.4	1,020.5

CONSOLIDATED QUARTERY DATA		Q3	Q2	Q1	Q4	Q3	Q2	Q1	Q4
INCOME STATEMENT, MSEK		2023	2023	2022	2022	2022	2022	2021	2021
Net sales		381.4	371.1	388.8	401.2	288.0	216.1	205.1	206.4
Profit									
Operating profit before amortization of intangible assets (EBITA)		28.0	11.4	28.1	30.5	11.6	10.7	15.8	15.6
Profit after net financial items		12.1	2.0	16.3	19.0	7.7	10.7	14.2	14.5
Profit or loss for the period		13.7	-2.2	11.6	13.9	4.7	7.9	10.6	11.0
Margin measures in %									
Gross margin, %		23.8	24.2	26.0	25.3	23.5	26.0	28.3	27.3
Operating margin (EBITA), %		7.3	3.1	7.2	7.6	4.0	4.9	7.7	7.6
Net margin, %		3.6	-0.6	3.0	3.5	1.6	3.7	5.2	5.3
BALANCE SHEET (MSEK)									
Assets									
Total fixed assets		926	953	914	911	888	398	390	391
Total current assets		703	729	725	752	735	435	427	332
Total assets		1,629	1,682	1,639	1,662	1,623	832	817	723
Equity & liabilities									
Total equity		680	687	644	575	556	480	479	341
Total long-term liabilities & provisions		558	574	562	572	563	148	153	165
Total current liabilities		391	421	434	516	505	204	185	217
Total equity & liabilities		1,629	1,682	1,639	1,662	1,623	832	817	723
CASH FLOW (MSEK)									
Net from operating activities		60.1	17.9	17.7	8.4	22.1	-12.6	5.9	-8.0
Investing activities		-0.6	-3.6	-17.9	-17.7	-229.1	-4.4	-7.3	-6.4
Financing activities		-72.9	-35.4	3.3	-12.9	235.8	-17.3	100.8	11.9
Cash flow for the period		-13.5	-21.1	3.0	-22.3	28.8	-34.3	99.4	-2.5
OTHER INDICATORS									
Earnings per share, SEK		0.63	-0.10	0.56	0.67	0.23	0.40	0.55	0.60
Return on equity, %		5.4	4.2	6.3	6.5	6.8	8.8	10.5	13.9
Equity per share, SEK		31.3	31.6	29.6	27.9	23.3	24.5	24.4	18.6
Cash flow from operating activities per share, SEK		2.8	0.8	0.8	0.4	1.1	-0.6	0.3	-0.4
Share price at the end of the period, SEK		39.9	39.9	50.6	74.3	68.6	72.0	85.6	125.0

NOTE 1. ACCOUNTING POLICIES

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) and the interpretations thereof by the IFRS Interpretations Committee as adopted by the EU. The Group has also applied the Swedish Financial Reporting Board recommendation RFR 1 Supplementary Accounting Rules for groups.

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

The Group and the Parent Company have applied the same accounting policies and bases of calculation as in the last annual report, with the exception of new standards and interpretations and amendments to existing standards and interpretations effective as of 1 January 2023 or later.

IFRS 16 Leases

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

Where Alcadon is the lessee, rights-of-use 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. The Group has leases for office and warehouse premises and cars. Short-term leases and leases of low-value assets are excluded, as these are expensed as they arise.

Carrying amounts in the balance sheet as of 30 September 2023:

- Rights of use: MSEK 87 (92), recognized as Tangible fixed assets
- Lease liabilities: MSEK 84 (89), of which MSEK 64 (69) is recognized as Other long-term liabilities and MSEK 20 (19) as Other interest-bearing liabilities

Other information

No other of the IFRS or IFRIC interpretations yet to enter into force are expected to have any material impact on the Group's financial statements. Important accounting policies are summarized in the annual report 2022. For more information, please refer to the company's website, www.alcadongroup.se.

NOTE 2. OPERATING INCOME

Alcadon conducts sales of goods in various regions, and sales revenue is recognized in profit or loss when control has been transferred to the customer. In addition, the Group provides services in the form of technical support and service agreements. 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. See table below for a breakdown of net sales by region.

Geographic market (external turnover) MSEK	Quarter 3		January - September		Full year
	2023	2022	2023	2022	2022
Sweden	77.8	74.8	279.2	255.4	349.9
Norway	25.4	36.7	86.9	114.2	148.1
Denmark	46.3	78.4	131.5	211.7	286.6
Germany	29.1	8.8	82.8	20.2	38.4
The United Kingdom	153.1	76.6	453.8	76.6	236.1
The Benelux	49.7	12.8	107.2	31.1	51.2
Total	381.4	288.0	1,141.3	709.2	1,110.4

Following the Networks Centre acquisition, revenues are no longer broken down on the business areas Commercial property networks, Residential networks, Fiber networks/FTTx, and Services.

NOTE 3. BUSINESS COMBINATIONS

NETWORKS CENTRE IN THE UNITED KINGDOM

On 17 August 2022, Alcadon Group AB acquired 100 percent of the UK company Networks Centre Holding Company Ltd and its subsidiaries. Networks Centre is a professional distributor of products and complete systems for network infrastructure, operating in the United Kingdom and the Netherlands (with warehouses and offices in England, Scotland as well as the Netherlands). Approximately 40 percent of sales come from the Commercial property segment, 30 percent from the Data centre segment and 30 percent from Fiber networks (FTTx/B/H). The largest customer categories are installers, integrators, data centres and broadband operators.

Through the “Networks Centre Training Academy”, Networks Centre, as one of few distributors in Europe, offers the international BICSI RCDD accreditation and a significant number of tailored courses and accreditations.

The customer offering comprises complete system solutions where Networks Centre takes on the role as project leader with tailor-made solutions. The company represents a large number of reputable international manufacturers with a focus on the premium segment.

With the acquisition of Networks Centre, Alcadon Group is establishing itself in one of the largest and fastest growing markets in network infrastructure in the World: the United Kingdom. In addition, Networks Centre has in a short amount of time successfully launched operations in the Netherlands, where it currently has a strong base in the Data centre segment that complements Alcadon's current operations in the Benelux region very well. Today, Networks Centre has a very strong position in the United Kingdom, not only in the Commercial networks and Data centre segments—it is also one of few operators to successfully establish itself as a well-known player in the UK broadband rollout with a complete fiber network offering. The company has an excellent reputation among both customers and suppliers, and with overlapping and complementary product portfolios, similar strategy and values, a solid system-solution mindset, and good supplier relations, everything indicates that Networks Centre and Alcadon Group will be able to make significant contributions to each other's development.

As of 31 December 2022, the preliminary acquisition analysis originally drawn up on 30 September 2022 was updated. The purchase price of the shares, including contingent consideration, amounts to MSEK 459, of which MSEK 251 has been paid in cash. Conditional consideration amounts to not more than MGBP 10, which in the acquisition analysis was discounted to MSEK 118 (MGBP 9.4) to be paid in cash depending on the improvement in performance of Networks Centre over the 36 months following the date of acquisition. 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. The discount rate is recognized in net financial items.

Deferred payment relates to compensation for deferred tax and outstanding claims on former owners and will be paid in connection with Networks Centre's realization of these items in cash.

Identified intangible assets of MSEK 120 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 -30 in the acquisition analysis and is dissolved in step with the amortization. The amortization will have an annual impact on operating profit of MSEK -12, and an MSEK -9 impact on profit or loss. Net assets, including identified intangible assets and deferred tax liability, amount to MSEK 132 in the acquisition analysis.

Goodwill amounts to MGBP 26 (MSEK 326, at the time of the acquisition), relating to the company's expected future earning power and the personnel of Networks Centre.

PRELIMINARY ACQUISITION ANALYSIS (MSEK)	Reported value at the acquisition date	Adjustment to fair value	Fair value
Fair value of the consideration transferred			
Shares			72.4
Cash			250.9
Deferred payment			17.5
Contingent consideration			117.8
Total purchase price			458.5
Identifiable net assets			
Intangible fixed assets	0.0	119.7	119.7
Other fixed assets	70.3	0.0	70.3
Inventories	86.3	0.0	86.3
Current receivables	139.5	0.0	139.5
Cash and cash equivalents	15.0	0.0	15.0
Other long-term liabilities	-47.4	0.0	-47.4
Deferred tax liabilities	-0.8	-29.9	-30.7
Other interest-bearing liabilities	-101.9	0.0	-101.9
Trade and other payables	-118.8	0.0	-118.8
Acquired net assets			132.1
Goodwill arising on acquisition			326.4
Initial consideration in cash and cash equivalents			250.9
Acquired cash and cash equivalents			15.0
Cash flow arising from acquisition			-235.8

NOTE 4. OTHER PROVISIONS

MSEK	Quarter 3		January - September		Full year
	2023	2022	2023	2022	2022
Opening provisions	147.8	22.2	140.3	26.8	26.8
New provisions	0.0	126.0	0.0	126.0	116.1
Reversed provisions	0.9	0.0	2.6	0.0	0.0
Exchange rate differences	-4.7	-1.4	7.1	-0.2	3.7
Payments	0.0	0.0	-6.0	-5.8	-6.3
Closing provisions	143.9	146.8	143.9	146.8	140.3

Provision as of 30 September 2023 relates to contingent consideration for the acquisition of Alcadon ApS (formerly 6X International ApS) of MSEK 15 (MDKK 10) and contingent consideration for the acquisition of Networks Centre of MSEK 129 (MGBP 9.7). Contingent consideration for the acquisition of Networks Centre of MSEK 129 (MGBP 9.7) relates to the discounted value of the total contingent consideration of MGBP 10, which, calculated at the closing rate, corresponds to MSEK 133. The difference is recognized in profit or loss as a discount rate in net financial items until any payment dates for the contingent considerations. The discount rate amounts to MSEK -0.9 during the third quarter and to MSEK -2.6 during January - September. During the first quarter of 2023, contingent consideration payments of MSEK 6 (MDKK 4) were made for Alcadon ApS.

The Board of Directors and the CEO confirm that this interim report provides a true and fair view of the parent company's and the group's position and performance, gives a fair review of the development of the parent company's and the group's operations, and describes material risks and uncertainties faced by the parent company and the companies belonging to the group.

Stockholm, 27 October 2023

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Chairman of the Board

Jonas Mårtensson

Vice Chairman

Marie Ygge

Director

Lars Engström

Director

Sonny Mirborn

Chief Executive Officer

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