



Alcadon Group

The Alcadon Way

Enabling Digitalization for a better world



2024
January - March

INTERIM REPORT

Delårsrapport

1 January - 31 March 2024

Irish acquisition strengthens the group in the data center segment in Europe

FIRST QUARTER OF 2024

- Net sales increased by 2.7 percent to MSEK 399 (389). In unchanged currency, sales increased by 1.1 percent.
- Operating profit before amortization of intangible assets (EBITA) decreases by 25 percent to MSEK 21 (28), of which MSEK -6.2 (-3.3) is attributable to unrealized exchange rate gains and losses.
- Cash flow from operating activities amounted to MSEK 12 (20), corresponding to SEK 0.56 (0.98) per share.
- Earnings per share amount to SEK 0.62 (0.56).
- The equity ratio increased during the period to 52 percent from 44 percent.

	Quarter 1		Full year
	2024	2023	2023
Net sales, MSEK	399.2	388.8	1 572.8
Gross margin, %	24.3	26.0	24.4
EBITA, MSEK	21.1	28.1	106.8
EBITA, %	5.3	7.2	6.8
Profit or loss for the period, MSEK	13.6	11.6	37.9
Earnings per share, SEK	0.62	0.56	1.76

SIGNIFICANT EVENTS DURING THE QUARTER

- Alcadon signs an agreement to acquire Irish Wood Communications Ltd, one of Ireland's leading distributors of networking products, with planned closing date of 2 April 2024.
- Alcadon has carried out a directed share issue of 2,054,795 shares to existing and new investors to partly finance the acquisition of Wood Communications Ltd. Through the issue, Alcadon receives MSEK 75 before transaction costs. The number of shares in Alcadon Group AB increased from 21 722 570 to 23 777 365 after the issue.

SIGNIFICANT EVENTS AFTER THE END OF THE PERIOD

- Alcadon carries 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 completed issue.
- Alcadon has completed the acquisition of Irish Wood Communications Ltd on 2 April 2024.
- Group CEO Sonny Mirborn will leave Alcadon in October 2024. The Board has initiated a recruitment process to find a new Group CEO.

Stockholm, 26 April 2024

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This information is information that Alcadon Group AB is obliged to make public pursuant to the EU Market Abuse Regulation. The information was submitted for publication, through the agency of the contact person set out above, at 08:00 on 26 April 2024.



A word from the CEO

- **3 percent growth with a decrease in EBITA of -13 percent, excluding unrealized currency effects and adjustments for items affecting comparability.**
- **Continuous efforts to streamline inventory management contribute to reduced inventory levels during the quarter.**
- **Fluctuating demand situation in the Group's markets and customer segments.**
- **The acquisition of Wood after the end of the quarter strengthens the Group's position in the data center segment in Europe.**

DEVELOPMENTS IN THE QUARTER

Despite a tough comparison quarter in 2023 where we had an organic growth of 22 percent and a very good earnings trend, we have a positive organic growth in Q1 2024 and a satisfactory EBITA level. In a partly continued challenging market climate, we are satisfied with the outcome.

Cash flow from operating activities continues to be positive, with inventory levels being further reduced and contributing to a strong balance sheet. Our efforts to streamline cash flow continue unabated and are having the desired effect.

The market trends are largely similar to those of the previous quarter, with a positive development in the data center segment, a relatively stable situation for commercial properties and a mixed demand in the broadband market. The acquisition of Wood is not only favorable from a financial perspective, but also essential to strengthen our ability to win more business in the data center sector in Europe. Thus, the acquisition is in line with our strategy and timely.

The United Kingdom

Growth in local currency amounts to -7 percent, which can be compared with a very strong first quarter of 2023 where growth amounted to 23 percent, driven by a strong data center segment. The trend from 2023, with a strong data center segment, a weak

broadband market and a relatively stable market in commercial real estate, remains in Q1 2024. Networks Centre as a whole, which also includes the operations in the Netherlands, showed a growth in local currency of 4 percent during the quarter. Otherwise, our operations are characterized by good cost control and profitability and increased market shares in several customer segments.

Sweden

Growth during the quarter amounted to -16 percent and increased gross margins contributed to a continued good operating margin. As in the previous quarter, the market demand remains positive despite the negative growth during the quarter. All segments showed a relatively stable development except the broadband segment where growth was negative. The latter is partly project dependent and partly due to a cold winter. Growth in the broadband segment should look much better during the year as a whole.

The Benelux

With growth in local currency of 210 percent, the Benelux is a success story for the Group. In the region we are still in a start-up phase and with good growth in all segments, the development looks promising to say the least. Volume growth is also starting to have a positive leverage effect on the operating margin despite investments in increased operating costs.

Denmark

Sales in local currency decreased by -31 percent during the quarter. This is a weak development due to a significantly weaker broadband market. The uncertainty is high but the signals from our customers remain positive in the medium term. Other segments show continued good development, primarily the data center segment and industrial sales.

Germany

Growth in local currency during the quarter amounts to 41 percent. The broadband market in Germany is still undergoing a weak development phase, partly due to higher interest rates, while some over-establishment has occurred historically among both manufacturers and customers. Against this background, our sales level is satisfactory, and we also see that more projects have started to be launched and customer activity has increased at the end of the quarter, which indicates a gradual improvement during the year.

Norway

Growth in local currency amounted to -22 percent, with Q1 2023 being a relatively strong quarter in Norway. Sequentially, growth is slightly less negative than before and we see clear tendencies towards a better market at present. Profit development looks good, primarily due to stronger gross margins.

FINANCIALS

Net sales increased by 2.7 percent to MSEK 399 (389). Organic growth including currency effects was 2.7 percent and excluding currency effects 1.1 percent.

The gross margin amounts to 24.3 (26.0) percent and is negatively affected by an increased weighting in the Group towards markets with structurally lower gross margins.

The increase in operating expenses, MSEK -71 (-67), is due to unrealized exchange rate losses on the revaluation of contingent considerations of MSEK -5.1 (-2.4) and as a result of the weaker Swedish krona against GBP in particular.

Operating profit before amortization of intangible assets (EBITA) amounted to MSEK 21 (28) during the quarter. EBITA was affected by MSEK -6.2 (-3.3) attributable to unrealized exchange rate gains and losses. Of this, MSEK -5.1 (-2.4) is a revaluation of contingent consideration. Excluding unrealized exchange rate gains and losses, EBITA decreased by -13 percent and the EBITA margin amounted to 6.8 percent (8.1).

Amortization of acquired customer relationships amounts to MSEK -3.5 (-3.3), of which MSEK -3.1 (-3.0) relates to Networks Centre.

Profit for the period amounted to MSEK 14 (12).

Cash flow from operating activities amounted to MSEK 12 (20). Change in net working capital amounted to MSEK -21 (-11) during the quarter.

Net debt amounts to MSEK 277 (406), of which MSEK 80 (84) is lease liabilities. This is a decrease of MSEK 73 from December 2023 and is mainly due to the completed new share issue.

Net debt/EBITDA including and excluding IFRS 16, of 2.2 (3.1) and 1.8 (2.8) respectively, are both well below the covenant requirement from our lender. Contingent considerations are not part of the net debt as potential payments of contingent considerations are subject to requirements such as EBITDA growth, operating margin development and cash flow.

CONCLUDING REMARKS

Despite the continued challenges in the market, the Group has stood firm and taken important market shares in growing customer segments. Our balance between different customer segments and geographical breadth has created a clear stability for our organization. We also see on a daily basis the development of cross-border cooperation within the Group, which gives rise to new growth opportunities over time and reduces the impact of temporarily more difficult market conditions.

The acquisitions made in recent years have delivered in line with our expectations. Returns are satisfactory and the group's position in Europe has been significantly strengthened. We have every reason to believe that the acquisition of Wood in Ireland will show excellent key figures and good returns. That we chose to make an acquisition in the Irish market is due to Ireland's almost unique position regarding material decisions in the construction of large data centers in Europe. Access to a reputable network infrastructure business in Ireland brings us closer to key decision makers in the data center sector. This makes it easier for the rest of the group to access projects that were previously beyond our reach.

The capital injection made in connection with the acquisition of Wood also helps to bring us closer to a desirable situation where acquisitions are made more programmatically using our own cash flows and leverage.

Many thanks to all employees for another quarter of strong commitment. Welcome to our new Irish colleagues.



Sonny Mirborn
President and CEO
Alcadon Group AB

THE GROUP'S KEY FIGURES	Quarter 1		Full year
	2024	2023	2023
Net sales, MSEK	399,2	388,8	1 572,8
Gross margin, %	24,3	26,0	24,4
Operating profit before amortization of intangible assets (EBITA), MSEK	21,1	28,1	106,8
Operating profit before amortization of intangible assets (EBITA), %	5,3	7,2	6,8
Operating profit after depreciation/amortization (EBIT), MSEK	16,7	24,6	88,8
Operating margin after depreciation/amortization (EBIT), %	4,2	6,3	5,6
Profit or loss for the period, MSEK	13,6	11,6	37,9
Net margin, %	3,4	3,0	2,4
Equity ratio, %	51,7	39,3	44,1
Return on equity, %	5,8	6,3	5,9
Net interest-bearing liabilities, MSEK	277,4	405,6	349,6
Net interest-bearing liabilities excluding leasing debt, MSEK	197,4	321,9	270,5
Operating profit before depreciation and amortization (EBITDA) / Net working capital, %	36,5	26,4	41,3
Cash flow from operating activities, MSEK	12,4	20,4	136,6
Cash flow from operating activities per share, SEK	0,56	0,98	6,36
Equity per share, SEK	33,2	29,6	30,8
Earnings per share, SEK	0,62	0,56	1,76
Number of shares at the end of the period	23,777,365	21,722,570	21,722,570
Average number of shares	22,065,036	20,797,781	21,491,373
Number of employees at the end of the period	165	176	164
Average number of employees during the period	163	174	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 amortization of intangible assets as a percentage of net sales for the period.
EBIT margin:	Operating profit after depreciation as a percentage of net sales for the period.
Net margin:	Profit for the period as a percentage of net sales.
Return on equity:	Net profit over the last 12 months as a percentage of average equity.
Net interest-bearing liabilities:	The net total of financial assets including cash and cash equivalents minus interest-bearing provisions and liabilities. The amounts are calculated including lease liabilities in accordance with IFRS 16, amounting to MSEK 80 (84).
Operating profit before depreciation and amortization (EBITDA) / Net working capital:	Operating result before depreciation and amortization (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 during the period.
Operating expenses:	Refers to staff costs and other external operating costs.

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

Financial information

REVENUE AND RESULTS

Quarter

Net sales increased by 2.7 percent to MSEK 399 (389). Organic growth including currency effects was 2.7 percent and excluding currency effects 1.1 percent.

The gross margin amounts to 24.3 (26.0) percent and is negatively affected by an increased weighting in the Group towards markets with structurally lower gross margins.

The increase in operating expenses, MSEK -71 (-67), is due to unrealized exchange rate losses on the revaluation of contingent considerations of MSEK -5.1 (-2.4) and as a result of the weaker Swedish krona against mainly GBP.

Operating profit before amortization of intangible assets (EBITA) amounted to MSEK 21 (28) during the quarter. EBITA was affected by MSEK -6.2 (-3.3) attributable to unrealized exchange rate gains and losses. Of this, MSEK -5.1 (-2.4) is revaluation of contingent considerations. Excluding unrealized exchange rate gains and losses, EBITA decreased by -13 percent and the EBITA margin amounted to 6.8 percent (8.1).

Amortization of acquired customer relationships amounts to MSEK -3.5 (-3.3), of which MSEK -3.1 (-3.0) relates to Networks Centre.

Profit for the period amounted to MSEK 14 (12).

CASH FLOW, INVESTMENTS AND CASH AND CASH EQUIVALENTS

Quarter

Cash flow from operating activities amounted to MSEK 12 (20). Change in net working capital amounted to MSEK -21 (-11) during the quarter.

Other net investments in tangible, intangible and financial assets amounted to MSEK -5.7 (-3.3). Net cash flow for acquisitions amounted to MSEK -0.0 (-15).

Cash flow from financing activities amounted to 115 (1.2) MSEK. The increase is attributable to financing raised to pay for the acquisition of Wood on 2 April 2024. The financing of a total of MSEK 133 consists of a new share issue of MSEK 73, an acquisition loan of MSEK 30 and a temporary overdraft facility of MSEK 31. In addition to the financing for the acquisition of Wood, cash flow from investing activities consists of amortization of loans, amortization of lease liabilities and interest paid and received.

At the end of the period, the Group's cash and cash equivalents amounted to MSEK 186 (104). The approved overdraft facility with SEB amounts to MSEK 81 (50), of which MSEK 50 (45) was unutilized at the end of the period.

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

OPERATING EXPENSES

Quarter

Operating expenses including cost of goods amounted to MSEK -373 (-355), an increase of 5.1 percent.

Operating expenses amounted to MSEK -71 (-67), an increase of 5.1 percent. The increase is due to unrealized exchange rate losses of MSEK -5.1 (-2.4) in connection with the revaluation of contingent considerations and as a result of the weaker Swedish krona against GBP in particular.

PERSONNEL

The number of employees at the end of the period was 165 (176) and the average number of employees during the quarter was 163 (174).

EXCHANGE RATE DIFFERENCES

Exchange rate differences of an operating nature are recognized under IFRS in operating profit as other operating income/expenses. All exchange differences arising from commitments to customers and suppliers are classified as such. Exchange rate differences attributable to the translation of contingent considerations are also recognized 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 loans and bank balances denominated in foreign currency.

The quarter's exchange rate difference of an operational nature amounted to MSEK -6.2 (-3.3), of which MSEK -5.1 (-2.4) is attributable to the revaluation of contingent considerations.

Unrealized exchange rate differences on internal loans are reported in net financial items and amount to MSEK 8.0 in the fourth quarter.

Exchange rate differences from the restatement of foreign operations are recognized in Other comprehensive income. The translation for the quarter amounts to MSEK 33 (6.6) and is mainly due to the weakening of the Swedish krona against GBP, EUR and DKK.

THE PARENT COMPANY

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

The result after financial items for the quarter amounts to MSEK -9.3 (-9.9), of which MSEK -5.1 (-2.4) is attributable to unrealized exchange rate losses on the revaluation of contingent considerations.

At the end of the period, cash and cash equivalents amounted to MSEK 147 (64).

CONSIDERATIONS

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

RISKS AND UNCERTAINTIES

The risks and uncertainties that apply to the Alcadon Group are described in the annual report and on the company's website www.alcadongroup.se.

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

RELATED PARTY TRANSACTIONS

The Group has through Alcadon Group AB had transactions of MSEK 0.2 (0.2) with Paseca AB, which is owned by the Chairman of the Board, Pierre Fors. The transactions relate to consultancy services.

Through Networks Centre, the Group has had sales of MSEK 0.4 (1.7) and purchases of MSEK 0.9 (2.1) with Xsicute Ltd, which is partly owned and controlled by Networks Centre's former principal owner Duncan Lindsay and Networks Centre's CEO James Reid. The transactions relate to the sale and purchase of products.

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

All transactions are considered commercial and based on market conditions. No other significant transactions with related parties have taken place during the year.

GOODWILL

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

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

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

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

Goodwill as of 31 March 2024 amounted to MSEK 696 (677).

INTEREST COST

Interest expenses for the quarter amounted to MSEK -6.6 (-6.9). Of the interest expense, MSEK -0.9 (-0.8) relates to non-cash discounting effect related to the contingent consideration for the acquisition of Networks Centre and MSEK -0.4 (-0.4) relates to interest expenses on right-of-use assets.

FUTURE DEVELOPMENTS

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

Financial targets over a business cycle

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

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

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

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

Vision 2025, adopted in September 2022

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

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

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

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

*Measured in Sweden and Norway in 2022. 2023 includes all companies and 2024 will be measured later in the year.

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

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



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

AUDITOR'S REVIEW

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

FINANCIAL CALENDAR

AGM 2024	26 April 2024, 10:00 a.m.
Q2 report 2024	9 August 2024, 08:00 a.m.
Q3 Report 2024	25 October 2024, 08:00 a.m.
Year-end report 2024	Last week 8, 2025
Annual Report 2024	Not later than three weeks before the 2025 AGM
AGM 2025	25 April 2025 at 10:00 a.m.

ANNUAL GENERAL MEETING (AGM) 2024

The 2024 Annual General Meeting will take place in Stockholm on Friday 26 April 2024 at 10:00.

DIVIDEND

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

WARRANTS

In accordance with the decision of the Annual General Meeting in April 2022, 19 employees subscribed for warrants within the framework of an incentive program, Warrant Program 2022/2025. The transfer took

place at the current market value of the warrants after calculation according to Black & Scholes. Each warrant entitles the holder to subscribe for one new share in Alcadon Group during the period from 24 February 2025 to 21 March 2025. The subscription price amounts to SEK 99.97. Upon full exercise of the warrants, up to 60,000 shares can be issued, which corresponds to a dilution of approximately 0.3 percent calculated on the company's 23,777,365 number of shares.

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

In accordance with the decision of the Annual General Meeting in April 2023, 19 employees subscribed for warrants within the framework of an incentive program, Warrant Program 2023/2026. The transfer took place at the current market value of the warrants after calculation according to Black & Scholes. Each warrant entitles the holder to subscribe for one new share in Alcadon Group during the period from 23 February 2026 to 20 March 2026. The subscription price amounts to SEK 62.4. Upon full exercise of the warrants, up to 125,000 shares can be issued, which corresponds to a dilution of approximately 0.5 percent calculated on the company's 23,777,365 number of shares.

The average price of ordinary shares during January to December has been lower than the exercise price



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

For more information on the program, please refer to the company's website www.alcadongroup.se/investors/companies/

SHARE INFORMATION

Alcadon Group AB's share is listed on Nasdaq First North since 14 September 2016. The number of shares amounts to 23,777,365 as of 31 March 2024.

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 partly finance the acquisition of Wood Communications Ltd and the subscription price was determined through a so-called "accelerated bookbuilding" procedure. The issue provided Alcadon with MSEK 75 before issue costs. The number of shares in Alcadon Group AB thus increased from 21,722,570 to 23,777,365 after the issue.

On 2 April 2024, after the end of the period, 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 completed issue.

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

The share price at the end of the period was SEK 38.20 (31 March 2024).

- Company name: Alcadon Group AB
- Short name: ALCA
- Number of shares: 23 777 365
- ISIN: SE0008732218

LOANS & CREDITS

Alcadon's financing consists of a bank loan with SEB of initially 380 MSEK which runs for 3+1 years from August 2022.

To partly finance the acquisition of Wood, the existing acquisition credit of MSEK 30 has been utilized and an increased overdraft facility of MEUR 2.65 (SEK 31). The terms of the utilized acquisition credit and the raised overdraft are shown below.

After repayments and with a newly raised acquisition credit of MSEK 30, the SEB loans amount to MSEK 353 as of 31 March 2024.

Conditions in brief

- Bank loan, MSEK 130, straight amortization 10 years, interest rate STIBOR 3M + 1.4-2.4 percentage points depending on debt/equity ratio.
- Bank loan, MSEK 250, straight amortization 10 years, interest rate STIBOR 3M + 1.4-2.4 percentage points depending on debt/equity ratio.
- Overdraft facility MSEK 50, SEB base rate + 1.2 percentage points, 0.4 percent annual credit fee.
- Overdraft facility MEUR 2.65 (SEK 31), SEB base rate + 1.2 percentage points, 0.4 percent annual credit fee.
- Acquisition credit MSEK 30, straight repayment 10 years, interest rate STIBOR 3M + 1.4-2.4 percentage points depending on debt/equity ratio, 0.35 percent on unused amount.

In total, the Group's bank financing amounts to MSEK 384 (426) as of 31 March 2024, of which MSEK 38 (103) is reported as a current liability under Other interest-bearing liabilities, MSEK 31 (0) is reported under Bank overdraft facility and MSEK 315 (323) is reported as non-current under Liabilities to credit institutions. Current liabilities of MSEK 38 (103) relate to the amortization plan for the loans with SEB.

The company reports covenants related to:

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

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

The approved overdraft facility with SEB amounts to MSEK 81 (50), of which MSEK 50 (50) was unutilized at the end of the period.

ACCOUNTING PRINCIPLES & NOTES

See pages 16-17 for accounting principles and notes.

OWNERSHIP RELATIONS

Largest shareholders in Alcadon Group as of 31 March 2024 (source: Monitor, Modular Finance).

Name	Shareholding	Ownership percentage
Investment AB Spiltan	3,895,893	16.4%
Ribbskottet Aktiebolag	2,400,000	10.1%
Second AP Fund	2,132,524	9.0%
Athanase Industrial Partners	1,413,507	5.9%
Avanza Pension	1,013,782	4.3%
Susanne Stengade Holding ApS	981,780	4.1%
Consensus Asset Management	853,192	3.6%
Swedbank Robur Microcap	820,000	3.4%
Jeansson, Theodor	756,910	3.2%
Nordnet Pensionsförsäkring AB	583,029	2.5%
ÖstVäst Capital Management	549,833	2.3%
Norron Funds	521,716	2.2%
Fondita Fund Management	440,000	1.9%
Cicero Funds	433,212	1.8%
Lindsay, Duncan	317,088	1.3%
Lindsay, Natalie	314,389	1.3%
Evli Fund Management	261,044	1.1%
Hajskäret Invest AB	208,459	0.9%
Mårtensson, Jonas	208,092	0.9%
Reid, James	202,621	0.9%
Grand Total	18,307,071	77.0%
Others	5,470,294	23.0%
Total	23,777,365	100.0%

OTHER IMPORTANT INFORMATION

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

ALCADON GROUP - THE GROUP	Quarter 1		Full year
Condensed statement of profit or loss (MSEK)	2024	2023	2023
INCOME STATEMENT			
Net sales, Note 2	399.2	388.8	1,572.8
Other operating income	0.2	0.0	4.0
Total income	399.4	388.8	1,576.9
Operating expenses including cost of goods	-373.0	-354.8	-1,449.3
Operating profit before depreciation/amortization	26.4	34.0	127.6
Depreciation of tangible assets	-5.3	-5.9	-20.8
Operating profit before amortization of intangible assets	21.1	28.1	106.8
Amortization of intangible assets	-4.4	-3.5	-17.9
Operating profit	16.7	24.6	88.8
Net financial items	0.4	-8.3	-37.6
Profit after net financial items	17.1	16.3	51.3
Tax on profit for the year	-3.5	-4.7	-13.4
Profit or loss for the period	13.6	11.6	37.9
Attributable to:			
Non-controlling interests	0.0	0.0	0.0
The parent company's shareholders	13.6	11.6	37.9
Profit or loss for the period	13.6	11.6	37.9
Other comprehensive income			
Translation differences for the period due to restatement of foreign subsidiaries	33.3	6.6	6.3
Total comprehensive income for the period	46.9	18.3	44.1
Total comprehensive income for the period attributable to:			
Non-controlling interests	0.0	0.0	0.0
The parent company's shareholders	46.9	18.3	44.1
DATA PER SHARE			
Number of shares			
Number of shares at the end of the period	23,777,365	21,722,570	21,722,570
Average number of shares	22,065,036	20,797,781	21,491,373
Average number of shares (after dilution)	22,065,036	21,277,697	21,542,373
Earnings per share			
Earnings per share for the period based on average number of shares, SEK	0.62	0.56	1.76
Diluted earnings per share for the period, SEK	0.62	0.55	1.76
Equity per share			
Equity per share at the end of the period, SEK	33.2	29.6	30.8

Condensed statement of financial position (MSEK)	2024-03-31	2023-03-31	2023-12-31
BALANCE SHEET			
Fixed assets			
Goodwill	696.2	676.7	675.7
Other intangible fixed assets	124.2	134.9	121.6
Tangible fixed assets	91.8	96.7	91.4
Financial fixed assets	8.2	5.7	7.6
Total fixed assets	920.5	914.1	896.3
Current assets			
Inventories	272.2	346.0	293.9
Trade receivables	286.7	242.2	294.4
Other current assets	48.4	32.7	33.8
Cash and bank	185.9	104.3	62.5
Total current assets	793.2	725.1	684.6
TOTAL ASSETS	1,713.7	1,639.2	1,580.9
Equity			
Share capital	1.1	1.0	1.0
Other contributed capital	474.8	401.4	401.4
Retained earnings including net profit for the period	313.8	241.2	267.0
Equity attributable to parent company shareholders	789.8	643.7	669.5
Non-controlling interests	0.0	0.0	0.0
Total equity	789.8	643.7	669.5
Provisions			
Other provisions, Note 3	113.9	137.5	108.1
Total provisions	113.9	137.5	108.1
Long-term liabilities			
Deferred tax liability	33.3	38.0	31.6
Liabilities to credit institutions	315.0	323.0	294.5
Other long-term liabilities	59.9	63.0	60.4
Total long-term liabilities	408.2	424.1	386.5
Current liabilities			
Bank overdraft facility	30.6	0.0	0.0
Other interest-bearing liabilities	57.9	123.9	57.2
Trade payables	230.5	215.1	279.2
Other current liabilities	82.9	95.0	80.4
Total current liabilities	401.8	434.0	416.8
TOTAL EQUITY AND LIABILITIES	1,713.7	1,639.2	1,580.9

ALCADON GROUP - THE GROUP	Quarter 1		Full year
	2024	2023	2023
Condensed changes in equity (MSEK)			
Opening equity	669.5	575.1	575.1
Other changes in equity	0.0	0.0	-2.8
Other contributed capital	73.5	50.2	53.0
Dividend	0.0	0.0	0.0
Innehav utan bestämmande inflytande	0.0	0.0	0.0
Comprehensive income for the period attributable to parent company shareholders	46.9	18.3	44.1
Closing equity	789.8	643.7	669.5

ALCADON GROUP - THE GROUP	Quarter 1		Full year
	2024	2023	2023
Consolidated condensed statement of cash flows (MSEK)			
Operating profit	16.7	24.6	88.8
Adjustments for non-cash items. etc.	28.9	12.0	31.0
Income tax paid	-12.0	-4.9	-17.0
Change in net working capital	-21.2	-11.3	33.9
Net cash flow from operating activities	12.4	20.4	136.6
Acquisition of fixed tangible and intangible assets	-5.1	-2.6	-6.2
Change in financial fixed assets	-0.6	-0.7	-2.6
Business combinations	0.0	-15.2	-41.7
Cash flow from investing activities	-5.7	-18.5	-50.5
Dividend paid	0.0	0.0	0.0
New issuance/Warrant proceeds	73.5	51.8	50.2
Interest paid and received and other financial items	-6.0	-8.3	-30.8
Amortization of lease liabilities	-2.6	-6.1	-14.8
Amortization	-9.5	-36.3	-129.5
Borrowings	59.8	0.0	0.0
Cash flow from financing activities	115.2	1.2	-125.0
Cash flow for the period	121.9	3.0	-38.9
Reconciliation of changes in cash and cash equivalents			
Opening balance. cash and cash equivalents	62.5	101.3	101.3
Exchange rate difference on cash and cash equivalents	1.5	0.0	0.1
Closing balance. cash and cash equivalents	185.9	104.3	62.5
Change in cash and cash equivalents	121.9	3.0	-38.9

ALCADON GROUP AB - PARENT COMPANY			
Condensed statement of profit or loss (MSEK)	Quarter 1		Full year
	2024	2023	2023
INCOME STATEMENT			
Net sales	4.4	2.0	11.1
Other operating income	0.0	0.0	3.3
Total income	4.4	2.0	14.4
Operating expenses	-10.6	-7.1	-17.5
Operating profit	-6.2	-5.2	-3.1
Net financial items	-3.1	-4.7	7.6
Profit after net financial items	-9.3	-9.9	4.4
Appropriations	0.0	0.0	30.1
Profit or loss before tax	-9.3	-9.9	34.6
Tax on profit for the year	1.7	1.4	-3.5
Profit or loss for the period	-7.6	-8.5	31.0

ALCADON GROUP AB - PARENT COMPANY			
Condensed statement of financial position (MSEK)	2024-03-31	2023-03-31	2023-12-31
	BALANCE SHEET		
Fixed assets			
Other intangible fixed assets	0.3	0.0	0.0
Financial fixed assets	768.4	768.4	768.4
Long-term receivables from group companies	296.7	195.2	298.2
Total fixed assets	1 065.4	963.6	1 066.6
Current assets			
Receivables from Group companies	0.5	1.4	0.4
Other current assets	7.6	4.4	1.8
Cash and bank	146.6	64.1	28.9
Total current assets	154.7	70.0	31.1
TOTAL ASSETS	1 220.1	1 033.5	1 097.7
Equity			
Share capital	1.1	1.0	1.0
Retained earnings including net profit for the period	503.9	397.9	438.1
Total equity	505.0	399.0	439.2
Provisions			
Other provisions	113.7	137.5	107.9
Total provisions	113.7	137.5	107.9
Long-term Liabilities			
Other borrowings	315.0	323.0	294.5
Liabilities to Group companies	62.0	81.8	62.7
Total long-term liabilities	377.0	404.8	357.2
Current interest-bearing liabilities	68.6	38.0	38.0
Liabilities to Group companies	148.2	45.1	143.9
Current liabilities	7.6	9.2	11.6
Total current liabilities	224.3	92.3	193.5
TOTAL EQUITY AND LIABILITIES	1 220.1	1 033.5	1 097.7

CONSOLIDATED QUARTERLY DATA		Q1	Q4	Q3	Q2	Q1	Q4	Q3	Q2
INCOME STATEMENT. MSEK		2024	2023	2023	2023	2023	2022	2022	2022
Net sales		399.2	431.5	381.4	371.1	388.8	401.2	288.0	216.1
Profit									
Operating profit before amortization of intangible assets (EBITA)		21.1	39.3	28.0	11.4	28.1	30.5	11.6	10.7
Profit after net financial items		17.1	20.7	12.1	2.0	16.3	19.0	7.7	10.7
Profit or loss for the period		13.6	14.8	13.7	-2.2	11.6	13.9	4.7	7.9
Margin measures in %									
Gross margin. %		24.3	23.7	23.8	24.2	26.0	25.3	23.5	26.0
Operating margin (EBITA). %		5.3	9.1	7.3	3.1	7.2	7.6	4.0	4.9
Net margin. %		3.4	3.4	3.6	-0.6	3.0	3.5	1.6	3.7
BALANCE SHEET (MSEK)									
Assets									
Total fixed assets		920	896	926	953	914	911	888	398
Total current assets		793	685	703	729	725	752	735	435
Total assets		1 714	1 581	1 629	1 682	1 639	1 662	1 623	832
Equity & liabilities									
Total equity		790	669	680	687	644	575	556	480
Total long-term liabilities & provisions		522	495	558	574	562	572	563	148
Total current liabilities		402	417	391	421	434	516	505	204
Total equity & liabilities		1 714	1 581	1 629	1 682	1 639	1 662	1 623	832
CASH FLOW (MSEK)									
Net from operating activities		12.4	41.7	60.1	17.9	17.7	8.4	22.1	-12.6
Investing activities		-5.7	-28.4	-0.6	-3.6	-17.9	-17.7	-229.1	-4.4
Financing activities		115.2	-20.2	-72.9	-35.4	3.3	-12.9	235.8	-17.3
Cash flow for the period		121.9	-7.0	-13.5	-21.1	3.0	-22.3	28.8	-34.3
OTHER KEY FIGURES									
Earnings per share. SEK		0.62	0.68	0.63	-0.10	0.56	0.67	0.23	0.40
Return on equity. %		5.8	5.5	5.4	4.2	6.3	6.5	6.8	8.8
Equity per share. SEK		33.2	30.8	31.3	31.6	29.6	27.9	23.3	24.5
Cash flow from operating activities per share. SEK		0.56	1.92	2.77	0.83	0.85	0.41	1.10	-0.64
Share price at the end of the period. SEK		38.2	35.0	28.1	39.9	50.6	74.3	68.6	72.0

NOTE 1. ACCOUNTING PRINCIPLES

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

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

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

IFRS 16 Leases

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

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

Closing values in the balance sheet as at 31 March 2024:

- Rights of use: MSEK 83 (87), recognized in Tangible fixed assets.
- Lease liabilities: MSEK 80 (84), recognized in MSEK 60 (63) other long-term liabilities and MSEK 20 (21) other interest-bearing liabilities.

Other

No other IFRS or IFRIC interpretations that are not yet effective are expected to have a material impact on the Group's financial statements. Significant accounting policies are summarized in the 2023 annual report. See the company's website www.alcadongroup.se for more information.

NOTE 2. OPERATING INCOME

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 recognized 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 agreements. Technical support is considered a separate performance obligation where revenue is recognized over time. Service contracts are recognized on a straight-line basis over the contract period. See table below for net sales by region.

Geographic market (external net sales)	Quarter 1		Full year
	2024	2023	2023
MSEK			
Sweden	90.9	108.3	369.0
Norway	27.5	35.5	110.2
Denmark	29.0	41.9	171.9
Germany	28.6	20.2	113.8
The United Kingdom	155.7	161.2	649.7
The Benelux	67.5	21.6	158.2
Total	399.2	388.8	1,572.8

NOTE 3. OTHER PROVISIONS

MSEK	Quarter 1		Full year
	2024	2023	2023
Opening provisions	108.1	140.3	140.3
New provisions	0.0	0.0	0.3
Reversed provisions	0.9	0.8	-2.5
Exchange rate differences	4.9	2.4	2.5
Payments	0.0	-6.0	-32.5
Closing provisions	113.9	137.5	108.1

The provision as of 31 March 2024 relates to contingent considerations for the acquisition of Alcadon ApS (formerly 6X International ApS) of MSEK 9 (MDKK 6), and contingent considerations for the acquisition of Networks Centre of MSEK 104 (MGBP 7.7).

The contingent considerations for the acquisition of Networks Centre of MSEK 104 (MGBP 7.7) refers to the discounted value of the remaining contingent considerations of MGBP 8.0, which corresponds to MSEK 107 calculated at the closing rate. The difference between the discounted value in the balance sheet and the remaining contingent consideration (MGBP 0.3) is recognized as an interest expense in net financial items until any payment date for the contingent consideration. The interest expense during the first quarter amounts to MSEK -0.9 (-0.9).

DEFINITION OF ALTERNATIVE KEY RATIOS

	Quarter 1		Full year
	2024	2023	2023
Operating profit before amortization of intangible assets (EBITA). MSEK			
Operating profit after depreciation and amortization (EBIT). MSEK	16.7	24.6	88.8
Amortisation of intangible assets	4.4	3.5	17.9
Operating profit before amortization of intangible assets (EBITA). MSEK	21.1	28.1	106.8

	Quarter 1		Full year
	2024	2023	2023
Operating expenses			
Operating expenses including cost of goods	373.0	354.8	1 449.3
Cost of goods sold	302.3	287.5	1 188.6
Operating expenses	70.7	67.3	260.7

	2024-03-31	2023-03-31	2023-12-31
Net interest-bearing liabilities. MSEK			
Long-term liabilities to credit institutions	315.0	323.0	294.5
Current liabilities to credit institutions	37.8	103.3	38.5
Bank overdraft facility	30.6	0.0	0.0
Cash and cash equivalents	-185.9	-104.3	-62.5
Net interest-bearing liabilities excluding leasing debt	197.4	321.9	270.5
Long-term lease liabilities	59.9	63.0	60.4
Short-term lease liabilities	20.1	20.6	18.7
Net interest-bearing liabilities	277.4	405.6	349.6

	Quarter 1		Full year
	2024	2023	2023
Indebtedness			
EBITDA R12	119.9	98.6	127.6
EBITDA R12 Proforma (period before acquisition*)	0.0	24.3	0.0
Acquisition costs	0.0	4.2	0.0
Revaluation and reversal of contingent considerations	5.1	2.4	-3.3
EBITDA R12 adjusted (proforma)	125.0	129.5	124.3
Leasing cost IFRS16. operating leases incl. proforma	-15.3	-15.1	-15.3
EBITDA R12 adjusted IFRS16 (proforma)	109.7	114.4	108.9
Net interest-bearing liabilities	277.4	405.6	349.6
Net interest-bearing liabilities/ EBITDA R12 adjusted (proforma)	2.2	3.1	2.8
Net interest-bearing liabilities excluding leasing debt	197.4	321.9	270.5
Net interest-bearing liabilities excluding leasing/ EBITDA R12 adjusted IFRS16 (proforma)	1.8	2.8	2.5

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

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

Stockholm, 26 April 2024

Pierre Fors

Chairman of the Board

Jonas Mårtensson

Vice-Chairman

Marie Ygge

Board member

Lars Engström

Board member

Sonny Mirborn

Chief Executive Officer

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