



Alcadon intends to carry out a directed new share issue

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21 MARCH 2023, 17:31 CET

Alcadon Group AB (publ) ("Alcadon" or the "Company") today announces its intention, with deviation from the shareholders' preferential rights, to carry out a directed new share issue, expected to generate approximately SEK 55 million from Swedish and international institutional investors as well as other qualified investors (the "Directed New Share Issue"). The Directed New Share Issue is carried out to meet increasing demand from customers as well as to increase the Company's financial flexibility and thereby support its growth.

The Directed New Share Issue is intended to be carried out with deviation from the shareholders' preferential rights and based on the authorization from the annual general meeting held on 22 April 2022. Alcadon has engaged Skandinaviska Enskilda Banken AB (publ) ("**SEB**") to assess the conditions for the Directed New Share Issue through an accelerated bookbuilding procedure.

The subscription price for the shares in the Directed New Share Issue is to be determined through an accelerated bookbuilding procedure, which will commence immediately after publication of this press release and end before the commencement of trading on Nasdaq First North Growth Market on 22 March 2023. The bookbuilding procedure may, at the discretion of the Company or SEB, close earlier or later and may be cancelled at any time. The Company will announce the outcome of the Directed New Share Issue in a subsequent press release after the closing of the bookbuilding procedure. Six of the Company's larger shareholders, AP2, Cicero Fonder, Consensus Småbolag, Humle Fonder, Investment AB Spiltan, and Ribbskottet AB, have indicated interest to subscribe for shares in the Directed New Share Issue.

The rationale for carrying out the Directed New Share Issue is to ensure funding to continue to implement the established and already communicated growth strategy and meet increasing customer demand. The growth strategy involves, among other things, expanding the Company's product portfolio, increasing sales capacity, broadening revenue streams, and realizing synergies from acquisitions. In addition, the Directed New Share Issue will strengthen the Company's financial position by reducing net debt. The board of directors is of the opinion that the Directed New Share Issue is positive for the Company's capital structure and general risk level. The board of directors has also considered the possibility to raise the required equity through a rights issue but has concluded it would be significantly more time- and cost-consuming to implement, and thus would entail increased market risk exposure compared to the Directed New Share Issue. Moreover, in contrast to a rights issue, the Directed New Share Issue will broaden the shareholder base with new reputable owners, which the board of directors believes would strengthen the liquidity of the shares and be beneficial to the Company. In light of the above, the board of directors has made the assessment that the Directed New Share Issue with deviation from the shareholders' preferential rights will be the most favourable alternative for Alcadon and in the best interest of the Company's shareholders. As the subscription price in the Directed New Share issue will be determined through a bookbuilding procedure, the board of directors assesses that the subscription price will reflect current market conditions and demand.

In connection with the Directed New Share Issue, the Company has undertaken, with customary exceptions, not to issue additional shares for a period of 180 calendar days after the delivery of the new shares to the investors in the Directed New Share Issue. Board members and senior executives, including the CEO and the CFO, have undertaken not to sell any shares in Alcadon for a period of 90 calendar days after the delivery of the new shares to the investors in the Directed New Share Issue, with customary exceptions.

Advisors

SEB act as Sole Bookrunner and KANTER Advokatbyrå is legal advisor in connection with the Directed New Share Issue.

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This press release is not a prospectus for the purposes of Regulation (EG) 2017/1129 (the "**Prospectus Regulation**") and has not been approved by any regulatory authority in any jurisdiction. The Company has not authorized any offer to the public of shares or other securities in any member state of the EEA and no prospectus has been or will be prepared in connection with the Directed New Share Issue. In any EEA member state, this communication is only addressed to and is only directed at "qualified investors" in that member state within the meaning of the Prospectus Regulation.

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This press release does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the new shares. Any investment decision to acquire or subscribe for shares in connection with the Directed Issue must be made on the basis of all publicly available information relating to the Company and the Company's shares. Such information has not been independently verified by SEB as Sole Bookrunner. SEB is acting for the Company in connection with the transaction and no one else and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the transaction or any other matter referred to herein.

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This press release does not constitute an invitation to warrant, subscribe, or otherwise acquire or transfer any securities in any jurisdiction. This press release does not constitute a recommendation concerning any investor's decision regarding the Directed New Share Issue. Each investor or potential investor should conduct his, her or its own investigation, analysis and evaluation of the business and information described in this press release and any publicly available information. The price and value of the securities can decrease as well as increase. Achieved results do not provide guidance for future results. Neither the contents of the Company's website nor any other website accessible through hyperlinks on the Company's website are incorporated into or form part of this press release.

Forward-looking statements

This press release contains forward-looking statements that reflect the Company's intentions, assessments, or current expectations about and targets for the Company's future results of operations, financial condition, liquidity, performance, prospects, anticipated growth, strategies and opportunities and the markets in which the Company

operates. Forward-looking statements are statements that are not historical facts and may be identified by words such as “believe”, “expect”, “anticipate”, “intend”, “may”, “plan”, “estimate”, “will”, “should”, “could”, “aim” or “might”, or, in each case, their negative, or similar expressions. The forward-looking statements in this press release are based upon various assumptions, many of which are based, in turn, upon further assumptions. Although the Company believes that the expectations reflected in these forward-looking statements are reasonable, it can give no assurances that they will materialize or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those set out in the forward-looking statements as a result of many factors. Such risks, uncertainties, contingencies and other important factors could cause actual events to differ materially from the expectations expressed or implied in this release by such forward-looking statements. The Company does not guarantee that the assumptions underlying the forward-looking statements in this press release are free from errors nor does it accept any responsibility for the future accuracy of the opinions expressed in this press release. Readers of this press release should not place undue reliance on the forward-looking statements in this press release. The information, opinions and forward-looking statements that are expressly or implicitly contained herein speak only as of its date and are subject to change without notice. Neither the Company nor anyone else undertakes to review, update, confirm or to release publicly any revisions to any forward-looking statements to reflect events that occur or circumstances that arise in relation to the content of this press release, unless it is not required by law or Nasdaq First North Growth Market rule book for issuers.

Information to distributors

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the current shares in the Company have been subject to a product approval process, which has determined that such shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the shares in the Company may decline and investors could lose all or part of their investment; the shares in the Company offer no guaranteed income and no capital protection; and an investment in the shares in the Company is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Directed New Share Issue.

For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the shares in the Company.

Each distributor is responsible for undertaking its own target market assessment in respect of the shares in the Company and determining appropriate distribution channels.

This disclosure contains information that Alcadon Group AB is obliged to make public pursuant to the EU Market Abuse Regulation (EU nr 596/2014). The information was submitted for publication, through the agency of the contact person, on 21-03-2023 17:31 CET.

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About Alcadon Group AB

Alcadon conducts operations in Sweden, Norway, Denmark, Germany, the UK and Benelux. Since its inception in 1988, Alcadon has established itself as a leading supplier of data and telecommunications products and systems.

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