

Alcadon Group signs agreement to acquire UK-based Networks Centre Holding Company Ltd and its subsidiaries in the UK and the Netherlands

Alcadon Group AB ("Alcadon") has entered into a binding agreement to acquire all the shares in the UK company Networks Centre Holding Company Ltd and its subsidiaries ("NWC"), a professional distributor of products and complete systems for Network infrastructure solutions. The purchase price amounts to GBP 31,5 million on a cash and debt free basis of which approximately GBP 5,8 million will be paid in newly issued shares of Alcadon Group AB. The remainder will be financed through existing cash in Alcadon and refinancing of existing loans of SEK 130 million together with a new bank loan of SEK 250 million with a term of 3+1 years.

- NWC reported per end of June revenues of GBP 42,6 million with an underlying EBITDA of GBP 3,6 million for the last twelve months.
- The purchase price for the shares amounts to GBP 20,8 million in cash plus a non-cash issue of shares in Alcadon, based on the use of the authorization from the General Meeting on 22 April 2022, corresponding to GBP 5,8 million based on Alcadon's market value from 3 August 2022 to 16 August 2022. In addition, an additional purchase price (Earn-Out) of maximum GBP 10 million in cash is paid depending on the development of NWC's EBITDA over the next 36 months.
- The purchase price corresponds to an EV/EBITDA multiple of approximately 8,8 based on the underlying EBITDA for the last twelve months per end of June.
- The acquisition increases Alcadon's Cash Earnings per Share (Cash EPS) by approximately SEK 1,24, based on the number of shares after the completed rights issue calculated on the underlying result for the last twelve months per end of June and before synergies. The Group's net debt will increase by approximately SEK 380 million after the acquisition.
- NWC will be consolidated into Alcadon Group as of the Acquisition Date, which is scheduled for 17 August 2022.

Networks Centre is a professional distributor of products and complete systems for Network infrastructure with operations in the UK (warehouse and offices in both England and Scotland) and the Netherlands. Approximately 40 percent of sales come from the Commercial Property segment (cabling and accessories), 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 Center 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 entails complete system solutions where Networks Centre take on the project lead role with tailor-made solutions. The company represents a large number of reputable, international manufacturers with a focus on the premium segment.

Following the acquisition, the current Group Managing Director, Duncan Lindsay, will assume the role of Senior Vice President UK within Alcadon Group, where he will also be part of Alcadon Group's management team. The current Sales Director, James Reid, will take over the responsibility as Managing Director of the Networks Centre Group. Networks Centre will remain an independent company within Alcadon Group in line with Alcadon's strategy of working with decentralized profit centers.

"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 UK. In addition, Networks Centre has successfully launched operations in the Netherlands in a short amount of time, 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 Center has a very strong position in the UK in not only the Commercial Networks and Data centre segments but is also one of few that has successfully established itself as a well-known player in the British broadband rollout with a complete fiber network offering. The company has an excellent reputation among both customers and suppliers, and we look forward to working together. With overlapping and complementary product portfolios, similar strategy and values, a solid system-solution mindset and supplier relations, everything indicates that Networks Centre and Alcadon Group will be able to make a significant contribution to each other's development."

*Sonny Mirborn,
Group Chief Executive Officer, Alcadon Group AB*

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 10-08-2022 01:08 CET.

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About Alcadon Group AB

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

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