Interim report

1 January – 31 March 2023

SELECTED FINANCIAL INFORMATION

Period	Net sales	EBITA*	EBIT	Earnings for the period after tax	Earnings 1) per ordinary share after dilution
January – March	**1,075.7 MSEK** (783.7)	**203.2 MSEK** (144.9)	**178.4 MSEK** (121.9)	**95.8 MSEK** (76.1)	**2.43 Kr** (2.03)
LTM March 2023	**3,797.2 MSEK** (2,844.3)	**729.5 MSEK** (538.0)	**697.7 MSEK** (395.6)	**447.8 MSEK** (258.8)	**11.88 Kr** (6.89)

1) based on average number of shares after deduction of minority interests and dividends to preference shareholders. EBITA* is the Group's adjusted operating profit, see also page 22.

FIRST QUARTER 2023

- Net sales increased by 37% to SEK 1,075.7 million (783.7). In total for the Group, organic sales growth was 14.7%, excluding currency effects.
- Operating profit EBITA* increased by 40% to SEK 203.2 million (144.9), corresponding to an EBITA* margin of 18.9% (18.5). Organic EBITA* growth for the Group was 8.8%, excluding currency effects.
- Operating profit, EBIT, increased by 46% and amounted to SEK 178.4 million (121.9).
- Profit after tax for the Group increased by 26% and amounted to SEK 95.8 million (76.1), of which SEK 95.6 million (75.8) was attributable to the Parent Company's shareholders.
- Cash flow from operating activities amounted to SEK 98.0 million (114.5), corresponding to a cash conversion of 45% (73). Strong sales had a negative impact on cash flow through increased accounts receivables and inventory build-up.
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 2.43 (2.04). After dilution, earnings per ordinary share amounted to SEK 2.43 (2.03).
- During the period the acquisition of HeatWork AS was finalised. The company is Sdiptechs second business unit in Norway.
- In March, management subscribed for 190,500 newly issued class B Sdiptech shares, which constituted the exercise of the long-term incentive program with warrants of series 2018/2023. The issue entails that the company has received SEK 14.3 million in equity.

EVENTS AFTER REPORTING

No significant events are noted.

KEY RATIOS (for definitions, please refer to page 21)	3 months		12 months	
(SEK million)	Jan-Mar 2023	Jan-Mar 2022	LTM Mar2023	Jan-Dec 2022
EBITA* margin	18.9%	18.5%	19.2%	19.1%
Financial net debt/EBITDA, multiple	1.83	1.28	1.83	1.79
Return on capital employed	12.2%	10.3%	12.2%	12.2%
Return on equity	14.9%	10.5%	14.9%	14.9%
Cash flow generation	45%	73%	71%	80%

COMMENTS BY THE CEO

STRONG DEVELOPMENT AND SOLID OUTLOOK

We can with pleasure summarize a strong first quarter for Sdiptech. Demand is robust and we see no signs of a slowdown. The management of remaining inflation is effective and our margin strengthening continues, both organically and through acquisitions. According to plan, the deliveries in our unit for EV chargers are now also restored to expected high volumes and profitability.

THE QUARTER

During the year's first quarter, demand from our customers has remained strong, which resulted in net sales increasing by 37 percent, of which 14.7 organically. Market conditions in all of the group's segments were favourable, which reflects the good demand you can expect in infrastructure. After the delivery delays from last autumn, our EV charger unit has now successfully scaled up the production volumes of the new technology, and showed sales that exceeded our own expectations and delivered a result in line with previous year.

At the same time, the group's EBITA* increased by 40 percent, of which 8.8 percent was organic. Purchase prices and personnel costs rose in the quarter, but not at the same high pace as before. Our work with passing on cost increases to our customers is working well and is thereby further facilitated, although there is still some delay due to our customer agreement structures. Since sales and profitability in our unit for EV chargers have remained at the same level as last year, this shows that the other units within the group had a very good development.

Sdiptech's margin strengthening continues and the EBITA* margin amounted to 18.9 percent (18.5) in the quarter and 19.2 percent (18.9) on a rolling twelve-month basis. New acquisitions continue to contribute positively to the profit margin. The acquisitions that Sdiptech makes are carefully selected for their strong market positions with associated good profitability.

Inventory build-up in some of the group's larger units and strong sales growth in general have led to cash generation of 45 percent (73) being weaker than usual. Temporary fluctuations in cash flow are part of the work to ensure availability of input goods and to meet demand from customers with critical needs. But as per usual, we expect cash generation to return to the group's normal levels of around 80 percent.

ACQUSITIONS

During the first quarter, we acquired HeatWork, which is a global company with headquarters and production facility in Narvik, Norway. HeatWork has 20 years of experience in developing special products in hydronic heating. The company's mobile heating plants are designed to meet the needs in several areas of use, such as energy production, agriculture, pest control and municipal water protection. HeatWork has a strong focus on innovative, sustainable solutions, and the technology contributes to a significant reduction in both energy consumption, cost, chemical use and CO2 emissions.

OUTLOOK

As is known, our unit for EV chargers carried out several important investments last year. With the new technology platform and with circuit board assembly locally in the UK, we get shorter time-to-market for new products. In addition and equally important, this enables a significantly higher production capacity than a year ago. It is pleasing to note that gross margins are at the same high level as they were before these major changes. We have also not been negatively affected by the problems that other players in the market have had as we already meet all technical requirements in the UK. Looking ahead, we see no signs of slowdown and demand for charging points in the UK continues to increase, in part driven by requirements to install EV chargers in new and redevelopment of properties.

Sdiptech's business units in the UK benefit from the investments connected to climate adaptation, energy efficiency and sustainable infrastructure previously decided by the UK Government. Among other things, GBP 6.6 billion is being invested in low-carbon technology for buildings. Another area that benefits Sdiptech's units is the UK's investment in developing more reliable, safe and efficient railways.

We are confident that the group's profitability will continue to grow and be established at around 20 percent in EBITA* margin and look positively on the year ahead. I would also like to extend a big thank you to all our dedicated employees for your commitment and strong efforts, as well as thank all shareholders for the continued trust.

Jakob Holm
VD, Sdiptech AB (publ.)

OVERVIEW OF OPERATIONS

JANUARY - MARCH
Net sales
Net sales amounted to SEK 1,075.7 million (783.7) during the period. Sales in comparable units, amounted to SEK. 885.0 million (783.7), which corresponded to an organic growth of 14,7% for the period, excluding currency effects.

Non-comparable units contributed SEK 190.8 million (-) to net sales for the period. Also see Business areas, page 6, for more detailed information.

Earnings
Operating profit, EBIT, increased by 46% and amounted to SEK 178.4 million (121.9).

Operating profit EBITA* increased by 40% and amounted to SEK 203.2 million (144.9) in total for the Group, corresponding to an EBITA* margin of 18.9% (18.5).

EBITA* in comparable units, amounted to SEK 171.1 million (160.9) corresponding to an organic change of +8.8%, excluding currency effects. Most of the Group's comparable units had a stronger result than last year. Non-comparable units contributed SEK 50.9 million (-) to the profit for the period. All acquired units had earnings in line with or above expectations. The lower organic development for EBITA* compared to sales is primarily explained by a delay between the impact of cost increases and the corresponding effect from price increases to customers.

Acquisition costs amounted to SEK 1.6 million (3.9) in connection with acquisition activities during the period.

Costs for increase of the debt provision for future contingent consideration payments amounted to SEK 2.7 million (5.8) the amount for the period constitute in the difference between the debt reserve and the final settlement of contingent considerations.

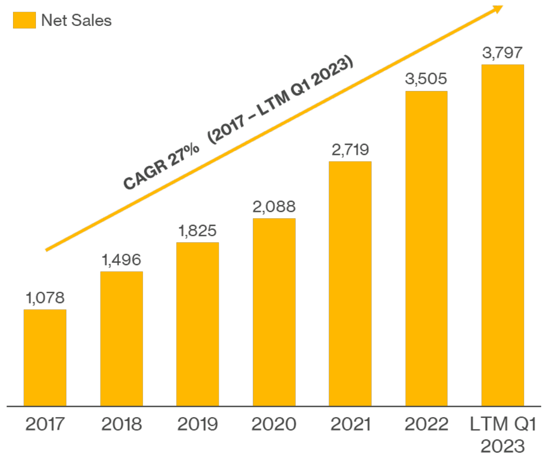
Depreciation and amortisation of property, plant and equipment and intangible fixed assets amounted to SEK -68.2 million (-45.2), of which amortisation of acquisition-related intangible fixed assets amounted to SEK -20.5 million (-13.3).

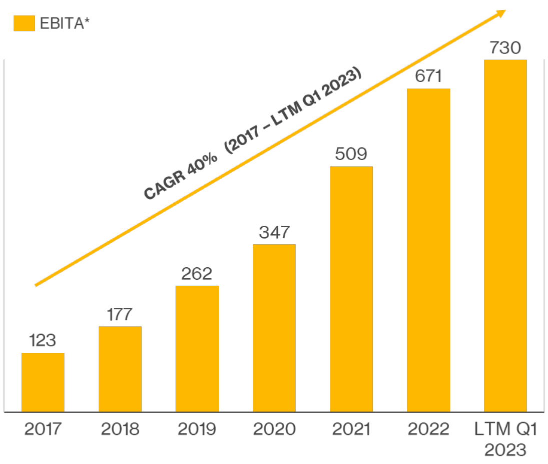
Net financial items consist of exchange rate differences of SEK -2.6 million (-0.1) in the quarter and SEK -41.4 million (-15.2) in interest expense, of which discount rates relating to contingent considerations of SEK –9.1 million (-5.8). Other financial expenses amounted to SEK -0.9 million (-0.4). The increased interest costs, excluding currency effects, are partly due to increased underlying reference rates, corresponding to SEK -16.5 million, and partly to higher interest-bearing liabilities, corresponding to SEK -7.2 million. For more information, see Note 3.

Profit after tax increased by 26% and amounted to SEK 95.8 million (76.1). Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 2.43 (2.04). After dilution, earnings per ordinary share amounted to SEK 2.43 (2.03). From April 2023, corporation tax in the UK will be raised from 19% to 25%. The change is expected to affect the Group's profit after tax by a couple of percentage points.

Acquisitions
On March 31, Sdiptech acquired 81.6 of the shares in HeatWork AS, a leading manufacturer of mobile waterborne heating solutions for infrastructure and construction, as well as agriculture. HeatWork has annual sales of NOK 120 million with good profitability and is Sdiptech's second business unit in Norway. HeatWork is part of the Resource Efficiency business area from March 2023.

Group EBITA* (SEK m)	Jan-Mar 2023	Jan-Mar 2022	LTM Mar 2023	Jan-Dec 2022
Resource Efficiency	88.9	80.7	284.2	276.0
Special Infrastructure Solutions	132.5	80.1	504.5	452.1
Business areas	**221.4**	**160.8**	**788.7**	**728.1**
Central units	-18.2	-15.9	-59.3	-57.0
Totalt	**203.2**	**144.9**	**729.5**	**671.1**





BUSINESS AREAS AND CENTRAL UNITS

Infrastructure is in focus around the world for many reasons. Effective infrastructure is essential for our societies and our day-to-day lives. However, infrastructure in society is largely outdated. Population growth, urbanisation and climate change are placing further pressure on the systems. Examples of areas we have identified as particularly important for the development of society, and that therefore are showing good demand, are water and sanitation, power and energy, bioeconomy, waste management, air & climate control, transport and safety and security.

For a description of the business areas' operations and which companies are included in each business area, see Description Business areas, page 20.

RESOURCE EFFICIENCY

Comments on the financial performance:
The business area's sales increased by 15% for the quarter to SEK 391.1 million (339.5) compared to the previous year. The increased sales are due to acquisitions and good sales in most units in the business area. The Group's EV charger business Rolec, launched the new generation of chargers in an excellent way and reached last year's strong sales. Units that previously suffered from component shortages, such as the unit within the replacement and renovation of water meters, had strong sales with good component supply.

EBITA* for the quarter increased by 10% to SEK 88.9 million (80.7) due to strong organic growth in several units within the business area. In addition, the development has also been driven positively by acquisitions.

The EBITA* margin during the quarter decreased to 22.7% (23.8). This was largely driven by increased depreciation related to product development.

Resource Efficiency (SEK m)	Jan-Mar 2023	Jan-Mar 2022	LTM Mar 2023	Jan-Dec 2022
Net sales	391.1	339.5	1,321.4	1,269.8
EBITA*	88.9	80.7	284.2	276.0
EBITA* margin %	22.7%	23.8%	21.5%	21.7%

SPECIAL INFRASTRUCTURE SOLUTIONS

Comments on the financial performance:
The business area's sales in the quarter increased by 54% to SEK 684.7 million (444.2). The increase in sales is mainly due to acquisitions but also to some comparable units. The Group's operations in integrated security systems for public environments, case management of insurance claims, and automation of container ports, above all had a strong development. The Group's business unit within transport refrigeration also showed a good recovery from the previous year's weaker sales due to customer vehicle shortages.

EBITA* for the quarter increased by 65% to SEK 132.5 million (80.1), mainly through contributions from acquired units and continued good development in, among other things, the Group's operations for integrated security systems for public environments, case management of insurance claims, and automation of container ports.

The EBITA* margin increased during the quarter to 19.4% (18.0), primarily through contributions from acquired entities.

Special Infrastructure Solutions (SEK m)	Jan-Mar 2023	Jan-Mar 2022	LTM Mar 2023	Jan-Dec 2022
Net sales	684.7	444.2	2,475.9	2,235.4
EBITA*	132.5	80.1	504.5	452.1
EBITA* margin %	19.4%	18.0%	20.4%	20.2%

Figure 1: Example of chargers for electric vehicles in the new generation of products.

Figure 2: Example of mobile electric heater from HeatWork AS.

CENTRAL UNITS – GROUP-WIDE FUNCTIONS

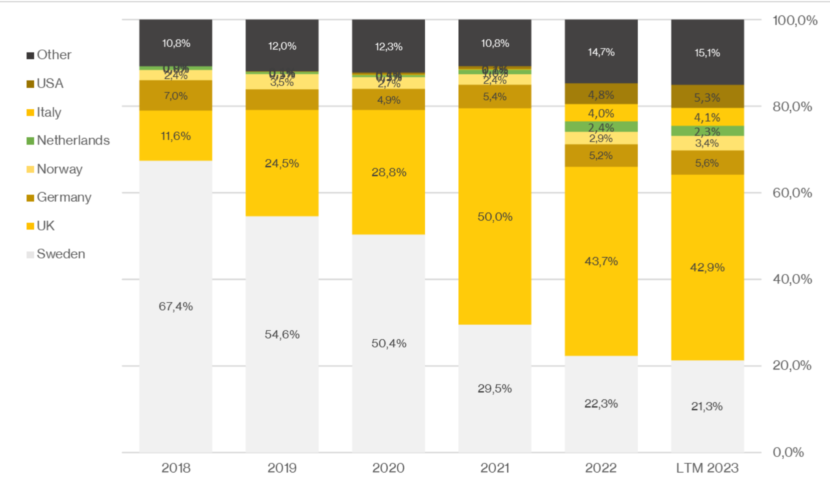
Central units consist of the Group's parent company, Sdiptech AB and the Group's holding companies. The Parent Company's revenue consists of management fees, directed to the subsidiaries for the Parent Company's services. The costs consist of costs for central functions such as management, acquisition teams, group finance and other central functions.

Comment:
EBITA* was SEK -18.2 million (-15.9) for the quarter. The cost increase of 14% was mainly attributable to increased personnel costs, e.g. in connection with the strengthening of the resources in UK.

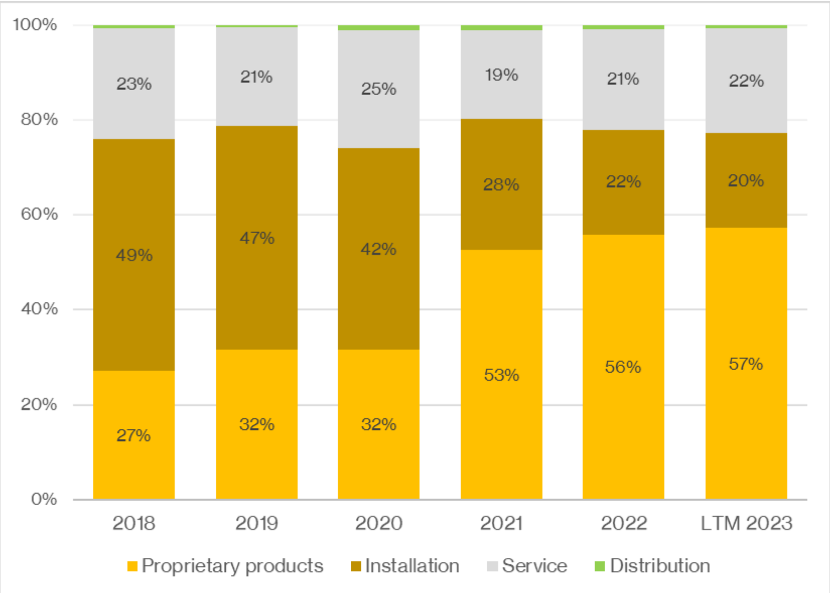
Group-wide functions and eliminations (SEK m)	Jan-Mar 2023	Jan-Mar 2022	LTM Mar 2023	Jan-Dec 2022
EBITA*	-18.2	-15.9	-59.3	-57.0

GEOGRAPHICAL DISTRIBUTION OF SALES

Over the years. Sdiptech has acquired units outside Sweden, in Norway, Finland, the UK and Croatia (with significant operations in Germany) and during the last 12 months also in the Netherlands, Italy and Denmark. The Group's business units have customers primarily locally and regionally in their respective geographies, but some exports also occur. Below are the Group's sales, broken down by the geographies where the customers have their main operations.



The graph below shows the Group's sales broken down by type of revenue. Sales of proprietary products have increased from 27 percent to 57 percent during the period full year 2018 to RTM Q1 2023. The turnover for service and installation as of 2022 and onwards is mainly related to own products.



COMMENTS ON THE FINANCIAL DEVELOPMENT

FINANCIAL POSITION JANUARY - MARCH

Cash Flow

Cash flow from operating activities after changes in working capital. amounted to SEK 98.0 million (114.5) during the period. Cash flow from the good earnings is burdened during the period by continued inventory build-up to ensure capacity for the increased sales and uncertainties mainly linked to possible component shortages. During the period, this inventory build-up amounted to SEK 69.3 million (32.5). At the same time as operating receivables, mainly related to trade receivables, increased by SEK 71.5 million (5.8) due to strong sales in the period. An increase in operating liabilities contributed positively to cash flow in the period of total SEK 62.0 million (12.0). Cash flow generation, expressed as a percentage of profit before tax adjusted for non-cash items, decreased to 45% (73) during the year.

Cash flow from investing activities amounted to SEK -293.7 million (-379.0). The cash flow effect of completed acquisitions during the period amounted to SEK -185.4 million (-189.6), also see Note 6. Cash flow related to payment of contingent considerations on acquisitions from previous years, including both instalments as well as final settlement, amounted to SEK –68.5 million (-158.7) during the period. Investments in property, plant and equipment amounted to SEK –26.8 million (-14.9) and investments in intangible fixed assets of SEK –13.2 (-4.8) were made during the period.

Cash flow from financing activities amounted to SEK 210.7 million (163.3). Net borrowing amounted to SEK 218.5 million (161.0). The redemption of warrants of series 2018/2023 contributed SEK 14.3 million to equity (14.5). Dividends on the preference shares amounted to SEK -3.5 million (-3.5).

Liabilities

Interest-bearing liabilities including contingent considerations and lease liabilities amounted to SEK 3,891.9 million (2,696.7). The two largest items within interest-bearing liabilities consisted of SEK 2,189.3 million (1,342.1) in liabilities to credit institutions. and SEK 1,270.5 million (1,158.2) in deferred payments of purchase prices for acquisitions, so-called contingent consideration payments.

These contingent considerations are classified as interest-bearing as they are presented at net present value, but they do not give rise to any actual interest payments that are charged to the Group's cash flow. However, a discounted interest rate is booked as a financial expense for the period. The Group's Financial expenses includes this interest rate of SEK -9.1 million (-5.8) for the period.

Early payment as well as final regulation of liabilities relating to contingent considerations, have resulted in an expense of SEK -2.7 million (-5.8). The contingent consideration payments are recognised in accordance with IFRS at the present value of the estimated fair value based on the remaining term and expected outcome. The remeasurement is recognised net under other income or other external expenses.

During the period. the result was charged with SEK -2.7 million (-1.0) regarding discount rates in accordance with IFRS 16 regarding leasing liabilities.

Net debt, consisting of interest-bearing liabilities less cash and cash equivalents in remaining operations, amounted to SEK 3,489.6 million (2,428.1).

The financial net debt, according to the calculation method above but only for liabilities to credit institutions, amounted to SEK 1,787.0 million (1,073.5).

The key ratio Financial net debt in relation to EBITDA, which is calculated on a rolling twelve-month basis, amounted to 1.83 (1.28) as of March 31.

Financing

During the period, the Group increased its agreed long-term credit volume by SEK 500 million, while the short-term credit volume decreased by the same amount. The total credit volume currently amounts to a total of SEK 2,100 million and GBP 36 million (corresponding to approximately SEK 460 million. The contracts carry variable interest rates at 3-6 months intervals. However, in order to reduce interest rate exposure, the Group has agreements on so-called interest rate swaps, corresponding to about 20% of the agreed credit volume, with a 2-year maturity. Part of the agreed credit volume is linked to the Group's sustainability targets, which may increase or decrease the agreed interest margin depending on the outcome.

In addition, the Group uses currency swaps, to balance exposure to GBP and EUR. The purpose of these instruments is to balance the actual exposure between assets and liabilities, in each currency, that affect operating profit. At the end of the period, these volumes amount to approximately SEK 855 million and SEK 610 million respectively.

Parent Company

The Parent Company Sdiptech AB's internal net sales, containing mainly, management fee amounted to SEK 6.2 million (4.6) for the period and profit after financial items amounted to SEK -11.3 million (-10.9).

OTHER INFORMATION

Employees

The number of employees at the end of March was 2,213 (1,737). Acquisitions completed during the last twelve months increased the number of employees by 425.

Incentive programme

Incentive programs for executives and senior executives in the Group in the form of warrants were introduced in 2018, divided into three series: series 2018/2021, series 2018/2022 and series 2018/2023. In 2021, a corresponding incentive program was introduced for warrants of series 2021/2024.

Series 2018/2023 was redeemed in March 2023 and newly issued shares were subscribed for, whereby the Group received SEK 14.3 million in equity.

As of March 31, 337,625 warrants of series 2021/2024 was outstanding, after repurchases. The subscription price for new Class B shares that can be subscribed for under these warrants amounts to SEK 463.00 per share, respectively.

Risks and uncertainty factors

Through its operations, the Group and the Parent Company are exposed to various types of financial risks, mainly related to loans and receivables. The financial risks consist of:

- Liquidity- and financing risk
- Interest rate risk
- Currency risk
- Customer- and counterparty risk

The geopolitical unrest, in particular Russia's invasion of parts of Ukraine, have not had any significant impact on the Group's demand. Ultimately, the long-term economic consequences, including the consequences for the financial markets in general and the Group in particular, depend on the duration of the crisis and the measures taken by governments, central banks, and other public authorities. Should the situation worsen, risks such as increased raw material and energy prices, component shortages and availability problems can materialize and have a negative impact on the Group's possibilities to conduct its business.

During 2022 and 2023 inflation has risen sharply in most of the countries in which the Group's companies operate. This has resulted in higher prices for inputs and higher personnel cost for the Group's companies. Most of the cost increases have been or will be compensated for by increased prices towards the customer. However, there is a certain delay between these events, as the Group's companies to large extent have contracts with customers that regulate these processes over time. Rising inflation has also led central banks to raise their key interest rates, with increased borrowing costs as a result. This affects the Group to the extent that loan interest rates are variable.

For more detailed information on risk factors, please refer to Note 16 of the Annual Report 2022.

Related party transactions
No related party transactions occur within the group.

Events after the end of the reporting period
No significant events after the end of the reporting period.

Sdiptech Annual General Meeting 2023
The Annual General Meeting 2023 will be held on 22 May 2023, at 4.00 p.m. at the Swedish Royal Academy of Engineering Sciences (IVA Conference Centre), Grev Turegatan 16, Stockholm. The notice was published in accordance with the Articles of Association, on 19 and 21 April 2023.

All shareholders registered in the share register on 11 May 2023 may participate in person or by proxy. Notification must be made to the company in accordance with what is stated in the notice.

2022 Annual Report
The Annual Report was published on 24 April 2023.

Dividend
The Board of Directors proposes that the Annual General Meeting resolves on a dividend to the preference shareholders in accordance with the articles of association. The Board of Directors further proposes, in line with the dividend policy, that no dividend be paid on ordinary shares of Class A or ordinary shares of Class B but that the remaining profits should be carried forward to have financial readiness for continued acquisitions.

CONSOLIDATED INCOME STATEMENT

(SEK m)	Note	Jan-Mar 2023	Jan-Mar 2022	LTM Mar 2023	Jan-Dec 2022
Net sales	2	1,075.7	783.7	3,797.2	3,505.2
Other operating income	2	11.4	3.6	87.7	79.9
Total income		**1,087.1**	**787.3**	**3,884.9**	**3,585.1**
Operating expenses					
Materials. contracting and subcontracting		-423.2	-319.5	-1,491.2	-1,387.5
Other external expenses		-98.8	-75.4	-344.8	-321.4
Employee expenses		-318.5	-225.3	-1,111.1	-1,017.9
Depreciation and amortisation of tangible non-current assets		-38.2	-40.3	-27.3	-142.7
Depreciation and amortisation of intangible non-current assets		-27.9	-17.9	-97.4	-87.4
Operating profit		**178.4**	**121.9**	**697.7**	**641.2**
Profit/loss from financial items	3				
Financial income		0.7	-	7.4	6.7
Financial expenses		-45.0	-15.7	-140.4	-111.1
Profit after financial items		**134.1**	**106.2**	**564.7**	**536.8**
Tax on profit for the period		-38.3	-30.1	-116.9	-108.7
Profit for the period		**95.8**	**76.1**	**447.8**	**428.1**
Profit attributable to:					
Parent Company's shareholders		95.6	75.8	446.9	427.1
Non-controlling interests		0.2	0.3	0.9	1.0
Earnings per share (average number). attributable to the Parent Company's shareholders during the period. less dividends to preference shareholders (in SEK per share)					
Earnings per share (before dilution)		2.43	2.04	11.88	11.53
Earnings per share (after dilution)		2.43	2.03	11.88	11.48
EBITA*		**203.2**	**144.9**	**729.5**	**671.1**
Average number of common shares		37,862,760	35,421,554	36,430,667	35,828,726
Average number of common shares after dilution		37,862,760	35,575,806	36,430,667	35,969,623
Number of ordinary shares at the end of the period		37,991,938	35,580,027	37,991,938	37,801,348

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Jan-Mar 2023	Jan-Mar 2022	LTM Mar 2023	Jan-Dec 2022
Profit for the period	**95.8**	**76.1**	**447.8**	**428.1**
Other comprehensive income for the period				
Changes in accumulated translation differences	30.0	2.2	94.8	67.0
Comprehensive income for the period	**125.8**	**78.3**	**542.6**	**495.1**
Attributable to:				
Parent Company's shareholders	125.6	78.0	541.7	494.1
Non-controlling interest	0.2	0.3	0.9	1.0

CONSOLIDATED BALANCE SHEET

(SEK m)	Note	31 Mar 2023	31 Mar 2022	31 Dec 2022
Non-current assets				
Intangible non-current assets				
Goodwill	4	4,480.9	3,367.3	4,299.1
Other intangible assets		1,171.1	816.3	1,101.6
Tangible non-current assets				
Tangible non-current assets		427.6	270.3	403.4
Right-of-use assets		431.0	189.8	377.2
Financial non-current assets				
Other financial non-current assets		16.6	10.6	15.2
Total non-current assets		**6,527.2**	**4,654.3**	**6,196.5**
Current assets				
Completed products and goods for resale		695.3	367.2	562.4
Accounts receivable		785.9	602.0	687.0
Other receivables		43.0	62.9	47.7
Current tax assets		33.0	26.4	38.5
Prepaid expenses and accrued income		188.9	85.2	180.5
Cash and cash equivalents		402.3	268.6	383.2
Total current assets		**2,148.4**	**1,412.3**	**1,899.3**
Total assets		**8,675.5**	**6,066.6**	**8,095.8**
Shareholders' equity				
Shareholders' equity attributable to Parent Company's shareholders				
Share capital		1.0	0.9	1.0
Other contributed capital		2,083.2	1,570.3	2,068.9
Reserves		0.9	0.9	0.9
Profit/loss brought forward including earnings for the period		1,568.4	1,041.2	1,446.3
Total equity attributable to Parent Company's shareholders		**3,653.5**	**2,613.3**	**3,517.1**
Non-controlling interests		5.0	5.1	4.8
Total shareholders' equity		**3,658.5**	**2,618.4**	**3,521.9**
Long term liabilities				
Interest-bearing long-term liabilities	5	3,651.4	2,316.4	3,317.6
Non-interest-bearing long-term liabilities		278.1	183.8	252.9
Total long term liabilities		**3,929.5**	**2,500.2**	**3,570.5**
Short term liabilities				
Interest-bearing short-term liabilities	5	240.5	380.3	268.4
Non-interest-bearing short-term liabilities		846.9	567.8	735.1
Sum short term liabilities		**1,087.4**	**948.1**	**1,003.5**
Total liabilities		**5,016.9**	**3,448.3**	**4,574.0**
Total shareholders' equity and liabilities		**8,675.5**	**6,066.6**	**8,095.8**

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

		Shareholders' equity attributable to Parent Company shareholders						
(SEK m)	Note	Share capital	Other contr. capital	Reserves	Retained earnings	Total	Non-controlling interests	Share-holders' equity
Opening balance, January 1 2022		**0.9**	**1,555.8**	**0.9**	**966.8**	**2,524.4**	**4.7**	**2,529.1**
Income for the period		-	-	-	75.8	75.8	0.3	76.1
Other comprehensive income for the period		-	-	-	2.1	2.1	0.1	2.2
Total income for the period		-	-	-	**77.9**	**77.9**	**0.4**	**78.3**
Shareholder transactions								
Dividend paid to preference shareholders	7	-	-	-	-3.5	-3.5	-	-3.5
Share issue of ordinary shares series B		-	14.5	-	-	14.5	-	14.5
Total shareholder transactions		**-**	**14.5**	**-**	**-3.5**	**11.0**	**-**	**11.0**
Closing balance, March 31 2022		**0.9**	**1,570.3**	**0.9**	**1,041.2**	**2,613.3**	**5.1**	**2,618.4**
Opening balance, April 1 2022		**0.9**	**1,570.3**	**0.9**	**1,041.2**	**2,613.3**	**5.1**	**2,618.4**
Dividend paid to preference shareholders	7	-	-	-	-10.5	-10.5	-	-10.5
Share issue of ordinary shares series B		0.1	508.1	-	-	508.2	-	508.2
Share issue expenses		-	-9.2	-	-	-9.2	-	-9.2
Share premiums		-	-0.3	-	-	-0.3	-	-0.3
Dividend paid to non-controlling interests		-	-	-	-0.5	-0.5	-1.0	-1.5
Total shareholder transactions		-	**493.7**	-	**14.0**	**507.7**	**-36.6**	**471.1**
Closing balance, December 31 2022		**1.0**	**2,068.9**	**0.9**	**1,446.3**	**3,517.1**	**4.8**	**3,521.9**
Opening balance, January 1 2023		**1.0**	**2,068.9**	**0.9**	**1,446.3**	**3,517.1**	**4.8**	**3,521.9**
Income for the period		-	-	-	95.6	95.6	0.2	95.8
Other comprehensive income for the period		-	-	-	30.0	30.0	-	30.0
Total income for the period		**1.0**	**2,068.9**	**0.9**	**1,571.9**	**3,642.7**	**5.0**	**3,647.7**
Shareholder transactions								
Dividend paid to preference shareholders	7	-	-	-	-3.5	-3.5	-	-3.5
Share issue of ordinary shares series B		-	14.3	-	-	14.3	-	14.3
Total shareholder transactions		**-**	**14.3**	**-**	**-3.5**	**10.8**	**-**	**10.8**
Closing balance, March 31 2023		**1.0**	**2,083.2**	**0.9**	**1,568.4**	**3,653.5**	**5.0**	**3,658.5**

CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	Jan-Mar 2023	Jan-Mar 2022	Jan-Dec 2022
Continued operations			
Earnings after financial items	134.1	106.2	536.8
Adjustment for items not included in cash flow[1)]	84.5	50.4	171.6
Paid taxes	-41.8	-15.8	-110.6
Cash flow from continuing operations before change in working capital	**176.8**	**140.8**	**597.8**
Cash flow from change in working capital			
Increase(-)/decrease(+) in stock	-69.3	-32.5	-94.3
Increase(-)/decrease(+) in operating receivables	-71.5	-5.8	26.6
Increase(+)/decrease(-) in operating liabilities	62.0	12.0	34.5
Cash flow from current operations	**98.0**	**114.5**	**564.6**
Investing activities			
Acquisitions of subsidiaries	-185.4	-189.6	-1,117.8
Acquisitions of subsidiaries, paid contingent considerations	-68.5	-158.7	-356.1
Acquisition of minority stakes	-	-11.0	-11.0
Acquisitions of intangible non-current assets	-13.2	-4.8	-84.4
Acquisitions of tangible non-current assets	-26.6	-14.9	-123.2
Acquisition of business segment	-	-	-7.9
Cash flow from investing activities	**-293.7**	**-379.0**	**-1,700.4**
Financing activities			
Warrant program	-	-	-0.3
New share issue	14.3	14.5	513.8
Loans raised	754.1	200.9	1,980.8
Amortisation of loans	-535.6	-39.9	-1,275.1
Amortisation of lease liability	-18.6	-8.7	-65.6
Dividends paid	-3.5	-3.5	-15.0
Cash flow from financing activities	**210.7**	**163.3**	**1,138.6**
Cash flow for the period	**15.0**	**-101.2**	**2.8**
Cash and cash equivalents at beginning of year	383.2	**368.8**	368.8
Exchange rate difference in cash and cash equivalents	4.1	1.0	11.6
Cash and cash equivalents at end of period	**402.3**	**268.6**	**383.2**

1) Adjustment for items included in profit or loss after financial items but which are not cash flow affecting consists substantially without depreciation and amortization of. and revaluation of. contingent considerations.

PARENT COMPANY INCOME STATEMENT

(SEK m)	Jan-Mar 2023	Jan-Mar 2022	LTM Mar 2023	Jan-Dec 2022
Net sales	6.2	4.6	19.9	18.3
Other operating income	-	-	0.7	0.7
Total income	**6.2**	**4.6**	**20.6**	**19.0**
Operating expenses				
Other external expenses	-4.5	-5.8	-20.1	-21.4
Employee expenses	-16.5	-13.1	-51.6	-48.2
Depreciation of tangible and intangible non-current assets	-0.2	-0.2	-0.8	-0.8
Operating profit	**-15.0**	**-14.5**	**-51.9**	**-51.4**
Profit/loss from financial items				
Financial income	3.8	3.7	19.8	19.7
Financial expenses	-0.1	-0.1	-0.3	-0.3
Profit/loss after financial items	**-11.3**	**-10.9**	**-32.4**	**-32.0**
Group contributions received	-	-	62.0	62.0
Tax on profit	-	0.3	0.3	0.6
Profit/loss for the period	**-11.3**	**-10.6**	**29.9**	**30.5**

PARENT COMPANY BALANCE SHEET

(SEK m)	31 Mar 2023	31 Mar 2022	31 Dec 2022
Non-current assets			
Intangible non-current assets			
Other intangible non-current assets	0.1	0.2	0.1
Tangible non-current assets			
Tangible non-current assets	1.2	1.4	1.2
Financial non-current assets			
Financial non-current assets	0.3	10.9	0.3
Receivables. Group companies	2,111.3	2,003.0	2,061.7
Total non-current assets	**2,112.8**	**2,015.5**	**2,063.3**
Current assets			
Receivables. Group companies	1,144.9	734.9	1,202.9
Trade receivables	-	0.3	-
Other receivables	-	0.3	1.3
Prepaid expenses and accrued income	2.9	2.3	2.8
Cash and cash equivalents	13.7	29.5	3.5
Total current assets	**1,161.4**	**767.3**	**1,210.5**
Total assets	**3,274.2**	**2,782.8**	**3,273.8**
Shareholders' equity			
Share capital	1.0	0.9	1.0
Share premium reserve	2,083.2	1,570.3	2,068.9
Retained earnings including profit/loss for the period	217.9	202.1	232.7
Total shareholder's equity	**2,302.2**	**1,773.3**	**2,302.6**
Liabilities			
Other long-term interest-bearing liabilities	886.9	968.7	841.7
Short-term liabilities to Group companies	5.1	29.3	3.0
Short-term liabilities	80.1	11.4	126.5
Total liabilities	**972.1**	**1,009.4**	**971.2**
Total equity and liabilities	**3,274.2**	**2,782.7**	**3,273.8**

NOTES

ACCOUNTING PRINCIPLES IN ACCORDANCE WITH IFRS
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (EU). This interim report for the Group has been prepared in accordance with IAS 34 Interim Financial Reporting and applicable provisions in the Annual Accounts Act.

The Interim Report for the Parent Company has been prepared in accordance with the Swedish Annual Accounts Act. which is in accordance with the provisions of RFR 2. Accounting for Legal Entities.

The same accounting principles and calculation bases have been applied for the Group and the Parent Company as in the preparation of the most recent annual report for the 2022 financial year.

As a result of rounding off. differences in summaries may appear in the interim report.

New and amended standards for the financial year 2023
New or amended IFRS are not expected to have any significant effects.

NOTE 1 IMPORTANT ESTIMATES AND ASSUMPTIONS ON APPLICATION OF THE GROUP'S ACCOUNTING PRINCIPLES
Estimates and assumptions are continuously assessed based on historical experience and other factors, including expectations of future events considered reasonable under prevailing conditions. For more detailed information. please refer to Note 1 of the Annual Report 2022.

Valuation of financial assets and liabilities
Estimates of fair value in the operations primarily affect the Group's goodwill, liabilities related to deferred payments on acquisitions and the Parent Company's shareholdings in subsidiaries. Goodwill is reported in the consolidated balance sheet at acquisition value minus any accumulated write-downs. Financial assets and liabilities in the balance sheet are reported at acquisition value, unless otherwise stated.

In the case of acquisitions. components of the purchase consideration are usually linked to the acquired company's financial results for a period after the acquisition. The book value of liabilities to sellers in the form of contingent consideration can be affected both positively and negatively because of assessments of each company's financial results for the remaining period. Liabilities for contingent additional purchase prices that arise in business acquisitions are measured at fair value through profit or loss.

NOTE 2 SEGMENT REPORTING
Sdiptech reports profit from operations in two segments: Resource Efficiency and Special Infrastructure Solutions.

RESOURCE EFFICIENCY
Companies within Resource Efficiency provide niche products and services that contribute to the use of resources, such as water, energy, minerals, forest and food, in an efficient and sustainable way. The main geographic markets are northern Europe and the United Kingdom.

SPECIAL INFRASTRUCTURE SOLUTIONS
The companies within Special Infrastructure Solutions provide niche products and services for specialised needs in air and climate control, safety and surveillance and transport systems. The main geographic markets are northern Europe and the United Kingdom.

Central units – Group-wide functions
Group-wide functions and eliminations consist of the Group's Parent Company, Sdiptech AB, the Group's holding companies. which also includes items affecting earnings, such as revaluation of contingent consideration and write-down of goodwill.

Segment information. Group

Net Sales (SEK m)	Jan-Mar 2023	Jan-Mar 2022	LTM Mar 2023	Jan-Dec 2022
Resource Efficiency	391,1	339,5	1 321,4	1 269,8
Special Infrastructure Solutions	684,6	444,2	2 475,8	2 235,4
Total Net Sales	**1 075,7**	**783,7**	**3 797,2**	**3 505,2**

Operating profit (SEK m)	Jan-Mar 2023	Jan-Mar 2022	LTM Mar 2023	Jan-Dec 2022
Resource Efficiency	82.5	74.6	254.4	246.5
Special Infrastructure Solutions	118.5	72.9	451.4	405.8
Segment total	**201.0**	**147.5**	**705.8**	**652.3**
Central units	-22.6	-25.6	-8.1	-11.1
Total EBIT	**178.4**	**121.9**	**697.7**	**641.2**
Net financials	-44.3	-15.7	-133.0	-104.4
Profit before tax	**134.1**	**106.2**	**564.7**	**536.8**

Revenue from agreements with customers (SEK m)	**Jan-Mar 2023**	**Jan-Mar 2022**	**LTM Mar 2023**	**Jan-Dec 2022**
Resource Efficiency				
Products	280.9	241.6	898.2	858.9
Installation, direct	59.6	58.8	167.0	166.2
Installation, over time	6.8	5.1	88.5	86.8
Service, direct	32.5	24.9	104.8	97.2
Service, over time	7.1	4.9	44.4	42.2
Distribution	4.2	4.2	18.3	18.3
Sum Sales Resource Efficiency	**391.1**	**339.5**	**1,321.3**	**1,269.8**
Special Infrastructure Solutions				
Products	345.0	171.3	1,273.8	1100.1
Installation, direct	71.2	88.1	281.2	298.1
Installation, over time	57.1	52.9	226.5	222.3
Service, direct	182.6	117.9	573.7	509
Service, over time	24.7	11.5	108.2	95
Distribution	4.0	2.5	12.4	10.9
Sum Sales Special Infrastructure Solutions	**684.6**	**444.2**	**2,475.8**	**2,235.4**
Sum Products	*625.9*	*412.9*	*2,172.0*	*1,959.0*
Sum Installation, direct	*130.8*	*146.9*	*448.2*	*464.3*
Sum Installation, over time	*63.9*	*58.0*	*315.0*	*309.1*
Sum Service, direct	*215.1*	*142.8*	*678.5*	*606.2*
Sum Service, over time	*31.8*	*16.4*	*152.6*	*137.2*
Sum Distribution	*8.2*	*6.7*	*30.7*	*29.2*
Total sales	***1,075.7***	***783.7***	***3,797.2***	***3,505.2***

Other income (SEK m)	**Jan-Mar 2023**	**Jan-Mar 2022**	**LTM Mar 2023**	**Jan-Dec 2022**
Resource Efficiency	5,9	1,2	10,2	5,5
Special Infrastructure Solutions	5,4	2,4	14,8	11,8
Business areas	**11,4**	**3,6**	**25,0**	**17,3**
Central units	-	-	62,6	62,6
Total	**11,4**	**3,6**	**87,7**	**79,9**

NOTE 3 FINANCIAL INCOME AND COST

(SEK m)	Jan-Mar 2023	Jan-Mar 2022	LTM Mar 2023	Jan-Dec 2022
Financial income				
Interest income	0.4	-	1.9	1.5
Net exchange gain	-	-	4.9	4.9
Other financial income	0.2	-	0.4	0.2
Total financial income	**0.7**	**-**	**7.4**	**6.7**
Financial cost				
Interest expense on financial liabilities to credit institutions	-29.6	-8.4	-94.5	-73.3
Discount rate for lease liabilities	-2.7	-1.0	-7.0	-5.3
Discount rate on contingent considerations	-9.1	-5.8	-33.3	-30.0
Exchange rate difference	-2.6	-0.1	-2.5	-
Other financial cost	-0.9	-0.4	-2.9	-2.4
Total financial cost	**-45.0**	**-15.7**	**-140.4**	**-111.1**
Net financial cost	**-44.3**	**-15.7**	**-133.0**	**-104.4**

The Group's net financial items consist of interest expenses divided into interest expenses relating to financial liabilities to credit institutions as well as discount rates regarding leasing liabilities in accordance with IFRS 16 and contingent consideration. These conditional purchase considerations are classified as interest-bearing as they are presented at net present value, but they do not give rise to any actual interest payments that are charged to the Group's cash flow. In addition, the Group is affected by exchange rate differences regarding internal and external loans in foreign currency.

NOTE 4 GOODWILL

(SEK m)	31 Mar 2023	31 Mar 2022	31 Dec 2022
Opening balance	**4,299.1**	**3,183.3**	**3,183.3**
Acquisitions for the period	113.5	179.0	962.2
Adj. of preliminary acquisition analysis	16.6	-	12.8
Currency translation effects	51.6	5.0	140.7
Carrying amount at end of period	**4,480.8**	**3,367.3**	**4,299.1**

Compared to 31 December 2022 goodwill increased by SEK 181.7 million and amount to SEK 4,480.8 million as per March 31, 2023. Acquisitions made during January to March resulted in an increase in goodwill of SEK 113.5 million.

NOTE 5 INTEREST-BEARING LIABILITIES

(SEK m)	31 Mar 2023	31 Mar 2022	31 Dec 2022
Liabilities to credit institutions	2,162.8	1,335.3	1,931.3
Leases	336.6	132.1	286.4
Contingent consideration	1,148.6	846.6	1,098.3
Other non-current liabilities	3.4	2.4	1.5
Total non-current interest-bearing liabilities	**3,651.4**	**2,316.4**	**3,317.6**
Liabilities to credit institutions	26.5	6.8	13.0
Leases	91.5	61.4	87.1
Contingent consideration	121.9	311.6	167.7
Other current liabilities	0.5	0.5	0.5
Total current interest-bearing liabilities	**240.5**	**380.3**	**268.4**

Contingent consideration payments refer to various types of obligations to the selling party that are linked to conditions based on the acquired company's results for a specific period after the acquisition. The contingent purchase prices are classified as Level 3 in the fair value hierarchy. The liabilities are reported at the present value of the expected outcome based on the assessed fair value at the balance sheet date based on outcomes and future forecasts.

Contingent consideration (SEK m)	31 Mar 2023	31 Mar 2022	31 Dec 2022
Opening balance	1,266.0	1,131.4	1,131.4
Acquisitions	46.2	174.6	476.9
Paid purchase considerations relating previous acquisitions	-68.5	-158.7	-356.1
Interest expenses (discount effect due to present value calculation)	9.1	5.8	30.0
Revaluation via operating profit	2.7	5.8	-61.6
Exchange differences	15.0	-0.8	45.5
Carrying amount at period end	**1,270.5**	**1,158.2**	**1,266.0**

Revaluation of liabilities regarding contingent consideration resulted in a cost of SEK -2.7 million (-5.8) during the year. The contingent consideration is recognized in accordance with IFRS at the present value of estimated fair value based on the remaining maturity and expected outcome.

The contingent purchase prices are discounted by present value calculation. On June 30, 2022, the discount rate was adjusted from two to three percentage points, which for the period entails an increased interest expense of approximately SEK 3 million.

NOTE 6 BUSINESS ACQUISITIONS

PRELIMINARY ACQUISITION ANALYSIS, regarding acquisitions during January to March 2023 (SEK m)	HeatWork AS[1]	Sum
Intangible non-current assets	20.2	20.2
Tangible non-current assets	10.8	10.8
Right of use assets	47.9	47.9
Other fixed assets	0.1	0.1
Inventories and work in progress	56.5	56.5
Cash and cash equivalents	20.2	20.2
Trade receivables [2]	14.0	14.0
Other current assets	7.5	7.5
Deferred tax	0.2	0.2
Other non-current liabilities	-62.3	-62.3
Current tax liability	-3.4	-3.4
Other current liabilities	-29.2	-29.2
Net identifiable assets and liabilities	**82.5**	**82.5**
Consolidated goodwill	113.5	113.5
Brand and trademarks	30.8	30.8
Customer relations	19.5	19.5
IP rights	-	-
Deferred tax liabilities	-11.1	-11.1
Total estimated purchase price	**235.2**	**235.2**
Cash and cash equivalents	189.0	189.0
Contingent consideration	46.2	46.2
Total remuneration	**235.2**	**235.2**

Liquidity impact on the Group	HeatWork AS[1]	Sum
Cash and cash equivalents acquired	20.2	20.2
Remuneration transferred	-189.0	-189.0
Total cash impact	**-168.8**	**-168.8**

Other information [3]	HeatWork AS[1]	Sum
Run rate, turnover	119.4	119.4
Run rate profit before tax	24.1	24.1

Contribution of the acquired entities to Group turnover and profit (SEK million)	HeatWork AS[1]	Sum
Acquired units' contribution to the Group's turnover	7.7	7.7
Acquired units' contribution to the Group's profit before tax	2.1	2.1
Transaction costs. including stamp fee	-1.0	-1.0
Amortisation and impairment of intangible assets	-	-

[1)] HeatWork **AS** with subsidiaries
[2)] The receivables are measured at fair value no provision for bad debts is recognized
[3)] Run rate is based on sales and operating profit before tax, on a 12-month basis, at the time of acquisition. For foreign acquisitions, the result has been recalculated based on the price at the time of acquisition.

Acquisition accounting
The acquisition analysis is preliminary. The acquisition analysis is kept open for 12 months from the date of entry. During the period, adjustments of the preliminary amounts recognized at the time of acquisition based on new information about the facts and circumstances that existed at the time of acquisition and which, if known, would have affected the calculation of the amounts recognised at that time.

Goodwill consists of the amount by which the consolidated cost of shares in acquired subsidiaries exceeds the fair value of the company's net assets recognised in the acquisition analysis at the time of acquisition and is mainly attributable to synergies and other intangible assets that do not meet the criteria for separate recognition. Goodwill relates to the expected contribution of the acquired entity to complement and broaden the Group's offering, sales channels and synergies in infrastructure and contribute to the Group's continued growth.

Acquisition-related expenses, known as transaction costs, are expensed as incurred. These costs. together with costs for divestments. are recognized in the income statement under the item "Other external costs". Acquisition and divestment costs for the period January to March 2023 amounted to SEK 1.6 million (3.9), see also page 24.

Description of acquisitions during the period January – March 2023
On March 31, 2023, Sdiptech acquired 81.6 percent of the shares HeatWork AS with subsidiaries in Sweden and Finland. HeeatWork has 20 years of experience of developing specialised products within hydronic heating. Its mobile power stations are specially designed to meet the needs in many areas of application, such as energy generation, agriculture & horticulture, pest control, construction, crisis preparedness and municipal water protection. HeatWork has a strong focus on innovative, sustainable, high-quality solutions, and the technology contributes to a significant reduction in both energy consumption, costs, and CO2 emissions. The company has an annual turnover of NOK 120 million with good profitability. HeatWork is a globally active company with headquarters and production facility in Narvik, Norway and, at the time of the acquisition, HeatWork has 42 employees. The company is Sdiptech's second business unit in Norway and will be part of the Resource Efficiency business area from March 2023.

At the date of the transaction, the company is valued at NOK 233 million on a cash- and debt-free basis. Financing is provided by own resources and bank credits. The final purchase price including redemption under option of the remaining 18.4 percent of the company's shares is dependent on the company's performance during the earn-out period. Under the agreement, Sdiptech can buy the remaining shares after 6 years, with the valuation of the remaining shares depending on the company's profit growth. At the time of acquisition, the value of the remaining shares is estimated to SEK 46 million after present value calculation.

If the acquired units for the year had been consolidated as of January 1, 2023, net sales for the period January to March would have amounted to approximately SEK 1,100 million and EBITA* would have amounted to approximately SEK 210 million.

NOTE 7 DIVIDENDS
In March 2015, 1,750,000 preference shares were issued with an issue price of SEK 100 per share. Dividend amounts to SEK 8 per year, divided into quarterly payments. Redemption price is SEK 120 during 0–24 months after the exhibition, SEK 110 during month 25–48., and SEK 105 thereafter. Dividends on preference shares require a general meeting resolution. The holders of the preference shares have no right to demand redemption or demand a dividend. The dividend on preference shares is regulated in the Articles of Association. The dividend amounts to SEK 14.0 million annually, divided into SEK 3.5 million per quarter, with payment in March, June, September and December.

COMPANIES PER BUSINESS AREA

RESOURCE EFFICIENCY
The companies within Resource & Efficiency provide niche products and services that contribute to the use of resources, such as water, energy, minerals, forests and food, in an efficient and sustainable manner. The principal geographic markets today are Northern Europe, the United Kingdom and Italy.

The companies included in Resource & Efficiency (in alphabetical order)

• Agrosistemi Srl	Treatment and recovery of biological sludge
• CentralByggarna i Åkersberga AB	Producer of customised switching stations and electrical automation
• Centralmontage i Nyköping AB	Producer of customised switching stations and electrical automation
• EuroTech Sire System AB	Installation and service of uninterruptible power supply
• Hansa Vibrations & Omgivningskontrol AB	Performs vibration measurements in infrastructure projects
• HeatWork AS (fr.o.m. mar -23)	Manufacturing of mobile hydronic heating solutions
• Hydrostandard Mätteknik Nordic AB	Replacement. renovation and calibration of water meters
• Multitech Site Services Ltd	Temporary infrastructure such as temporary electricity. water. fire protection and lighting
• Polyproject Environment AB	Installations and components for water treatment in industry and municipalities
• Pure Water Scandinavia AB	Producer of ultra-pure water products
• Rogaland Industri Automasjon AS	Control and regulating systems for water and sewerage systems
• Rolec Services Ltd (One Stop Europe Ltd)	Development and manufacture of charging equipment and systems for electric vehicles
• Topas Vatten AB	Installation and service of smaller water and wastewater treatment plants
• Unipower AB	Measuring systems for monitoring of power quality
• Vera Klippan AB	Producer of large-dimension cisterns for larger water and sewerage systems
• Wake Power Distribution Ltd (IDE Systems)	Temporary power distribution and monitoring systems
• Water Treatment Products Ltd	Preparation and manufacture of water treatment products

SPECIAL INFRASTRUCTURE SOLUTIONS
The companies within Special Infrastructure Solutions provide niched products and services for specialised needs in air and climate control, security and surveillance and transport systems. The principal geographic markets are Northern Europe and the United Kingdom.

The companies included in Infrastructure Solutions (in alphabetical order):

• Alerter Group Ltd	Emergency communications systems for disabled people
• Auger Site Investigations Ltd	Specialised in claims management of underground infrastructure
• Castella Entreprenad AB	Contracts for shell completion and internal plaster walls
• Certus Technologies Holding B.V.	Systems for automation in ports. terminals and logistics distribution center
• Cliff Models AB	Prototypes for industrial product development
• Cryptify AB	Software solution for secure communication
• e-l-m- Kragelund A/S (as of Jun -22)	Development and manufacturing of innovative attachments for forklifts
• Frigotech AB	Installation and service of refrigeration units
• GAH (Refrigeration) Ltd	Manufacture and service of transportation refrigeration solutions
• Oy Hilltip Ab	Manufacturer of road maintenance equipment. special winter
• KSS Klimat & Styrsystem AB	Indoor climate control. ventilation and energy efficiency
• Medicvent AB	System for evacuation of noxious gases
• Mecno (as of Nov -22)	Products and services for grinding rails
• Metus d.o.o.	Production of special elevators for customer-specific needs and resource supply to global elevator manufacturers
• Optyma Security Systems Ltd	Integrated security systems for public and private environments
• Patol (as of Nov -22)	Designs and manufactures products for fire, smoke and heat detection.
• RedSpeed International Ltd	Digital cameras for speed monitoring and traffic enforcement
• Resource Data Management Ltd	Specialist product provider within refrigeration control and monitoring
• (as of May -22)	
• Storadio Aero AB	Infrastructure and operational liaison centre for backup air traffic Communications and radio-based services for shipping.
• TEL UK Ltd	Design and manufacture of electronic airflow monitor and control.
• Thors Trading AB	Durable products in hard metal material for racing and harness racing.

DEFINITIONS ALTERNATIVE PERFORMANCE MEASURES

Sdiptech presents alternative financial ratios in addition to the financial ratios established by IFRS to better understand the development of the business and the financial position. However, such ratios shall not be considered as a substitute for the key ratios required under IFRS. The alternative key figures presented in this report are described below.

EBITA*	EBITA* is the Group's operating performance measure and is calculated as EBITA before acquisition costs and disposal costs and before profit from revaluation of contingent consideration and sale results from divestments. items affecting non-material corrections to previous years' results in the subsidiaries; less depreciation and amortization that are not acquisition-related but originate from the intangible assets of the operating units. EBITA* is indicated by an asterisk. The key figure increases the comparability of EBITA over time as it is adjusted for the impact of items affecting comparability. The key figure is also used in the internal follow-up and constitutes a central financial objective for the business.
EBITA*-margin	EBITA* in relation to net sales.
EBITDA	Operating profit before depreciation and impairment losses.
EBITA	Operating profit after depreciation and amortisation of tangible fixed assets before impairment. The key figure enables comparisons of profitability over time regardless of amortisation and impairment of acquisition-related intangible assets and independent of the corporate tax rate and the company's financing structure. That said, depreciation of tangible assets is included, which is a measure of the consumption of resources necessary to generate earnings.
Financial net debt/EBITDA	Calculated as average financial net debt to credit institutions and other financial debt for the past four quarters. in relation to EBITDA for the past four quarters. Financial net debt to includes short-term and long-term interest-bearing liabilities less cash and cash equivalents. but excluding debt related to the contingent consideration payments for acquisitions.
Net debt /EBITDA	Average net debt for the last four quarters, in relation to EBITDA for the last four quarters. Net debt includes current and non-current interest-bearing liabilities less cash and cash equivalents. Parts of the interest-bearing liabilities are related to the contingent consideration for acquisitions, which is settled at the end of the vesting periods depending on performance during these periods. A payment of the debt at the current book value requires a higher profit level than the current level
Capital employed	Calculated as average shareholders' equity and interest-bearing net debt for the past four quarters less cash and cash equivalents and short-term investments.
Return on capital employed	Calculated as EBITA for the last four quarters at the relevant closing date, in relation to the average capital employed for the last four quarters at the closing date.
Return on equity	Calculated as the average profit after tax attributable to shareholders, adjusted for dividends to preference shares, for the last four quarters, in relation to the average equity attributable to shareholders adjusted for preference capital for the last four quarters at the balance sheet date
Cash flow generation	Calculated as cash flow from continuing operations in relation to profit before tax adjusted for non-cash items.
Earnings per ordinary share (number share per end of period)	Calculated as profit after tax attributable to the Parent Company's shareholders less dividends to preference shareholders divided by the number of ordinary shares per the end of the period.

ALTERNATIVE PERFORMANCE MEASURES
To facilitate monitoring of the Group's operations. alternative performance measures are presented in the interim report. The alternative performance measures presented in this interim report relate to EBITA*. EBITDA. Net debt/EBITDA. Financial net debt/EBITDA. return on capital employed. Cash flow generation. Earnings per ordinary share and earnings per ordinary share after dilution.

EBITA*
EBITA* consists of EBITA before acquisition costs and before amortisation and write-downs of intangible fixed assets that arose in connection with acquisitions as well as before remeasurements of contingent consideration payments and write-downs of goodwill. Amortisation and write-downs of intangible assets that are not acquisition-related but derive from the operating units' intangible assets are not reversed. Apart from this. items affecting comparability relating to non-material adjustments of previous years' net profit in subsidiaries have been highlighted.

Acquisition and divestment costs, which mainly relate to external consultants, are expensed during the periods in which they arise, and the services are performed. During the period January to December 2022 the acquisition costs also include stamp duty of SEK 4.6 million (6.8). which is a non-recurring cost.

Adjustment items for EBITA*
The costs and revenues that are excluded when calculating EBITA* have historically amounted to the amounts below:

Acquisition costs (SEK m)	Q1	Q2	Q3	Q4	Total
2023	-1.6	-	-	-	**-1.6**
2022	-3.9	-10.6	-1.2	-6.5	**-22.2**
2021	-15.3	-1.9	-5.5	-3.7	**-26.4**

Adjustment of liability for earnouts (SEK m)	Q1	Q2	Q3	Q4	Total
2023	-2.7	-	-	-	**-2.7**
2022	-5.8	38.0	28.9	0.5	**61.6**
2021	-2.5	-	-0.7	-39.8	**-43.0**

The remeasurement of liabilities relating to contingent consideration payments may entail corresponding revenues if liabilities have been written down, or an expense if the liabilities have been written-up. The fact that these items vary over time is due to the development of the participating companies and future forecasts. An evaluation of this development compared with book values takes place every quarter and can result in various remeasurements that affect earnings. These adjustments are made so that the book values are as close to the fair values as possible. see also Note 1.

For acquisitions, part of the purchase price is allocated to goodwill and amortisable intangible assets, also see Note 4. The heading "Amortisation and write-downs of intangible fixed assets" includes any write-downs of goodwill. Amortisation. which is a result of Sdiptech allocating part of the purchase price to acquired intangible assets, such as trademarks, product rights, customer relations, etc. in connection with acquisitions, is also included under the heading. These assets are amortised over time, resulting in a cost. This type of allocation and resulting amortisation has increased over time and is expected to continue increasing in line with new acquisitions. As a rule of thumb, it can be stated that new amortisation of intangible assets that have arisen in connection with new acquisitions, is added at about 2% per year of the additional acquired companies' purchase price.

Effects on EBITA*. compared to EBITA. are distributed as follows:

EBITA* to EBIT bridge (SEK m)	Jan-Mar 2023	Jan-Mar 2022	LTM Mar 2023	Jan-Dec 2022
EBITA*	**203.2**	**144.9**	**729.5**	**671.1**
Adjustment of liability for earnouts	-2.7	-5.8	64.7	61.6
Acquisition and divestment cost	-1.6	-3.9	-19.9	-22.2
Adjustment of previous years, not material	-	-	-4.4	-4.4
Of which non-acquisition-related amortization and write-downs of intangible fixed assets	7.4	4.6	25.0	22.3
EBITA	**206.3**	**139.8**	**794.9**	**728.6**
Non-acquisition-related amortization and write-downs of intangible fixed assets	-7.4	-4.6	-25.0	-22.3
Acquisition-related amortization and write-downs of intangible fixed assets	-20.5	-13.3	-72.4	-65.1
EBIT	**178.4**	**121.9**	**697.7**	**641.2**

EBITA*-margin
EBITA* in relation to Net Sales

EBITA* in relation to Net Sales (SEK m)	Jan-Mar 2023	Jan-Mar 2022	LTM Mar 2023	Jan-Dec 2022
EBITA*	203.2	144.9	729.5	671.1
Net Sales	1,075.7	783.7	3,797.2	3,505.2
EBITA* margin %	**18.9**	**18.5**	**19.2**	**19.1**

EBITDA

Operating profit before depreciation and impairment losses.

EBITDA (SEK m)	Jan-Mar 2023	Jan-Mar 2022	LTM Mar 2023	Jan-Dec 2022
Operating profit	178.4	121.9	697.7	641.2
Depreciation and amortisation of tangible non-current assets	40.3	27.3	142.7	129.7
Depreciation and amortisation of intangible non-current assets	27.9	17.9	97.4	87.4
EBITDA	**246.6**	**167.1**	**937.8**	**858.3**

Financial net debt/EBITDA
Calculated as average financial net debt to credit institutions and other financial debt for the past four quarters, in relation to EBITDA for the past four quarters. Financial net debt to includes short-term and long-term interest-bearing liabilities less cash and cash equivalents but excluding debt related to the contingent consideration payments for acquisitions.

Average interest-bearing financial net debt (SEK m)	Average	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Interest-bearing financial debt	2,116.6	2,189.3	1,944.3	2,162.5	2,170.3
Cash and cash equivalents	-402.6	-402.3	-383.2	-388.5	-436.3
Interest-bearing financial net debt	**1,714.0**	**1,787.1**	**1,561.1**	**1,774.0**	**1,734.0**

Average Financial net debt in relation to EBITDA (SEK m))	LTM Mar 2023	LTM Mar 2023	Full year 2022
Interest-bearing financial net debt	1,714.0	702.1	1,535.7
EBITDA	937.8	550.1	858.3
Financial net debt/EBITDA	**1.83**	**1.28**	**1.79**

Net debt/EBITDA
Calculated as average net debt for the last four quarters, in relation to EBITDA for the last four quarters. Net debt includes short-term and long-term interest-bearing liabilities less cash and cash equivalents. Parts of the interest-bearing liabilities are debt related to the contingent consideration payments for acquisitions which are regulated at the end of the earnout periods depending on the earnings trend during those periods. A payment of the debt at the current booked value requires higher earnings levels than the current level.

Average interest-bearing net debt (SEK m)	Average	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Interest-bearing liabilities	3,713.5	3,891.9	3,585.9	3,678.5	3,697.8
Cash and cash equivalents	-402.6	-402.3	-383.2	-388.5	-436.3
Interest-bearing net debt	3,311.0	3,489.6	3,202.7	3,290.0	3,261.5

Average net debt in relation to EBITDA (SEK m)	LTM Mar 2023	LTM Mar 2023	Full year 2022
Interest-bearing net debt	3,311.0	1,899.1	3,045.6
EBITDA	937.8	550.1	858.3
Net debt/EBITDA	**3.53**	**3.45**	**3.55**

Capital employed
Calculated as average shareholders' equity and interest-bearing liabilities for the last four quarters less cash and cash equivalents and short-term investments.

Average capital employed (SEK m)	Average	Q1 2023	Q4 2022	Q3 2022	Q2 2022
Interest-bearing net debt	3,311.0	3,489.6	3,202.7	3,290.0	3,261.5
Shareholders' equity	3,210.3	3,658.5	3,521.9	2,897.3	2,763.6
Capital employed	**6,521.3**	**7,148.2**	**6,724.7**	**6,187.3**	**6,025.1**

Return on capital employed
Calculated as EBITA for the most recent four quarters on closing day in relation to average capital employed for the four most recent quarters on closing day.

Average EBITA in relation to average capital employed (SEK m)	LTM Mar 2023	LTM Mar 2023	Full year 2022
EBITA	794.9	455.0	728.6
Capital employed	6,521.3	4,403.0	5,995.9
Return on capital employed %	**12.2**	**10.3**	**12.2**

Return on equity
Calculated as average profit after tax. attributable to the Parent Company's shareholders, adjusted for dividend to preference shares, for the four most recent quarters in relation to average equity, attributable to the Parent Company's shareholders, adjusted for preference capital for the four most recent quarters on closing day.

Average adjusted net profit in relation to average equity (SEK m)	LTM Mar 2023	LTM Mar 2023	Full year 2022
Profit after tax. adjusted	452.7	244.7	413.1
Equity	3,030.2	2,324.0	2,770.1
Return on capital employed %	**14.9**	**10.5**	**14.9**

Cash flow generation
Calculated as cash flow from continuing operations in relation to profit before tax adjusted for non-cash items.

Cash flow generation %	Jan-Mar 2023	Jan-Mar 2022	LTM Mar 2023	Jan-Dec 2022
EBT	134.1	106.2	564.7	536.8
Adjustment for items not included in cash flow	84.5	50.4	205.7	171.6
Adjusted EBT	**218.6**	**156.6**	**770.4**	**708.4**
Cash flow from continuing operations	98.0	114.5	548.1	564.6
Cash flow generation %	**44.8**	**73.1**	**71.1**	**79.7**

Earnings per ordinary share (number share per end of period)
Calculated as profit after tax attributable to the Parent Company's shareholders less dividends to preference shareholders divided by the total number of ordinary shares outstanding at end of the period.

Earnings per ordinary share (SEK m)	Jan-Mar 2023	Jan-Mar 2022	LTM Mar 2023	Jan-Dec 2022
Profit/loss attributable to Parent Company's shareholders	95.6	75.8	446.9	427.1
Dividend paid to preference shareholders	-3.5	-3.5	-14.0	-14.0
Profit/loss attributable to Parent Company's shareholders	**92.1**	**72.3**	**432.9**	**413.1**
Number of ordinary shares outstanding (thousand)	37,992	35,580	37,992	37,801
Earnings per ordinary share	**2.42**	**2.03**	**11.39**	**10.93**

STOCKHOLM 4 MAY 2023

Jakob Holm
President and CEO

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This interim report has not been the subject of a review by the company's auditors.

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Sdiptech AB (publ) is required to disclose this information pursuant to EU Market Use Regulation 596/2014. The information was provided by the above contact persons for publication on 4 May 2023 at 08.00 CEST.

UPCOMING REPORTS

Annual General Meeting	22 May 2023
Interim report April - June 2023	21 July 2023
Interim report July-September 2023	27 October 2023
Year-end report for för 2023	9 February 2024

Payment of dividends to preference shareholders
For each preference share, an annual dividend of SEK 8.00 is paid, divided into four quarterly payments of SEK 2.00 each. The record dates for receipt of dividends of preference shares are (the annual general meeting 2023 is proposed the dates from June 2023):

- 15 June 2023
- 15 September 2023
- 15 December 2023
- 15 March 2024