Year End Report 2023

Januari – December

FOURTH QUARTER 2023

- Net sales increased by 35% to SEK 1,368.4 million (1,017.5). In total for the Group, organic sales growth was 20%, excluding currency effects.
- EBITA, increased by 27% to SEK 250.2 million (196.9).
- Adjusted EBITA increased by 29% to SEK 252.6 million (195.6), corresponding to an adjusted EBITA margin of 18.5% (19.2). Organic adjusted EBITA growth for the Group was 9%, excl. currency effects.
- Profit before tax for the Group amounted to SEK 138.4 (132.9) million and profit after tax amounted to SEK 91.6 million (107.0), of which SEK 91.4 million (106.8) was attributable to the Parent Company's shareholders.
- Cash flow from operating activities amounted to SEK 197.4 million (201.4), corresponding to a cash conversion of 86% (99).
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 2.31 (2.81). After dilution, earnings per ordinary share amounted to SEK 2.31 (2.80).

JANUARY - DECEMBER 2023

- Net sales increased by 37% to SEK 4,818.3 million (3,505.2). In total for the Group, organic sales growth was 18%, excl. currency effects.
- EBITA, increased by 32% to SEK 963.0 million (728.6).
- Adjusted EBITA increased by 37% to SEK 921.6 million (671.1), corresponding to an adjusted EBITA margin of 19.1% (19.1). Organic adjusted EBITA growth for the Group was 13%, excl. currency effects.
- Profit before tax for the Group amounted to SEK 611.5 (536.8) million and profit after tax after tax amounted to SEK 445.6 million (428.1), of which SEK 444.2 million (427.1) was attributable to the Parent Company's shareholders.
- Cash flow from operating activities amounted to SEK 618.5 million (564.6), corresponding to a cash conversion of 67% (80).
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 11.33 (11.53). After dilution, earnings per ordinary share amounted to SEK 11.33 (11.48).
- During the period the acquisition of HeatWork AS in Norway, as well as Kemi-tech ApS in Denmark, were completed.

SIGNIFICANT EVENTS AFTER THE END OF THE REPORTING PERIOD

- In January 2024 Sdiptech acquired all shares in JR Industries Ltd in the United Kingdom.

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 Class B.

For detailed information see further Definition of alternative key figures	**Oct-Dec 2023**	**Oct-Dec 2022**	**Jan-Dec 2023**	**Jan-Dec 2022**
Net sales, (SEK million)	1,368.4	1,017.5	4,818.3	3,505.2
Adjusted EBITA[1], (SEK million)	252.6	195.6	921.6	671.1
EBITA (SEK million)	250.2	196.9	963.0	728.4
EBIT, (SEK million)	216.1	171.3	835.5	641.2
Earnings for the period after tax, (SEK million)	91.6	107.0	445.5	428.1
Earnings per ordinary share after dilution (SEK)	2.31	2.80	11.33	11.48
Adjusted EBITA margin	18.5%	19.2%	19.1%	19.1%
Financial net debt[2]/Adjusted EBITDA, multiple	2.02	2.35	2.02	2.35
Net debt[3]/ Adjusted EBITDA, multiple	3.07	3.89	3.07	3.89
Return on capital employed	13.0%	12.2%	13.0%	12.2%
Return on equity	11.6%	14.9%	11.6%	14.9%
Cash flow generation	86%	99%	67%	80%

1) Adjusted EBITA is the Group´s adjusted operating profit (previously called EBITA), see also Definitions alternative performance measures.*
2) Key ratios regarding financial net debt have been changed to include lease liabilities and are based on the liability at the balance sheet date.
3) Key ratios regarding net debt have been changed to be based on the liability at the balance sheet date.

SDIPTECH

COMMENTS BY THE CEO

STRONG GROWTH, LOWER DEBT AND RECOVERY OF CASH CONVERSION

Despite the uncertainties in the world, rising inflation and higher interest rates, Sdiptech has shown strong resilience in 2023. The stable demand and strong market positions of our units have generated continued steady growth. Regardless of a slower pace of acquisitions, Sdiptech has been able to maintain a profit increase of 37 percent, of which 13 percent was organic excl. currency effects.

THIS YEAR'S OVERVIEW

The year 2023 was characterized by continuously strong demand from our customers in almost all business units, which led to organic sales growth of 18 percent excl. currency effects. In addition, acquisitions made a further contribution, with a total increase in sales of 37 percent. Our adjusted EBITA, previously called EBITA*, also increased by 37 percent, of which 13 percent was organic excl. currency effects. We have had good cost control and are pleased to be able to deliver double-digit organic profit growth. In addition, our adjusted EBITA margin was stable at 19.1 percent (19.1). Excluding Rolec, the Group's unit for electric vehicle chargers, which had a weak second half of 2022, we also delivered organic sales and profit growth of 17 and 11 percent for the full year, respectively, excl. currency effects. This illustrates the good demand and growth that the entire Group has been able to show 2023.

The cash conversion during the year was 67 percent, which is below our normal levels, but still an improvement compared to the beginning of the year. We are working hard to manage accounts receivables, which were a result of the strong sales growth, and to optimize our inventories. This has led to a cash conversion of 90 percent for the last two quarters.

Return on capital employed (ROCE) is an important key performance indicator as it demonstrates the profitability and capital efficiency of our companies. Our average ROCE on the operating units was 65 percent. However, as acquisitions lead to an increased share of goodwill and intangible assets on the balance sheet, the key ratio is lower at Group level, which was 13.0 percent in 2023 compared to 12.2 percent in 2022.

Strong growth, good cash conversion and a slower pace of acquisitions have resulted in a lower debt/equity ratio. To facilitate comparability, we have also updated the definitions of our key ratios regarding net debt to be based on the liability at the balance sheet date. Our financial net debt, including lease liabilities, in relation to adjusted EBITDA amounted to 2.02 (2.35), and the total net debt/equity ratio, including provisions for future earn-out payments, was 3.07 (3.89). Again, we remind you that reserves provided for earn-out debts are based on future profits that exceed today's levels. Thus, if profits do not increase as expected, part of the debt will not be paid off. To put this into perspective, this means that if profits remain at this year's levels, the reserved liability for earn-outs will be reduced by about 30-40 percent.

QUARTER SUMMARY

The market situation remained positive for most of our business units in the fourth quarter, with total sales growth of 35 percent, of which 20 percent was organic excl. currency effects. Excluding Rolec, organic sales growth was 18 percent. Adjusted EBITA increased by 29 percent during the period, with acquired units having the greatest impact. Organically, profit increased by 9 percent, excl. currency effects, and 5 percent excluding Rolec. The difference between organic sales and profit growth is mainly due to the fact that a few of our high-margin companies have had more cautious growth compared to some of those with lower margins. In addition, two of the Group's units with exposure to new construction have found it more difficult to maintain good profitability.

Profit before tax increased to SEK 138.4 million (132.9), despite higher interest rates and a currency loss towards the end of the year. However, the Group's earnings per share were affected by the fact that we had more shares on average during the quarter than last year, and that profit for the year to a large extent was generated in countries where the tax rate has been raised or is higher than the Group's previous average.

NORDIC QUALITY ACQUISITIONS

During the year, we completed two acquisitions. The new units are Norwegian HeatWork and Danish Kemi-tech, both known for their high quality and innovative solutions. The acquisitions not only represent continued establishment in the Nordic region, but also contribute valuable technical expertise that opens new doors for growth in the Resource Efficiency business area.

An important feature of our business model is the ability to accelerate and slow down the pace of acquisitions depending on the prevailing market situation. During the second half of the year, we assessed that a lower rate of acquisitions is the most value-creating for our shareholders. This does not in any way mean that we have slowed down the acquisition activities. We are in dialogue with high-quality companies with attractive market positions on a daily basis. At the beginning of 2024, we therefore had the pleasure of welcoming JR Industries, a leading niche manufacturer in the UK of roller shutter doors for commercial vehicles and a company that Sdiptech has been in dialogue with since 2019.

OUTLOOK

We are optimistic about the new year, where our stable infrastructure customers continue to demand our solutions. At the same time, we have higher interest expenses and tax items than before, which affects our profit after tax. With the current macroeconomic situation, we will continue to have a slower pace of acquisitions, but our acquisition dialogues are ongoing, and we are ready to accelerate when the time is right. In summary, we can conclude that we have good conditions for continued growth, both organically and through acquisitions.

Finally, I would like to extend a big thank you to all our dedicated employees for your commitment. As a new CEO, I look forward to leading the company together with you towards growth. I would also like to take this opportunity to thank all shareholders for their continued confidence.

Bengt Lejdström, President & CEO

OVERVIEW OF OPERATIONS

OCTOBER - DECEMBER

Net sales

Net sales amounted to SEK 1,368.4 million (1,017.5) during the period. Sales in comparable units, amounted to SEK. 1,269.5 million (1,017.6), which corresponded to an organic growth of 20% for the period, excl. currency effects.

Non-comparable units contributed SEK 98.9 million to net sales for the period. Also see Business areas for more detailed information.

Earnings

Operating profit, EBIT, increased by 26% and amounted to SEK 216.1 million (171.3).

Adjusted EBITA increased by 29% and amounted to SEK 252.6 million (195.6) in total for the Group, corresponding to an adjusted EBITA margin of 18.5% (19.2).

Adjusted EBITA in comparable units, amounted to SEK 246.5 million (212.9) corresponding to an organic growth of 9%, excl. currency effects. Most of the Group's comparable units had a stronger result than last year. Non-comparable units contributed SEK 23.7 million to the profit for the period. All acquired units had earnings in line with or above expectations.

Acquisition costs amounted to SEK -5.9 million (-6.5) in connection with acquisition activities during the period.

Revaluation of contingent consideration amounted to SEK -7.4 million (0.5) net.

Depreciation and amortisation of property, plant and equipment and intangible fixed assets amounted to SEK -85.4 million (-63.9), of which amortisation of acquisition-related intangible fixed assets amounted to SEK -23.5 million (-18.4).

Net financial items consist of exchange rate differences of SEK -15.7 million (-1.4) in the quarter and SEK -63.8 million (-37.6) in interest expense, of which discount rates relating to contingent considerations of SEK –11.4 million (-8.6). The increased interest costs, is partly due to increased interest rates, corresponding to SEK -14 million, and partly to higher interest-bearing liabilities, corresponding to SEK -6 million. See also Note 3.

Profit after tax decreased by 15% and amounted to SEK 91.6 million (107.0). The result compared to the previous year was affected i.a. of increased interest costs if SEK -26 million, exchange rate differences of SEK -14 million and a higher tax rate in the UK, corresponding to approx. SEK -6 million. Earnings per ordinary share (average number) after deduction for minority and dividend to preferred shares of SEK 2.31 (2.81). After dilution, earnings amounted to SEK 2.31 (2.80) per ordinary share.

JANUARY - DECEMBER

Net sales

Net sales amounted to SEK 4,818.3 million (3,505.2) during the period. Sales in comparable units, amounted to SEK. 4,303.8 million (3,505.2), which corresponded to an organic growth of 17% for the period, excl. currency effects.

Non-comparable units contributed SEK 514.5 million to net sales for the period. Also see Business areas, for more detailed information.

Earnings

Operating profit, EBIT, increased by 30% and amounted to SEK 835.5 million (641.2).

Adjusted EBITA increased by 37% and amounted to SEK 921.6 million (671.1) in total for the Group, corresponding to an adjusted EBITA margin of 19.1% (19.1).

Adjusted EBITA in comparable units, amounted to SEK 870.0 million (728.6) corresponding to an organic growth of 13%, excl. currency effects. Most of the Group's comparable units had a stronger result than last year. Non-comparable units contributed SEK 119.2 million to the profit for the period. All acquired units had earnings in line with or above expectations.

Acquisition costs amounted to SEK 13.4 million (-22.2) in connection with acquisition activities during the period.

Net costs for revaluation of contingent consideration for the period amounted to SEK -10.0 million (23.6). A change in the discount rate for contingent consideration, from 3% to 4%, affected the period by SEK 26.9 million (38.0).

Depreciation and amortisation of property, plant and equipment and intangible fixed assets amounted to SEK -310.6 million (-217.1), of which amortisation of acquisition-related intangible fixed assets amounted to SEK -89.6 million (-65.1).

Net financial items consist of exchange rate differences of SEK -14.0 million (4.9) in the period and SEK -211.3 million (-108.6) in interest expense, of which discount rates relating to contingent considerations of SEK -39.0 million (-30.0). The increased interest costs are partly due to increased underlying reference rates, corresponding to SEK -63 million, and partly to higher interest-bearing liabilities, corresponding to SEK -29 million. See also Note 3.

Profit after tax increased by 4% and amounted to SEK 445.6 million (428.1). Profit compared with the previous year was affected by, among other things, increased interest expenses of SEK -103 million, negative exchange rate differences of SEK -19 million and an increased tax rate in the UK, corresponding to approx. SEK -11 million. Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 11.33 (11.53). After dilution, earnings per ordinary share amounted to SEK 11.33 (11.48).

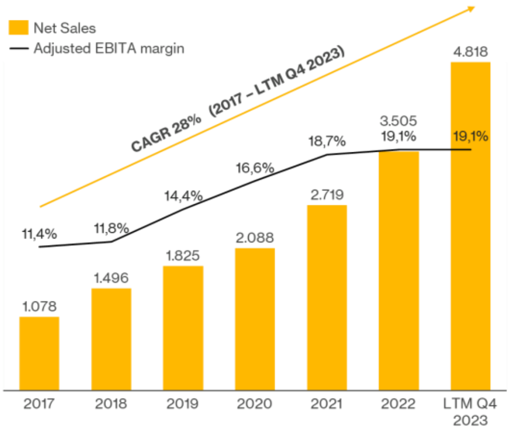
Acquisitions

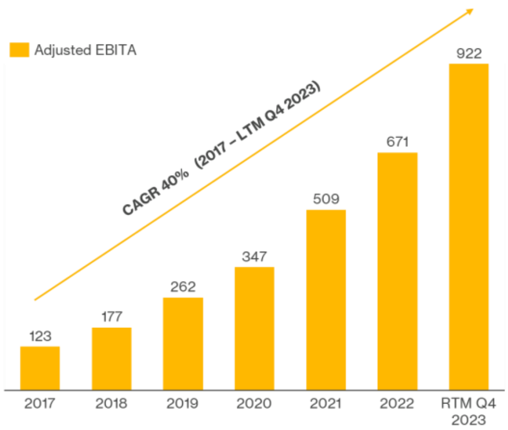
During the first nine months, Sdiptech have acquired 81.6% of the shares in HeatWork AS, a leading manufacturer of mobile waterborne heating solutions for infrastructure, pest control and agriculture. HeatWork has annual sales of NOK 120 million with good profitability and is Sdiptech's second business unit in Norway. HeatWork is part of the Resource Efficiency business area from March 2023.

On June 29 Sdiptech entered into an agreement to acquire Kemi-tech ApS, a leading provider of tailored chemical solutions for industrial water treatment. Kemi-tech has a run rate operating profit at time of acquisition of approximately DKK 16 million and is Sdiptech's second business unit in Denmark. The acquisition was completed on July 11 after approval by the Danish Business Administration Kemi-tech will be part of the Resource Efficiency business area as of July.

Group Adjusted EBITA¹(SEK m)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Resource Efficiency	104.1	57.7	366.2	276.0
Special Infrastructure Solutions	166.0	155.0	622.8	452.1
Business areas	**270.1**	**212.7**	**989.0**	**728.1**
Central units	-17.5	-17.1	-67.4	-57.0
Totalt	**252.6**	**195.6**	**921.6**	**671.1**

The Group's development of net sales, adjusted EBITA[1] and adjusted EBITA margin[1] since 2017





[1] Adjusted EBITA/Adjusted EBITA margin corresponds to the previous designation EBITA*.

BUSINESS AREAS AND CENTRAL UNITS

Well-functioning infrastructure is necessary for our societies and our everyday lives. However, large parts of Europe's infrastructures are outdated and underinvested. Population growth, climate change and increased striving for more sustainable, efficient and safe societies mean additional pressure on the systems. Examples of areas that we have identified as particularly important for society's development, and thus show a good demand, are water and sanitation, electricity and energy, bioeconomy and waste management, air and climate control, transport and logistics as well as increased safety and security. For a description of the business areas' operations and which companies are included in each business area, see paragraph Description Business Areas.

THIS YEAR'S OVERVIEW

The year 2023 was characterized by continuously strong demand from our customers in virtually all business units, which led to organic sales growth of 18 percent excl. currency. To describe the Group's development in more detail, the following are comments on the Group's largest business units in terms of adjusted EBITA (in alphabetical order).

Auger Site Investigations (SIS), which handles claims on underground pipelines on behalf of insurance companies, had increased activities in 2023. Part of that increase was driven by climate change with periods of prolonged drought, which caused subsidence and damage to pipelines. Auger, with its well-developed ticketing systems and extensive geographical spread in the UK, has also won new customers who outsource their case management to us with confidence, instead of having to hire several different local players ourselves.

ELM Kragelund (SIS) has during the year succeeded in consolidating and expanding its market position in forklift accessories. ELM is a global player with customers in many different business areas all over the world. A strong focus on quality and tailor-made solutions for increased safety and efficiency for the user has resulted in strong growth in 2023. To meet demand, we have expanded the capacity of the factory in Slovakia, as well as supplemented with continued product development and some production in Denmark. As the overall market for new sales of forklifts has a weaker development, the focus is also on service and supplementary equipment for existing forklifts.

GAH Refrigeration (SIS) manufactures refrigeration systems and refrigerated transportation solutions for vehicles, which are used to keep food and other sensitive goods at the right temperature during transport. GAH had a strong year after previously having weaker sales due to customers missing vehicles in which GAH installs refrigeration equipment. Customers have once again received deliveries from the car manufacturers and GAH has been able to deliver its products. There is also a great need for renewal of the fleet of smaller vans and trucks in the UK, not least driven by electrification and an ever-growing market for more but smaller vehicles, especially in the metropolitan areas.

Hilltip (SIS), which manufactures road maintenance equipment primarily for the winter season, had another good year. The establishment in North America has yielded results, although it drives working capital due to long delivery routes. We are now investing in new premises in the US to be able to produce most of the products locally, thereby shortening time-to-market and reducing working capital. The harsh winters have of course helped to increase sales, but the biggest contributing factor to the positive trend comes from a broadened geographic market, which Sdiptech helped the company to establish.

Rolec (RE), Our electric vehicle charging stations unit, which is our largest unit in terms of profit, showed a good recovery compared to the previous year and reached more or less the same levels as in 2021. The new generation of EV chargers was rolled out on a full scale from January 2023 and are fully compatible with current regulations. The products have been well received and Rolec continues to be a strong player, especially in the B2B market for charging equipment. Sales of products for marine environments also developed well. A slight slowdown in sales of new EV vehicles in the UK has been noticeable in the second half of 2023, at the same time Rolec has been able to further cement its market position in B2B. We follow developments closely and adapt our operations accordingly.

THE QUARTER

RESOURCE EFFICIENCY

Comments on the financial performance:
The business area's sales increased by 49% for the quarter to SEK 459.8 million (308.7) compared to the previous year. Sales growth is partly attributable to good sales from most comparable units. For example, the Group's operations in the replacement and renovation of electricity and water meters, as well as the rental of temporary power, had good demand and sales. The Group's EV charger business also continued to deliver according to plan and, with a well-established position in B2B, sales increased sharply compared to the previous year, which was weak due to delayed product launches.

Acquisitions also contributed to sales growth. In particular, the Norwegian unit in the manufacture of mobile hydronic heating solutions had strong sales, which are partly seasonal.

Adjusted EBITA for the quarter increased by 80% to SEK 104.1m (57.7), which was mainly driven by good organic profit development in several units, primarily the group's unit in EV chargers, as well as the business that treats and recycles biological sludge. In addition, development has also been driven positively by acquisitions.

Adjusted EBITA margin increased during the quarter to 22.6% (18.7).

Resource Efficiency (SEK m)	**Oct-Dec 2023**	**Oct-Dec 2022**	**Jan-Dec 2023**	**Jan-Dec 2022**
Net sales	459.8	308.7	1,649.9	1,269.8
Adjusted EBITA[1]	104.1	57.7	366.2	276.0
Adjusted EBITA margin[1] %	22.6%	18.7%	22.2%	21.7%

SPECIAL INFRASTRUCTURE SOLUTIONS

Comments on the financial performance:
The business area's sales in the quarter increased by 28% to SEK 908.6 million (708.8). The increase in sales is mainly due to strong sales in the large comparable units. In particular, the Group's units in attachments for forklift trucks, solutions for transport refrigeration, and products and services for railway maintenance performed strongly. However, the units in case management of insurance claims and equipment for road maintenance also had a good development.

Adjusted EBITA for the quarter increased by 7% to SEK 166.0 million (155.0). The good sales growth did not result in corresponding profit growth as the business area's units with exposure to new construction have found it more difficult to maintain good profitability.

The adjusted EBITA margin decreased during the quarter to 18.3% (21.9). This was driven by a strong performance in lower margin units and more cautious growth in the business area's high-margin companies. In addition, the unit's operating in construction and real estate had temporary negative results in the quarter.

Special Infrastructure Solutions (SEK m)	**Oct-Dec 2023**	**Oct-Dec 2022**	**Jan-Dec 2023**	**Jan-Dec 2022**
Net sales	908.6	708.8	3,168.5	2,235.4
Adjusted EBITA[1]	166.0	155.0	622.8	452.1
Adjusted EBITA margin[1] %	18.3%	21.9%	19.7%	20.2%

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:
Adjusted EBITA was SEK -17.5 million (-17.1) for the quarter.

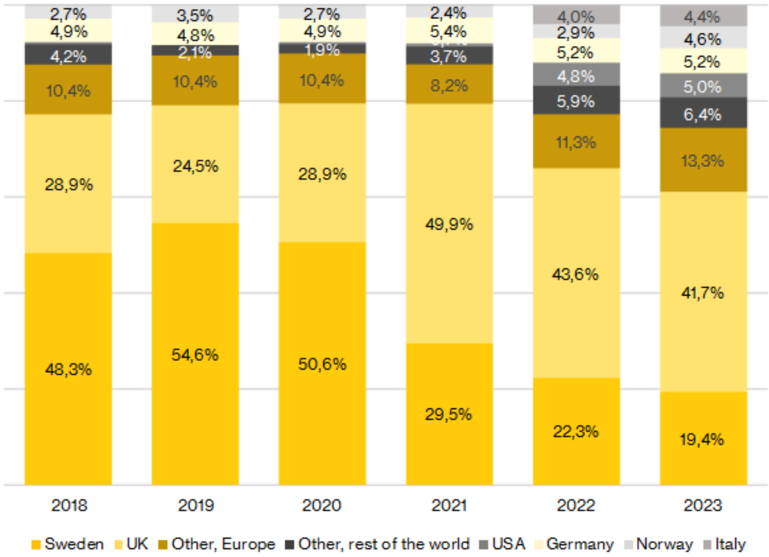
Group-wide functions (SEK m)	**Oct-Dec 2023**	**Oct-Dec 2022**	**Jan-Dec 2023**	**Jan-Dec 2022**
Adjusted EBITA[1]	-17.5	-17.1	-67.4	-57.0

[1] Adjusted EBITA/Adjusted EBITA margin corresponds to the previous designation EBITA*.

GEOGRAPHICAL DISTRIBUTION OF SALES

Over the years, Sdiptech has acquired business units in Sweden, Norway, Finland, the UK and Croatia (with significant operations in Germany), Netherlands, Italy and in Denmark. The Group's business units have customers primarily locally and regionally in their respective geographies, but some exports also occur.

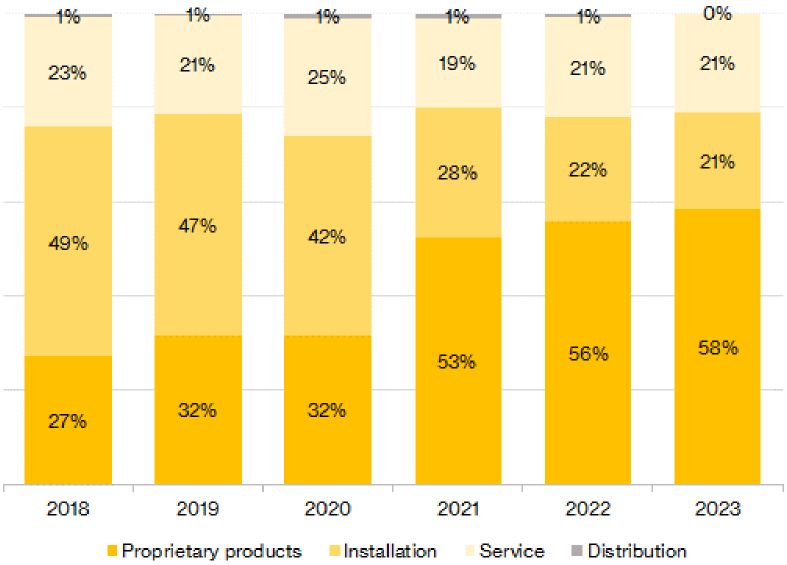
The Group's turnover, broken down by geography where customers have their main operations.



TURNOVER BY TYPE OF REVENUE

Sales of proprietary products have increased from 27 to 58 percent during the period full year 2018 to 2023. The turnover for service and installation as of 2022 and onwards is mainly related to own products.

Consolidated sales by type of revenue



COMMENTS ON THE FINANCIAL DEVELOPMENT

FINANCIAL POSITION JANUARY – DECEMBER

Cash Flow

Cash flow from operating activities after changes in working capital amounted to SEK 618.6 million (564.6) during the period. Cash flow during the year was burdened by increased sales in the form of increased accounts receivable and inventory build-up for continued expansion. This was particularly evident during the first six months of the period. During the period, this inventory build-up amounted to SEK 20.1 million (94.3). However, the inventory value decreased during the last quarter and generated SEK 39.0 million in positive cash flow. Operating receivables increased during the period by SEK 182.9 million (-26.6) due to increased sales, including in the Group's unit in charging equipment for electric vehicles. Accrued revenues for installation projects of proprietary products increased in areas such as the Group's units for products in railway maintenance and automation of ports and container terminals. An increase in operating liabilities contributed positively to cash flow in the period of total SEK 93.0 million (34.5). Cash flow generation, expressed as a percentage of profit before tax adjusted for non-cash items, amounted to 67% (80) during the period.

Cash flow from investing activities amounted to SEK -774.9 million (-1,700.4). The cash flow effect of completed acquisitions during the period amounted to SEK -403.2 million (-1,125.7), 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 -182.4 million (-356.1) during the period. Investments in property, plant and equipment amounted to SEK -111.7million (-123.2) and investments in intangible fixed assets of SEK -77.6 (-84.4) were made during the period.

Cash flow from financing activities amounted to SEK 327.4 million (1,138.6). Net borrowing amounted to SEK 400.2 million (705.7) The redemption of warrants of series 2018/2023 contributed SEK 14.4 million to equity (14.5). The share-based Incentive Program approved at the 2023 Annual General Meeting regarding warrants of series 2023/2026 contributed SEK 11.6 million in warrant premiums. Dividends on the preference shares amounted to SEK -14.0 million (-14.0) and dividend to non-controlling interest amounted to SEK -2.6 million (-1.0).

Liabilities

Interest-bearing liabilities including contingent considerations and lease liabilities amounted to SEK 4,066.8 million (3,585.9). The three largest items within interest-bearing liabilities consisted of financial liabilities where of SEK 1,823.4 million (1,944.4) in liabilities to credit institutions, SEK 600 million (0) in bond liabilities and SEK 1,193.0 million (1,266.0) in deferred payments of purchase prices for acquisitions, so-called contingent consideration payments. It can be noted that a large part of these contingent consideration debt requires an increase in profit compared to today's levels to be paid out.

These contingent considerations are classified as interest-bearing according to IFRS 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 discount interest rate is booked as a financial expense for the period. The Group's Financial expenses includes this interest rate of SEK -39.0 million (-30.0) for the period.

Revaluation of agreed contingent considerations, due to a better-than-expected earnings trend in certain units, has resulted in a cost of SEK -10.0 million (23.1). 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. An increase in the discount rate for revaluation of contingent consideration by one percentage point to 4% (3), to correspond to the long-term interest rate, had a positive impact on profit for the period of SEK 26.9 million (38.0).

During the period. the result was charged with SEK -12.7 million (-5.3) regarding discount rates in accordance with IFRS16 regarding leasing liabilities.

The net debt, consisting of interest-bearing liabilities with a deduction for cash and cash equivalents, amounted to SEK 3,509.8m (3,202.7). The key figure Net debt as of the balance sheet date in relation to adjusted EBITDA, which is calculated on a rolling twelve-month basis, amounted to 3.07 (3.89) as of December 31. Sdiptech has thus introduced a new definition of the key figure, which previously included the year's average debt compared to reported EBITDA.

Net financial debt, according to the calculation method above but excluding contingent consideration charged with debt, amounted to SEK 2,313.5 million (1,934.7). The key figure financial net debt as of the balance sheet date in relation to adjusted EBITDA, which is calculated on a rolling twelve-month basis, amounted to 2.02 (2.35) on 31 December. This is also a new key definition of the ley figure compared to previously, when average debt was compared to reported EBITDA, and the reported lease liabilities (which largely consist of discounted leases) were not included in the net financial debt.

Financing

In August, Sdiptech issued senior secured sustainability-linked bonds of SEK 600 million under a framework of SEK 1,000 million. The bonds carry a floating interest rate of 3m Stibor +4.90% and mature in August 2027. The link to the group's sustainability goals affects the final redemption amount at maturity, depending on the outcome.

During the period, the Group increased its agreed long-term credit facility by SEK 500 million to a total of SEK 2,600 million. The total utilized credit volume as of 31 December 2023, within this framework, amounted to a total of SEK 1,800 million. The agreements run at a variable interest rate in 3–6-month intervals. However, the Group has agreements on so-called interest rate swaps, corresponding to approximately 25% of utilised credit volume, with a maturity of 2–3 years and maturing during 2024–2026, to reduce interest rate exposure. 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. Together with the Group's cash and cash equivalents of SEK 557 million, there are approximately SEK 1,360 million in available funds for future payments.

In addition, the Group uses currency swaps and forwards to balance exposure to GBP, EUR and NOK. The purpose of these instruments is to balance the actual exposure between assets and liabilities, in the respective currency, which affects net financial items. At the end of the period, the volumes of these instruments amounted to the equivalent of approximately SEK 919 million for GBP, SEK 721 million for EUR and SEK 173 million for NOK.

Parent Company

The Parent Company Sdiptech AB's internal net sales, containing mainly, management fee amounted to SEK 25.2million (18.3) for the period and profit after financial items amounted to SEK -62.9 million (-32.0).

OTHER INFORMATION

Employees

The number of employees at the end of December was 2,301 (2,127). Acquisitions completed during the last twelve months increased the number of employees by 58.

Incentive programme

At the 2023 Annual General Meeting, it was resolved on a new incentive program for managers and senior executives regarding warrants of series B. The program comprises 350,000 warrants. The warrants are transferred at a price of SEK 38.30 per option, which corresponds to the market value of the options according to an independent valuation. Exercise can be made on three occasions from June 2026 until November 30, 2026.

Series 2018/2023 was redeemed in March 2023 and newly issued shares were subscribed, whereby the Group received SEK 14.4 million in equity.

As of 30 December, 337,625 warrants of series 2021/2024 and 305,150 warrants of series 2023/2026 were outstanding, after repurchases were made. The subscription price for new B-shares that can be subscribed for with the support of these warrants amounts to SEK 463.00 and SEK 326.40 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 turmoil, particularly due to Russia's invasion of parts of Ukraine and the conflict in Israel and Palestine, has not had any significant impact on the Group's demand. Ultimately, the long-term economic consequences, including the impact on financial markets in general and the Group in particular, depend on the duration of crises and actions taken by governments, central banks and other authorities. Should the situation worsen, risks such as increased raw material and energy prices, component shortages and availability problems could materialize and have a negative impact on the Group's ability 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 which can largely be compensated for by higher prices to customers. The 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 substantial related party transactions occur within the group.

Significant events after the end of the reporting period

On 24 January 2024, Sdiptech acquired all shares in JR Industries Ltd.

Sdiptech Annual General Meeting 2024

The 2024 Annual General Meeting will be held on 22 May 2024 at 16.00 at the Royal Swedish Academy of Engineering Sciences (IVA), Grev Turegatan 16, Stockholm. To have a matter addressed at the meeting the request from the shareholder must be received no later than 31 March 2024, or the later point in time when it is still possible to include the matter in the convening notice.

Notice convening the AGM will be published on the company's website no later than four weeks before the meeting. All shareholders who are registered in the share register five days before the meeting may attend in person or by proxy. Notification of participation shall be made to the company in accordance with what is stated in the notice.

The Annual Report will be published on 19 April 2024.

Nomination Committee

A Nomination Committee has been appointed for the 2024 AGM. Proposals to the Nomination Committee from shareholders may be sent by e-mail to valberedningen@sdiptech.com or by post to the company's address. More information is available on www.sdiptech.com.

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	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	2	1,368.4	1,017.5	4,818.3	3.505.2
Other operating income	2	15.8	4.9	69.6	79.9
Total income		**1,384.2**	**1,022.4**	**4,887.9**	**3.585.1**
Operating expenses					
Materials. contracting and subcontracting		-568.6	-392.6	-1,925.8	-1.387.5
Other external expenses		-142.1	-100.9	-441.5	-321.4
Employee expenses		-372.0	-293.7	-1,374.5	-1.017.9
Depreciation and amortisation of tangible non-current assets		-51.1	-38.2	-183.1	-129.7
Depreciation and amortisation of intangible non-current assets		-34.3	-25.7	-127.5	-87.4
Operating profit		**216.1**	**171.3**	**835.5**	**641.2**
Profit/loss from financial items	3				
Financial income		3.7	1.3	6.5	6.7
Financial expenses		-81.4	-39.7	-230.5	-111.1
Profit after financial items		**138.4**	**132.9**	**611.5**	**536.8**
Tax on profit for the period		-46.8	-25.9	-165.9	-108.7
Profit for the period		**91.6**	**107.0**	**445.6**	**428.1**
Profit attributable to:					
Parent Company's shareholders		91.4	106.8	444.2	427.1
Non-controlling interests		0.2	0.2	1.4	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)		2.31	2.81	11.33	11.53
Earnings per share (after dilution)		2.31	2.80	11.33	11.48
ADJ. EBITA		**252.6**	**195.6**	**921.6**	**671.1**
Average number of common shares		37,991,938	36,701,348	37,960,086	35,828,726
Average number of common shares after dilution		37,991,938	36,828,613	37,960,086	35,969,623
Number of ordinary shares at the end of the period		37,991,938	37,801,348	37,991,938	37,801,348

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Profit for the period	91.6	107.0	445.6	**428.1**
Other comprehensive income for the period				
Changes in accumulated translation differences	-92.5	29.8	-19.2	67.0
Comprehensive income for the period	**-0.9**	**136.8**	**426.4**	**495.1**
Attributable to:				
Parent Company's shareholders	-1.1	136.6	425.0	494.1
Non-controlling interest	0.2	0.2	1.4	1.0

CONSOLIDATED BALANCE SHEET

(SEK m)	Note	31 Dec 2023	31 Dec 2022
Non-current assets			
Intangible non-current assets			
Goodwill	4	4,625.9	4,299.1
Other intangible assets		1,223.3	1,101.6
Tangible non-current assets			
Tangible non-current assets		431.4	403.4
Right-of-use assets		440.0	377.2
Financial non-current assets			
Other financial non-current assets		16.0	15.2
Total non-current assets		**6,736.6**	**6,196.5**
Current assets			
Completed products and goods for resale		645.5	562.4
Accounts receivable		827.3	687.0
Other receivables		62.7	47.7
Current tax assets		27.2	38.5
Prepaid expenses and accrued income		248.6	180.5
Cash and cash equivalents		557.0	383.2
Total current assets		**2,368.3**	**1,899.3**
Total assets		**9,104.9**	**8,095.8**
Shareholders' equity			
Shareholders' equity attributable to Parent Company's shareholders			
Share capital		1.0	1.0
Other contributed capital		2,094.1	2,068.9
Reserves		0.9	0.9
Profit/loss brought forward including earnings for the period		1,855.8	1,446.3
Total equity attributable to Parent Company's shareholders		**3,951.8**	**3,517.1**
Non-controlling interests		5.0	4.8
Total shareholders' equity		**3,956.8**	**3,521.9**
Long term liabilities			
Interest-bearing long-term liabilities	5	3,690.2	3,317.6
Non-interest-bearing long-term liabilities		280.0	252.9
Total long term liabilities		**3,970.2**	**3,570.5**
Short term liabilities			
Interest-bearing short-term liabilities	5	376.5	268.4
Non-interest-bearing short-term liabilities		801.4	735.1
Sum short term liabilities		**1,177.9**	**1,003.5**
Total liabilities		**5,148.1**	**4,574.0**
Total shareholders' equity and liabilities		**9,104.9**	**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		-	-	-	427.1	427.1	1.0	428.1
Other comprehensive income for the period		-	-	-	66.9	66.9	0.1	67.0
Total income for the period		-	-	-	**494.0**	**494.0**	**1.1**	**495.1**
Shareholder transactions								
Dividend paid to preference shareholders	7	-	-	-	-14.0	-14.0	-	-14.0
Share issue of ordinary shares series B		0.1	522.6	-	-	522.7	-	522.7
Share issue expenses		-	-9.2	-	-	-9.2	-	-9.2
Option premiums		-	-0.3	-	-	-0.3	-	-0.3
Dividend paid to non-controlling interests		-	-	-	-0.5	-0.5	-1.0	-1.5
Total shareholder transactions		**0.1**	**513.1**	**-**	**-14.5**	**498.7**	**-1.0**	**497.7**
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		-	-	-	444.2	444.2	1.4	445.6
Other comprehensive income for the period		-	-	-	-19.2	-19.2	-	-19.2
Total income for the period					**424.9**	**424.9**	**1.4**	**426.3**
Shareholder transactions								
Dividend paid to preference shareholders	7	-	-	-	-14.0	-14.0	-	-14.0
Dividend paid to non-controlling interests		-	-	-	-1.4	-1.4	-1.2	-2.6
Share issue of ordinary shares series B		-	14.4	-	-	14.4	-	14.4
Share issue expenses		-	-0.7	-	-	-0.7	-	-0.7
Option premiums		-	11.6	-	-	11.6	-	11.6
Total shareholder transactions		**-**	**25.3**	**-**	**-15.4**	**9.9**	**-1.2**	**8.7**
Closing balance, December 31, 2023		**1.0**	**2,094.1**	**0.9**	**1,855.8**	**3,951.8**	**5.0**	**3,956.8**

CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	Oct-Dec 2023	Oct-Dec 2023	Jan-Dec 2023	Jan-Dec 2022
Continued operations				
Earnings after financial items	138.4	132.9	611.5	536.8
Adjustment for items not included in cash flow[1)]	91.0	70.1	315.1	171.6
Paid taxes	-73.5	-34.2	-198.0	-110.6
Cash flow from continuing operations before change in working capital	**156.0**	**168.8**	**728.6**	**597.8**
Cash flow from change in working capital				
Increase(-)/decrease(+) in stock	39.0	-2.4	-20.1	-94.3
Increase(-)/decrease(+) in operating receivables	-51.0	30.8	-182.9	26.6
Increase(+)/decrease(-) in operating liabilities	53.5	4.2	93.0	34.5
Cash flow from current operations	**197.5**	**201.4**	**618.6**	**564.6**
Investing activities				
Acquisitions of subsidiaries	-1.4	-274.9	-403.2	-1,125.7
Acquisitions of subsidiaries, paid contingent considerations	-15.1	-133.3	-182.4	-356.1
Acquisition of minority stakes	-	-	-	-11.0
Acquisitions of intangible non-current assets	-27.9	-18.8	-77.6	-84.4
Acquisitions of tangible non-current assets	-26.4	-55.3	-111.7	-123.2
Cash flow from investing activities	**-70.9**	**-482.3**	**-774.9**	**-1,700.4**
Financing activities				
Warrant program	-	-	11.6	-0.3
New share issue	-0.7	492.8	13.7	513.8
Loans raised	-33.8	278.8	1,627.7	1,980.8
Amortisation of loans	15.2	-477.2	-1,227.5	-1,275.1
Amortisation of lease liability	-27.3	-18.7	-81.7	-65.6
Dividends paid	-4.7	-4.5	-16.4	-15.0
Cash flow from financing activities	**-51.2**	**271.2**	**327.4**	**1,138.6**
Cash flow for the period	**75.3**	**-9.7**	**171.0**	**2.8**
Cash and cash equivalents at beginning of year	479.6	388.5	383.2	368.8
Exchange rate difference in cash and cash equivalents	2.0	4.4	2.7	11.6
Cash and cash equivalents at end of period	**557.0**	**383.2**	**557.0**	**383.2**

1) Adjustment for items included in profit or loss after financial items but which are not cash flow affecting consists substantially of depreciation and amortization, unrealized exchange gains/losses and revaluation of. contingent considerations.

PARENT COMPANY INCOME STATEMENT

(SEK m)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Net sales	6.7	4.6	25.2	18.3
Other operating income	-	-	1.0	0.7
Total income	**6.7**	**4.6**	**26.2**	**19.0**
Operating expenses				
Other external expenses	-7.1	-5.6	-23.0	-21.4
Employee expenses	-14.5	-14.0	-61.2	-48.2
Depreciation of tangible and intangible non-current assets	-0.1	-0.3	-0.6	-0.8
Operating profit	**-15.0**	**-15.3**	**-58.6**	**-51.4**
Profit/loss from financial items				
Financial income	21.7	5.1	13.9	19.7
Financial expenses	-41.9	-0.1	-18.2	-0.3
Profit/loss after financial items	**-35.2**	**-10.3**	**-62.9**	**-32.0**
Group contributions received	70.4	62.0	70.4	62.0
Tax on profit	-1.8	-	-1.8	0.6
Profit/loss for the period	**33.4**	**51.8**	**5.7**	**30.5**

PARENT COMPANY BALANCE SHEET

(SEK m)	31 Dec 2022	31 Dec 2022
Non-current assets		
Intangible non-current assets		
Other intangible non-current assets	-	0.1
Tangible non-current assets		
Tangible non-current assets	0.9	1.2
Financial non-current assets		
Financial non-current assets	0.1	0.3
Receivables. Group companies	2,578.0	2,061.7
Total non-current assets	**2,579.1**	**2,063.3**
Current assets		
Receivables. Group companies	1,318.6	1,202.9
Other receivables	1.8	1.3
Prepaid expenses and accrued income	14.1	2.8
Cash and cash equivalents	7.2	3.5
Total current assets	**1,341.7**	**1,210.5**
Total assets	**3,920.8**	**3,273.8**
Shareholders' equity		
Share capital	1.0	1.0
Share premium reserve	2,094.2	2,068.9
Retained earnings including profit/loss for the period	224.4	232.7
Total shareholder's equity	**2,319.7**	**2,302.6**
Liabilities		
Other long-term interest-bearing liabilities	1,309.9	841.7
Short-term liabilities to Group companies	-	3.0
Short-term liabilities	291.2	126.5
Total liabilities	**1,601.1**	**971.2**
Total equity and liabilities	**3,920.8**	**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)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Resource Efficiency	459.8	308.7	1,649.9	1 269,8
Special Infrastructure Solutions	908.6	708.8	3,168.5	2 235,4
Total Net Sales	**1,368.4**	**1,017.5**	**4,818.3**	**3 505,2**

Operating profit (SEK m)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Resource Efficiency	91.0	51.3	330.5	246.5
Special Infrastructure Solutions	149.8	136.6	558.7	405.8
Segment total	**240.8**	**187.9**	**889.2**	**652.3**
Central units	-24.7	-16.5	-53.8	-11.1
Total EBIT	**216.1**	**171.3**	**835.5**	**641.2**
Net financials	-77.7	-38.4	-224.0	-104.4
Profit before tax	**138.4**	**132.9**	**611.5**	**536.8**

Revenue from agreements with customers (SEK m)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Resource Efficiency				
Products	316.5	176.1	1,155.8	858.9
Installation, direct	87.0	23.5	299.5	166.2
Installation, over time	5.2	68.4	18.3	86.8
Service, direct	17.1	13.6	121.6	97.2
Service, over time	34.0	22.6	54.6	42.2
Distribution	-	4.3	-	18.3
Sum Sales Resource Efficiency	**459.8**	**308.7**	**1,649.9**	**1,269.8**
Special Infrastructure Solutions				
Products	456.2	319.6	1,661.8	1100.1
Installation, direct	91.9	77.7	292.0	298.1
Installation, over time	181.9	67.7	378.5	222.3
Service, direct	155.4	175.2	726.7	509.0
Service, over time	23.4	66.2	109.6	95.0
Distribution	-	2.5	-	10.9
Sum Sales Special Infrastructure Solutions	**908.6**	**708.8**	**3,168.5**	**2,235.4**
Sum Products	*772.7*	*495.7*	*2,817.6*	*1,959.0*
Sum Installation, direct	*178.9*	*101.2*	*477.1*	*464.3*
Sum Installation, over time	*187.1*	*136.1*	*511.3*	*309.1*
Sum Service, direct	*172.5*	*188.8*	*848.3*	*606.2*
Sum Service, over time	*57.4*	*88.8*	*164.2*	*137.2*
Sum Distribution	*-*	*6.8*	*-*	*29.2*
Total sales	***1,368.4***	***1,017.5***	***4,818.3***	***3,505.2***

Other income (SEK m)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Resource Efficiency	9.8	1.3	17.9	5.5
Special Infrastructure Solutions	3.4	3.0	23.1	11.8
Business areas	**13.2**	**4.3**	**41.0**	**17.3**
Central units	2.7	0.5	28.6	62.6
Total other income	**15.8**	**4.9**	**69.6**	**79.9**

NOTE 3 FINANCIAL INCOME AND COST

(SEK m)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Financial income				
Interest income	2.4	1.2	4.7	1.5
Net exchange gain	-	-	-	4.9
Other financial income	1.3	0.1	1.8	0.2
Total financial income	**3.7**	**1.3**	**6.5**	**6.7**
Financial cost				
Interest expense on financial liabilities to credit institutions	-48.1	-27.2	-159.6	-73.3
Discount rate for lease liabilities	-4.2	-1.8	-12.7	-5.3
Discount rate on contingent considerations	-11.4	-8.6	-39.0	-30.0
Exchange rate difference	-15.7	-1.4	-14.0	-
Other financial cost	-1.8	-0.8	-5.2	-2.4
Total financial cost	**-81.4**	**-39.7**	**-230.5**	**-111.1**
Net financial cost	**-77.7**	**-38.4**	**-224.0**	**-104.4**

The Group's net financial items consist of interest expenses divided into interest expenses relating to financial liabilities to credit institutions and bondholders 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. It can be noted that a large part of these debt-charged contingent considerations, as a rule of thumb 40%, require an increase in profit compared to today's levels, in order to be paid out. In addition, the Group is affected by exchange rate differences regarding internal and external loans in foreign currency.

NOTE 4 GOODWILL

(SEK m)	31 Dec 2023	31 Dec 2022
Opening balance	**4,299.1**	**3,183.3**
Acquisitions for the period	295.3	962.2
Adj. of preliminary acquisition analysis	21.6	12.8
Currency translation effects	9.9	140.7
Carrying amount at end of period	**4,625.9**	**4,299.1**

Compared to 31 December 2022 goodwill increased by SEK 362.8 million and amount to SEK 4,625.9million as per December 31, 2023. Acquisitions made during January to December 2023 resulted in an increase in goodwill of SEK 295.3 million.

NOTE 5 INTEREST-BEARING LIABILITIES

(SEK m)	31 Dec 2023	31 Dec 2022
Liabilities to credit institutions and bonds	2,406.8	1,931.3
Leases	349.4	286.4
Contingent consideration	931.6	1,098.3
Other non-current liabilities	2.5	1.5
Total non-current interest-bearing liabilities	**3,690.2**	**3,317.6**
Liabilities to credit institutions	16.7	13.0
Leases	97.6	87.1
Contingent consideration	261.4	167.7
Other current liabilities	0.8	0.5
Total current interest-bearing liabilities	**376.5**	**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 forecast, and largely requires an increase in profit compared to today's levels, in order to have to be paid out.

Contingent consideration (SEK m)	31 Dec 2023	31 Dec 2022
Opening balance	**1,266.0**	**1,131.4**
Acquisitions	84.6	476.9
Paid purchase considerations relating previous acq	-185.8	-356.1
Interest expenses (discount on present value calc.)	38.7	30.0
Revaluation via operating profit	-16.2	-61.6
Exchange differences	5.7	45.5
Carrying amount at period end	**1,193.0**	**1,266.0**

Revaluation of liabilities regarding contingent consideration resulted net in a net cost of SEK -10.0 million (23.6) 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 consideration is discounted by calculating present value. As of 30 September, the discount rate has been adjusted from three to four percentage points, resulting in a reduction in debt of SEK 26.9 million (38.0). Adjustment of the discount rate occurs when the Group's borrowing rate has been raised, due to the increased policy rate, and is deemed to correspond to the long-term interest rate.

Repayment periods, contractual values (non-discounted) As of 31 December 2023 (SEK m)	Year 2024	Year 2025-2026	Year 2027-2029	After year 2029
Contingent consideration	267.6	699.6	233.7	111.8

NOTE 6 BUSINESS ACQUISITIONS

PRELIMINARY ACQUISITION ANALYSIS, regarding acquisitions during January to December 2023 (SEK m)	HeatWork AS[1]	Kemi-tech ApS[2]	Sum
Intangible non-current assets	27.7	-	27.7
Tangible non-current assets	10.8	1.5	12.3
Right of use assets	47.9	4.8	52.7
Other fixed assets	0.1	0.5	0.6
Inventories and work in progress	55.1	4.0	59.1
Cash and cash equivalents	20.2	5.4	25.6
Trade receivables [3]	15.9	10.0	25.9
Other current assets	7.5	0.6	8.1
Deferred tax	0.2	-	0.2
Other non-current liabilities	-62.3	-1.8	-64.1
Current tax liability	-3.4	-	-3.4
Other current liabilities	-29.2	-30.1	-59.3
Net identifiable assets and liabilities	**90.5**	**-5.1**	**85.4**
Consolidated goodwill	105.4	189.8	295.2
Brand and trademarks	30.8	12.5	43.3
Customer relations	19.5	52.4	71.9
IP rights	-	27.5	27.5
Deferred tax liabilities	-11.1	-20.3	-31.4
Total estimated purchase price	**235.1**	**256.8**	**491.9**
Cash and cash equivalents	189.0	218.4	407.4
Contingent consideration	46.2	38.4	84.6
Total remuneration	**235.1**	**256.8**	**491.9**

Liquidity impact on the Group	HeatWork AS[1]	Kemi-tech ApS[2]	Sum
Cash and cash equivalents acquired	20.2	5.4	25.6
Remuneration transferred	-189.0	-218.4	-407.4
Total cash impact	**-168.8**	**-213.0**	**-381.8**

Other information [4]	HeatWork AS[1]	Kemi-tech ApS[2]	Sum
Run rate, turnover	119.4	58.5	177.9
Run rate profit before tax	24.1	25.6	49.7

Contribution of the acquired entities to Group turnover and profit (SEK million)	HeatWork AS[1]	Kemi-tech ApS[2]	Sum
Acquired units' contribution to the Group's turnover	112.5	29.5	142.0
Acquired units' contribution to the Group's profit before tax	20.3	11.8	32.1
Where of:			
Transaction costs	-2.5	-3.0	-5.5
Amortisation and impairment of intangible assets	-2.5	-2.2	-4.8

1) HeatWork AS with subsidiaries
2) Kemi-tech A/S with subsidiary
3) The receivables are measured at fair value no provision for bad debts is recognized
4) 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 December 2023 amounted to SEK 13.4 million (22.2), see also page Alternative performance measures.

Description of acquisitions during the period January – December 2023
On March 31, 2023, Sdiptech acquired 81.6 percent of the shares HeatWork AS with subsidiaries in Sweden and Finland. HeatWork has 20 years of experience in developing special products in hydronic heating. Its mobile heating plants are specially designed to meet the needs of many applications, such as energy production, agriculture and horticulture, pest control, construction, emergency preparedness, and municipal water conservation. HeatWork has a strong focus on innovative, sustainable and qualitative solutions, and the technology contributes to a significant reduction in both energy consumption, cost 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 225 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.

On July 11, 2023, Sdiptech acquired all the shares Kemi-tech A/S in Denmark. Kemi-tech is a leading supplier of customized chemical products for industrial water treatment and specializes in chemical treatment of all types of water-bearing systems. The company's products ensure that steam boilers, cooling systems and district heating plants operate more efficiently, save energy and extend their service life. The company has an operating profit, runrate at time of acquisition, of approximately DKK 16 million. Kemi-tech is based in Hedensted. At the time of the acquisition, Kemi-tech has 15 employees. The company is Sdiptech's second business unit in Denmark and will be part of the Resource Efficiency business area as of July 2023.

At the date of the transaction, the company is valued at DKK 146 million on a cash and debt free basis. Financing is provided with own funds and bank credit. The final purchase price including earn-out costs, which will be settled after 4 years, will amount to between 146 and DKK 196 million, depending on the company's earnings performance during the earn-out period. A final total purchase price that is higher than the current value of DKK 146 million requires a higher profit level than the current one. The estimated contingent consideration for Kemi-tech amounts to SEK 38 million at the time of acquisition after present value calculation. The assessment is based on an assessment of the probable outcome based on forecasts for the company from the date of acquisition until the end of the period of the contingent consideration.

If the acquired units for the year had been consolidated as of January 1, 2023, net sales for the period January to December would have amounted to approximately SEK 5,012 million and adjusted. EBITA[1] would have amounted to approximately SEK 973 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 Sverige 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 (as of Mar-23)	Manufacturing of mobile hydronic heating solutions
• Hydrostandard Mätteknik Nordic AB	Replacement. renovation and calibration of water meters
• Kemi-tech ApS (as of Jul-23)	Tailored chemical solutions for industrial water treatment
• 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	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	Railway maintenance products and services
• 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	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
• 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.

Adjusted EBITA[1]

Adjusted 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 relate to the operating units' intangible assets.

The key ratio 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.

Adjusted EBITA-margin[1]

Adjusted EBITA in relation to net sales.

EBITDA

Operating profit before depreciation and impairment losses.

Adjusted EBITDA

Adjusted EBITDA is calculated as EBITDA before acquisition and disposal costs and before gains from revaluation of contingent consideration and capital gains from divestments, items affecting comparability relating to non-material corrections of previous years in the subsidiaries.

EBITA

Operating profit after depreciation and amortisation of tangible fixed assets before impairment.

The key ratio 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/ Adjusted EBITDA

Calculated as net financial liability on the balance sheet date to credit institutions and other financial liabilities, such as outstanding bonds, as well as lease liabilities (largely discounted leases), in relation to adjusted EBITDA for the last four quarters. Financial net debt includes current and non-current interest-bearing liabilities less cash and cash equivalents, but excluding interest-bearing liabilities related to the contingent purchase price.

Net debt /Adjusted EBITDA

Net debt as of the balance sheet date, in relation to adjusted 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 conditional purchase price for acquisitions, which are settled at the end of the vesting periods depending on the earnings trend during these periods. Paying the liability at the full current book value requires a higher level of profit or loss 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 (ROCE)

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.

[1] Adjusted EBITA/Adjusted EBITA margin corresponds to the previous designation EBITA*.

ALTERNATIVE PERFORMANCE MEASURES

Alternative key figures are presented in the interim report for monitoring the group's operations. The alternative key figures presented in this interim report relate to adjusted EBITA[1], adjusted EBITDA, net debt/adjusted EBITDA, net financial debt/adjusted EBITDA, return on capital employed, cash flow generation, earnings per common share and diluted earnings per common share.

Adjusted EBITA[1]

Adjusted 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.

Adjustment items for adjusted EBITA[1]

The costs and revenues that are excluded when calculating ADJ. EBITA have historically amounted to the amounts below:

Acquisition costs (SEK m)	Q1	Q2	Q3	Q4	Total
2023	-1.6	-1.8	-4.1	-5.9	**-13.4**
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	-0.1	27.1	-7.4	**16.9**
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 adjusted EBITA, compared to EBITA, are distributed as follows:

Adjusted EBITA to EBIT bridge (SEK m)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Adjusted EBITA[1]	**252.6**	**195.6**	**921.6**	**671.1**
Adjustment of liability for earnouts	-7.4	0.5	16.9	61.6
Acquisition and divestment cost	-5.9	-6.5	-13.4	-22.2
Adjustment of previous years, not material	-	-	-	-4.4
Of which non-acquisition-related amortization and write-downs of intangible fixed assets	10.8	7.2	38.0	22.3
EBITA	**250.2**	**196.9**	**963.0**	**728.6**
Non-acquisition-related amortization and write-downs of intangible fixed assets	-10.8	-7.2	-38.0	-22.3
Acquisition-related amortization and write-downs of intangible fixed assets	-23.5	-18.4	-89.6	-65.1
EBIT	**216.1**	**171.3**	**835.5**	**641.2**

[1] Adjusted EBITA/Adjusted EBITA margin corresponds to the previous designation EBITA*.

Adjusted. EBITA-margin[1]
ADJ. EBITA in relation to Net Sales

Adjusted EBITA[1] in relation to Net Sales (SEK m)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Adjusted EBITA[1]	252.6	195.6	921.6	671.1
Net Sales	1,368.4	1,017.5	4,818.3	3,505.2
Adjusted EBITA margin[1] %	**18.5**	**19.2**	**19.1**	**19.1**

EBITDA

Operating profit before depreciation and impairment losses.

EBITDA (SEK m)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Operating profit	216.1	171.3	835.5	641.2
Depreciation and amortisation of tangible non-current assets	51.1	38.2	183.1	129.7
Depreciation and amortisation of intangible non-current assets	34.3	25.7	127.5	87.4
EBITDA	**301.5**	**235.2**	**1,146.1**	**858.3**
Adjustment of liability for earnouts	7.4	-0.5	-16.9	-61.6
Acquisition and divestment cost	5.9	6.5	13.4	22.2
Adjustment of previous years, not material	-	-	-	4.4
Adjusted EBITDA	**314.8**	**241.2**	**1,142.6**	**823.3**

Financial net debt/Adjusted EBITDA
Calculated as financial net debt to credit institutions and other financial liabilities at the balance sheet date, in relation to adjusted EBITDA for the last four quarters. Net financial debt includes current and non-current interest-bearing liabilities, including lease liabilities, less cash and cash equivalents, but excluding interest-bearing liabilities related to the conditional purchase price.

Average interest-bearing financial net debt (SEK m)	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022
Interest-bearing financial debt	2,870.5	2,921.2	2,716.4	2,617.5	2,317.9
Cash and cash equivalents	-557.0	-479.6	-408.0	-402.3	-383.2
Interest-bearing financial net debt	**2,313.5**	**2,441.5**	**2,308.3**	**2,215.2**	**1,934.7**

Average Financial net debt in relation to EBITDA (SEK m))	Full year 2023	Full year 2022
Interest-bearing financial net debt	2,313.5	1,934.7
Adjusted EBITDA	1,142.6	823.3
Financial net debt/Adjusted EBITDA	**2.02**	**2.35**

Net debt/Adjusted EBITDA
Calculated as net debt at the balance sheet date, in relation to adjusted 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 conditional purchase price for acquisitions, which are settled at the end of the vesting periods depending on the earnings trend during these periods. Paying the liability at the current book value requires a higher level of profit than the current level.

Average interest-bearing net debt (SEK m)	31 Dec 2023	30 Sep 2023	30 Jun 2023	31 Mar 2023	31 Dec 2022
Interest-bearing liabilities	4,066.8	4,150.1	3,958.4	3,891.9	3,585.9
Cash and cash equivalents	-557.0	-479.6	-408.0	-402.3	-383.2
Interest-bearing net debt	**3,509.8**	**3,670.4**	**3,550.3**	**3,489.6**	**3,202.7**

Average net debt in relation to EBITDA (SEK m)	Full year 2023	Full year 2022
Interest-bearing net debt	3,509.8	3,202.7
EBITDA	1,142.6	823.3
Net debt/EBITDA	**3.07**	**3.89**

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	Q4 2023	Q3 2023	Q2 2023	Q1 2023
Interest-bearing net debt	3,555.1	3,509.8	3,670.4	3,550.3	3,489.6
Shareholders' equity	3,874.2	3,956.7	3,963.5	3,918.0	3,658.5
Capital employed	**7,429.2**	**7,466.5**	**7,633.9**	**7,468.3**	**7,148.2**

Return on capital employed (ROCE)
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)	Full year 2023	Full year 2022
EBITA	963.0	728.6
Capital employed	7,429.2	5,995.9
Return on capital employed %	**13.0**	**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)	Full year 2023	Full year 2022
Profit after tax. adjusted	430.1	413.1
Equity	3,694.1	2,770.1
Return on capital employed %	**11.6**	**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 %	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
EBT	138.4	132.9	611.5	536.8
Adjustment for items not included in cash flow	91.0	70.1	315.1	171.6
Adjusted EBT	**229.4**	**203.0**	**926.6**	**708.4**
Cash flow from continuing operations	197.5	201.4	618.6	564.6
Cash flow generation %	**86.1**	**99.2**	**66.8**	**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)	Oct-Dec 2023	Oct-Dec 2022	Jan-Dec 2023	Jan-Dec 2022
Profit/loss attributable to Parent Company's shareholders	91.4	106.8	444.2	427.1
Dividend paid to preference shareholders	-3.5	-3.5	-14.0	-14.0
Profit/loss attributable to Parent Company's shareholders	**87.9**	**103.3**	**430.2**	**413.1**
Number of ordinary shares outstanding (thousand)	37,992	37,801	37,992	37,801
Earnings per ordinary share	**2.31**	**2.73**	**11.32**	**10.93**

STOCKHOLM 9 FEBRUARY 2024

Bengt Lejdström
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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UPCOMING REPORTS

Annual report 2023	19 April 2024
Interim report January - March 2024	25 April 2024
Annual General Meeting	22 May 2024
Interim report April – June 2024	19 July 2024
Interim report July - September 2024	25 October 2024
Year-end report for för 2024	11 February 2025

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 until next annual general meeting are:

• 15 March 2024