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Update in connection with Covid-19

During the first quarter of the year, Covid-19 had a limited impact on Sdiptech's business. The company is closely monitoring the development of the effects and is acting in accordance with decisions and recommendations from governments and public authorities in each market, where the health and safety of employees, customers and suppliers is the highest priority.

The effects of the coronavirus on incoming orders and sales during the first quarter of 2020 were estimated to be limited. There is greater uncertainty going forward, but well-functioning infrastructure is essential for our communities and for our everyday lives.

"Sdiptech's products and services are critical societal functions and we have a responsibility to ensure that these solutions continue to work. Generally speaking, demand for Sdiptech's offerings remains relatively stable, even during an economic downturn. However, we are experiencing delayed deliveries in certain parts of our Group due to the restrictions on freedom of movement, which can affect developments as long as these restrictions remain in place," says Jakob Holm, CEO of Sdiptech AB.

The business units that are most affected are those with staff-intensive operations and units in the UK, where some of the staff are having difficulty getting to their workplaces due to local decisions by public authorities. These units are implementing cost-cutting measures, for example, reduced working hours and general cost reductions, adjusted to each business and the country they are operating in. As the consequences primarily mean delays, staff and production capacity are being prepared to be able to catch up with deliveries as soon as government restrictions allow for it. Meanwhile, the company expects a strong development in certain other businesses, such as production of disinfectants, maintenance of refrigeration in grocery stores and services for secure mobile and desktop communication, for example.

"We are monitoring developments carefully and are taking proactive measures, both to reduce the risks for our employees and to ensure that our operations can continue. Centrally, we have a team which is dedicated to support our business units with decisions and measures when circumstances are changing rapidly. At a local level, our decentralised structure enables fast decisions close to customers, staff and suppliers, which is a strength in more uncertain times," concludes Jakob Holm.

Sdiptech has a strong financial position with a good cash flow and total long-term loans and credit facilities amounting to SEK 800 million. The company's 32 businesses in varied segments provide a good risk diversification.

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Sdiptech AB's preferred shares are traded under the short name SDIP PREF with ISIN code SE0006758348. Sdiptechs Certified Adviser at Nasdaq First North Premier Growth Market is Erik Penser Bank, +46 8 463 83 00, <u>certifiedadviser@penser.se</u>. Further information is available on the company's website: <u>www.sdiptech.com</u>

Sdiptech AB Sdiptech AB is a technology group with a primary focus on infrastructure segments critical to wellfunctioning societies and to welfare, e.g. water & sanitation, power & energy, transportation, energy efficiency and air climate. As part of our offering in urban areas, we also provide niched technical services for buildings and real-estate such as renovation of elevators and roofs. The company has approximately SEK 1,750 m in sales and is based in Stockholm.

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