



# Interim report

1 January – 30 June 2022



## SELECTED FINANCIAL INFORMATION

Period	Net sales	EBITA*	EBIT	Earnings for the period after tax	Earnings <sup>1)</sup> per ordinary share after dilution
April – June 2022	847.2 MSEK (665.3)	159.8 MSEK (120.7)	171.5 MSEK (88.5)	118.5 MSEK (58.7)	3.21 Kr (1.57)
January – June 2022	1,630.9 MSEK (1,323.6)	304.7 MSEK (236.6)	293.4 MSEK (179.2)	194.6 MSEK (122.9)	5.25 Kr (3.29)
LTM June 2022	3,026.2 MSEK (2,443.8)	577.4 MSEK (430.5)	478.6 MSEK (342.8)	318.6 MSEK (252.8)	8.53 Kr (6.79)

1) based on average number of shares after deduction of minority interests and dividends to preference shareholders

### SECOND QUARTER 2022

- Net sales increased by 27% to SEK 847.2 million (665.3). In total for the Group, organic sales growth was +0.8%, including a currency effect of +3.1%.
- Operating profit EBITA\* increased by 32% to SEK 159.8 million (120.7), corresponding to an EBITA\* margin of 18.9% (18.1). Organic EBITA\* growth for the Group was -9.5%, including a currency effect of +2.6%.
- Operating profit, EBIT, increased by 94% and amounted to SEK 171.5 million (88.5). Other income related to changes in the discount rate of contingent considerations, from 2 to 3 percent, has contributed with SEK 38 million (-).
- Profit after tax for the Group amounted to SEK 118.5 million (58.7) during the period, of which 118.3 million (59.7) was attributable to the Parent Company's shareholders.
- Cash flow from operating activities amounted to SEK 128.2 million (27.1), corresponding to a cash conversion of 87% (26).
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 3.23 (1.59). After dilution, earnings per ordinary share amounted to SEK 3.21 (1.57).
- On May 13, Sdiptech acquired all shares in Resource Data Management Ltd. The acquisition is the Group's eleventh business unit in the UK.
- On June 1, Sdiptech acquired 80% of the shares in e-l-m Kragelund A/S. The acquisition is the Group's first business unit in Denmark.
- Operating profit EBITA\* increased by 29% to SEK 304.7 million (236.6), corresponding to an EBITA\* margin of 18.7% (17.9). Organic EBITA\* growth for the Group was -3.4%, including currency effect of +3.3%.
- Operating profit, EBIT, increased by 64% and amounted to SEK 293.4 million (179.2). Changes in contingent considerations have contributed a net of SEK 32.2 M (-2.5).
- Profit after tax for the Group amounted to SEK 194.6 million (122.9) during the period, of which SEK 194.1 million (122.4) was attributable to the Parent Company's shareholders.
- Cash flow from operating activities amounted to SEK 248.5 million (66.5), corresponding to a cash conversion of 80% (36).
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 5.27 (3.32). After dilution, earnings per ordinary share amounted to SEK 5.25 (3.39).
- During the period January to June acquisitions of Agrosistemi Srl, Temperature Electronics Ltd, Resource Data Management Ltd and e-l-m- Kragelund A/S was made. The acquisitions include the Group's first business units in Italy and Denmark.
- On March 8, management subscribed for 216,100 newly issued class B Sdiptech shares, which constituted the exercise of the long-term incentive program with warrants of series 2018/2022. The issue entails that the company has received SEK 14.5 million in equity. The total outstanding number of class B shares after the issue amounts to 33,580,027.

### FIRST SIX MONTHS 2022

- Net sales increased by 23% to SEK 1,630.9 million (1,323.6). In total for the Group, organic sales growth was +6.4%, including currency effect of +4.0%.

### SIGNIFICANT EVENTS AFTER REPORTING DATE

- No significant events are noted

KEY RATIOS (for definitions, please refer to page 23) (SEK million)	3 months		6 months		12 months	
	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	LTM Jun 2022	Jan-Dec 2021
EBITA* margin	18.9%	18.1%	18.7%	17.9%	19.1%	18.7%
Financial net debt/EBITDA, multiple	1.58	0.99	1.58	0.99	1.58	1.20
Return on capital employed	11.0%	11.1%	11.0%	11.1%	11.0%	10.0%
Return on equity	12.6%	12.6%	12.6%	12.6%	12.6%	10.3%
Cash flow generation	87%	26%	80%	36%	85%	71%

\*) EBITA\* is the Group's adjusted operating profit, see also see page 24.



## COMMENTS BY THE CEO

### INCREASED DEMAND, STRONG CASH FLOW AND CONTINUED MARGIN EXPANSION

The second quarter showed EBITA\* growth of 33 percent and good demand. Organically, most units grew strongly, while a few units were hampered by obstacles that are considered temporary. The recently acquired units all performed strongly and it is pleasing to see that the restrictions that previously affected some units have now eased. Inflation in society affects profitability, but the Group's units are continuously working to adjust their pricing accordingly. Overall, the EBITA\* margin increased to 18.9 percent.

#### QUARTER

Demand from our customers continues to be good. Our products meet critical infrastructure needs, which provides solid demand regardless of the economic situation. The Group shows stable sales growth, 27 percent compared to the previous year, driven by both acquisitions and organic growth in most units. It is worth mentioning that the Group's container port automation unit has now resumed its deliveries to Asia, following the effects of previous restrictions, and is showing a strong quarter.

However, two of our larger units in the UK show a weaker quarter compared to the previous year. One, our EV equipment unit, saw a weakening towards the end of the period due to the market uncertainty that precedes the ongoing change in the UK regulatory framework for EV chargers. The other, which delivers transport cooling solutions, experienced difficulties in delivering ordered products, due to vehicle shortages among customers. Both units' temporary reduced development is considered transient.

The increase in component, raw material and logistics costs in the quarter exceeded our own price increases. For this reason, margins in comparable units have temporarily decreased and organic EBITA\* growth amounted to -12 percent, excluding currency effects. Although the impact of increased costs was particularly high in the quarter, we see no reason for concern for the future. Some price increases can be made immediately while others are contractual and take a little longer to implement. Work on price increases continues in order to, as in the past, achieve full compensation for increased costs.

The Group's profitability continues to increase and the EBITA\* margin amounted to 18.9 percent (18.1). The margin increase is primarily driven by newly acquired units.

Cash flow continues to be strong, corresponding to a cash flow generation of 87 percent (26). This is even though the building of stock of raw material continues, in order to ensure delivery capacity in the event of possible disruptions in supply chains.

### ACQUISITIONS

Our acquisition strategy is based on quality over quantity. This is long-term correct, and it builds profitability and long-term strength rather than short-term growth. With our focus on infrastructure, the acquisitions are increasingly adding complementary technology and customer segments.

During the period, Resource Data Management ("RDM") was acquired, which is a specialized product supplier in the field of control and control of cooling. The company has built up a globally strong position in the grocery trade in the UK, USA and Asia. RDM expands Sdiptech's existing refrigeration business and meets UN Sustainability Development Goals 2.4, 6.5, 7.3 and 12.3.

In the period, E-I-m Kragelund A/S ("ELM"), which develops and manufactures tools for forklifts, was also acquired. Customers are forklift manufacturers and distributors in Europe and the USA. ELM adds new interesting customers to Sdiptech's existing operations in transport, logistics and warehousing. The company meets UN Global Goals 8.2, 8.8, 9.4, 12.2 and 12.5. ELM is also the Group's first acquisition in Denmark.

### OUTLOOK

We are naturally not satisfied with a negative organic key figure in the quarter, but the underlying development for the Group is considerably better than the figure indicates. As mentioned above, a few units are hampered by obstacles we deem to be temporary, while demand continues to grow.

Our order intake is good, and we estimate that the impact of material shortages will be gradually reduced during the second half of the year. We feel comfortable delivering postponed volumes over time as well as fully compensating for increased costs through price increases.

As in the last interim report, our acquisition pipeline is particularly strong after a long period of processing of new markets. As we have already achieved SEK 125 million in acquired EBITA for 2022, we see good opportunities to exceed our annual acquisition target of SEK 120-150 million, without compromising our strong focus on quality over quantity.

By way of conclusion, I would like to extend a big thank you to all dedicated employees for your commitment and strong efforts.



Jakob Holm  
CEO, Sdiptech AB (publ.)



## OVERVIEW OF OPERATIONS

### APRIL - JUNE

#### Net sales

Net sales amounted to SEK 847.2 million (665.3) during the period. Sales in comparable units, amounted to SEK 659.2 million (654), which corresponded to an organic change of +0.8% for the period, whereof +3.1% in currency effects. The moderate organic growth is due to temporary effects in a few companies.

Non-comparable units contributed SEK 188 million (11) to net sales for the period. Also see Business areas, page 6, for more detailed information.

#### Earnings

Operating profit, EBIT, amounted to SEK 171.5 million (88.5) during the quarter. During the quarter, an increase of one percentage point in the discount rate regarding contingent consideration was made to reflect the Group's interest rate exposure, which has resulted in other revenue, and thus increased EBIT, of SEK 38 million (-), see further note 5. The previous year's operating profit was negatively affected by a reported capital loss of SEK -20 million from the divestments for the period.

Operating profit EBITA\* amounted to SEK 159.8 million (120.7) in total for the Group, corresponding to an EBITA\* margin of 18.9 (18.1).

EBITA\* in comparable units, amounted to SEK 121 million (134), corresponding to an organic growth of -9.5%, including +2.6% in currency effects. The decrease is mainly due to a certain lag in the possibilities for price increases in relation to established cost increases. Non-comparable units contributed SEK 51 million (2) to the profit for the period.

Acquisition and divestment costs amounted to SEK 10.6 million (1.9) in connection with acquisition activities during the period.

Depreciation and amortisation of property, plant and equipment and intangible fixed assets amounted to SEK -49.0 million (-33.1), of which amortisation of acquisition-related intangible fixed assets amounted to SEK -15.7 million (-9.9).

Net financial items consist of exchange rate differences of SEK -3.2 million (2.8) and SEK -19.7 million (-11.1) in interest expense, of which discount rates relating to contingent considerations of SEK -6.1 million (-4.0). Other financial expenses amounted to SEK -7.7 million (-0.5). For more information, see Note 3.

Profit after tax increased by 102% and amounted to SEK 118.5 million (58.7). Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 3.23 (1.59). After dilution, earnings per ordinary share amounted to SEK 3.21 (1.57)

### JANUARY - JUNE

#### Net sales

Net sales amounted to SEK 1,630.9 million (1,323.6) during the period. Sales in comparable units, amounted to SEK 1,305.5 million (1,227), which corresponded to an organic change of +6.4% for the period, including +4.0% in currency effects. Non-comparable units contributed SEK 325.4 million (97) to Net sales for the period. Also see Business areas, page 6, for more detailed information.

#### Earnings

Operating profit, EBIT, amounted to SEK 293.4 million (179.2) during the first six months. Other income, and thus increased EBIT, for a change in discounting of contingent purchase prices amounted to SEK 32.2 million (2.5) during the period, the amount also includes an increase in debt reserve and final settlement of contingent purchase prices of -5.8, for more info see Note 5.

Operating profit EBITA\* amounted to SEK 304.7 million (236.6) in total for the Group, corresponding to an EBITA\* margin of 18.7 (17.9).

EBITA\* in comparable units, amounted to SEK 237.5 million (246), which corresponded to an organic increase of -3.4%, including +3.3% in currency effects. Non-comparable units contributed SEK 95.9 million (21) to the profit for the period.

Acquisition and divestment costs amounted to SEK 14.5 million (17.2) in connection with acquisition activities during the period.

Depreciation and amortisation of property, plant and equipment and intangible fixed assets amounted to SEK -94.2 million (-65.4), of which amortisation of acquisition-related intangible fixed assets amounted to SEK -29.0 million (-17.4).

Net financial items consist of exchange rate differences of SEK -3.3 million (11.1) and SEK -34.9 million (-22.8) in interest expense, of which discount rates relating to contingent considerations of SEK -11.8 million (-8.0). Other financial expenses amounted to SEK -8.1 million (-2.7). For more information, see Note 3.

Profit after tax increased by 58% and amounted to SEK 194.6 million (122.9). Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 5.27 (3.32). After dilution, earnings per ordinary share amounted to SEK 5.25 (3.29)

#### Acquisitions

During the first six months of the financial year, Sdipotech made four acquisitions. On January 31, all shares were acquired in Agrosistemi Srl on January 31, 2022. The company specializes in the treatment and recovery of biological sludge originated by wastewater treatment. Agrosistemi has an annual turnover of EUR 8.5 million, and an operating income, EBIT, of EUR 2.0 million. Agrosistemi is Sdipotech's first business unit in Italy and is part of the Resource Efficiency business area.

On 25 March 2022, Sdipotech acquired 91% of the shares in Temperature Electronics Ltd and TEL UK Ltd (TEL). The companies specialize in airflow control and monitors that can reduce energy usage by up to 85 percent for laboratories. TEL has an annual turnover of GBP 5.2 million, with good profitability. TEL is part of the Special Infrastructure Solutions business area.

On May 13, 2022, Sdipotech acquired all shares in Resource Data Management Ltd. The company specializes in control and monitoring of cooling and building management systems.



Headquartered in Glasgow, RDM has annual sales of GBP 14 million and pre-tax operating profit of GBP 3.5 million.

RDM is an addition to Sdiptech's operations in cooling, air and climate control. Customer segments and technology complement our current market and offerings RDM is Sdiptech's eleventh business unit in the UK and is part of the Special Infrastructure Solutions business area as of May 2022.

Finally, on June 1, 2022, another acquisition was completed when Sdiptech acquired 80% of the shares in e-l-m Kragelund A/S in Denmark. ELM develops and manufactures innovative tools for forklifts. The company is headquartered in Kragelund, near Horsens, Denmark, and has an operating profit of approximately DKK 32 million. ELM is Sdiptech's first business unit in Denmark and is part of the Special Infrastructure Solutions business area as of June 2022.



Group EBITA* (SEK m)	Apr-Jun 2022	Apr-Jun 2021 <sup>1</sup>	Jan-Jun 2022	Jan-Jun 2021 <sup>1</sup>	LTM Jun 2022	Jan - Dec 2021
Water & Energy	72.4	61.6	153.1	110.1	292.6	249.6
Special Infrastructure Solutions	100.0	74.2	180.1	154.1	339.8	313.8
<b>Business areas</b>	<b>172.4</b>	<b>135.8</b>	<b>333.2</b>	<b>264.2</b>	<b>632.4</b>	<b>563.4</b>
Central units	-12.6	-15.1	-28.5	-27.5	-55.1	-54.1
<b>Total</b>	<b>159.8</b>	<b>120.7</b>	<b>304.7</b>	<b>236.6</b>	<b>577.4</b>	<b>509.3</b>

<sup>1</sup>Previous year's numbers has been recalculated as a result of the re-organization of the Property Technical Services and Special Infrastructure Solutions

## BUSINESS AREAS AND CENTRAL UNITS

Infrastructure is in focus around the world for many reasons. 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. We have therefore for a long time directed our acquisition work towards these areas. Apart from previously identified areas water and sanitation and power and energy we have chosen to add bioeconomy and waste management. In connection with this, the Water & Energy business area changed name to Resource Efficiency as of January 2022.

During the previous financial year, seven out of a total of nine units in the business area Property Technical Services were divested, whereupon a re-organization resulted in the remaining operations being reported under Special Infrastructure Solutions as of the third quarter of 2021. The first and second quarter of 2021 are presented as if the two segments were one unit. For proforma figures, see Year-end report 2021.

For a description of the business areas' operations and which companies are included in each business area, see Description Business areas, page 22.

## RESOURCE EFFICIENCY

*Comments on the financial performance:*

The business area's sales increased by 31% for the quarter to SEK 337.7 million (257.4) compared to the previous year. The increased sales are mainly due to acquisitions and good sales in several units in the business area. In particular, the Group's operations in electrical automation developed well, as did the operations in water purification products. The Group's business within charging equipment and systems for electric vehicles had good sales, although some impact came from the previously announced change in the regulatory framework in the UK EV charger market, which came into force on 1 July 2022.

EBITA\* for the quarter increased by 18% to SEK 72.4 million (61.6) attributable to acquired units and a generally good profit development in most units within the business area. However, some units saw increased costs that could not be fully compensated in the period. Sdipotech's charging business within equipment and systems for electric vehicles also saw a decline in profits, mainly due to costs associated with the regulatory change for EV chargers in the UK. However, these effects are considered to be transient.

The EBITA\* margin during the quarter decreased to 21.4% (23.9) as some units see a delay in the possibilities for price increases in relation to identified cost increases.

Resource Efficiency (SEK m)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	LTM Jun 2022	Jan - Dec 2021
Net sales	337.7	257.4	677.2	468.4	1,237.0	1 028.2
EBITA*	72.4	61.6	153.1	110.1	292.6	249.6
EBITA* margin %	21.4%	23.9%	22.6%	23.5%	23.7%	24.3%

## SPECIAL INFRASTRUCTURE SOLUTIONS

*Comments on the financial performance:*

The business area's sales in the quarter increased by 25% to SEK 509.5 million (408.0). Several business units saw good sales growth in the quarter. The Group's business unit in the automation of, among other things, container ports was able to resume its deliveries to Asia, following the effects of previous restrictions. However, the transport cooling solutions business in particular experienced difficulties in delivering its products to certain customers, due to temporary vehicle shortages among customers.

The comparison with the previous year is also to some extent affected by the sales of the elevator operations that were carried out in the spring of 2021.

EBITA\* for the quarter increased by 35% to SEK 100.1 million (74.2), mainly through contributions from acquired units and continued good development in, among other units, the Group's operations for road maintenance equipment.

The EBITA\* margin increased during the quarter to 19.6% (18.2), primarily through contributions from acquired entities.

Special Infrastructure Solutions (SEK m)	Apr-Jun 2022	Apr-Jun 2021 <sup>1</sup>	Jan-Jun 2022	Jan-Jun 2021 <sup>1</sup>	LTM Jun 2022	Jan - Dec 2021
Net sales	509.5	408.0	953.7	855.2	1,789.2	1 690.7
EBITA*	100.1	74.2	180.1	154.1	339.8	313.8
EBITA* margin %	19.6%	18.2%	18.9%	18.0%	19.0%	18.6%

<sup>1</sup>Previous year's numbers has been recalculated as a result of the re-organization of the Property Technical Services and Special Infrastructure Solutions

## CENTRAL UNITS – GROUP-WIDE FUNCTIONS

Central units consist of the Group's parent company, Sdipotech 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.

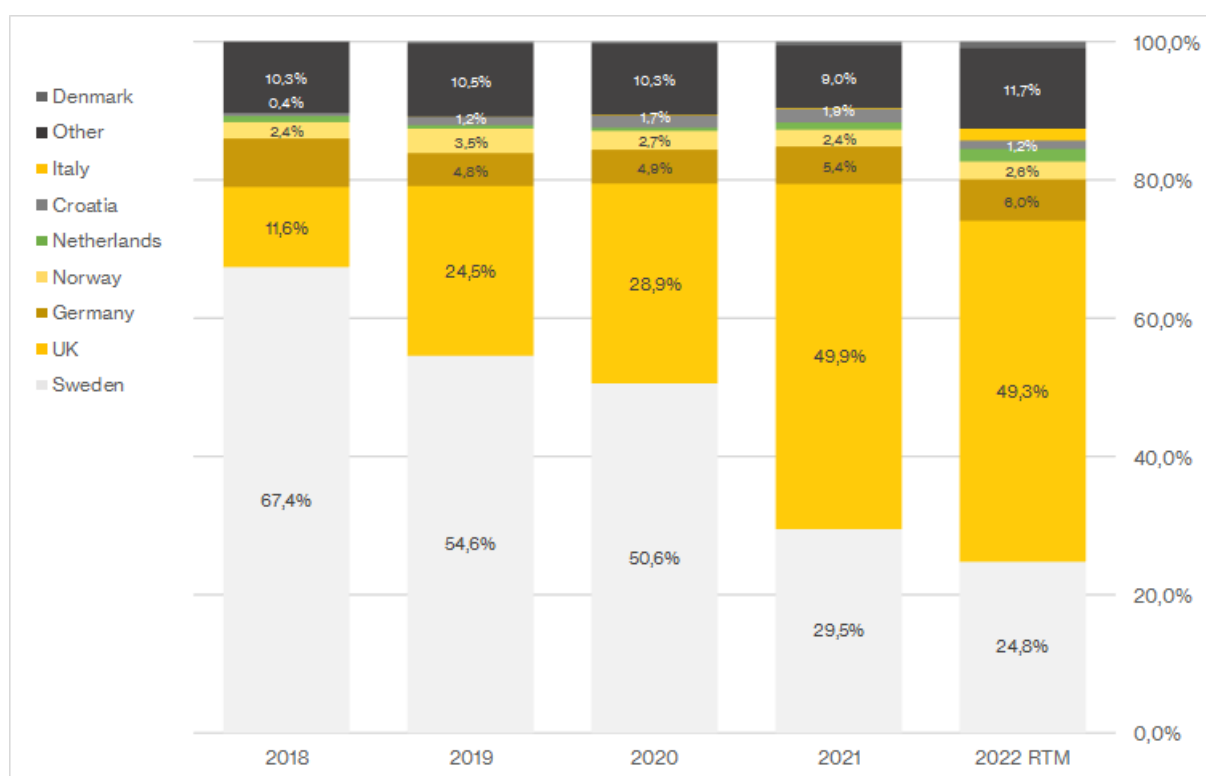
### Comment:

EBITA\* was SEK -12.6 million (-15.1) for the quarter. The previous year was affected by additional costs in connection with the listing change to Nasdaq Stockholm.

Group-wide functions and eliminations (SEK m)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	LTM Jun 2022	Jan - Dec 2021
EBITA*	-12.6	-15.1	-28.5	-27.5	-55.1	-54.1

## GEOGRAPHICAL DISTRIBUTION OF SALES

Over the years, Sdipotech 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.



# COMMENTS ON THE FINANCIAL DEVELOPMENT

## FINANCIAL POSITION JANUARY - JUNE

### Cash Flow

Cash flow from operating activities after changes in working capital, amounted to SEK 248.5 million (66.5) during the period. Cash flow generation, expressed as a percentage of profit before tax adjusted for non-cash items, increased during the period to 80% (36). Cash flow from the good result during the period is met by continued inventory build-up to ensure capacity given uncertainties mainly linked to potential component shortages. During the period, this inventory build-up amounted to SEK 66.4 million (29.8).

Cash flow from investing activities amounted to SEK -1,092.6 million (-576.7). The cash flow effect of completed acquisitions during the period amounted to SEK -833.8 million (-697.3), 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 -191.9 million (-105.6) during the period. Investments in property, plant and equipment amounted to SEK -39.4 million (-8.4) and investments in intangible fixed assets of SEK -16.5 million (-2.2) were made during the period.

Cash flow from financing activities amounted to SEK 905.7 million (583.1). The redemption of warrants of series 2018/2021 contributed SEK 14.5 million to equity (13.3). Gross borrowing amounted to SEK 1,702.8 million (157.8) while amortisation has been made of -785.5 (-31.6). Dividend on the preference share amounted to SEK -7.0 million (-7.0).

### Liabilities

Interest-bearing liabilities including contingent considerations and lease liabilities amounted to SEK 3,697.8 million (1,783.9). The two largest items within interest-bearing liabilities consisted of SEK 2,170.3 million (801.8) in liabilities to credit institutions, and SEK 1,302.0 million (802.9) 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 -11.8 million (-4.0) for the period.

Remeasurement of liabilities relating to contingent considerations has resulted in an income of SEK 32.2 million including revaluation related to the final settlement of agreed contingent considerations SEK -5.8 million (-2.5) as well as an increase of the discount rate, with one percentage unit, which gives a reduced liability of SEK 38 million (-). 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 -2.1 million (-1.8) 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 3,261.5 million (1,414.4).

The financial net debt, according to the calculation method above but only for liabilities to credit institutions, amounted to SEK 1,734.0 million (432.3).

The key ratio Financial net debt in relation to EBITDA, which is calculated on a rolling twelve-month basis, amounted to 1.58 (0.99) as of June 30.

### Financing

The Group renewed its credit agreements in the second quarter of 2022. These agreements, with two different financial institutions, run for three years with an option to extend. The agreed credit volume currently amounts to a total of SEK 2,100 million and GBP 36 million (corresponding to approximately SEK 450m). In addition, there is the possibility of additional financing within the framework of the agreements. The credits run at variable interest rates in 3-6 months intervals. However, the Group has agreements on so-called interest rate swaps, corresponding to approximately 20% of the agreed credit volume, with a 2-year maturity. In addition, the Group uses currency swaps, for a balanced exposure to GBP and EUR. Currently, these volumes amount to approximately SEK 625 million and SEK 340 million respectively.

### Parent Company

The Parent Company Sdiptech AB's internal net sales, containing mainly, management fee amounted to SEK 9.1 million (7.7) for the period and profit after financial items amounted to SEK -16.1 million (-36.4).

## OTHER INFORMATION

### Employees

The number of employees at the end of September was 2,023 (1,551). Acquisitions completed during the last twelve months increased the number of employees by 462.

### 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. At the 2022 AGM, it was decided on another program, series 2022/2025, but this has not yet been launched.

Series 2018/2022 was redeemed in March 2022 and newly issued shares were subscribed for, whereby the Group received SEK 14.5 million in equity. Series 2018/2021 was redeemed in March 2021 and newly issued shares were subscribed for, whereby the Group received SEK 13.3 million in equity.

As of June 30, 192,000 warrants of series 2018/2023 and 342,481 warrants of series 2021/2024 are outstanding, after repurchases. The subscription price for new Class B shares subscribed for under these warrants amounts to SEK 75.20 and 463.00 SEK 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 outbreak of the coronavirus (Covid-19) pandemic during 2020 led to material and far-reaching consequences and constituted, and today still constitutes, a global health hazard. Sdiptech is affected primarily by employees becoming ill, having difficulty getting to their workplace and performing their job or by delayed deliveries of certain input goods to the Group's



companies. Even though the financial markets have stabilized and recovered to some extent since the outbreak of covid-19, the effect in the financial area, in the form of a higher degree of uncertainty, is expected to continue as long as Covid-19 impacts global health. Currently, the effects of the pandemic are most tangible in Asia and affect Sdiptech primarily through delayed deliveries or postponed projects.

In February 2022, Russia's armed forces invaded Ukraine, which apart from causing great human suffering also affecting global trade and the financial markets. For Sdiptech, however, the direct business exposure in Russia and Ukraine is negligible. In addition to this, we see no significant impact on 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 because of the war in Ukraine, 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, which would have a negative effect on the Group's earnings and financial position.

During 2022, 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 personnel 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 some 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 2021

#### **Related-party transactions**

No related party transactions occur within the group.

#### **Other significant events**

The Annual Report for 2021 was published on 20 April 2022.

The Annual General Meeting 2022 was held 18 May 2022 and discharged the Board of Directors and the CEO from liability for the 2021 administration. In addition, the Annual General Meeting resolved in accordance with the Board's proposal for an authorization for the Board of Directors to issue shares, convertibles and/or warrants on one or more occasions, with or without deviation from the shareholders' preferential rights. The total increase of ordinary shares, including conversion to or subscription of new shares, can – if it deviates from the shareholders' preferential rights – amount to maximum of 10% of current number of ordinary shares, adjusted for potential split or similar. The authorization shall primarily be used for acquisition or financing thereof.

The Annual General Meeting also decided to introduce an incentive program for key employees within Sdiptech, in form of warrants on Sdiptech's series B shares.

The Annual Meeting also decided on distribution of dividends to preference share owners in accordance with the articles of association, and no distribution for ordinary shares of series A and B. Minutes from the Annual General Meeting are available on the company's website.

#### **Events after the end of the reporting period**

No significant events after the end of the reporting period.

## CONSOLIDATED INCOME STATEMENT

(SEK m)	Note	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	LTM Jun 2022	Jan - Dec 2021
Net sales	2	847.2	665.3	1,630.9	1,323.6	3,026.2	2,718.9
Other operating income	2	38.1	9.3	41.7	12.8	52.0	23.1
<b>Total income</b>		<b>885.3</b>	<b>674.6</b>	<b>1,672.6</b>	<b>1,336.4</b>	<b>3,078.2</b>	<b>2,742.0</b>
<b>Operating expenses</b>							
Materials, contracting and subcontracting		-342.3	-282.0	-661.8	-546.7	-1,267.7	-1,152.6
Other external expenses		-76.3	-83.1	-151.7	-152.8	-316.8	-317.9
Employee expenses		-246.2	-187.9	-471.5	-392.3	-844.7	-765.5
Depreciation and amortisation of tangible non-current assets		-28.3	-21.0	-55.6	-43.6	-102.4	-90.4
Depreciation and amortisation of intangible non-current assets		-20.7	-12.1	-38.6	-21.8	-68.0	-51.2
<b>Operating profit</b>		<b>171.5</b>	<b>88.5</b>	<b>293.4</b>	<b>179.2</b>	<b>478.6</b>	<b>364.4</b>
<b>Profit/loss from financial items</b>	3						
Financial income		0.1	3.4	-	11.9	-	11.8
Financial expenses		-30.7	-11.6	-46.3	-25.5	-72.1	-51.2
<b>Profit after financial items</b>		<b>140.9</b>	<b>80.3</b>	<b>247.1</b>	<b>165.6</b>	<b>406.5</b>	<b>325.0</b>
Tax on profit for the period		-22.4	-21.6	-52.5	-42.7	-87.9	-78.1
<b>Profit for the period</b>		<b>118.5</b>	<b>58.7</b>	<b>194.6</b>	<b>122.9</b>	<b>318.6</b>	<b>246.9</b>
<b>Profit attributable to:</b>							
Parent Company's shareholders		118.3	59.7	194.1	122.4	317.6	245.9
Non-controlling interests		0.2	-1.0	0.5	0.5	1.0	1.0
<b>Earnings per share (average number), attributable to the Parent Company's shareholders during the period, less dividends to preference shareholders (in SEK per share)</b>							
Earnings per share (before dilution)		3.23	1.59	5.27	3.32	8.57	6.62
Earnings per share (after dilution)		3.21	1.57	5.25	3.29	8.53	6.55
<b>EBITA*</b>		<b>159.8</b>	<b>120.7</b>	<b>304.7</b>	<b>236.6</b>	<b>577.4</b>	<b>509.3</b>
Average number of common shares		35,580,027	35,363,927	35,501,228	34,732,600	35,432,013	35,050,858
Average number of common shares after dilution		35,725,808	35,701,925	35,651,774	35,060,521	35,587,599	35,385,015
Number of ordinary shares at the end of the period		35,580,027	33,641,827	35,580,027	35,363,927	35,580,027	35,363,927

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	LTM Jun 2022	Jan - Dec 2021
<b>Profit for the period</b>	<b>118.5</b>	<b>58.7</b>	<b>194.6</b>	<b>122.9</b>	<b>318.6</b>	<b>246.9</b>
<b>Other comprehensive income for the period</b>						
Changes in accumulated translation differences	30.3	-15.1	32.5	31.2	56.8	55.5
<b>Comprehensive income for the period</b>	<b>148.8</b>	<b>43.6</b>	<b>227.1</b>	<b>154.1</b>	<b>375.4</b>	<b>302.4</b>
<b>Attributable to:</b>						
Parent Company's shareholders	148.6	44.6	226.6	153.6	374.4	301.4
Non-controlling interest	0.2	-1.0	0.5	0.5	1.0	1.0

## CONSOLIDATED BALANCE SHEET

(SEK m)	Note	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Non-current assets</b>				
<i>Intangible non-current assets</i>				
Goodwill	4	3,925.3	2,609.0	3,183.3
Other intangible assets		993.2	478.7	664.8
<i>Tangible non-current assets</i>				
Tangible non-current assets		337.7	169.2	239.6
Right-of-use assets		227.2	173.6	195.9
<i>Financial non-current assets</i>				
Other financial non-current assets		10.7	10.3	10.6
<b>Total non-current assets</b>		<b>5,494.1</b>	<b>3,440.8</b>	<b>4,294.2</b>
<b>Current assets</b>				
Completed products and goods for resale		509.0	288.7	323.7
Accounts receivable		626.1	460.9	498.2
Other receivables		117.9	29.3	66.3
Current tax assets		44.8	19.8	40.9
Prepaid expenses and accrued income		144.5	84.8	99.8
Cash and cash equivalents		436.3	369.5	368.8
<b>Total current assets</b>		<b>1,878.6</b>	<b>1,253.0</b>	<b>1,397.7</b>
<b>Total assets</b>		<b>7,372.7</b>	<b>4,693.7</b>	<b>5,691.9</b>
<b>Shareholders' equity</b>				
<b>Shareholders' equity attributable to Parent Company's shareholders</b>				
Share capital		0.9	0.9	0.9
Other contributed capital		1,570.3	1,555.5	1,555.8
Reserves		0.9	0.9	0.9
Profit/loss brought forward including earnings for the period		1,186.3	833.7	966.8
<b>Total equity attributable to Parent Company's shareholders</b>		<b>2,758.4</b>	<b>2,391.0</b>	<b>2,524.4</b>
Non-controlling interests		5.3	5.1	4.8
<b>Total shareholders' equity</b>		<b>2,763.7</b>	<b>2,396.1</b>	<b>2,529.1</b>
<b>Long term liabilities</b>				
Interest-bearing long-term liabilities	5	3,337.5	1,611.0	2,082.9
Non-interest-bearing long-term liabilities		222.8	106.5	150.9
<b>Total long term liabilities</b>		<b>3,560.3</b>	<b>1,717.5</b>	<b>2,233.8</b>
<b>Short term liabilities</b>				
Interest-bearing short-term liabilities	5	360.3	172.9	413.2
Non-interest-bearing short-term liabilities		688.3	407.1	515.8
<b>Sum short term liabilities</b>		<b>1,048.6</b>	<b>580.0</b>	<b>929.0</b>
<b>Total liabilities</b>		<b>4,608.9</b>	<b>2,297.5</b>	<b>3,162.8</b>
<b>Total shareholders' equity and liabilities</b>		<b>7,372.7</b>	<b>4,693.7</b>	<b>5,691.9</b>

## CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

(SEK m)	Shareholders' equity attributable to Parent Company shareholders					Total	Non-controlling interests	Shareholders' equity
	Note	Share capital	Other contr. capital	Reserves	Retained earnings			
<b>Opening balance, January 1 2021</b>		<b>0.9</b>	<b>1,062.1</b>	<b>0.9</b>	<b>651.6</b>	<b>1,715.5</b>	<b>40.1</b>	<b>1,755.6</b>
Income for the period		-	-	-	122.4	122.4	0.5	122.9
Other comprehensive income for the period		-	-	-	31.1	31.1	0.1	31.2
<b>Total income for the period</b>		-	-	-	<b>153.5</b>	<b>153.5</b>	<b>0.6</b>	<b>154.1</b>
<b>Shareholder transactions</b>								
Dividend paid to preference shareholders	7	-	-	-	-7.0	-7.0	-	-7.0
Share issue of ordinary shares series B		-	485.8	-	-	485.8	-	485.8
Share issue expenses		-	-8.5	-	-	-8.5	-	-8.5
Share premiums		-	16.1	-	-	16.1	-	16.1
Change in non-controlling interests		-	-	-	35.6	35.6	-35.6	-
<b>Total shareholder transactions</b>		-	<b>493.4</b>	-	<b>28.6</b>	<b>522.0</b>	<b>-35.6</b>	<b>486.4</b>
<b>Closing balance, June 30 2021</b>		<b>0.9</b>	<b>1,555.5</b>	<b>0.9</b>	<b>833.7</b>	<b>2,391.0</b>	<b>5.1</b>	<b>2,396.1</b>
<b>Opening balance, July 1 2021</b>		<b>0.9</b>	<b>1,555.5</b>	<b>0.9</b>	<b>833.7</b>	<b>2,391.0</b>	<b>5.1</b>	<b>2,396.1</b>
Income for the period		-	-	-	123.5	123.5	0.5	124.0
Other comprehensive income for the period		-	-	-	24.2	24.2	0.1	24.3
<b>Total income for the period</b>		-	-	-	<b>147.7</b>	<b>147.7</b>	<b>0.6</b>	<b>148.3</b>
<b>Shareholder transactions</b>								
Share issue expenses		-	-0.4	-	-	-0.4	-	-0.4
Share premiums		-	0.8	-	-	0.8	-	0.8
Dividend paid to preference shareholders	7	-	-	-	-7.0	-7.0	-	-7.0
Dividend paid to non-controlling interests		-	-	-	-7.6	-7.6	-1.0	-8.6
<b>Total shareholder transactions</b>		-	<b>0.4</b>	-	<b>-14.6</b>	<b>-14.2</b>	<b>-1.0</b>	<b>-15.2</b>
<b>Closing balance, December 31 2021</b>		<b>0.9</b>	<b>1,555.8</b>	<b>0.9</b>	<b>966.8</b>	<b>2,524.4</b>	<b>4.7</b>	<b>2,529.1</b>
<b>Opening balance, January 1 2022</b>		<b>0.9</b>	<b>1,555.8</b>	<b>0.9</b>	<b>966.8</b>	<b>2,524.4</b>	<b>4.7</b>	<b>2,529.1</b>
Income for the period		-	-	-	194.1	194.1	0.5	194.6
Other comprehensive income for the period		-	-	-	32.4	32.4	0.1	32.5
<b>Total income for the period</b>		-	-	-	<b>226.5</b>	<b>226.5</b>	<b>0.6</b>	<b>227.1</b>
<b>Shareholder transactions</b>								
Dividend paid to preference shareholders	7	-	-	-	-7.0	-7.0	-	-7.0
Share issue of ordinary shares series B		-	14.5	-	-	14.5	-	14.5
<b>Total shareholder transactions</b>		-	<b>14.5</b>	-	<b>-7.0</b>	<b>7.5</b>	-	<b>7.5</b>
<b>Closing balance, June 30 2022</b>		<b>0.9</b>	<b>1,570.3</b>	<b>0.9</b>	<b>1,186.3</b>	<b>2,758.4</b>	<b>5.3</b>	<b>2,763.7</b>

## CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	Jan-Dec 2021
<b>Continued operations</b>					
Earnings after financial items	140.9	80.3	247.1	165.6	325.0
Adjustment for items not included in cash flow <sup>1)</sup>	6.9	24.0	63.2	20.3	214.7
Paid taxes	-30.5	-29.9	-46.3	-78.7	-94.1
<b>Cash flow from continuing operations before change in working capital</b>	<b>117.3</b>	<b>74.4</b>	<b>264.0</b>	<b>107.2</b>	<b>445.6</b>
Cash flow from change in working capital					
Increase(-)/decrease(+) in stock	-33.9	-0.6	-66.4	-29.8	-39.4
Increase(-)/decrease(+) in operating receivables	29.2	-70.3	23.4	-46.7	-45.7
Increase(+)/decrease(-) in operating liabilities	15.6	23.6	27.5	35.8	24.8
<b>Cash flow from current operations</b>	<b>128.2</b>	<b>27.1</b>	<b>248.5</b>	<b>66.5</b>	<b>385.3</b>
<b>Investing activities</b>					
Acquisitions of subsidiaries	-644.1	-14.8	-833.8	-697.3	-1,160.4
Acquisitions of subsidiaries, paid contingent considerations	-33.2	-	-191.9	-105.6	-108.9
Divestment of subsidiaries	-	-57.5	-	-71.2	-71.2
Consideration paid for divestment of subsidiaries	-	310.3	-	381.7	381.7
Acquisition of non-controlling interest	-	-73.7	-11.0	-73.7	-73.7
Acquisitions of intangible non-current assets	-11.7	-2.2	-16.5	-2.2	-8.9
Acquisitions of tangible non-current assets	-24.4	-2.8	-39.4	-8.4	-42.2
<b>Cash flow from investing activities</b>	<b>-713.4</b>	<b>159.3</b>	<b>-1,092.6</b>	<b>-576.7</b>	<b>-1,083.6</b>
<b>Financing activities</b>					
Warrant program	-	16.1	-	29.4	30.1
New share issue	-	-	14.5	464.0	463.6
Loans raised	1,501.9	-	1,702.8	157.8	1,090.4
Amortisation of loans	-739.7	-131.7	-785.5	-31.6	-736.3
Amortisation of lease liability	-10.4	-16.1	-19.1	-29.6	-57.3
Dividends paid	-3.5	-3.5	-7.0	-7.0	-20.6
<b>Cash flow from financing activities</b>	<b>748.3</b>	<b>-135.2</b>	<b>905.7</b>	<b>583.0</b>	<b>770.0</b>
<b>Cash flow for the period</b>	<b>163.1</b>	<b>51.2</b>	<b>61.6</b>	<b>72.8</b>	<b>71.7</b>
Cash and cash equivalents at beginning of year	268.6	325.3	368.8	279.5	279.5
Exchange rate difference in cash and cash equivalents	4.6	-6.6	5.9	17.2	17.6
<b>Cash and cash equivalents at end of period</b>	<b>436.3</b>	<b>369.5</b>	<b>436.3</b>	<b>369.5</b>	<b>368.8</b>

<sup>1)</sup> Adjustment for items not included in cash flows includes material depreciations and adjustment of contingent consideration.

## PARENT COMPANY INCOME STATEMENT

(SEK m)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	LTM Jun 2022	Jan - Dec 2021
Net sales	4.5	3.8	9.1	7.7	16.8	15.4
Other operating income	0.7	0.2	0.7	-	0.7	-
<b>Total income</b>	<b>5.2</b>	<b>4.0</b>	<b>9.8</b>	<b>7.7</b>	<b>17.4</b>	<b>15.4</b>
<b>Operating expenses</b>						
Other external expenses	-5.4	-9.6	-11.2	-15.2	-22.3	-26.2
Employee expenses	-11.2	-11.3	-24.3	-21.5	-44.1	-41.3
Depreciation of tangible and intangible non-current assets	-0.1	-0.2	-0.3	-0.3	-0.6	-0.6
<b>Operating profit</b>	<b>-11.5</b>	<b>-17.0</b>	<b>-26.0</b>	<b>-29.3</b>	<b>-49.4</b>	<b>-52.7</b>
<b>Profit/loss from financial items</b>						
Result from participation in Group companies	-	-19.0	-	-19.0	-	-19.0
Result from participation in associated companies	-	-	-	3.6	-	3.6
Financial income	6.4	-1.9	10.1	8.4	16.4	14.8
Financial expenses	-0.1	-0.1	-0.2	-0.2	-0.4	-0.4
<b>Profit/loss after financial items</b>	<b>-5.2</b>	<b>-38.1</b>	<b>-16.1</b>	<b>-36.4</b>	<b>-33.5</b>	<b>-53.7</b>
Group contributions received	-	-	-	-	75.0	75.0
Group contributions provided	-	-	-	-	-27.6	-27.6
Tax on profit	-	-	0.3	-	0.3	-
<b>Profit/loss for the period</b>	<b>-5.2</b>	<b>-38.1</b>	<b>-15.8</b>	<b>-36.4</b>	<b>14.2</b>	<b>-6.3</b>

## PARENT COMPANY BALANCE SHEET

(SEK m)	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Non-current assets</b>			
<i>Intangible non-current assets</i>			
Other intangible non-current assets	0.2	0.2	0.2
<i>Tangible non-current assets</i>			
Tangible non-current assets	1.3	1.6	1.5
<i>Financial non-current assets</i>			
Financial non-current assets	10.9	25.6	25.7
Receivables, Group companies	1,813.0	1,620.3	1,683.0
<b>Total non-current assets</b>	<b>1,825.4</b>	<b>1,647.8</b>	<b>1,710.3</b>
<b>Current assets</b>			
Receivables, Group companies	985.1	712.7	1,162.0
Trade receivables	0.3	0.7	0.3
Other receivables	1.8	1.4	1.2
Prepaid expenses and accrued income	3.4	1.6	3.3
Cash and cash equivalents	25.1	119.3	6.1
<b>Total current assets</b>	<b>1,015.7</b>	<b>835.8</b>	<b>1,172.8</b>
<b>Total assets</b>	<b>2,841.1</b>	<b>2,483.6</b>	<b>2,883.2</b>
<b>Shareholders' equity</b>			
Share capital	0.9	0.9	0.9
Share premium reserve	1,570.3	1,555.4	1,555.8
Retained earnings including profit/loss for the period	193.3	192.6	215.7
<b>Total shareholder's equity</b>	<b>1,764.5</b>	<b>1,749.0</b>	<b>1,772.4</b>
<b>Liabilities</b>			
Short-term liabilities to Group companies	758.3	579.3	664.0
Short-term liabilities	26.5	143.2	91.4
<b>Total liabilities</b>	<b>291.7</b>	<b>12.2</b>	<b>355.3</b>
<b>Total equity and liabilities</b>	<b>1,076.5</b>	<b>734.6</b>	<b>1,110.8</b>
<b>Shareholders' equity</b>	<b>2,841.0</b>	<b>2,483.6</b>	<b>2,883.2</b>

## 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 2021 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 2022

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 2021.

### 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

Sdipitech 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.

During the previous financial year, seven out of a total of nine units in the business area Property Technical Services were divested, whereupon a re-organization resulted in the remaining operations being reported under Special Infrastructure Solutions as of the third quarter of 2021. The first and second quarter of 2021 are presented as if the two segments were one unit. For proforma figures, see Year-end report 2021.

### Central units – Group-wide functions

Group-wide functions and eliminations consist of the Group's Parent Company, Sdipitech 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)	Apr-Jun 2022	Apr-Jun 2021 <sup>1</sup>	Jan-Jun 2022	Jan-Jun 2021 <sup>1</sup>	LTM Jun 2022	Jan - Dec 2021
Resource Efficiency	337.7	257.4	677.2	468.4	1,237.0	1,028.2
Special Infrastructure Solutions	509.5	408.0	953.7	855.2	1,789.2	1,690.8
<b>Total Net Sales</b>	<b>847.2</b>	<b>665.3</b>	<b>1,630.9</b>	<b>1,323.6</b>	<b>3,026.2</b>	<b>2,718.9</b>
Group Operating profit (SEK m)	Jul-Sep 2021	Jul-Sep 2020 <sup>2</sup>	Jan-Mar 2022	Jan-Mar 2021 <sup>1</sup>	LTM Mar 2022	Jan - Dec 2021
Resource Efficiency	66.1	57.9	140.7	104.9	273.4	237.6
Special Infrastructure Solutions	90.6	67.5	163.5	141.5	297.8	275.8
<b>Segment total</b>	<b>156.7</b>	<b>125.4</b>	<b>304.2</b>	<b>246.4</b>	<b>571.2</b>	<b>513.4</b>
Central units	14.8	-36.9	-10.8	-67.1	-92.9	-149.2
<b>Total</b>	<b>171.5</b>	<b>88.5</b>	<b>293.4</b>	<b>179.3</b>	<b>478.6</b>	<b>364.4</b>
Net financials	-30.7	-8.2	-46.3	-13.6	-72.1	-39.4
<b>Profit before tax</b>	<b>140.9</b>	<b>80.3</b>	<b>247.1</b>	<b>165.6</b>	<b>406.5</b>	<b>325.0</b>



Revenue from agreements with customers (SEK m)	Apr-Jun 2022	Apr-Jun 2021 <sup>1</sup>	Jan-Jun 2022	Jan-Jun 2021 <sup>1</sup>	LTM Jun 2022	Jan - Dec 2021
<i>Resource Efficiency</i>						
Products	256.1	207.6	497.7	346.3	932.2	780.8
Installation, direct	35.2	41.9	94.0	88.0	132.7	126.7
Installation, over time	7.3	-6.0	12.4	7.6	73.9	69.1
Service, direct	30.2	5.5	55.1	9.8	58.9	13.6
Service, over time	4.8	5.1	9.7	10.4	22.7	23.4
Distribution	4.1	3.3	8.3	6.2	16.7	14.6
<b>Sum Sales Resource Efficiency</b>	<b>337.7</b>	<b>257.4</b>	<b>677.2</b>	<b>468.4</b>	<b>1,237.0</b>	<b>1,028.2</b>
<i>Special Infrastructure Solutions</i>						
Products	275.3	156.4	446.6	296.8	796.3	646.5
Installation, direct	62.8	115.3	150.9	236.9	280.1	366.1
Installation, over time	55.5	10.3	108.4	47.1	251.0	189.7
Service, direct	95.9	107.5	213.8	230.2	376.0	392.4
Service, over time	17.2	15.5	28.7	36.8	74.0	82.1
Distribution	2.8	3	5.3	7.4	11.9	14.0
<b>Sum Sales Special Infrastructure Solutions</b>	<b>509.5</b>	<b>408.0</b>	<b>953.7</b>	<b>855.2</b>	<b>1,789.2</b>	<b>1,690.7</b>
<i>Sum Products</i>	531.4	364.0	944.3	643.1	1,728.5	1,427.3
<i>Sum Installation, direct</i>	98.0	157.2	244.9	324.9	412.8	492.8
<i>Sum Installation, over time</i>	62.8	4.3	120.8	54.7	324.9	258.8
<i>Sum Service, direct</i>	126.1	113.0	268.9	240.0	434.9	406.0
<i>Sum Service, over time</i>	22.0	20.6	38.4	47.2	96.7	105.5
<i>Sum Distribution</i>	6.9	6.3	13.6	13.6	28.6	28.6
<b>Total sales</b>	<b>847.2</b>	<b>665.3</b>	<b>1,630.9</b>	<b>1,323.6</b>	<b>3,026.4</b>	<b>2,718.9</b>

Other income (SEK m)	Apr-Jun 2022	Apr-Jun 2021 <sup>1</sup>	Jan-Jun 2022	Jan-Jun 2021 <sup>1</sup>	LTM Jun 2022	Jan - Dec 2021
Resource Efficiency	1.6	1.3	2.8	2.7	9.4	9.3
Special Infrastructure Solutions	3.4	2.8	5.8	6.6	9.5	10.3
<b>Business areas</b>	<b>5.0</b>	<b>4.1</b>	<b>8.6</b>	<b>9.3</b>	<b>18.9</b>	<b>19.6</b>
Central units	33.1	5.2	33.1	3.6	33.0	3.5
<b>Total</b>	<b>38.1</b>	<b>9.3</b>	<b>41.7</b>	<b>12.9</b>	<b>52.0</b>	<b>23.1</b>

<sup>1</sup> Previous year's numbers have been recalculated as a result of the re-organization of the Property Technical Services and Special Infrastructure Solutions

**NOTE 3 FINANCIAL INCOME AND COST**

(SEK m)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	LTM Jun 2022	Jan - Dec 2021
<i>Financial income</i>						
Interest income	0.1	0.4	-	0.6	-	0.4
Net exchange gain	-	2.8	-	11.1	-	11.4
<b>Total financial income</b>	<b>0.1</b>	<b>3.4</b>	<b>-</b>	<b>11.9</b>	<b>-</b>	<b>11.8</b>
<i>Financial cost</i>						
Interest expense on financial liabilities to credit institutions	-12.7	-6.3	-21.1	-13.0	-34.0	-26.0
Discount rate for lease liabilities	-0.9	-0.9	-2.1	-1.8	-4.4	-4.1
Discount rate on contingent considerations	-6.1	-4.0	-11.8	-8.0	-21.2	-17.3
Net exchange loss	-3.2	-	-3.3	-	-3.0	-
Other financial cost	-7.7	-0.5	-8.1	-2.7	-9.5	-3.8
<b>Total financial cost</b>	<b>-30.7</b>	<b>-11.6</b>	<b>-46.3</b>	<b>-25.5</b>	<b>-72.1</b>	<b>-51.2</b>
<b>Net financial cost</b>	<b>-30.6</b>	<b>-8.3</b>	<b>-46.3</b>	<b>-13.7</b>	<b>-72.1</b>	<b>-39.4</b>

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)	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Ingående balans vid årets början</b>	<b>3,183.3</b>	<b>2,268.4</b>	<b>2,268.4</b>
Acquisitions for the period	657.7	530.1	1,041.9
Adj. of preliminary acquisition analysis	15.3	-9.4	-9.4
Currency translation effects	-	-244.9	-244.9
Operations held for sale	69.0	64.9	127.3
<b>Carrying amount at end of period</b>	<b>3,925.3</b>	<b>2,609.0</b>	<b>3,183.3</b>

Compared to 31 December 2021 goodwill increased by SEK 742 million and amount to SEK 3,925.3 million as per June 30, 2022. During January to June 2022 acquisitions were made which has led to an increase in goodwill of SEK 657.7 million.

**NOTE 5 INTEREST-BEARING LIABILITIES**

(SEK m)	30 Jun 2022	30 Jun 2021	31 Dec 2021
Liabilities to credit institutions	2,156.6	791.6	1,156.6
Leases	156.0	125.3	135.0
Contingent consideration	1,023.0	692.1	789.6
Other non-current liabilities	1.9	2.0	1.7
<b>Total non-current interest-bearing liabilities</b>	<b>3,337.5</b>	<b>1,611.0</b>	<b>2,082.9</b>
Liabilities to credit institutions	13.7	10.2	10.2
Leases	67.2	51.4	60.8
Contingent consideration	279.0	110.8	341.7
Other current liabilities	0.5	0.5	0.5
<b>Total current interest-bearing liabilities</b>	<b>360.3</b>	<b>172.9</b>	<b>413.2</b>

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)	30 Jun 2022	30 Jun 2021	31 Dec 2021
<b>Opening balance</b>	<b>1,131.4</b>	<b>694.8</b>	<b>694.8</b>
Acquisitions	361.7	178.6	435.4
Paid purchase considerations relating previous acquisitions	-191.9	-105.6	-108.9

Interest expenses (discount effect due to present value calculation)	11.8	8.0	17.6
Revaluation via operating profit	-32.2	2.5	43.0
Exchange differences	21.2	24.8	49.5
<b>Carrying amount at period end</b>	<b>1,302.0</b>	<b>803.1</b>	<b>1,131.4</b>

The revaluation of liabilities relating to contingent consideration has during the period resulted in a cost of SEK -5.8 million (-2.5). The revaluation during the period is related to the final settlement of four agreed contingent purchase price where the outcome on which the calculation was based deviated from that assessment at the last revaluation of the contingent purchase price. The contingent considerations are recognized in accordance with IFRS at the present value of assessed fair value based on the remaining maturity and expected outcome.

The contingent purchase prices are discounted by means of present value calculation. As of the balance sheet date, the discount rate has been adjusted from two to three percentage points, resulting in a reduction of the debt by SEK 38.0 million (-) for the quarter. The adjustment of the discount rate takes place when the Group's borrowing rate has been increased, due to the increased policy rate. The revaluation is reported at the net amount, which for the half year entails SEK 32.2 million under other revenues.

## NOTE 6 BUSINESS ACQUISITIONS

<b>PRELIMINARY ACQUISITION ANALYSIS. regarding acquisitions during January to June 2022</b>						
<b>(SEK m)</b>	<b>Agrosistemi<sup>1</sup></b>	<b>TEL UK<sup>2</sup></b>	<b>RDM<sup>3</sup></b>	<b>ELM<sup>4</sup></b>	<b>Other</b>	<b>Sum</b>
Intangible non-current assets	2.3	-	-	-	-	2.3
Tangible non-current assets	24.8	0.6	29.8	45.0	-	100.2
Inventories and work in progress	1.1	-	-	-	-	1.1
Cash and cash equivalents	-	11.1	65.2	34.7	-	111.0
Trade receivables <sup>5)</sup>	43.9	16.8	26.8	-	-	87.5
Other current assets	28.3	27.5	46.0	40.8	-	142.6
Other long-term liabilities	12.1	20.7	53.0	0.1	0.3	86.2
Deferred tax	-3.6	-9.6	-	-31.8	-	-45.0
Current tax liability	-2.9	-2.8	-3.7	-8.6	-	-18.0
Other current liabilities	-26.8	-20.9	-32.7	-34.8	-	-115.2
<b>Net identifiable assets and liabilities</b>	<b>79.2</b>	<b>43.4</b>	<b>184.4</b>	<b>45.4</b>	<b>0.3</b>	<b>122.6</b>
Consolidated goodwill	71.3	112.8	194.7	284.5	2.7	666.0
Brand	14.2	10.5	17.5	37.9	-	80.1
Customer relations	71.3	55.1	65.9	33.8	-	226.1
IPR	-	-	-	28.2	-	28.2
Deferred tax liability	-20.5	-12.4	-15.8	-22.0	-	-70.7
<b>Total calculated purchase price</b>	<b>215.5</b>	<b>209.4</b>	<b>446.7</b>	<b>407.8</b>	<b>3.0</b>	<b>1,282.4</b>
Cash and cash equivalents	101.5	148.7	370.6	296.9	3.0	920.7
Contingent consideration	114.0	60.7	76.1	110.9	-	361.7
<b>Total consideration</b>	<b>215.5</b>	<b>209.4</b>	<b>446.7</b>	<b>407.8</b>	<b>3.0</b>	<b>1,282.4</b>
<b>Liquidity impact on the Group</b>	<b>Agrosistemi<sup>1</sup></b>	<b>TEL UK<sup>2</sup></b>	<b>RDM<sup>3</sup></b>	<b>ELM<sup>4</sup></b>	<b>Other</b>	<b>Sum</b>
Acquired cash and cash equivalents	43.9	16.8	26.8	-	-	87.5
Transferred consideration	-101.5	-148.7	-364.4	-296.9	-3.0	-914.5
<b>Total liquidity impact</b>	<b>-57.6</b>	<b>-131.9</b>	<b>-337.6</b>	<b>-296.9</b>	<b>-3.0</b>	<b>-827.0</b>
<b>Other information<sup>6</sup></b>	<b>Agrosistemi<sup>1</sup></b>	<b>TEL UK<sup>2</sup></b>	<b>RDM<sup>3</sup></b>	<b>ELM<sup>4</sup></b>	<b>Other</b>	<b>Sum</b>
Run rate Net sales	89.1	64.5	172.9	27.4	-	353.9
Run rate profit before tax	21.0	16.1	43.2	45.1	-	125.4
<b>The acquired units' contribution to the Group's sales and earnings</b>	<b>Agrosistemi<sup>1</sup></b>	<b>TEL UK<sup>2</sup></b>	<b>RDM<sup>3</sup></b>	<b>ELM<sup>4</sup></b>	<b>Other</b>	<b>Sum</b>
Acquired units' contribution to the Group's sales	39.7	27.9	34.5	26.5	2.0	130.6
Acquired units' contribution to the Group's profit before tax	11.2	12.0	8.0	4.2	0.9	36.3
Transaction costs, including stamp fee	-1.3	-4.0	-6.9	-1.5	-	-13.7
Depreciation and write-downs of intangible assets	-2.1	-1.2	-0.5	-0.6	-	-4.2

<sup>1)</sup> Agrosistemi S.r.l and Amaltea S.a.r.l.s

<sup>2)</sup> Temperature Electronics Ltd and TEL UK Ltd

<sup>3)</sup> Resource Data Management Group Ltd with subsidiaries

<sup>4)</sup> e-I-m Kragelund A/S

<sup>5)</sup> The receivables are measured at fair value no provision for bad debts is recognized

<sup>6)</sup> 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, retroactively adjustments of the preliminary amounts reported at the time of acquisition take place so that 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 acquisition value of the shares in acquired subsidiaries exceeds the fair value of the net assets included 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 separately. Goodwill stems from each company's good conditions for continued growth in combination with good cash flows. The acquired unit's expected contribution to complement and broaden the Group's offering, sales channels and synergies in infrastructure and contribute to the Group's continued growth.

Transaction costs for acquisitions are expensed during the period they arise, and the services are performed. 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 June 2022 amounted to SEK 14.5 (17.2), see also page 24.

### Description of acquisitions during the period January – June 2022

Sdiptech AB (publ) acquired all shares in Agrosistemi Srl and Amaltea Sarl on January 31, 2022. Agrosistemi specialized in the treatment and recovery of biological sludge originated by wastewater purification with over 30 years of experience. The company is located in Piacenza, Italy, and has developed a patented treatment process that is used to clear sludge from harmful substances and convert it into high-quality organic fertilizer products. This makes it possible to replace synthetic fertilizers with organic ones, while recovering valuable resources that would otherwise be lost. The use of more organic products in soils also helps fight desertification, which is a growing problem in much of the world. Agrosistemi has an annual turnover of EUR 8.5 million, with an EBIT of EUR 2.0 million. Agrosistemi is Sdiptech's first business unit in Italy and adds complementary focus areas and expertise in waste management and bioeconomy to the Group.

At the date of the transaction, the company is valued at EUR 14 million on a cash and debt-free basis, of which EUR 8.6 million is paid on the date of entry and financed from own resources and bank credits. The final purchase price, which will be settled at the end of the earn-out period running until December 31, 2029, will be between EUR 7.0 and 25.7 million, depending on the company's performance during the earn-out period. A final total purchase price higher than the current value of EUR 8.6 million also assumes a higher level of profit than the current one. Agrosistemi has 22 employees at the time of the acquisition.

The contingent consideration for Agrosistemi is estimated to SEK 114 million at the time of acquisition. The assessment is made based on assessment of outcome of profits based on forecasts for the company until the end of the period of the earn out. The reference point for growth is calculated on normalized annual profit at the time of acquisition. Agrosistemi is part of the business area Resource & Efficiency.

On 25 March 2022, Sdiptech acquired 91 percent of Temperature Electronics Ltd and TEL UK Ltd (TEL). TEL has over 50 years of experience in specializing in the design and manufacture of electronic airflow monitor and control. TEL's airflow monitors and controls are operating in thousands of laboratories across the world, ensuring a safe working environment for laboratory personnel. The fume cupboard airflow- and room controllers also help customers to reduce the energy usage by up to 85 percent, as well as operating costs. With a growing need for environmentally friendly solutions, TEL's product range and services are developed to meet this demand, introducing energy-saving products for new and existing laboratories and other industrial working environments. The company has an annual turnover of GBP 5.2 million with good profitability.

At the date of the transaction, the company is valued at GBP 14 million on a cash and debt free basis. Financing is done with own resources and bank credits. The final purchase price including earn-out costs for 91 per cent of the company's shares, which are settled after five years, will be between GBP 12.0 and GBP 17.5 million, depending on the company's earnings performance during the earn-out period. A final total purchase price higher than the current value of GBP 12 million requires a higher level of earnings than the current one. Under the agreement, Sdiptech can buy the remaining 9 percent of the shares during the years 2028 to 2034. The valuation of the remaining shares depends on the company's profit growth. TEL UK has 9 employees at the time of the acquisition.

The estimated contingent consideration for TEL UK amounts to SEK 61 million at the time of acquisition. The assessment is based on an assessment of the likely outcome based on forecasts for the company from the time of acquisition until the end of the period of the conditional purchase price and for the acquisition of the remaining share of shares, whereupon no holding is recognized in respect of the minority shares instead a financial liability is recognized. The liability is recognized as a contingent purchase price at the present value of the redemption amount for the shares, which is dependent on the company's earnings development. TEL UK is part of the Special Infrastructure Solutions business area.

On May 13, 2022, Sdiptech acquired all shares in Resource Data Management Ltd (RDM), a specialist product provider within refrigeration control and monitoring as well as building management systems. RDM has built a globally strong position within grocery retail with customers being large grocery chains in the UK, US, and Asia. The products are used in food value chains and are renowned for both high performance and for ability to reduce energy consumption. All products, hardware and software, are developed and manufactured in-house. RDM is an interesting addition to Sdiptech's business within refrigeration, air and climate control and the customer segments and technology complements Sdiptech's current market and offerings. RDM has its headquarters in Glasgow and has an annual turnover of GBP 14 million, and a pre-tax operating income of GBP 3.5 million.



At the date of the transaction, the company is valued at GBP 30 million on a cash and debt free basis. Financing is done with own funds and bank credits. The final purchase price including earn-out costs, which will be settled after 2 years, will amount to between GBP 30 and 41 million, depending on the company's earnings performance during the earn-out period. A final total purchase price higher than the current value of GBP 30 million assumes a higher level of earnings than the current one. Of the initial purchase price of GBP 30 million, GBP 0.5 million will be paid with B-shares in Sdipotech AB (publ.) The shares is allocated through a non-cash issue of 21,321 new ordinary shares of series B, which was resolved by Sdipotech's Board of Directors on July 5, 2022.. At the time of the acquisition, RDM has 130 employees.

The estimated contingent purchase price for RDM amounts to SEK 76 million at the time of acquisition after calculating the present value. The assessment is based on an assessment of the likely outcome based on forecasts for the company from the time of acquisition until the end of the period of the contingent purchase price. RDM is part of the Special Infrastructure Solutions business area.

On June 1, 2022, Sdipotech acquired 80 percent of the shares e-l-m- Kragelund A/S in Denmark (ELM). develops and manufactures innovative attachments for forklifts. Customers are forklift manufacturers and distributors across Europe and the US, targeting the transportation, logistics and warehousing industry. ELM is known in the market for high quality and for product innovation contributing to more efficient and safe goods handling. ELM is headquartered in Kragelund, near Horsens, Denmark, and has an operating profit of approx. DKK 32 million. ELM is Sdipotech's first business unit in Denmark and will be part of the Special Infrastructure Solutions business area from June 2022

At the date of the transaction, the company is valued at DKK 300 million. Financing is done with own funds and bank credits. The final purchase price including the exercise under option of the remaining 20 percent of the company's shares is dependent on the company's earnings development during the earn-out period. According to the agreement, Sdipotech can buy the remaining 20 percent of the shares after 4 years. The valuation of the remaining shares depends on the company's profit growth and the assessment value at the time of acquisition amounts to SEK 111 million after present value calculation. At the time of the acquisition, ELM has 167 employees.

If the acquired units for the year had been consolidated as of January 1, 2022, net sales for the period January to June would have amounted to approximately SEK1,713 million and EBITA\* would have amounted to approximately SEK 333 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

### WATER & ENERGY

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 (as of Jan-22) 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 & Omgivningskontroll AB Performs vibration measurements in infrastructure projects
- 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) (as of Sep -21) 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. (as of Oct -21) 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-I-m- Kragelund A/S (as of Jun -22) Development and manufacturing of innovative attachments for forklifts
- Ficon Oy Specializes in hydraulic products for snow and ice clearing
- 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 & Styrssystem AB Indoor climate control, ventilation and energy efficiency
- Medicvent AB System for evacuation of noxious gases
- 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
- 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 Jun -22)
- Storadio Aero AB Infrastructure and operational liaison centre for backup air traffic communications
- Stockholmradiob AB Radio-based services for shipping, now a part of Storadio Aero AB
- TEL UK Ltd (as of Mar -22) Design and manufacture of electronic airflow monitor and control
- Thors Trading AB Durable products in carbon steel material for racing and harness racing

## DEFINITIONS ALTERNATIVE PERFORMANCE MEASURES

Sdipotech presents alternative financial ratios in addition to the financial ratios established by IFRS in order 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.

<b>EBITA*</b>	<p>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.</p> <p>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.</p>
<b>EBITA* margin</b>	EBITA* in relation to net sales.
<b>EBITDA</b>	Operating profit before depreciation and impairment losses.
<b>EBITA</b>	<p>Operating profit after depreciation of property, plant and equipment before impairment losses.</p> <p>The key figure enables comparisons of profitability over time regardless of depreciation and amortization of acquisition-related intangible assets and regardless of the corporate tax rate and the company's financing structure. However, depreciation on tangible assets is included, which is a measure of a resource consumption that is necessary to generate the result.</p>
<b>Financial net debt/EBITDA</b>	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
<b>Net debt/EBITDA</b>	Calculated as average net debt for the past 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.
<b>Capital employed</b>	Calculated as average shareholders' equity and interest-bearing net debt for the past four quarters less cash and cash equivalents and short-term investments.
<b>Return on capital employed</b>	Calculated as EBITA for the four most recent quarters on closing day, in relation to average capital employed for the four most recent quarters on closing day.
<b>Return on equity</b>	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.
<b>Cash flow generation</b>	Calculated as cash flow from continuing operations in relation to profit before tax adjusted for non-cash items.
<b>Earnings per ordinary share (number per end of period)</b>	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. During the fiscal year 2021, costs related to divestments of operations have also arisen, including capital gains/losses, which are recognised as other expenses. 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 June 2022, the acquisition costs also include stamp duty of SEK 3.7 million (5.4), 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 cost (SEK m)	Q1	Q2	Q3	Q4	Total
2022	-3.9	-10.6	-	-	-14.5
2021	-15.3	-1.9	-5.5	-3.7	-26.4
2020	-	-2.2	-2.2	-5.2	-9.6
Adjustment of liability for earnouts (SEK m)	Q1	Q2	Q3	Q4	Total
2022	-5,8	38.0	-	-	32.2
2021	-2,5	-	-0,7	-39,8	-43,0
2020	-	-	-	-13,5	-13,5

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 Sdipitech 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)	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	LTM Jun 2022	Jan - Dec 2021
<b>EBITA*</b>	159.8	120.7	304.7	236.6	577.5	509.3
Adjustment of liability for earnouts	38.0	-	32.2	-2.5	-8.3	-43.0
Acquisition and divestment cost	-10.6	-1.9	-14.5	-17.2	-23.7	-26.4
Result of divestments	-	-20.3	-	-20.3	-11.1	-31.4
Adjustment of previous years, not material	-	-	-	-	-3.7	-3.7
Of which non-acquisition-related amortization and write-downs of intangible fixed assets	5.0	2.2	9.6	4.4	15.8	10.6
<b>EBITA</b>	192.2	100.6	332.0	201.0	546.6	415.6
Non-acquisition-related amortization and write-downs of intangible fixed assets	-5.0	-2.2	-9.6	-4.4	-15.8	-10.6
Acquisition-related amortization and write-downs of intangible fixed assets	-15.7	-9.9	-29.0	-17.4	-52.2	-40.6
<b>EBIT</b>	171.5	88.5	293.4	179.2	478.6	364.4



**EBITA\* margin**

EBITA\* i relation till nettoomsättningen.

	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	LTM Jun 2022	Full year 2021
<b>EBITA* in relation to Net Sales (SEK m)</b>						
EBITA*	159.8	120.7	304.7	236.8	577.4	509.3
Net Sales	847.2	665.3	1,630.9	1,323.6	3,026.2	2,718.9
<b>EBITA* margin %</b>	<b>18.9</b>	<b>18.1</b>	<b>18.7</b>	<b>17.9</b>	<b>19.1</b>	<b>18.7</b>

**EBITDA**

Operating profit before depreciation and impairment losses.

	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	LTM Jun 2022	Full year 2021
<b>EBITDA (SEK m)</b>						
Operating profit	171.5	88.5	293.4	179.2	478.6	364.4
Depreciation and amortisation of tangible non-current assets	28.3	21.0	55.6	43.6	102.4	90.4
Depreciation and amortisation of intangible non-current assets	20.7	12.1	38.6	21.8	68.0	51.2
<b>EBITDA</b>	<b>220.5</b>	<b>121.6</b>	<b>387.6</b>	<b>244.6</b>	<b>649.0</b>	<b>506.0</b>

**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 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.

<b>Average interest-bearing financial net debt (SEK m)</b>	Average	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Interest-bearing financial debt	1,365,4	2,166,7	1,342,1	1,166,9	785,8
Cash and cash equivalents	-338,8	-436,3	-268,6	-368,8	-281,3
<b>Interest-bearing financial net debt</b>	<b>1,026,6</b>	<b>1,730,4</b>	<b>1,073,4</b>	<b>798,0</b>	<b>504,5</b>

<b>Average Financial net debt in relation to EBITDA (SEK m)</b>	LTM Jun 2022	LTM Jun 2021	Full year 2021
Interest-bearing financial net debt	1,026.6	452.2	607.3
EBITDA	649.0	458.2	506.0
<b>Financial net debt/EBITDA</b>	<b>1.58</b>	<b>0.99</b>	<b>1.20</b>

**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.

<b>Average interest-bearing net debt (SEK m)</b>	Average	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Interest-bearing liabilities	2,699.8	3,698.4	2,697.1	2,496.1	1,907.5
Cash and cash equivalents	-338.8	-436.3	-268.6	-368.8	-281.3
<b>Interest-bearing net debt</b>	<b>2,361.0</b>	<b>3,262.2</b>	<b>2,428.4</b>	<b>2,127.3</b>	<b>1,626.2</b>

<b>Average net debt in relation to EBITDA (SEK m)</b>	LTM Jun 2022	LTM Jun 2021	Full year 2021
Interest-bearing net debt	2,361.0	1,351.8	1,709.9
EBITDA	649.0	458.2	506.0
<b>Net debt/EBITDA</b>	<b>3.64</b>	<b>2.95</b>	<b>3.38</b>

**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.

<b>Average capital employed (SEK m)</b>	Average	Q2 2022	Q1 2022	Q4 2021	Q3 2021
Interest-bearing net debt	2,361.0	3,262.2	2,428.4	2,127.3	1,626.2
Shareholders' equity	2,595.8	2,763.7	2,618.4	2,529.1	2,471.8
<b>Capital employed</b>	<b>4,956.8</b>	<b>6,025.9</b>	<b>5,046.8</b>	<b>4,656.5</b>	<b>4,098.0</b>

### 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.

	LTM Jun 2022	LTM Jun 2021	Full year 2021
<b>Average EBITA in relation to average capital employed (SEK m)</b>			
EBITA	546.6	377.6	415.6
Capital employed	4,956.8	3,412.0	4,144.3
<b>Return on capital employed %</b>	<b>11.0</b>	<b>11.1</b>	<b>10.0</b>

### 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.

	LTM Jun 2022	LTM Jun 2021	Full year 2021
<b>Average adjusted net profit in relation to average equity (SEK m)</b>			
Profit after tax, adjusted	303.6	234.2	231.7
Equity	2,415.8	1,854.0	2,245.2
<b>Return on capital employed %</b>	<b>12.6</b>	<b>12.6</b>	<b>10.3</b>

### Cash flow generation.

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

	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	LTM Jun 2022	Full year 2021
<b>Cash flow generation %</b>						
EBT	140.9	80.3	247.1	165.6	406.5	325.0
Adjustment for items not included in cash flow	6.9	24.0	63.2	20.3	257.6	214.7
<b>Adjusted EBT</b>	<b>147.8</b>	<b>104.3</b>	<b>310.3</b>	<b>185.9</b>	<b>664.1</b>	<b>539.7</b>
Cash flow from continuing operations	128.2	27.1	248.5	66.5	567.3	385.3
<b>Cash flow generation %</b>	<b>86.7</b>	<b>26.0</b>	<b>80.1</b>	<b>35.8</b>	<b>85.4</b>	<b>71.4</b>

### 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.

	Apr-Jun 2022	Apr-Jun 2021	Jan-Jun 2022	Jan-Jun 2021	LTM Jun 2022	Full year 2021
<b>Earnings per ordinary share (SEK m)</b>						
Profit/loss attributable to Parent Company's shareholders	118.3	59.7	194.1	122.4	317.6	245.9
Dividend paid to preference shareholders	-3.5	-3.5	-7.0	-7.0	-14.0	-14.0
<b>Profit/loss attributable to Parent Company's shareholders</b>	<b>114.8</b>	<b>56.2</b>	<b>187.1</b>	<b>115.4</b>	<b>303.6</b>	<b>231.9</b>
Number of ordinary shares outstanding (thousand)	35 580	35 364	35 580	35 364	35 580	35,364
<b>Earnings per ordinary share</b>	<b>3.23</b>	<b>1.59</b>	<b>5.26</b>	<b>3.26</b>	<b>8.53</b>	<b>6.56</b>

**STOCKHOLM 21 JULY 2022**

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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**UPCOMING REPORTS**

Interim report for July - September 2022	27 October 2022
Year-end report for 2022	10 February 2023

**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

- 15 September 2022
- 15 December 2022
- 15 March 2023

