



Interim report

1 January – 31 March 2021

SELECTED FINANCIAL INFORMATION

Period	Net sales	EBITA*	EBIT	Earnings for the period after tax	Earnings ¹⁾ per ordinary share after dilution
January - March 2021	658.3 MSEK (484.4)	116.1 MSEK (70.8)	90.7 MSEK (68.8)	64.2 MSEK (52.0)	1.72 Kr (1.59)
LTM March 2021	2 261.9MSEK (1 887.6)	392.7 MSEK (281.2)	332.3 MSEK (258.9)	232.5 MSEK (196.0)	6.33 Kr (5.94)

1) average number of shares after deduction of dividends to preference shareholders

FIRST QUARTER 2021

- Operating profit EBITA* increased by 64.0% to SEK 116.1 million (70.8), corresponding to an EBITA*-marginal of 17.6% (14.6). Organic EBITA*- growth for the Group was 15.9%, excluding currency effects.
- Net sales increased by 35.9% to SEK 658.3 million (484.4). In total for the Group, organic sales growth was 3.9%, excluding currency effects.
- Profit after acquisition costs before financial items (EBIT) increased by 31.7% and amounted to SEK 90.7 million (68.8). Acquisition costs for the period were particularly high due to strategic divestments and a larger acquisition in the UK and stamp duty in connection therewith, which is a one-time cost.
- Earnings after tax for the Group amounted to SEK 64.2 million (52.0), of which SEK 62.7 million (52.0) was attributable to the Parent Company's shareholders.
- Cash flow from current operations amounted to SEK 39.4 million (58.3), corresponding to a cash conversion of 48% (72). Due to high profits in 2020, more tax was paid than normal during the period. In addition, some additional inventory build-up was carried out preventively.
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares amounted to SEK 1.74 (1.60). After dilution, earnings per shares amounted to SEK 1.72 Kr (1.59).
- On February 19, Sdipotech acquired all shares in Rolec Services Ltd and One Stop Europe Ltd (Rolec).
- On February 19, all shares in Tello Service Partner were divested and the agreement was signed to divest the Swedish elevator business. All the units belonged to the Property Technical Services segment.
- On March 9, Sdipotech carried out a directed share issue that contributed approximately SEK 473 million to equity before issue costs. The purpose of the issue was to strengthen the Group's financial flexibility for further acquisitions and to expand the ownership base.
- Due to the prevailing circumstances and with the aim of reducing the risk of spreading infection, Sdipotech's Annual General Meeting 2021 is held without any physical meeting and it is therefore not possible for the owners to attend in person or through proxy. Instead, the owners can submit their votes to the meeting in advance by so-called postal vote. For further information, see published notice.

EVENTS AFTER REPORTING DATE

- The divestment of the Swedish elevator business was completed on 7 April after approval by the Swedish Competition Authority.

COMMENT ON THE IMPACT OF COVID-19

- The result for the period includes a total SEK 1.2 million in government support connected to Covid-19. Support has only been requested and received for business units that have been negatively affected.

KEY RATIOS (for definitions, please refer to page 24)

SEK million	3 months		12 months	
	Jan-Mar 2021	Jan-Mar 2020	LTM March 2021	Jan-Dec 2020
EBITA* margin	17.6%	14.6%	17.4%	16.6%
Financial net debt/EBITDA, multiple	0.90	1.16	0.90	0.84
Net debt/EBITDA, multiple	2.83	2.86	2.83	2.74
Return on capital employed	11.5%	13.8%	11.5%	12.1%
Return on equity	12.7%	17.6%	12.7%	14.3%
Cash flow generation	48%	72%	105%	109%

) EBITA is the Group's operating profit and corresponds to EBITA before acquisition costs and before income from revaluation of contingent consideration payments and before acquisition-related amortization and write-downs of intangible assets, see page 7.



COMMENTS BY THE CEO

SEVERAL IMPORTANT TRANSACTIONS AND CONTINUED STRONG PROFIT GROWTH

Sdiptech's overriding goal is to increase the Group's profit through organic growth and acquisitions. EBITA* rose by a total of 64.0 percent, of which 52.4 percent from acquisitions, 15.9 percent organically and -4.3 percent from currency. At the same time, several important transactions were made that further shape us towards high quality and consolidate our position as a Group with leading and sustainable offerings.

THE FIRST QUARTER

During the first quarter, the majority of our business units were able to deliver with full capacity and strong demand, equivalent to sales growth of 35.9 percent, of which 3.9 percent was organic excluding currency effects.

Meanwhile, there are many uncertainties and risks to monitor, both regarding the ongoing pandemic, as well as strains in supply chains. We are continually working on reviewing these risks and establish plans to ensure business continuity. For instance, we have worked with preventive stockbuilding of critical components and materials, which is expected to continue in the coming quarters. This has had an effect on our otherwise strong cash generation, which during the quarter amounted to 48 (72) percent.

We can confirm that our business model is well suited for navigating uncertain periods. Thanks to a good distribution of customers, several of our business units have flexibility in being able to shift focus among different customer segments depending on where demand is strongest. This way, we have been able to maintain planned production volumes and implement price increases, which resulted in strong EBITA* growth of 15.9 percent organically excluding currency effects. This has also contributed to a continued strengthening of margins and together with contributions from acquisitions, the Group's EBITA* margin increased to 17.6 (14.6) percent.

During the quarter, our business activity at Group level was particularly high with several complex transactions comprising a total of six companies; one large acquisition and divestment of five business units. Non-recurring costs for UK tax on acquisitions and advisor fees impacted our earnings per share in the quarter negatively, which amounted to SEK 1.74 (1.60). With that said, we believe that these transactions are value-creating. They further shape the group towards high quality and strengthen our position as a group with leading and sustainable offerings.

ACQUISITIONS

The acquisition made during the quarter was Rolec Services Ltd and One Stop Europe Ltd (together Rolec), which is specialised in the development and manufacture of a wide range of charging equipment and systems for electric vehicles. An acquisition that further strengthens our focus on sustainability, efficiency and safety. The market for charging stations for electric vehicles in the UK is expected to enjoy significant growth, driven by several different factors. Among other things, the UK government decided in November 2020 that no new petrol or diesel cars are to be sold after 2030 and no hybrid cars after 2035.

The completed divestments were the four companies in the Swedish elevator business, and the roof renovation company Tello Site Services AB. The divestments are in line with our ambition to concentrate our growth in the Water & Energy and Special Infrastructure Solutions business areas. After a couple of years of work with profitability measures, the elevator business shows stable and good earnings, and the timing was thus right to transfer the companies to new suitable owners. The planning took place in consultation with the founders and management of the businesses, which was very important to us as divestments are not part of our business model.

In connection with these transactions, we increased the Group's guidance from approximately 17 to 19–20 percent in EBITA* margin for the full year 2021.

Between December 2020 and February 2021, we acquired companies equivalent to approximately SEK 130 million in EBITA, which is far more than our annual growth target of SEK 90 million. To ensure continued flexibility in our acquisition work, we carried out a directed share issue in our B share in March, which provided about SEK 470 million in additional growth capital.

OUTLOOK

We continue as before to be extremely selective in our choice of companies to acquire, and quality before quantity is our model. We are thorough in our analysis and disciplined in our pricing – although the market is currently very hot after a long period of time with low interest rates and extensive governance support.

The underlying demand from our customers is strong and we are with confidence looking forward to societies gradually being able to open up.

In conclusion, I want to express a big thank you to all of our dedicated employees for your commitment and strong efforts. During a period that is still very special, we have collectively been able to deliver a strong first quarter. I also want to take this opportunity to welcome the new shareholders that have joined Sdiptech.



Jakob Holm
CEO, Sdiptech AB (publ.)

OVERVIEW OF OPERATIONS

FINANCIAL POSITION FOR THE GROUP

JANUARY - MARCH

Net Sales

Net sales for the Group amounted to SEK 658.3 million (484.4) during the quarter. Net Sales in comparable units, i.e. companies that were part of the Group during the whole period and the whole comparative period, amounted to SEK 481.1 million (477.0) which corresponded to an organic change 3.9% for the period excluding currency effects. Non-comparable units contributed SEK 177.2 million (7.4) to Net Sales for the period. Also see Business areas, page 5-6.

Earnings

Profit for the quarter after acquisition costs, but before financial items (EBIT), amounted to SEK 90.7 million (68.8).

Operating profit EBITA* amounted to SEK 116.1 million (70.8) in total for the Group, corresponding to an EBITA* margin of 17.6 (14.6).

Acquisition and disposal costs amounted to SEK 15.3 million (0) in connection with an acquisition and strategic divestments during the period and relate to both advisory costs amounting to SEK 9.9 million and stamp duty, amounting to SEK 5.4 million, on acquisitions in the UK.

EBITA* in comparable units, i.e. companies that were part of the Group during the whole period and the whole comparative period, amounted to SEK 88.6 million (79.4) which corresponded to an organic growth of 15.9%, excluding currency effects. Non-comparable units contributed SEK 39.8 million (-0.7) to the profit of the period.

Net financial items consist of exchange rate differences of SEK 8.3 million (8.1) for the quarter, as well as SEK -11.7 million (-8.5) in interest cost of which discount rates regarding contingent purchase considerations of SEK -4.0 million (-2.7). Other financial expenses amount to SEK -2.2 million (-0.1). For more detailed information see Note 3.

Profit after tax increased by 23.5% and amounted to SEK 64.2 million (52.0).



Illustration products from Rolec

Acquisitions during the quarter

On February 19, 2021, Sdiptech acquired all shares in Rolec Services Ltd and One Stop Europe Ltd (Rolec). Rolec specialises in the design and manufacture of an extensive range of charging equipment and systems for electric vehicles (EV). Rolec has a turnover of approximately GBP 23 million and a pre-tax operating profit of approximately GBP 7 million. At the date of the transaction, the company is valued at GBP 65.2 million on a cash and debt-free basis, of which GBP 58.0 million is paid on the date of entry and financed from own resources and bank credits. Rolec is part of the Water & Energy business area as of February 2021.

Divestments during the quarter

On February 19, Sdiptech entered into an agreement with TK Elevator Sweden AB (formerly thyssenkrupp Elevators) to divest the Swedish elevator business in Sdiptech's Property Technical Services business area. The purchase price amounts to a total of SEK 233 million on a cash and debt-free basis, of which Sdiptech's shares in the companies are valued at SEK 154 million. The business units have been part of Sdiptech's business area Property Technical Services and in the financial year 2020 the sales amounted to approximately SEK 300 million and the operating profit (EBIT) to approximately SEK 15 million.

Since the divestment was completed after the end of the quarter, the units covered are reported as operations held for sale in the balance sheet. The divestment of the Swedish elevator business was completed on 7 April after approval by the Swedish Competition Authority.

On February 19, Sdiptech divested 100% of the shares in Tello Service Partner AB to Fasadgruppen Norden AB for a purchase price of SEK 60 million on a cash and debt-free basis. Tello was part of Sdiptech's Property Technical Services business area and in the financial year 2020 the sales amounted to approximately SEK 60 with an operating profit (EBIT) of approximately SEK 12 million.

A directed share issue totalling approximately SEK 473 million, before issue costs, was carried out during the period. The purpose of the issue was to strengthen the Group's financial flexibility for further acquisitions and to expand the shareholder circle with several institutional investors.

Group EBITA* (SEK m)	Jan - Mar	Jan - Mar	LTM Mar	Jan - Dec
	2021	2020	2021	2020
Water & Energy	48.5	29.6	146.7	127.8
Special Infrastructure Solutions	67.4	43.4	215.7	191.7
Property Technical Services	12.5	5.6	72.6	65.7
Business areas	128.4	78.6	435.0	385.2
Central units	-12.2	-7.8	-42.3	-37.9
Total	116.1	70.8	392.7	347.3

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, energy, climate control, communication, transport and security. We have therefore for a long time directed our acquisition work towards precisely these areas. The business is divided into three business areas: Water & Energy, Special Infrastructure Solutions and Property Technical Services. For a description of the business areas' operations and which companies are included in each business area, see Description Business areas, page 22.

WATER & ENERGY

The goal of the business area is to grow in the long term through both organic growth and continued acquisitions in our focus markets in Western Europe.

Comments to the financial development:

The business area's sales increased by 34.7% for the period to SEK 211.0 million (156.6) compared with the previous year. The increase in sales is mainly due to the company Rolec, which was acquired during the quarter.

EBITA* for the quarter increased by 63.7% to SEK 48.5 million (29.6). The UK business area's units showed good profit growth compared to the previous year, despite local restrictions.

The EBITA* margin increased during the quarter to 23.0% (18.9), after a positive contribution from the newly acquired Rolec, which has performed strongly during the period, together with good profitability in the UK units.

Water & Energy (SEK m)	Jan - Mar 2021	Jan - Mar 2020	LTM Mar 2021	Jan - Dec 2020
Net sales	211.0	156.6	669.9	615.5
EBITA*	48.5	29.6	146.7	127.8
EBITA* margin %	23.0%	18.9%	21.9%	20.8%

SPECIAL INFRASTRUCTURE SOLUTIONS

The goal for the business area is long term growth through both organic growth and continued acquisitions in our focus markets in Western Europe.

Comments to the financial development:

The business area's sales in the period increased by 70.5% to SEK 281.3 million (165.0). The increased turnover is mainly driven by Hilltip and GAH which was acquired in June 2020 and December 2020.

EBITA* for the quarter increased by 55.3% to SEK 67.4 million (43.4). The business units in UK for traffic safety, as well as management of insurance claims on underground infrastructure had a good profit growth, while as units within climate control had a slightly weaker period compared to the strong quarter previous year.

The EBITA* margin decreased during the quarter to 24.0% (26.3), mainly as an effect from the new acquisition in late 2020 GAH, which, as planned, has a lower margin than the running average in the business area.

Special Infrastructure Solutions (SEK m)	Jan - Mar 2021	Jan - Mar 2020	LTM Mar 2021	Jan - Dec 2020
Net sales	281.3	165.0	821.5	705.2
EBITA*	67.4	43.4	215.7	191.7
EBITA* margin %	24.0%	26.3%	26.3%	27.2%

PROPERTY TECHNICAL SERVICES

The objective for the business area is primarily to develop existing companies in order to further strengthen our market positions in each market segment. During the period, Tello Service Partner AB has been divested and During the quarter, Sdipotech has also entered into an agreement with TK Elevator Sweden AB (formerly thyssenkrupp Elevators) to divest the Swedish elevator business, which was completed after the end of the reporting period.

Comments to the financial development:

The business area's sales increased by 1.9% in the period to SEK 165.9 million (162.8). In particular, the business area's shell completion unit have had good growth.

EBITA* for the period increased to 123.2% to SEK 12.5 million (5.6). The EBITA*-margin for the period was 7.6% (3.4).

Property Technical Services, (SEK m)	Jan - Mar 2021	Jan - Mar 2020	LTM Mar 2021	Jan - Dec 2020
Net sales	165.9	162.8	770.5	767.4
EBITA*	12.5	5.6	72.6	65.7
EBITA* margin %	7.6%	3.4%	9.4%	8.6%

CENTRAL UNITS – GROUP-WIDE FUNCTIONS

Central units consist of the Group's parent company, Sdiptech AB and the Group's holding companies. The parent Company's revenue consists of management fees, directed to the subsidiaries for the parent company's services.

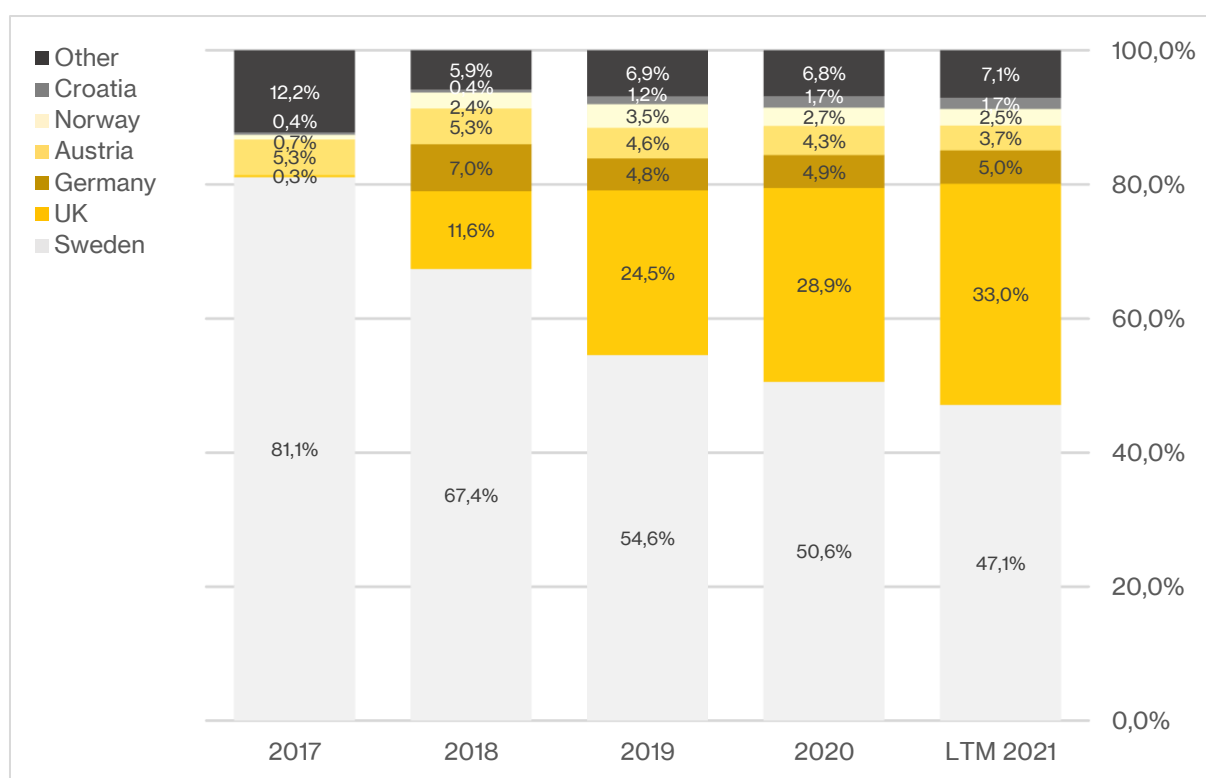
Comment:

EBITA* amounted to SEK –12.3 million (-7.8) for the period. The increased cost mainly consists of additional staffing business unit management and acquisition. Additional costs for counselling and audit have also been charged during the period.

Group-wide functions and eliminations (SEK m)	Jan - Mar 2021	Jan - Mar 2020	LTM Mar 2021	Jan -Dec 2020
EBITA*	-12.3	-7.8	-42.3	-37.9

GEOGRAPHICAL DISTRIBUTION OF SALES

Over the years, Sdiptech has acquired units outside Sweden; in Norway, Finland, the UK, Austria and Croatia (with significant operations in Germany). 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.



EBITA*

EBITA* consists of EBITA before acquisition cost and before amortization and depreciations of intangible fixed assets that arose in connection with acquisitions as well as before revaluation of contingent consideration payments and write down of goodwill. Amortization and write-downs of intangible assets that are not acquisition-related but derive from the operating units' intangible assets are not reversed. During the period January to March 2021, costs related to divestments of operations have also been incurred.

Costs related to acquisitions, which mainly pertain to external consultants, are expensed during the periods in which they arise, and the services are performed. During the period January to March 2021, stamp duty, which is a one-time cost, for the acquisitions of Rolec Services Ltd and One Stop Europe Ltd has also been charged to the period totalling SEK 5.4 million (0). Advisory costs for the acquisition of Rolec and the divestments of five business units amounted to SEK 9.9 million (0).

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
2021	-15.3	-	-	-	-15.3
2020	-	-2.2	-2.2	-5.2	-9.6
2019	-18.8	-2.0	-10.8	-0.3	-31.9

Adjustment of liability for earnouts (SEK m)	Q1	Q2	Q3	Q4	Total
2021	-2.5	-	-	-	-2.5
2020	-	-	-	-13.5	-13.5
2019	-	51.0	-	9.3	60.3

For acquisitions, part of the purchase price is allocated to goodwill and depreciable intangible assets. The heading "Depreciation and write-downs of intangible fixed assets" includes any write-downs of goodwill. Depreciations, 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 depreciated over time, resulting in a cost. This type of allocation and resulting depreciation has increased over time and is expected to continue to increase in line with new acquisitions. As a rule of thumb, it can be stated that new depreciation is added at about 2% per year of the additional acquired companies' purchase price.

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 revaluations that affect earnings. These adjustments are made so that the book values are as close to the actual values as possible, see also Note 1.

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

EBITA* to EBIT bridge (SEK m)	Jan - Mar 2021	Jan - Mar 2020	LTM Mar 2021	Jan - Dec 2020
EBITA*	116.1	70.8	392.7	347.3
	-2.5	-	-16.1	-13.5
Adjustment of liability for earnouts	-15.3	-	-24.9	-9.6
Acquisition costs	2.2	1.0	7.3	6.0
Of which non-acquisition-related amortization and write-downs of intangible fixed assets	100.4	71.6	358.9	330.2
EBITA	-2.2	-1.0	-7.3	-6.0
Of which non-acquisition-related amortization and write-downs of intangible fixed assets	-7.5	-1.9	-19.2	-13.8
Acquisition-related amortization and write-downs of intangible fixed assets	90.7	68.8	332.3	310.5

COMMENTS ON THE FINANCIAL DEVELOPMENT

FINANCIAL POSITION JANUARY - MARCH

Cash Flow

Cash flow from operating activities after changes in working capital for the period amounted to SEK 39.4 million (58.3). Cash flow generation, expressed in percentage of profit before tax adjusted for non-cash items, decreased during the period to 48.3% (71.5). The cashflow for the period includes larger tax payments partly due to a lower prepayment of taxes in the previous year compared to the actual profit tax, as well as by inventory build-up to ensure capacity given uncertainties linked to the pandemic and Brexit.

Cash flow from investing activities was SEK -736.0 million (-17.0). The cash flow effect of completed acquisitions (see also Note 6) amounted to SEK -682.5 million (0.0). Cash flow related to payment of acquisitions from previous years, including both instalments as well as final regulations, during the period amounts to SEK -105.6 million (-12.8). Investments in tangible non-current assets amounted to SEK -5.6 million (-4.0). No investments in immaterial assets were made during the period (-0.2).

Cash flow from financing activities amounted to SEK 718.3 million (59.8). Through a directed new share issue on March 9 and subscriptions of warrants, the Group has received SEK 477.3 million in equity after issue costs. Borrowing amounted to SEK 258.0 million (73.4). Dividend on the preference share amounted to SEK -3.5 million (-3.5).

Liabilities

Interest-bearing liabilities including earnouts and finance leases amounted to SEK 1,975.3 million (1,405.6). The two largest items within interest-bearing liabilities amounted to SEK 997.9 million (728.9) in liabilities to credit institutions, and SEK 806.4 million (543.1) in deferred payments of purchase considerations for acquisitions, so-called contingent consideration payments.

These contingent consideration liabilities 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 until final settlement. 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 -4.0 million (-2.7) for the period.

Revaluation of liabilities regarding contingent consideration has resulted in a cost of SEK -2.5 million (0.0). The revaluation is related to the final settlement of an agreed contingent purchase price. The contingent consideration is reported in accordance with IFRS at the present value of the assessed fair value based on the remaining term and expected outcome. The revaluation is reported under other external costs.

During the period, the result was charged with SEK -1.0 million (-0.6) 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 1,671.7 million (1,147.1).

The financial net debt, according to the calculation method above but only for liabilities to credit institutions, amounted to SEK 694.4 million (470.4).

The key ratio Financial net debt in relation to EBITDA, which is calculated on a rolling twelve-month basis, amounted to 0.90 (1.16) as of March 31.

Parent Company

The Parent Company Sdipotech AB's internal net sales, containing mainly, management fee amounted to SEK 3.9 million (2.7) for the period and profit after financial items amounted to SEK 1.7 million (0.8).

OTHER INFORMATION

Employees

The number of employees at the end of March was 1,652 (1,262). Acquisitions made during the period increased the number of employees by 146.

Incentive programme

Current incentive program for managers and senior executives within the Group comprises 666,300 warrants have been subscribed to three series so far: 222,100 warrants of the 2018/2021 series, 222,100 warrants of the 2018/2022 series and 222,100 warrants of the 2018/2023 series. The subscription price for new B shares subscribed based on these warrants amounts to SEK 59.80, 67.10 and 75.20 per share.

Series 2018/2021 was exercised in March 2021 and newly issued shares were subscribed for; in which case the Group received SEK 13.3 million in equity. As of March 31, 219,100 warrants of series 2018/2022 and 196,300 warrants of series 2018/2023 are issued, after repurchases have been made.

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

At the beginning of 2020, the virus outbreak of Covid-19 has had a major negative impact on society. Sdipotech is primarily affected by the fact that employees may be sick, have difficulty getting to their workplace and perform their job, or delayed deliveries to the Group's companies due to restrictions in society. During the first quarter of 2021, there have been continued restrictions in several geographies, especially for some of the Group's business units in the UK and Central Europe. Sdipotech monitors developments closely and takes proactive measures, both to reduce risks for employees and to ensure that operations can continue.

For more detailed information on risk factors, please refer to Note 16 of the Annual Report 2021.

Related-party transactions

Related transactions refer to the final settlement of the last claim for renting premises to S Fund 1 AB, whose principal owner is a board member of Sdipotech AB. Underlying leases expired in January 2021. No additional collateral or rights are attached to the transaction.

Events after the reporting date

After approval Swedish Competition Authority, the divestment of the Swedish elevator business was completed on April 7, 2021. The purchase price amounts, in accordance with what has previously been communicated, to SEK 233 million on a cash and debt-free basis, of which Sdipotech's shares in the companies are valued at SEK 154 million.

No other significant events have been noted after the end of the reporting period.

Sdiptech Annual General Meeting 2021

Due to the prevailing circumstances and according to a temporary law (2020:198) which aims to reduce the risk of spreading infection, the Annual General Meeting is held without any physical meeting and it is therefore not possible for the owners to attend in person or through proxy. Instead, the shareholders can submit their votes to the general meeting in advance through so-called postal voting. Note: no physical meeting will be held, as has been announced. For further information, see the notice to attend.

Notice to attend the Annual General Meeting was published by press release on April 19, 2021. All shareholders who are listed in the share register six days before the meeting can participate in the postal vote in person or by proxy.

The Annual Report was published on April 16, 2021.

Dividend

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

CONSOLIDATED INCOME STATEMENT

(SEK m)	Note	Jan-Mar 2021	Jan-Mar 2020	LTM Mar 2021	Jan-Dec 2020
Net sales		658.3	484.4	2,261.9	2,088.0
Other operating income	2	3.5	3.6	25.0	25.1
Total income		661.8	488.0	2,286.9	2,113.1
Operating expenses					
Materials, contracting and subcontracting		-264.7	-184.2	-906.4	-825.9
Other external expenses		-69.7	-49.4	-234.6	-214.3
Employee expenses		-204.4	-165.3	-709.1	-670.1
Depreciation and amortisation of tangible non-current assets		-22.6	-17.4	-77.9	-72.7
Depreciation and amortisation of intangible non-current assets		-9.7	-2.9	-26.6	-19.8
Operating profit		90.7	68.8	332.3	310.5
Profit/loss from financial items	3				
Financial income		8.5	8.2	27.3	27.0
Financial expenses		-13.9	-8.5	-58.7	-53.3
Profit after financial items		85.3	68.5	301.0	284.2
Tax on profit for the period		-21.1	-16.5	-68.5	-64.0
Profit for the period		64.2	52.0	232.5	220.2
Profit attributable to:					
Parent Company's shareholders		62.7	52.0	225.3	214.6
Non-controlling interests		1.5	-	7.1	5.6
Earnings per share (average number), attributable to the Parent Company's shareholders during the period, less dividends to preference shareholders (in SEK per share)					
Earnings per share (before dilution)		1.74	1.60	6.38	6.24
Earnings per share (after dilution)		1.72	1.59	6.33	6.18
EBITA*		116.1	70.8	392.7	347.3
Average number of common shares		34,094,258	30,277,645	33,117,417	32,171,146
Average number of common shares after dilution		34,409,569	30,423,468	33,370,313	32,457,112

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Jan-Mar 2021	Jan-Mar 2020	LTM Mar 2021	Jan-Dec 2020
Profit for the period	64.2	52.0	232.5	220.2
Other comprehensive income for the period				
Components that will be reclassified to profit/loss in the period				
Changes in accumulated translation differences	46.3	5.7	-14.4	-55.0
Comprehensive income for the period	110.5	57.7	218.1	165.2
Attributable to:				
Parent Company's shareholders	109.0	57.9	210.9	159.6
Non-controlling interest	1.5	-0.2	7.1	5.6

CONSOLIDATED BALANCE SHEET

(SEK m)	Note	31 Mar 2021	31 Mar 2020	31 Dec 2020
Non-current assets				
<i>Intangible non-current assets</i>				
Goodwill	4	2,684.9	1,880.4	2,268.4
Other intangible assets		497.1	98.6	270.5
<i>Tangible non-current assets</i>				
Tangible non-current assets		171.4	136.6	134.0
Right-of-use assets		167.8	129.4	185.4
<i>Financial non-current assets</i>				
Other financial non-current assets		10.3	13.9	10.4
Total non-current assets		3,531.4	2,258.9	2,868.6
Current assets				
Completed products and goods for resale		308.3	121.8	215.3
Accounts receivable		422.1	356.2	374.5
Other receivables		27.5	44.4	29.8
Current tax assets		17.8	28.1	12.3
Prepaid expenses and accrued income		86.8	77.0	72.8
Cash and cash equivalents		303.5	258.5	279.4
Total current assets		1,166.1	885.9	984.1
Assets in operations held for sale	7	236.8	-	-
Total assets		4,934.4	3,144.8	3,852.7
Shareholders' equity				
Shareholders' equity attributable to Parent Company's shareholders				
Share capital		0.9	0.8	0.9
Other contributed capital		1,539.4	715.2	1,062.1
Reserves		0.9	0.9	0.9
Profit/loss brought forward including earnings for the period		756.9	560.2	651.6
Total equity attributable to Parent Company's shareholders		2,298.1	1,277.1	1,715.5
Non-controlling interests		41.8	35.5	40.1
Total shareholders' equity		2,339.9	1,312.6	1,755.6
Long term liabilities				
Interest-bearing long-term liabilities	5	1,829.6	1,325.4	1,518.8
Non-interest-bearing long-term liabilities		108.8	17.5	68.7
Long term liabilities in operations held for sale		11.4	-	-
Total long term liabilities		1,949.8	1,342.8	1,587.5
Short term liabilities				
Interest-bearing short-term liabilities	5	145.7	80.2	71.9
Non-interest-bearing short-term liabilities		435.9	409.2	437.5
Short term liabilities in operations held for sale		61.3	-	-
Sum short term liabilities		644.6	489.4	509.4
Total liabilities		2,594.4	1,832.2	2,096.9
Total shareholders' equity and liabilities		4,934.4	3,144.8	3,852.7

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			
Opening balance, January 1 2020		0.8	715.2	0.9	505.8	1,222.7	35.7	1,258.4
Income for the period		-	-	-	52.0	52.0	-	52.0
Other comprehensive income for the period		-	-	-	5.9	5.9	-0.2	5.7
Total income for the period		-	-	-	57.9	57.9	-0.2	57.7
Shareholder transactions								
Dividend paid to preference shareholders	8	-	-	-	-3.5	-3.5	-	-3.5
Total shareholder transactions		-	-	-	-3.5	-3.5	-	-3.5
Closing balance, March 31 2020		0.8	715.2	0.9	560.2	1,277.1	35.5	1,312.6
Opening balance, April 1 2020		0.8	715.2	0.9	560.2	1,277.1	35.5	1,312.6
Income for the period		-	-	-	162.6	162.6	5.6	168.2
Other comprehensive income for the period		-	-	-	-60.7	-60.7	-	-60.7
Total income for the period		-	-	-	101.9	101.9	5.6	107.5
Shareholder transactions								
Dividend paid to preference shareholders	8	-	-	-	-10.5	-10.5	-	-10.5
Share issue of ordinary shares series B		0.1	353.2	-	-	353.3	-	353.3
Share issue expenses		-	-6.2	-	-	-6.2	-	-6.2
Option premiums		-	-0.1	-	-	-0.1	-	-0.1
Dividend paid to non-controlling interests		-	-	-	-	-	-1.0	-1.0
Total shareholder transactions		0.1	346.9	-	-10.5	336.5	-1.0	335.5
Closing balance, December 31 2020		0.9	1,062.1	0.9	651.6	1,715.5	40.1	1,755.6
Opening balance, January 1 2021		0.9	1,062.1	0.9	651.6	1,715.5	40.1	1,755.6
Income for the period		-	-	-	62.7	62.7	1.5	64.2
Other comprehensive income for the period		-	-	-	46.1	46.1	0.2	46.3
Total income for the period		-	-	-	108.8	108.8	1.7	110.5
Shareholder transactions								
Share issue of ordinary shares series B		-	485.8	-	-	485.8	-	485.8
Share issue expenses		-	-8.5	-	-	-8.5	-	-8.5
Optionspremier		-	-	-	-	-	-	-
Dividend paid to preference shareholders	8	-	-	-	-3.5	-3.5	-	-3.5
Total shareholder transactions		-	477.3	-	-3.5	473.8	-	473.8
Closing balance, March 31 2021		0.9	1,539.4	0.9	756.9	2,298.1	41.8	2,339.9

CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	Jan-Mar 2021	Jan-Mar 2020	Jan-Dec 2020
Continued operations			
Earnings after financial items	85.3	68.5	284.2
Adjustment for items not included in cash flow ¹⁾	-3.7	13.0	128.0
Paid taxes	-48.8	-21.2	-53.1
Cash flow from continuing operations before change in working capital	32.8	60.3	359.1
Cash flow from change in working capital			
Increase(-)/decrease(+) in stock	-29.2	-3.4	0.4
Increase(-)/decrease(+) in operating receivables	23.6	-26.4	88.2
Increase(+)/decrease(-) in operating liabilities	12.2	27.8	3.1
Cash flow from current operations	39.4	58.3	450.8
Investing activities			
Acquisitions of subsidiaries	-682.5	-	-519.7
Acquisitions of subsidiaries, paid contingent considerations	-105.6	-12.8	-79.3
Divestment of subsidiaries	-13.7	-	-
Consideration paid for divestment of subsidiaries	71.4	-	-
Acquisitions of intangible non-current assets	-	-0.2	-7.1
Acquisitions of tangible non-current assets	-5.6	-4.0	-30.9
Cash flow from investing activities	-736.0	-17.0	-637.0
Financing activities			
Option program	13.3	-	-0.1
New share issue	464.0	-	347.1
Loans raised	258.0	73.4	53.0
Amortisation of loans	-	-	-
Amortisation of lease liability	-13.5	-10.1	-50.0
Dividends paid	-3.5	-3.5	-15.0
Cash flow from financing activities	718.3	59.8	335.0
Cash flow for the period	21.7	101.1	148.8
Cash and cash equivalents at beginning of year	279.4	156.3	156.3
Exchange rate difference in cash and cash equivalents	24.0	1.1	-25.7
Cash and cash equivalents at end of period	303.5	258.5	279.4
Cash and cash equivalents in operations held for sale	21.8	-	-

¹⁾ Adjustment for items not included in cash flows includes material depreciations, adjustment of contingent consideration and unrealized exchange rate differences

PARENT COMPANY INCOME STATEMENT

(SEK m)	Jan-Mar 2021	Jan-Mar 2020	LTM Mar 2021	Jan-Dec 2020
Net sales	3.9	2.7	11.9	10.8
Other operating income	-0.2	0.4	1.5	2.1
Total income	3.7	3.1	13.5	12.9
Operating expenses				
Other external expenses	-5.6	-2.3	-21.7	-18.4
Employee expenses	-10.2	-7.4	-34.6	-31.8
Depreciation of tangible and intangible non-current assets	-0.1	-	-0.4	-0.3
Operating profit	-12.2	-6.7	-43.2	-37.7
Profit/loss from financial items				
Result from participation in Group companies	-	-	-	-
Result from participation in associated companies	3.6	-	30.5	26.9
Financial income	10.4	7.5	12.2	9.3
Financial expenses	-0.1	-0.1	-11.8	-11.8
Profit/loss after financial items	1.7	0.8	-12.3	-13.2
Group contributions received	-	-	65.5	65.5
Group contributions provided	-	-	-20.0	-20.0
Tax on profit for the period	-	-	-	-
Profit/loss for the period	1.7	0.8	33.2	32.3

PARENT COMPANY BALANCE SHEET

(SEK m)	31 Mar 2021	31 Mar 2020	31 Dec 2020
Non-current assets			
<i>Intangible non-current assets</i>			
Other intangible non-current assets	0.3	0.3	0.3
<i>Tangible non-current assets</i>			
Tangible non-current assets	1.1	0.2	1.1
<i>Financial non-current assets</i>			
Financial non-current assets	45.6	83.8	82.8
Receivables, Group companies	1,574.3	966.8	1,352.7
Total non-current assets	1,621.2	1,051.2	1,436.9
Current assets			
Receivables, Group companies	785.5	76.1	239.4
Trade receivables	0.3	0.7	0.3
Other receivables	0.1	13.6	1.7
Prepaid expenses and accrued income	8.3	9.8	8.7
Cash and cash equivalents	23.4	206.1	25.5
Total current assets	817.7	306.4	275.5
Total assets	2,438.8	1,357.6	1,712.4
Shareholders' equity			
Share capital	0.9	0.8	0.9
Share premium reserve	1,539.4	715.2	1,062.1
Retained earnings including profit/loss for the period	234.2	214.9	236.0
Total shareholder's equity	1,774.5	931.0	1,299.0
Liabilities			
Long-term liabilities to Group companies	-	106.2	-
Short-term liabilities to Group companies	497.9	-	364.9
Short-term liabilities	157.5	312.3	35.2
Total liabilities	8.9	8.0	13.3
Total equity and liabilities	664.4	426.6	413.4
Shareholders' equity	2,438.8	1,357.6	1,712.4

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 2020 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 2021

New or amended IFRS are not expected to have any significant effects.

Assets and liabilities of activities held for sale

Due to the ongoing, but at balance day unfinished, divestment of the Swedish elevator business, all assets and liabilities related to the entities concerned are recognized as operations held for sale in accordance with IFRS 5 Non-current assets held for sale and discontinued operations.

In accordance with IFRS 5.15, the assets and liabilities held for sale are recognized on the basis of the principle that accounting should be made at the lowest of the carrying amount and fair value less selling costs.

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 2020.

Valuation of financial assets and liabilities

Estimates of fair value in the operations primarily affect the Group's goodwill, liabilities related to deferred payments on acquisitions and the Parent Company's shareholdings in subsidiaries. Goodwill is reported in the consolidated balance

sheet at acquisition value minus any accumulated write-downs. Financial assets and liabilities in the balance sheet are reported at acquisition value, unless otherwise stated.

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

NOTE 2 SEGMENT REPORTING

Sdiptech report profits from its operations in three segments: Water & Energy, Special Infrastructure Solutions and Property Technical Services.

WATER & ENERGY

Water & Energy companies provide niche products and services focused on the water and energy infrastructure segments. The companies address specialized needs in water and water treatment, as well as electricity supply and electrical automation. 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 specialized needs in air and climate control, safety and surveillance and transport systems. The main geographic markets are northern Europe and the United Kingdom.

PROPERTY TECHNICAL SERVICES

The companies within Property Technical Services offer specialised technical services for landlords. Assignments are carried out throughout the life cycle of a property i.e. service, renovation, modernisation and new construction. The main geographic markets are Stockholm and major cities in Europe.

Central units – Group-wide functions

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

Segment information, Group

	Jan-Mar 2021	Jan-Mar 2020	LTM Mar 2021	Jan-Dec 2020
Net Sales (SEK m)				
Water & Energy	211.0	156.6	669.9	615.5
Special Infrastructure Solutions	281.3	165.0	821.5	705.2
Property Technical Services	165.9	162.8	770.5	767.4
Total Net Sales	658.3	484.4	2,261.9	2,088.0
Group				
Operating profit (SEK m)				
Water & Energy	47.0	29.4	144.3	126.7
Special Infrastructure Solutions	62.2	41.7	196.2	175.8
Property Technical Services	11.8	5.6	71.0	64.8
Segments total	121.0	76.7	411.6	367.3
Central units	-30.2	-7.9	-79.2	-56.8
Total	90.7	68.8	332.3	310.5
Net financials	-5.4	-0.3	-31.4	-26.3
Profit before tax	85.3	68.5	301.0	284.2

Revenue from agreements with customers (SEK m)	Jan-Mar 2021	Jan-Mar 2020	LTM Mar 2021	Jan-Dec 2020
<i>Water & Energy</i>				
Products	138.7	89.2	435.0	385.5
Installation, direct	46.1	33.2	165.8	153.0
Installation, over time	13.6	9.5	30.1	26.0
Service, direct	4.3	18.3	9.2	23.2
Service, over time	5.3	3.3	19.4	17.5
Distribution	2.9	3.0	10.1	10.2
Sum Sales Water & Energy	211.0	156.6	669.9	615.5
<i>Special Infrastructure Solutions</i>				
Products	133.2	50.5	321.3	238.6
Installation, direct	29.0	17.1	151.7	139.9
Installation, over time	5.7	6.4	-0.6	-
Service, direct	103.2	81.7	324.8	303.3
Service, over time	5.8	6.3	11.6	12.2
Distribution	4.4	3.1	12.6	11.2
Sum Sales Special Infrastructure Solutions	281.3	165.0	821.5	705.2
<i>Property Technical Services</i>				
Products	7.2	5.9	37.5	36.0
Installation, direct	92.6	77.2	385.8	370.6
Installation, over time	31.1	39.7	185.7	194.4
Service, direct	19.5	15.5	80.0	76.0
Service, over time	15.5	24.3	81.5	90.4
Sum Sales Property Technical Services	165.9	162.8	770.5	767.4
Total sales	658.3	484.4	2,261.9	2,088.0
Other income (SEK m)	Jan-Mar 2021	Jan-Mar 2020	LTM Mar 2021	Jan-Dec 2020
Water & Energy	1.4	0.6	9.7	8.9
Special Infrastructure Solutions	2.2	1.1	8.1	7.1
Property Technical Services	1.6	1.5	7.7	7.6
Business areas	4.9	2.8	24.2	23.6
Central units	-1.7	0.4	-0.6	1.5
Total	3.5	3.6	25.0	25.1
Of which received state aid attributable to Covid-19* (SEK m)	Jan-Mar 2021	Jan-Mar 2020	LTM Mar 2021	Jan-Dec 2020
Water & Energy	0.5	-	6.5	6.0
Special Infrastructure Solutions	0.7	-	0.7	-
Property Technical Services	-	-	1.6	1.6
Sum	1.2	-	8.8	7.6

*Refers to government support for short-term work and the corresponding type of remuneration in foreign units where the company receives resource support linked to Covid-19 in exchange for the company fulfilling or will fulfil certain conditions regarding its operations.

NOTE 3 FINANCIAL INCOME AND COST

(SEK m)	Jan-Mar 2021	Jan-Mar 2020	LTM Mar 2021	Jan-Dec 2020
<i>Financial income</i>				
Results from previously sold units	-	-	26.9	26.9
Interest income	0.2	0.1	0.3	0.1
Net exchange gain	8.3	8.1	0.2	-
Total financial income	8.5	8.2	27.3	27.0
<i>Financial cost</i>				
Interest expense on financial liabilities to credit institutions	-6.8	-5.1	-19.0	-17.4
Discount rate for lease liabilities	-1.0	-0.6	-3.1	-2.7
Discount rate on contingent considerations	-4.0	-2.7	-11.4	-10.1
Net exchange loss	-	-	-17.3	-17.3
Other financial cost	-2.2	-0.1	-7.8	-5.7
Total financial cost	-13.9	-8.5	-58.7	-53.3
Net financial cost	-5.4	-0.4	-31.1	-26.3

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. The item other financial expenses include costs in connection with raising credit, which for the period amounts to SEK -2.0 million (0).

During the financial year 2020, the Group's net financial items were positively affected by SEK 26.9 million through the realization of a performance-based additional purchase consideration linked to the divestment of the support business that took place in 2018.

NOTE 4 GOODWILL

(SEK m)	31 Mar 2021	31 Mar 2020	31 Dec 2020
Ingående balans vid årets början	2,268.4	1,870.1	1,870.1
Acquisitions for the period	522.9	-	454.6
Adjustment of preliminary acquisition analysis	-10.0	-	1.1
Correction regarding previous years' acquisitions	-	-	15.8
Divested units	-62.3	-	-
Operations held for sale	-131.0	-	-
Currency translation effects	96.9	10.3	-73.2
Carrying amount at end of period	2,684.9	1,880.4	2,268.4

Compared to 31 December 2020 goodwill increased by SEK 416.6 million and amount to SEK 2,685.0 million as per March 31, 2021. During January to March 2021 acquisitions were made which has led to an increase in goodwill of SEK 522.9 million. Divested units and operations held for sale reduced the goodwill of the Group by SEK 193.3 million. During the period, a correction of preliminary acquisition analyses of the previous year's acquisitions has also been carried out. The remaining change during the financial year is attributable to currency translation differences.

NOTE 5 INTEREST-BEARING LIABILITIES

(SEK m)	31 Mar 2021	31 Mar 2020	31 Dec 2020
Liabilities to credit institutions	984.4	707.1	698.3
Leases	119.3	74.1	123.1
Contingent consideration	723.9	543.1	694.8
Other non-current liabilities	2.0	1.1	2.6
Total non-current interest-bearing liabilities	1,829.6	1,325.4	1,518.8
Liabilities to credit institutions	13.5	21.8	8.1
Leases	47.9	56.4	62.1
Contingent consideration	82.5	-	-
Other current liabilities	1.8	2.0	1.8
Total current interest-bearing liabilities	145.7	80.2	71.9

Contingent consideration payments relate to different types of covenants to the seller that are linked to terms based on the acquired company's profit for a specified period after the acquisition. The contingent purchase prices are classified as Level 3 in the fair value hierarchy. Liabilities are reported at fair value based on outcome and future expected outflows.

Contingent consideration (SEK m)	31 Mar 2021	31 Mar 2020	31 Dec 2020
Opening balance	694.8	550.7	550.7
Acquisitions	175.6	-	225.3
Paid purchase considerations relating previous acquisitions	-105.6	-14.0	-79.3
Interest expenses (discount effect due to present value calculation)	4.0	2.7	10.1
Revaluation via operating profit	2.5	-	13.5
Exchange differences	35.2	3.7	-25.5
Carrying amount at period end	806.5	543.1	694.8

The revaluation of liabilities relating to contingent consideration has during the period resulted in a cost of SEK -2.5 million (-). The revaluation during the period is related to the final settlement of an 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 revaluation is recognized under other external costs.

NOTE 6 BUSINESS ACQUISITIONS

PRELIMINARY ACQUISITION ANALYSIS, regarding acquisitions during January to March 2021

(SEK m)	Rolec*
Intangible non-current assets	1.2
Tangible non-current assets	33.2
Inventories and work in progress	64.6
Cash and cash equivalents	101.7
Trade receivables ¹⁾	92.7
Other current assets	23.4
Other current liabilities	-49.9
Net identifiable assets and liabilities	266.8
Consolidated goodwill	522.9
Brand	62.5
Customer relations	84.0
IPR Rights	63.3
Deferred tax liability	-39.9
Total calculated purchase price	959.7
Transferred consideration	
Cash and cash equivalents	784.1
Contingent consideration	175.6
Total transferred consideration	959.7

*) Rolec Services Ltd and One Stop Europe Ltd

Liquidity impact on the Group

Acquired cash and cash equivalents	101.7
Transferred consideration	-784.1
Total liquidity impact	-682.4

Other information

Runrate Net sales ²⁾	266.8
Run rate profit before tax ²⁾	81.2

The acquired units' contribution to the Group's sales and earnings (SEK m)

Acquired units' contribution to the Group's sales	55.2
Acquired units' contribution to the Group's profit before tax	18.1
Transaction costs	-11.1
Depreciation and write-downs of intangible assets	-1.2

¹⁾ The receivables are valued at fair value and include provisions for bad debts of SEK 0.8 million. The amount is expected to be collected within twelve months.

²⁾ Runrate 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 converted to SEK using the currency conversion rates per 31 March 2021.

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 March 2021 amounted to SEK 15.3 million (0.0) see also page 7.

Description of acquisitions during the period January - March 2021

Sdipotech AB (publ) acquired all shares in Rolec Services Ltd and One Stop Europe Ltd (Rolec) on February 19, 2021. Rolec specialises in the development and manufacture of a wide range of charging equipment and systems for electric vehicles (EV). With over 30 years of experience in producing charging solutions for marinas and campsites, Rolec has built up a solid knowledge in this area, generating a head start in the fast-growing EV segment. Rolec has a turnover of approximately GBP 23 million and a pre-tax operating profit of approximately GBP 7 million.

The market for electric vehicle charging points in the UK is expected to have significant growth in the coming years. This is driven by strong underlying growth of electric vehicles, which in turn increases the investment need for charging infrastructure in both the public and private sectors. Rolec was founded in 1990 and is known for its quality products, high-tech expertise and strong customer relationships in both B2B and B2C. The company has over 30 years of experience in the development, manufacture and installation of outdoor chargers.

At the date of the transaction, the company is valued at GBP 65.2 million on a cash and debt-free basis, of which GBP 58.0 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 January 31, 2026, will be between GBP 58.0 and GBP 80.0 million, depending on the company's performance during the earn-out period. A final total purchase price higher than the current value of GBP 65.2 million also assumes a higher level of profit than the current one. Rolec has 139 employees at the time of the acquisition.

The contingent consideration for Rolec is estimated at SEK 175.5 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. Rolec is part of the Water & Energy business area as of February 2021.

If the acquired units for the year were consolidated as of 1 January 2020, the year's net sales would have amounted to approximately SEK 690 million and EBITA* would have amounted to approximately SEK 120 million.

NOTE 7 OPERATIONS HELD FOR SALE

On February 19, 2021, Sdipotech AB (publ) entered into an agreement with TK Elevator Sweden AB (formerly thyssenkrupp Elevators) to divest the Swedish elevator business in Sdipotech's Property Technical Services business area. The purchase price amounted to a total of SEK 233 million on a cash and debt-free basis, of which Sdipotech's shares in the companies are valued at SEK 154 million. Following approval by the Swedish Competition Authority, the divestment of the Swedish elevator business was completed on 7 April 2021.

Sdipotech's Swedish elevator business specialises in the renovation, modernisation and service of lifts in Stockholm. The business units have been part of Sdipotech's Property Technical Services business area and showed sales of approximately SEK 300 million in the financial year 2020 and an operating profit (EBIT) of approximately SEK 15 million. The divestment is in line with concentrating Sdipotech's growth in the Water & Energy and Special Infrastructure Solutions business areas. The transaction has been made in common with the founders and management of our Swedish elevator operations.

As a result of the above, the assets and liabilities relating to the operations held under the above divestment agreement are recognised for sale where the divestment was completed after the balance sheet date of the period on March 31, 2021.

Assets and liabilities of operations held for sale

In accordance with IFRS 5, assets and liabilities held for sale have been recognised at carrying amount according to the principle that accounting should be made at the lowest of the carrying amount and fair value less selling expenses.

	31 Mar 2021
Assets in operations held for sale (SEK m)	
Goodwill	131.0
Tangible non-current assets	0.8
Right-of-use assets	26.5
Other financial non-current assets	0.1
Completed products and goods for resale	11.1
Accounts receivable	39.0
Other receivables	0.1
Current tax assets	0.3
Prepaid expenses and accrued income	6.3
Cash and cash equivalents	21.8
Sum Assets in operations held for sale	236.8

	31 Mar 2021
Liabilities in operations held for sale (SEK m)	
Deferred tax liability	1.3
Long term lease liabilities	10.1
Short term lease liabilities	16.7
Accounts payable	15.4
Current tax liability	2.2
Other short-term liabilities	10.3
Accrued cost and deferred income	16.7
Sum Liabilities in operations held for sale	72.7

NOTE 8 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 Water & Energy provide niche products and services focused on the water and energy infrastructure segments. The companies address specialised needs in water and water purification, as well as electricity supply and electrical automation. The principal geographic markets today are Sweden and the UK.

Growth opportunities for the business area are expected to be strong. The water segment is characterised by neglected investment and growing water scarcity, combined with increasing needs for water treatment and consumption in our geographic markets. In the energy segment, there are good growth opportunities as a direct consequence of the power shortage impeding regional development in parts of Europe,

as well as an effect of pervasive trends in digitisation, automation, and electrification in society.

Example areas of application:

- Installations and components for water treatment in industry and municipalities
- Installation and service of smaller water and sewage treatment plants
- Production of ultra-pure water
- Advanced electrical cabinets and customised electric automation
- Monitoring of electricity quality
- Temporary infrastructure such as temporary electricity, water, fire protection and lighting
- Charging equipment and systems for electric vehicles

The companies included in Water & Energy (in alphabetical order)

- | | |
|--|---|
| • 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) (as of Feb -21) | 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 |
| • 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 Sweden, Northern Europe and the UK.

The products and services within Special Infrastructure Solutions span a relatively broad range of niched infrastructure solutions. The common theme is market segments with favourable underlying growth, a low degree of cyclicity and a gradual introduction of stricter environmental, energy and safety regulations.

Exempel areas of application

- Monitoring of indoor climate, ventilation and energy efficiency
- Systems for the evacuation of toxic gases
- Installation and service of cooling systems
- Cameras for traffic control and security
- Solutions for secure mobile telecommunications
- Claims management of underground infrastructure
- High-frequency radio communication services for aircraft operators

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

- | | |
|---|---|
| • Alerter Group Ltd (as of Jul -20) | Emergency communications systems for disabled people |
| • Auger Site Investigations Ltd | Specialised in claims management of underground infrastructure |
| • Cliff Models AB | Prototypes for industrial product development |
| • Cryptify AB | Software solution for secure communication |
| • Frigotech AB | Installation and service of refrigeration units |
| • GAH (Refrigeration) Ltd (as of Dec -20) | Manufacture and service of transportation refrigeration solutions |
| • Oy Hilltip Ab (as of Jun -20) | Manufacturer of road maintenance equipment |
| • KSS Klimat & Styrssystem AB | Indoor climate control, ventilation and energy efficiency |
| • Medicvent AB | System for evacuation of noxious gases |
| • Optyma Security Systems Ltd | Integrated security systems for public and private environments |
| • RedSpeed International Ltd | Digital cameras for speed monitoring and traffic enforcement |
| • Storadio Aero AB (formerly Aviolinx AB) | Infrastructure and operational liaison centre for backup air traffic communications |
| • Stockholmradi AB (as of Jun -20) | Radio-based services for shipping, now a part of Storadio Aero AB |
| • Thors Trading AB | Durable products in carbon steel material for racing and harness racing |

PROPERTY TECHNICAL SERVICES

The companies within Property Technical Services offer specialised technical services for property owners. Customers are spread across several segments, including public functions (schools, hospitals, etc.), commercial properties (offices, warehouses, etc.), as well as housing (municipal and private). Assignments are performed throughout the lifecycle of a property, including service, renovation, modernisation, and new construction. The principal geographic markets today are Stockholm and major cities in Germany, the Benelux countries and Austria. The business models are generally project-based and include associated aftermarket services and framework agreements.

The long-term underlying demand for our services within PTS is considered favourable. In the metropolitan areas in

which populations and economies are being concentrated, there is a long-term need for renovation, modernisation, and new construction. Although variations in demand in individual markets can affect demand in specific sub segments, these fluctuations are simultaneously stabilised by the fact that customers are spread among several customer segments and geographies and because the offering includes all stages in the lifecycle of a property.

Example areas of application:

- Renovation, modernisation and service of lifts
- Manufacturing of special lifts and resource supply to global elevator manufacturers
- Renovation of roofs and installation of roof safety
- Contracts for shell completion and plaster interior walls

The companies included in Property Technical Services (in alphabetical order):

- | | |
|---------------------------|--|
| • Aufzüge Friedl GmbH | Renovation, modernisation and service of elevators in Vienna (Austria) |
| • Castella Entreprenad AB | Contracts for shell completion and internal plaster walls |
| • Metus d.o.o. | Production of special elevators for customer-specific needs and resource supply to global elevator manufacturers |
| • ST Lift GmbH | Production of compact elevators |

Operations held for sale per reporting date (divested on 7 April)

- | | |
|----------------------------------|---|
| • HissPartner i Stockholm AB | Renovation, modernisation and service of elevators in Stockholm |
| • ManKan Hiss AB | Renovation, modernisation and service of elevators in Stockholm |
| • S St. Eriks Hiss AB | Renovation, modernisation and service of elevators in Stockholm |
| • Stockholms Hiss- & Elteknik AB | Renovation, modernisation and service of elevators in Stockholm |

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.

EBITDA	Operating profit before depreciation and impairment losses.
EBITA	Operating profit after depreciation of property, plant and equipment before impairment losses. 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.
EBITA*	Operating profit before amortisation and impairment of intangible non-current assets that arose in connection with acquisitions. The purpose of EBITA * is to clarify the Group's operational earnings development. Due to irregularities in when acquisition costs arise and are booked, EBITA * more clearly shows the underlying operational development in the business. Revaluation of liabilities regarding contingent consideration is also excluded to clarify the operating profit development. See tables to the right for historical results. EBITA * is indicated by an asterisk. The key figure increases the comparability of EBITA over time as it is adjusted for the impact of items affecting comparability. The key performance ratio is also used in the internal follow-up and constitutes a central financial objective for the business.
EBITA*-margin	EBITA* in relation to net sales.
Net debt/EBITDA	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.
Financial net debt/EBITDA	Calculated as average financial net debt to credit institutions and other financial debt for the past four quarters, in relation to EBITDA for the past four quarters. Financial net debt to includes short-term and long-term interest-bearing liabilities less cash and cash equivalents, but excluding debt related to the contingent consideration payments for acquisitions
Capital employed	Calculated as average shareholders' equity and interest-bearing net debt for the past four quarters less cash and cash equivalents and short-term investments.
Return on capital employed	Calculated as EBITA for the four most recent quarters on closing day, in relation to average capital employed for the four most recent quarters on closing day.
Return on equity	Calculated as average profit after tax, adjusted for dividend to preference shares, for the four most recent quarters in relation to average equity, adjusted for preference capital, for the four most recent quarters on closing day.
Cash flow generation	Calculated as cash flow from continuing operations in relation to profit before tax adjusted for non-cash items.
Earnings per ordinary share (number per end of period)	Calculated as profit after tax attributable to the Parent Company's shareholders less dividends to preference shareholders divided by the number of ordinary shares per the end of the period.

ALTERNATIVE PERFORMANCE MEASURES

To facilitate monitoring of the Group's operations, alternative performance measures are presented in the interim report. The alternative performance measures presented in this interim report relate to EBITDA, EBITA, EBITA*, 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.

EBITDA

Operating profit before depreciation and impairment losses.

EBITDA (SEK m)	Q1 2021	Q1 2020	LTM Mar 2021	Full year 2020
Operating profit	90.7	68.8	332.3	310.5
Depreciation and amortisation of tangible non-current assets	22.6	17.4	77.9	72.7
Depreciation and amortisation of intangible non-current assets	9.7	2.9	26.6	19.8
EBITDA	123.0	89.1	436.8	402.9

EBITA*

Operating profit before amortisation and impairment of intangible non-current assets arising in connection with acquisitions. In order to clarify the underlying operating profit, acquisition-related transaction costs, which are incurred and booked regularly, are also excluded. Also, the result from remeasurement of liabilities relating to contingent consideration payments is excluded. EBITA* is indicated with an asterisk.

EBITA* (SEK m)	Q1 2021	Q1 2020	LTM Mar 2021	Full year 2020
Operating profit	90.7	68.8	332.3	310.5
Depreciation and amortisation of intangible non-current assets	9.7	2.9	26.6	19.8
EBITA	100.4	71.8	358.9	330.2
Acquisition costs	15.3	-	24.9	9.6
Add back depreciation and amortisation of intangible non-current assets non acquisition related	-2.2	-1.0	-7.3	-6.0
Adjustment of liability for earnouts	2.5	-	16.1	13.5
EBITA*	116.1	70.8	392.7	347.3

EBITA*-margin

EBITA* i relation till nettoomsättningen.

EBITA* i relation to Net Sales (SEK m)	Q1 2021	Q1 2020	LTM Mar 2021	Full year 2020
EBITA*	116.1	70.8	392.5	347.3
Net Sales	658.3	484.4	2,261.9	2,088.0
EBITA*-margin %	17.6	14.6	17.4	16.6

Net debt/EBITDA

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

Average interest-bearing net debt (SEK m)	Average	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Interest-bearing liabilities	1,525.2	2,002.2	1,590.8	1,225.1	1,282.8
Cash and cash equivalents	-287.0	-325.3	-279.4	-215.4	-327.9
Interest-bearing net debt	1,238.2	1,676.9	1,311.4	1,009.6	954.9
Assets held for sale	-1.3	-5.1	-	-	-
Total interest-bearing net debt	1,236.9	1,671.8	1,311.4	1,009.6	954.9

Average net debt in relation to EBITDA (SEK m)	LTM Mar 2021	LTM Mar 2020	Full year 2020
Interest-bearing net debt	1,236.9	1,142.9	1,105.8
EBITDA	436.8	399.9	402.9
Net debt/EBITDA	2.83	2.86	2.74

Financial net debt/EBITDA

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

Average interest-bearing financial net debt (SEK m)	Average	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Interest-bearing financial debt	675.0	998.0	706.4	470.5	525.3

Cash and cash equivalents	-287.0	-325.3	-279.4	-215.4	-327.9
Interest-bearing financial net debt	388.0	672.7	426.9	255.1	197.4
Assets held for sale	5.4	21.8	-	-	-
Total Interest-bearing financial net debt	393.5	694.5	426.9	255.1	197.4

	LTM Mar 2021	LTM Mar 2020	Full year 2020
Average Financial net debt in relation to EBITDA (SEK m)			
Interest-bearing financial net debt	393.5	462.0	337.4
EBITDA	436.8	399.9	402.9
Financial net debt/EBITDA	0.90	1.16	0.84

Capital employed

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

Average capital employed (SEK m)	Average	Q1 2021	Q4 2020	Q3 2020	Q2 2020
Interest-bearing net debt	1,236.9	1,671.8	1,311.4	1,009.6	954.9
Shareholders' equity	1,876.7	2,340.0	1,755.8	1,748.8	1,662.1
Capital employed	3,113.6	4,011.8	3,067.1	2,758.4	2,617.0

Return on capital employed

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

Average EBITA in relation to average capital employed (SEK m)	LTM Mar 2021	LTM Mar 2020	Full year 2020
EBITA	358.9	328.5	330.2
Capital employed	3,114.9	2,377.1	2,725.6
Return on capital employed %	11.5	13.8	12.1

Return on equity

Calculated as average profit after tax, adjusted for dividend to preference shares, for the four most recent quarters in relation to average equity, adjusted for preference capital, for the four most recent quarters on closing day.

Average adjusted net profit in relation to average equity (SEK m)	LTM Mar 2021	LTM Mar 2020	Full year 2020
Profit after tax, adjusted	211.4	180.0	200.6
Equity	1,662.5	1,024.1	1,407.3
Return on capital employed %	12.7	17.6	14.3

Cash flow generation

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

Cash flow generation %	Q1 2021	Q1 2020	LTM Mar 2021	Full year 2020
EBT	85.3	68.5	301.0	284.2
Adjustment for items not included in cash flow	-3.7	13.0	111.3	128.0
Adjusted EBT	81.6	81.5	412.3	412.2
Cash flow from continuing operations	39.4	58.3	431.9	450.8
Cash flow generation %	48.3	71.5	104.8	109.4

Earnings per ordinary share (number share per end of period)

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

Earnings per ordinary share (SEK m)	Q1 2021	Q1 2020	LTM Mar 2021	Full year 2020
Profit/loss attributable to Parent Company's shareholders	62.7	52.0	225.3	214.6
Dividend paid to preference shareholders	-3.5	-3.5	-14.0	-14.0
Profit/loss attributable to Parent Company's shareholders	59.2	48.5	211.3	200.6
Number of ordinary shares outstanding (thousand)	35,364	30,278	35,364	33,642
Earnings per ordinary share	1.67	1.60	5.98	5.96

STOCKHOLM 29 APRIL 2021

Jakob Holm
President and CEO

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

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Sdiptech AB (publ) is required to disclose this information pursuant to EU Market Use Regulation 596/2014. The information was provided by the above contact persons for publication on 29 April 2021 at 08.00 CEST.

UPCOMING REPORTS

Annual General Meeting 2021	18 May 2021
Interim report for April - June 2021	22 July 2021
Interim report for July - September 2021	26 October 2021
Year-end report for 2021	10 February 2022

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 (dates from June 2021 will be a matter of the Annual General Meeting):

- 15 June 2021
- 15 September 2021
- 15 December 2021
- 15 March 2022