



Interim report

1 January – 30 September 2023



SELECTED FINANCIAL INFORMATION

THIRD QUARTER 2023

- Net sales increased by 41% to SEK 1,205.2 million (856.8). In total for the Group, organic sales growth was +20%, excluding currency effects.
- Operating profit EBITA* increased by 38% to SEK 234.9 million (170.8), corresponding to an EBITA* margin of 19.5% (19.9). Organic EBITA* growth for the Group was +20%, excluding currency effects.
- Operating profit, EBIT, increased by 33% and amounted to SEK 234.4 million (176.5).
- Profit after tax for the Group, increased by 4% and amounted to SEK 131.8 million (126.5), of which SEK 131.5 million (126.5) was attributable to the Parent Company's shareholders.
- Cash flow from operating activities amounted to SEK 256.2 million (114.7), corresponding to a cash conversion of 94% (59).
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 3.37 (3.45). After dilution, earnings per ordinary share amounted to SEK 3.37 (3.43).
- During the period the acquisition was completed of Kemi-tech ApS, the group's second business unit in Denmark.
- Operating profit EBITA* increased by 41% to SEK 668.7 million (475.5), corresponding to an EBITA* margin of 19.4% (19.1). Organic EBITA* growth for the Group was +14%, excluding currency effects.
- Operating profit, EBIT, increased by 32% and amounted to SEK 619.4 million (469.9).
- Profit after tax for the Group increased by 10% and amounted to SEK 354.0 million (321.1), of which SEK 352.8 million (320.3) was attributable to the Parent Company's shareholders.
- Cash flow from operating activities amounted to SEK 421.1 million (363.2), corresponding to a cash conversion of 60% (72).
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 9.02 (8.72). After dilution, earnings per ordinary share amounted to SEK 9.02 (8.68).
- During the period the acquisition of HeatWork AS in Norway, as well as Kemi-tech ApS in Denmark, were completed.
- In March, management subscribed for 190,590 newly issued class B Sdipotech shares, by which the company has received SEK 14.4 million in equity.
- In August, Sdipotech issued senior secured sustainability-linked bonds in the amount of SEK 600 million.

FIRST NINE MONTHS 2023

- Net sales increased by 39% to SEK 3,449.9 million (2,487.7). In total for the Group, organic sales growth was +16%, excluding currency effects.

EVENTS AFTER REPORTING

No significant events are noted after the period.

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM Sep 2023	Jan-dec 2022
Net sales, (SEK million)	1,205.2	856.8	3,449.9	2,487.7	4,467.4	3 505.2
EBITA*, (SEK million)	234.9	170.8	668.7	475.5	864.3	671.1
EBIT, (SEK million)	234.4	176.5	619.4	469.9	790.7	641.2
Earnings for the period after tax, (SEK million)	131.8	126.5	354.0	321.1	461.0	428.1
Earnings per ordinary share ¹ after dilution (SEK)	3.37	3.43	9.02	8.68	11.84	11.48
EBITA* margin	19.5%	19.9%	19.4%	19.1%	19.3%	19.1%
Financial net debt/EBITDA, multiple	1.68	1.80	1.68	1.80	1.68	1.79
Net debt/EBITDA, multiple	3.22	3.71	3.22	3.71	3.22	3.55
Return on capital employed	12.6%	11.5%	12.6%	11.5%	12.6%	12.2%
Return on equity	12.4%	14.0%	12.4%	14.0%	12.4%	14.9%
Cash flow generation	94%	59%	60%	72%	69%	80%

EBITA* is the Group's adjusted operating profit, see also Definitions alternative performance measures.

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

COMMENTS BY THE CEO

STRONG ORGANIC GROWTH AND GOOD DEVELOPMENT OF THE CASH FLOW

We can proudly summarize another strong quarter for Sdipotech. Demand continues to be strong and the organic growth of both turnover and operating profit EBITA* was 20 percent excluding currency effects. Cost control is solid and we maintain a good operating margin of 19.5 percent. We can also point out that the cash flow generation is back at strong levels and amounted to 94 percent.

THE QUARTER

Sdipotech once again delivered a strong quarter. Four central key figures underpin the development:

- Organic net sales growth of 20 percent
- Organic profit growth EBITA* of 20 percent
- Operating profit margin EBITA* of 19.5 percent
- Cash flow generation of 94 percent

Market conditions in all of the group's segments were favorable, which reflects the solid demand that can be expected within infrastructure. This led to a strong organic growth for net sales excluding currency of 20 percent, which means that we have more than made up for last year's temporary loss.

Our EV charger unit, Rolec, continues to deliver on schedule and is growing nicely compared to last year. Rolec's well-established position within B2B was favorable for the company's reported growth. At the same time, the other business units in the group delivered very well:

- Excl. Rolec, organic net sales growth was 18 percent
- Excl. Rolec, organic EBITA* growth was 18 percent

We continue to deliver an organic profit growth in line with our organic sales growth, which shows that we have a good cost control, and that the scalability of our business models works. Over the past two years, the Group has been able to present an EBITA* margin that is stable in the range of 19–20 percent, and we maintain that we should establish ourselves around 20 percent.

We are pleased to once again be able to show a good cash flow generation of 94 percent. Our business units work extra carefully with working capital so that our excellent growth also results in free cash flow. Over the past 12 months, the Group had a cash flow from operating activities after changes in working capital of SEK 622 million, which is a record. This corresponds to a cash conversion of approximately 70 percent. Over time, we expect cash conversion of approximately 80 percent in line with the Group's historical levels.

In August, Sdipotech issued a sustainability-linked bond. Our long-term goal is for bonds to be a cost-effective and complementary part of our financing mix. At some point we had to start, and the first time costs a little more. In this respect, we

are nevertheless pleased that our bond was priced low compared to other first-time issuers, which demonstrates good creditworthiness.

Our total average financing rate (bank loans, bonds and earn-outs) increased by approximately 0.25 percentage points as a result of the bond issue, and now amounts to approximately 4.75 percent in total. Earn-outs are an important source of financing for us. No interest is paid on these and, as a rule of thumb, around 40 percent of these debts will fall due without payment if earnings remain at today's levels. Regardless of this, Sdipotech's debt ratio has decreased during the year due to increased profits, good cash flows and a slower pace of acquisitions.

OUTLOOKS

Sdipotech's customers are within infrastructure and important societal functions such as electricity supply, water treatment, transport systems, schools, hospitals, etc. Customers are typically solid and demand is stable regardless of the economic situation. Our business model consists of developing our own products that meet important needs of our customers. The business model is reflected in solid organic growth, high profit margins and good diversified cash flows. In a methodical and selective manner, we are able to convert our cash flow into acquisitions of new high-quality products and businesses.

We shall in addition to this always allocate our capital in the best possible way to create shareholder value. As interest rates rise, we also raise the requirements for returns, and one consequence of this is that price expectations in the market are generally a little too high as we see it. At least for the high-quality objects that are relevant to Sdipotech. Of course, this is not the case everywhere, and we will continue to make good acquisitions. But a natural consequence of the current macro situation is a slower pace of acquisitions than normal, and lower indebtedness than otherwise would be the case.

The strong order intake from the beginning of the year continued during the third quarter and we currently see no clear signs of a slowdown. We are experiencing good demand in several of the areas in which Sdipotech operates, not the least in energy efficiency, electrification, water purification and traffic planning. Our exposure to consumer goods and residential construction is small, and our financial target of organic growth of 5–10 percent remains unchanged for the coming years.

Finally, I would like to extend a big thank you to all our dedicated employees for your strong efforts and achievements during the almost ten years I have had the honor of working with you. I would also like to take this opportunity to thank all shareholders for your trust in Sdipotech. At the end of the year, I will hand over the reins to our current CFO, Bengt Lejdström, who will then take over as President and CEO.



Jakob Holm
CEO, Sdipotech AB (publ.)

OVERVIEW OF OPERATIONS

JULY-SEPTEMBER

Net sales

Net sales amounted to SEK 1,205.2 million (856.8) during the period. Sales in comparable units, amounted to SEK 1,117.6 million (856.6), which corresponded to an organic growth of +20% for the period, excluding currency effects.

Non-comparable units contributed SEK 87.6 million to net sales for the period. Also see Business areas for more detailed information.

Earnings

Operating profit, EBIT, increased by 33% and amounted to SEK 234.4 million (176.5).

Operating profit EBITA* increased by 38% and amounted to SEK 234.9 million (170.8) in total for the Group, corresponding to an EBITA* margin of 19.5% (19.9).

EBITA* in comparable units, amounted to SEK 235.3 million (182.1) corresponding to an organic growth of +20%, excluding currency effects. Most of the Group's comparable units had a stronger result than last year. Non-comparable units contributed SEK 16.6 million to the profit for the period. All acquired units had earnings in line with or above expectations.

Acquisition costs amounted to SEK 4.1 million (1.2) in connection with acquisition activities during the period.

An adjustment in the discount rate per balance sheet date for contingent consideration by one percentage point to 4% (3), had a positive effect on profit for the period of SEK 26.9 million (0). The adjustment, which is an effect of higher interest rates, will lead to lower values for contingent considerations. Revaluation of contingent consideration in general amounted to SEK 0.2 million (28.9).

Depreciation and amortisation of property, plant and equipment and intangible fixed assets amounted to SEK -85.7 million (-59.0), of which amortisation of acquisition-related intangible fixed assets amounted to SEK -23.6 million (-17.7).

Net financial items consist of exchange rate differences of SEK -7.5 million (9.6) in the quarter and SEK -57.6 million (-36.2) in interest expense, of which discount rates relating to contingent considerations of SEK -9.3 million (-9.6). The increased interest costs, is partly due to increased interest rates, corresponding to SEK -16 million, and partly to higher interest-bearing liabilities, corresponding to SEK -4 million. See also Note 3.

Profit after tax increased by 4% and amounted to SEK 131.8 million (126.5). The result compared to the previous year was affected i.a. of increased interest costs of SEK -20 million, exchange rate differences of SEK -17 million and a higher tax rate in the UK, corresponding to approx. SEK -5 million. Earnings per ordinary share (average number) after deduction for minority and dividend to preferred shares of SEK 3.37 (3.45). After dilution, earnings amounted to SEK 3.37 (3.43) per ordinary share.

JANUARY - SEPTEMBER

Net sales

Net sales amounted to SEK 3,449.9 million (2,487.7) during the period. Sales in comparable units, amounted to SEK 3,030.7 million (2,487.7), which corresponded to an organic growth of +16% for the period, excluding currency effects.

Non-comparable units contributed SEK 419.2 million to net sales for the period. Also see Business areas, for more detailed information.

Earnings

Operating profit, EBIT, increased by 32% and amounted to SEK 619.4 million (469.9).

Operating profit EBITA* increased by 41% and amounted to SEK 668.7 million (475.5) in total for the Group, corresponding to an EBITA* margin of 19.4% (19.1).

EBITA* in comparable units, amounted to SEK 619.9 million (515.4) corresponding to an organic growth of +14%, excluding currency effects. Most of the Group's comparable units had a stronger result than last year. Non-comparable units contributed SEK 99.0 million (0) to the profit for the period. All acquired units had earnings in line with or above expectations.

Acquisition costs amounted to SEK 7.5 million (14.5) in connection with acquisition activities during the period.

Costs for increase of the debt provision for future contingent consideration payments amounted to SEK -2.6 million (31.6) the amount for the period constitute in the difference between the debt reserve and the final settlement of contingent considerations. A change in the discount rate for contingent consideration, from 3% to 4%, affected the period by SEK 26.9 million (38.0).

Depreciation and amortisation of property, plant and equipment and intangible fixed assets amounted to SEK -225.2 million (-153.2), of which amortisation of acquisition-related intangible fixed assets amounted to SEK -66.1 million (-46.6).

Net financial items consist of exchange rate differences of SEK 1.7 million (6.3) in the period and SEK -147.5 million (-71.1) in interest expense, of which discount rates relating to contingent considerations of SEK -27.6 million (-21.4). The increased interest costs are partly due to increased underlying reference rates, corresponding to SEK -49 million, and partly to higher interest-bearing liabilities, corresponding to SEK -24 million. See also Note 3.

Profit after tax increased by 10% and amounted to SEK 354.0 million (321.1). Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 9.02 (8.72). After dilution, earnings per ordinary share amounted to SEK 9.02 (8.68). From April 2023, corporation tax in the UK was increased from 19% to 25%. The change is expected to affect the Group's profit after tax by a couple of percentage points.

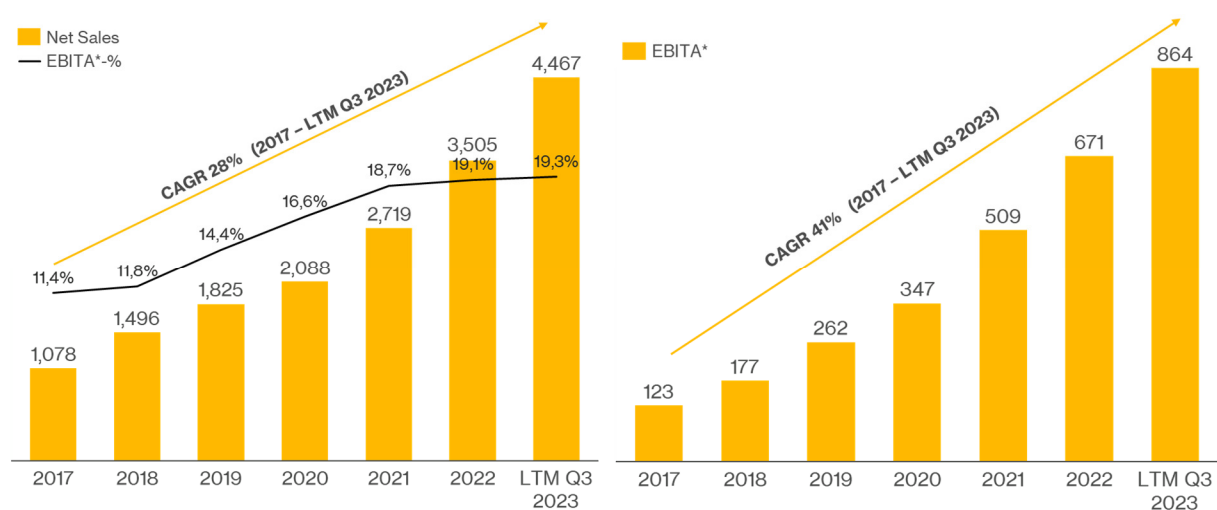
Acquisitions

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

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

Group EBITA* (SEK m)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM Sep 2023	Jan-Dec 2022
Resource Efficiency	91.1	65.2	262.2	218.3	319.9	276.0
Special Infrastructure Solutions	160.9	116.9	456.8	297.1	611.8	452.1
Business areas	252.0	182.2	719.0	515.4	931.7	728.1
Central units	-17.1	-11.4	-50.3	-39.9	-67.4	-57.0
Total	234.9	170.8	668.7	475.5	864.3	671.1

The Group's development of net sales, EBITA* and EBITA* margin since 2017



BUSINESS AREAS AND CENTRAL UNITS

Effective infrastructure is essential for our societies and our day-to-day lives. However, infrastructure in society is largely outdated. Population growth, climate change and the increased quest for more sustainable, efficient and secure societies are placing further pressure on the systems. Examples of areas we have identified as particularly important for the development of society, and that therefore are showing good demand, are water and sanitation, power and energy, bioeconomy, waste management, air & climate control, transport and safety and security. For a description of the business areas' operations and which companies are included in each business area, see Description Business areas.

RESOURCE EFFICIENCY

Comments on the financial performance:

The business area's sales increased by 40% for the quarter to SEK 396.3 million (283.9) compared to the previous year. Sales growth is mainly attributable to good sales from most comparable units, in both power and energy as well as water. For example, the Group's operations in the replacement and renovation of electricity and water meters and the rental of temporary electricity had good demand and sales. The third quarter, which includes the summer months of the year, is generally somewhat weaker for the Group's EV charger unit. The company continued to deliver according to plan, though,

and with a well-established position within B2B, sales increased sharply compared to the previous year, which was weak due to new regulations. Acquisitions also contributed to sales growth.

EBITA* for the quarter increased by 40% to SEK 91.1 million (65.2) due to strong organic growth in several units within the business area. In addition, the development has also been driven positively by acquisitions.

The EBITA* margin during the quarter decreased to 23.0% (23.0).

Resource Efficiency (SEK m)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM Sep 2023	Jan-Dec 2022
Net sales	396.3	283.9	1,190.0	961.1	1,498.7	1,269.8
EBITA*	91.1	65.2	262.2	218.3	319.9	276.0
EBITA* margin %	23.0%	23.0%	22.0%	22.7%	21.3%	21.7%

SPECIAL INFRASTRUCTURE SOLUTIONS

Comments on the financial performance:

The business area's sales in the quarter increased by 41% to SEK 808.9 million (572.9). The increase in sales is partly due to acquisitions, but mainly due to strong sales of the large comparable units. This includes the Group's units in case management of insurance claims, automation solutions for container handling, control and monitoring of refrigeration, and refrigeration solutions for smaller trucks.

EBITA* for the quarter increased by 38% to SEK 160.9 million (117.0), with contributions from a number of businesses, primarily the aforementioned comparable units, which with scalable business models and good cost control have been able to generate strong profit growth through the good sales increase.

The EBITA* margin increased during the quarter to 19.9% (20.4), This was driven by a lower profit margin in some of the business area's smaller units, which mainly operate in construction and real estate.

Special Infrastructure Solutions (SEK m)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM Sep 2023	Jan-Dec 2022
Net sales	808.9	572.9	2,260.0	1,526.6	2,968.8	2,235.4
EBITA*	160.9	117.0	456.8	297.1	611.8	452.1
EBITA* margin %	19.9%	20.4%	20.2%	19.5%	20.6%	20.2%

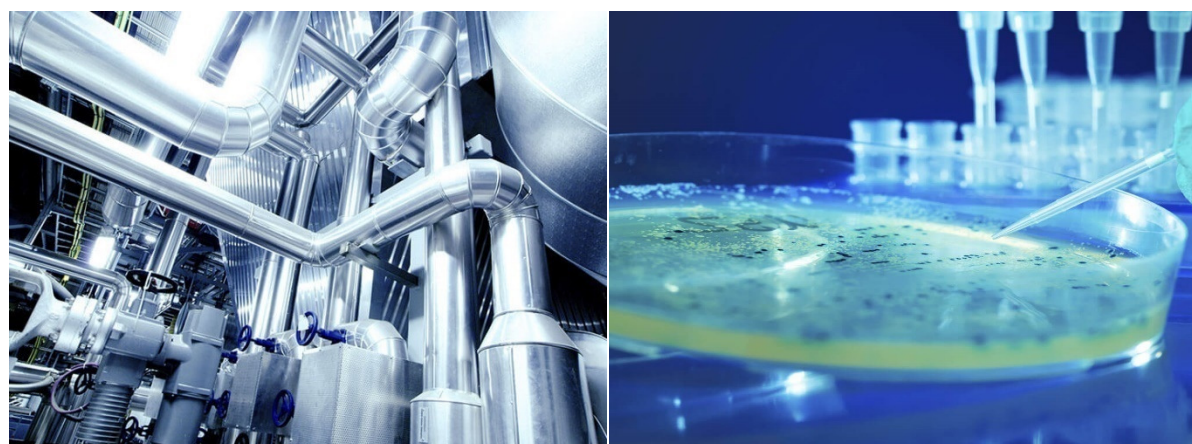


Figure 1 & 2: In July 2023, Sdipitech completed the acquisition of Kemi-tech, which supplies customized chemical products for industrial water treatment.

CENTRAL UNITS – GROUP-WIDE FUNCTIONS

Central units consist of the Group's parent company, Sdipitech 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:

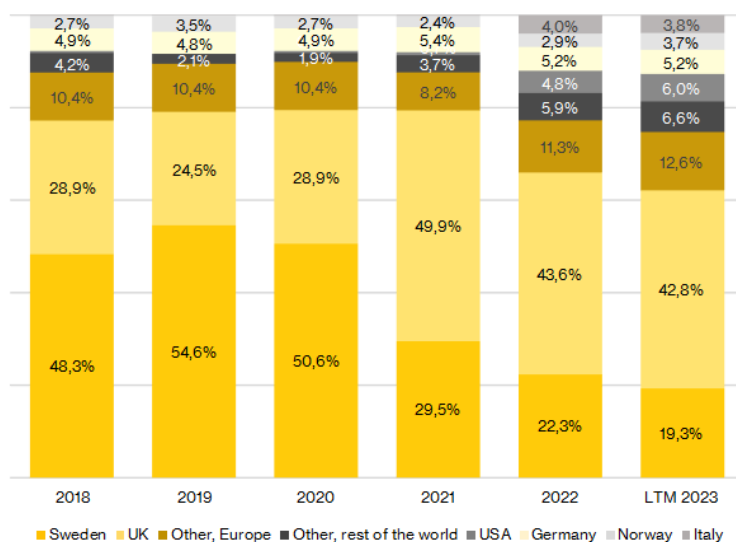
EBITA* was SEK -17.1 million (-11.4) for the quarter. The cost increase of 50% was mainly attributable to increased personnel costs, including in connection with resource reinforcement at the Parent Company, as well as advisory costs.

Group-wide functions (SEK m)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM Sep 2023	Jan-Dec 2022
EBITA*	-17.1	-11.4	-50.3	-39.9	-67.4	-57.0

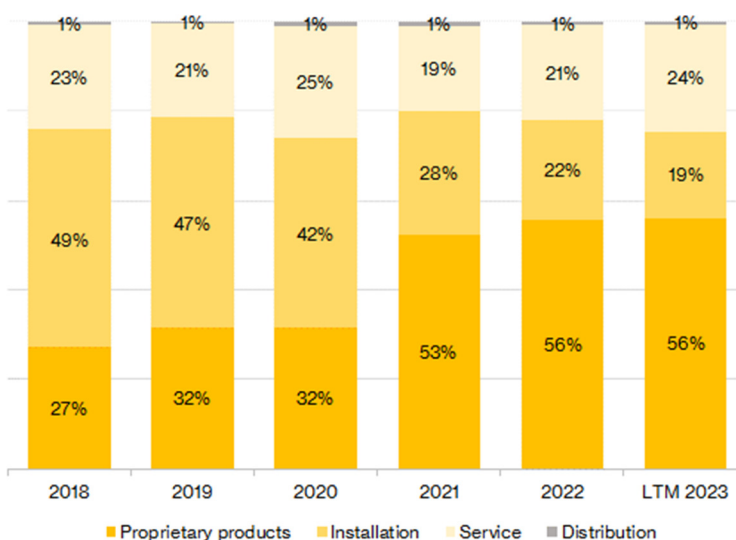
GEOGRAPHICAL DISTRIBUTION OF SALES

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

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



Consolidated sales by type of revenue



Sales of proprietary products have increased from 27 percent to 56 percent during the period full year 2018 to LTM Q3 2023. The turnover for service and installation as of 2022 and onwards is mainly related to own products.

COMMENTS ON THE FINANCIAL DEVELOPMENT

FINANCIAL POSITION JANUARY - SEPTEMBER

Cash Flow

Cash flow from operating activities after changes in working capital amounted to SEK 421.1 million (363.2) during the period. Cash flow from the good earnings is burdened during the period by increased sales in the form of increased accounts receivable and inventory build-for continued expansion. This was particularly evident during the first six months of the period. During the period, this inventory build-up amounted to SEK 59.1 million (91.9). At the same time, operating receivables increased by SEK 131.9 million (4.2). The increase is attributable to accounts receivables due to increased sales, including in the Group's unit in charging equipment for electric vehicles, as well as in accrued revenues for installation projects of proprietary products in areas such as the Group's units for products for railway maintenance and automation of ports and container terminals. An increase in operating liabilities contributed positively to cash flow in the period of total SEK 39.5 million (30.3). Cash flow generation, expressed as a percentage of profit before tax adjusted for non-cash items, amounted to 60% (72) during the period.

Cash flow from investing activities amounted to SEK -704.0 million (-1,218.1). The cash flow effect of completed acquisitions during the period amounted to SEK -401.8 million (-850.8), 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 -167.3 million (-222.8) during the period. Investments in property, plant and equipment amounted to SEK -85.3 million (-67.9) and investments in intangible fixed assets of SEK -49.7 (-65.6) were made during the period.

Cash flow from financing activities amounted to SEK 378.6 million (867.4). Net borrowing amounted to SEK 418.8 million (904.1). The redemption of warrants of series 2018/2023 contributed SEK 14.4 million to equity (14.5). The share-based Incentive Program approved at the 2023 Annual General Meeting regarding warrants of series 2023/2026 contributed SEK 11.6 million in warrant premiums. Dividends on the preference shares amounted to SEK -10.5 million (-10.5) and dividend to non-controlling interest amounted to SEK 1.2 million (0).

Liabilities

Interest-bearing liabilities including contingent considerations and lease liabilities amounted to SEK 4,150.1 million (3,678.5). The three largest items within interest-bearing liabilities consisted of financial liabilities where of SEK 1,873.1 million (2,162.5) in liabilities to credit institutions, SEK 600 million (0) in bond liabilities and SEK 1,225.4 million (1,261.4) in deferred payments of purchase prices for acquisitions, so-called contingent consideration payments. It can be noted that a large part of these contingent consideration debt requires an increase in profit compared to today's levels in order to need to be paid out.

These contingent considerations are classified as interest-bearing according to IFRS as they are presented at net present value, but they do not give rise to any actual interest payments that are charged to the Group's cash flow. However, a discount interest rate is booked as a financial expense for the period. The Group's Financial expenses includes this interest rate of SEK -27.6 million (-21.4) for the period.

Final regulation of liabilities relating to contingent considerations, have resulted in an expense of SEK -2.6 million (23.1). The contingent consideration payments are recognised in accordance with IFRS at the present value of the estimated fair value based on the remaining term and expected outcome. The remeasurement is recognised net under other income or other external expenses. An increase in the discount rate for

revaluation of contingent consideration by one percentage point to 4% (3), to correspond to the long-term interest rate, had a positive impact on profit for the period of SEK 26.9 million (38.0).

During the period, the result was charged with SEK -8.4 million (-3.5) regarding discount rates in accordance with IFRS16 regarding leasing liabilities.

Net debt, consisting of interest-bearing liabilities less cash and cash equivalents in remaining operations, amounted to SEK 3,670.5 million (3,290.0). The key ratio average Net debt in relation to EBITDA, which is calculated on a rolling twelve-month basis, amounted to 3.22 (3.71) on 30 September.

The financial net debt, according to the calculation method above but only for liabilities to credit institutions and bond liabilities amounted to SEK 1,993.5 million (1,774.0). The key ratio Average financial net debt in relation to EBITDA, which is calculated on a rolling twelve-month basis, amounted to 1.68 (1.80) as of September 30.

Financing

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

During the period, the Group increased its agreed long-term credit line by SEK 500 million to a total of SEK 2,600 million. The total utilized credit volume as of 30 September 2023, within this framework, amounted to a total of SEK 1,800 million. The agreements run at variable interest rates at 3–6-month intervals. However, the Group has agreements on so-called interest rate swaps, corresponding to approximately 22% of the utilized credit volume, with a maturity of 2 years, from June 2022, to reduce interest rate exposure. Part of the agreed credit volume is linked to the Group's sustainability targets, which may increase or decrease the agreed interest margin depending on the outcome. Together with the Group's cash and cash equivalents of SEK 480 million, there are approximately SEK 1,280 million in available funds for future payments.

In addition, the Group uses currency swaps and forward transactions to balance exposure to GBP, EUR and NOK. The purpose of these instruments is to balance the actual exposure between assets and liabilities, in each currency, that affects operating profit. At the end of the period, these volumes amount to approximately SEK 956 million, SEK 747 million and SEK 179 million respectively.

Parent Company

The Parent Company Sdipotech AB's internal net sales, containing mainly, management fee amounted to SEK 18.5 million (13.7) for the period and profit after financial items amounted to SEK -27.7 million (-21.7).

OTHER INFORMATION

Employees

The number of employees at the end of September was 2,306 (2,024). Acquisitions completed during the last twelve months increased the number of employees by 116.

Incentive programme

At the 2023 Annual General Meeting, it was resolved on a new incentive program for managers and senior executives regarding warrants of series B. The program comprises 350,000 warrants. The warrants are transferred at a price of

SEK 38.30 per option, which corresponds to the market value of the options according to an independent valuation. Exercise can be made on three occasions from June 2026 until November 30, 2026.

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

As of 30 September, 337,625 warrants of series 2021/2024 and 305,150 warrants of series 2023/2026 were outstanding, after repurchases were made. The subscription price for new B-shares that can be subscribed for with the support of these warrants amounts to SEK 463.00 and SEK 326.40 per share, respectively.

Risks and uncertainty factors

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

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

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

During 2022 and 2023 inflation has risen sharply in most of the countries in which the Group's companies operate. This has resulted in higher prices for inputs and higher personnel cost for the Group's companies which can largely be compensated for by higher prices to customers. The rising inflation has also led central banks to raise their key interest rates, with increased borrowing costs as a result. This affects the Group to the extent that loan interest rates are variable.

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

Related party transactions

No substantial related party transactions occur within the group.

Events after the end of the reporting period

No significant events have occurred after the end of the reporting period.

Nomination Committee for the Annual General Meeting 2024

At the Annual General Meeting on 22 May 2023, the Chairman of the Board was instructed to contact the largest shareholders in terms of voting rights as of 30 September 2023 and ask them to appoint members. The Nomination Committee shall consist of three members. The Chairman of the Board shall be a co-opted member of the Nomination Committee and shall convene the meetings of the Nomination Committee.

Accordingly, the following persons have been appointed as members of the Nomination Committee for the 2024 Annual General Meeting:

- Caroline Sjösten (representing Swedbank Robur Fonder)
- Helen Fasth Gillstedt (representing Handelsbanken Fonder)
- Ashkan Pouya

Proposals from shareholders to the Nomination Committee may be sent by mail to the company's address for further forwarding or by e-mail to: valberedningen@sdiptech.com

CONSOLIDATED INCOME STATEMENT

(SEK m)	Note	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM Sep 2023	Jan-Dec 2022
Net sales	2	1,205.2	856.8	3,449.9	2,487.7	4,467.4	3,505.2
Other operating income	2	25.7	33.3	53.8	75.0	58.7	79.9
Total income		1,230.9	890.1	3,503.7	2,562.7	4,526.1	3,585.1
Operating expenses							
Materials, contracting and subcontracting		-478.2	-333.1	-1,357.2	-994.9	-1,749.8	-1,387.5
Other external expenses		-93.3	-68.8	-299.4	-220.5	-400.3	-321.4
Employee expenses		-339.3	-252.7	-1,002.5	-724.2	-1,296.2	-1,017.9
Depreciation and amortisation of tangible non-current assets		-49.8	-35.9	-132.5	-91.5	-170.2	-129.7
Depreciation and amortisation of intangible non-current assets		-35.9	-23.1	-93.2	-61.7	-118.9	-87.4
Operating profit		234.4	176.5	619.4	469.9	790.7	641.2
Profit/loss from financial items							
Financial income	3	2.2	10.0	4.5	6.7	4.5	6.7
Financial expenses		-66.1	-29.7	-150.8	-72.7	-189.2	-111.1
Profit after financial items		170.5	156.8	473.1	403.9	606.0	536.8
Tax on profit for the period		-38.7	-30.3	-119.1	-82.8	-145.0	-108.7
Profit for the period		131.8	126.5	354.0	321.1	461.0	428.1
Profit attributable to:							
Parent Company's shareholders		131.5	126.2	352.8	320.3	459.6	427.1
Non-controlling interests		0.3	0.3	1.2	0.8	1.4	1.0
Earnings per share (average number), attributable to the Parent Company's shareholders during the period, less dividends to preference shareholders (in SEK per share)							
Earnings per share (before dilution)		3.37	3.45	9.02	8.72	11.84	11.53
Earnings per share (after dilution)		3.37	3.43	9.02	8.68	11.84	11.48
EBITA*		234.9	170.8	668.7	475.5	864.3	671.1
Average number of common shares		37,991,938	35,600,421	37,949,352	35,534,656	37,634,787	35,828,726
Average number of common shares after dilution		37,991,938	35,730,541	37,949,352	35,678,929	37,634,787	35,969,623
Number of ordinary shares at the end of the period		37,991,938	35,601,348	37,991,938	35,601,348	37,991,938	37,801,348

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM Sep 2023	Jan-Dec 2022
Profit for the period	131.8	126.5	354.0	321.1	461.0	428.1
Other comprehensive income for the period						
Changes in accumulated translation differences	-81.7	4.7	73.3	37.2	103.1	67.0
Comprehensive income for the period	50.1	131.2	427.3	358.3	564.1	495.1
Attributable to:						
Parent Company's shareholders	49.8	130.9	426.1	357.5	562.7	494.1
Non-controlling interest	0.3	0.3	1.2	0.8	1.4	1.0

CONSOLIDATED BALANCE SHEET

(SEK m)	Note	30 Sep 2023	30 Sep 2022	31 Dec 2022
Non-current assets				
<i>Intangible non-current assets</i>				
Goodwill	4	4,771.1	3,985.5	4,299.1
Other intangible assets		1,269.1	1,022.7	1,101.6
<i>Tangible non-current assets</i>				
Tangible non-current assets		454.0	358.5	403.4
Right-of-use assets		443.4	254.7	377.2
<i>Financial non-current assets</i>				
Other financial non-current assets		17.3	10.9	15.2
Total non-current assets		6,954.9	5,632.2	6,196.5
Current assets				
Completed products and goods for resale		706.2	531.9	562.4
Accounts receivable		812.6	644.9	687.0
Other receivables		54.0	102.4	47.7
Current tax assets		34.6	36.9	38.5
Prepaid expenses and accrued income		252.9	172.0	180.5
Cash and cash equivalents		479.6	388.5	383.2
Total current assets		2,339.9	1,876.5	1,899.3
Total assets		9,294.8	7,508.7	8,095.8
Shareholders' equity				
Shareholders' equity attributable to Parent Company's shareholders				
Share capital		1.0	0.9	1.0
Other contributed capital		2,094.8	1,576.1	2,068.9
Reserves		0.9	0.9	0.9
Profit/loss brought forward including earnings for the period		1,862.0	1,313.8	1,446.3
Total equity attributable to Parent Company's shareholders		3,958.7	2,891.7	3,517.1
Non-controlling interests		4.9	5.5	4.8
Total shareholders' equity		3,963.5	2,897.2	3,521.9
Long term liabilities				
Interest-bearing long-term liabilities	5	3,795.4	3,337.9	3,317.6
Non-interest-bearing long-term liabilities		293.0	228.3	252.9
Total long term liabilities		4,088.4	3,566.2	3,570.5
Short term liabilities				
Interest-bearing short-term liabilities	5	354.6	340.6	268.4
Non-interest-bearing short-term liabilities		888.3	704.6	735.1
Sum short term liabilities		1,242.9	1,045.2	1,003.5
Total liabilities		5,331.3	4,611.4	4,574.0
Total shareholders' equity and liabilities		9,294.8	7,508.7	8,095.8

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 2022		0.9	1,555.8	0.9	966.8	2,524.4	4.7	2,529.1
Income for the period		-	-	-	320.3	320.3	0.8	321.1
Other comprehensive income for the period		-	-	-	37.2	37.2	-	37.2
Total income for the period		-	-	-	357.5	357.5	0.8	358.3
Shareholder transactions								
Dividend paid to preference shareholders	7	-	-	-	-10.5	-10.5	-	-10.5
Share issue of ordinary shares series B		-	20.7	-	-	20.7	-	20.7
Share premiums		-	-0.3	-	-	-0.3	-	-0.3
Total shareholder transactions		-	20.4	-	-10.5	9.9	-	9.9
Closing balance, September 30 2022		0.9	1,576.1	0.9	1,313.8	2,891.7	5.5	2,897.2
Opening balance, October 1 2022		0.9	1,576.1	0.9	1,313.8	2,891.7	5.5	2,897.2
Income for the period		-	-	-	106.8	106.8	0.2	107.0
Other comprehensive income for the period		-	-	-	29.7	29.7	0.1	30.0
Total income for the period		-	-	-	136.5	136.5	0.3	136.8
Shareholder transactions								
Dividend paid to preference shareholders	7	-	-	-	-3.5	-3.5	-	-3.5
Share issue of ordinary shares series B		0.1	501.9	-	-	501.9	-	501.9
Share issue expenses		-	-9.2	-	-	-9.2	-	-9.2
Dividend paid to non-controlling interests		-	-	-	-0.5	-0.5	-1.0	-1.5
Total shareholder transactions		0.1	492.7	-	-4.0	488.7	-1.0	487.7
Closing balance, December 31 2022		1.0	2,068.9	0.9	1,446.3	3,517.1	4.8	3,521.9
Opening balance, January 1 2023		1.0	2,068.9	0.9	1,446.3	3,517.1	4.8	3,521.9
Income for the period		-	-	-	352.8	352.8	1.2	354.0
Other comprehensive income for the period		-	-	-	73.4	73.4	-0.1	73.3
Total income for the period		-	-	-	426.2	426.2	1.1	427.3
Shareholder transactions								
Dividend paid to preference shareholders	7	-	-	-	-10.5	-10.5	-	-10.5
Dividend paid to non-controlling interests		-	-	-	-	-	-1.0	-1.0
Share issue of ordinary shares series B		-	14.4	-	-	14.4	-	14.4
Option premiums		-	11.6	-	-	11.6	-	11.6
Total shareholder transactions		-	26.0	-	-10.5	15.5	-1.0	14.5
Closing balance, September 30 2023		1.0	2,094.8	0.9	1,862.0	3,958.7	4.9	3,963.5

CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	Jan-Dec 2022
Continued operations					
Earnings after financial items	170.5	156.8	473.1	403.9	536.8
Adjustment for items not included in cash flow ¹⁾	102.9	38.3	224.1	101.5	171.6
Paid taxes	-29.3	-30.1	-124.5	-76.4	-110.6
Cash flow from continuing operations before change in working capital	244.0	165.0	572.6	429.0	597.8
Cash flow from change in working capital					
Increase(-)/decrease(+) in stock	11.6	-25.5	-59.1	-91.9	-94.3
Increase(-)/decrease(+) in operating receivables	19.2	-27.6	-131.9	-4.2	26.6
Increase(+)/decrease(-) in operating liabilities	-18.6	2.8	39.5	30.3	34.5
Cash flow from current operations	256.2	114.7	421.1	363.2	564.6
Investing activities					
Acquisitions of subsidiaries	-213.3	-17.0	-401.8	-850.8	-1,117.8
Acquisitions of subsidiaries, paid contingent considerations	-9.8	-30.9	-167.3	-222.8	-356.1
Acquisition of minority stakes	-	-	-	-11.0	-11.0
Acquisitions of intangible non-current assets	-31.4	-49.1	-49.7	-65.6	-84.4
Acquisitions of tangible non-current assets	-42.9	-28.5	-85.3	-67.9	-123.2
Acquisition of business segment	-	-	-	-	-7.9
Cash flow from investing activities	-297.3	-125.5	-704.0	-1,218.1	-1,700.4
Financing activities					
Warrant program	-	-0.3	11.6	-0.3	-0.3
New share issue	0.1	6.5	14.4	21.0	513.8
Loans raised	837.7	-	1,661.5	1,702.0	1,980.8
Amortisation of loans	-689.1	-13.2	-1,242.7	-797.9	-1,275.1
Amortisation of lease liability	-18.9	-27.8	-54.4	-46.9	-65.6
Dividends paid	-4.7	-3.5	-11.7	-10.5	-15.0
Cash flow from financing activities	125.0	-38.3	378.6	867.4	1,138.6
Cash flow for the period	83.9	-49.1	95.7	12.5	2.8
Cash and cash equivalents at beginning of year	408.0	436.3	383.2	368.8	368.8
Exchange rate difference in cash and cash equivalents	-12.3	1.3	0.7	7.2	11.6
Cash and cash equivalents at end of period	479.6	388.5	479.6	388.5	383.2

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

PARENT COMPANY INCOME STATEMENT

(SEK m)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM Sep 2023	Jan-Dec 2022
Net sales	6.2	4.6	18.5	13.7	23.1	18.3
Other operating income	-	-	1.0	0.7	1.0	0.7
Total income	6.2	4.6	19.5	14.4	24.1	19.0
Operating expenses						
Other external expenses	-6.5	-4.6	-15.9	-15.8	-21.5	-21.4
Employee expenses	-14.4	-9.9	-46.7	-34.2	-60.7	-48.2
Depreciation of tangible and intangible non-current assets	-0.2	-0.2	-0.5	-0.5	-0.8	-0.8
Operating profit	-14.9	-10.1	-43.6	-36.1	-58.9	-51.4
Profit/loss from financial items						
Financial income	0.9	4.5	20.4	14.6	25.5	19.7
Financial expenses	-16.5	-	-4.5	-0.2	-4.6	-0.3
Profit/loss after financial items	-30.5	-5.6	-27.7	-21.7	-38.0	-32.0
Group contributions received	-	-	-	-	62.0	62.0
Tax on profit	-	0.3	-	0.6	-	0.6
Profit/loss for the period	-30.5	-5.3	-27.7	-21.2	24.1	30.5

PARENT COMPANY BALANCE SHEET

(SEK m)	30 Sep 2023	30 Sep 2022	31 Dec 2022
Non-current assets			
<i>Intangible non-current assets</i>			
Other intangible non-current assets	0.1	0.1	0.1
<i>Tangible non-current assets</i>			
Tangible non-current assets	1.0	1.3	1.2
<i>Financial non-current assets</i>			
Financial non-current assets	0.1	0.5	0.3
Receivables. Group companies	2,589.3	1,841.0	2,061.7
Total non-current assets	2,590.4	1,842.9	2,063.3
Current assets			
Receivables. Group companies	1,278.4	941.6	1,202.9
Trade receivables	-	0.3	-
Other receivables	1.3	0.8	1.3
Prepaid expenses and accrued income	14.7	2.8	2.8
Cash and cash equivalents	4.0	6.3	3.5
Total current assets	1,298.4	951.8	1,210.5
Total assets	3,888.8	2,794.7	3,273.8
Shareholders' equity			
Share capital	1.0	0.9	1.0
Share premium reserve	2,094.9	1,576.2	2,068.9
Retained earnings including profit/loss for the period	194.5	184.6	232.7
Total shareholder's equity	2,290.5	1,761.7	2,302.6
Liabilities			
Other long-term interest-bearing liabilities	1,351.6	761.0	841.7
Short-term liabilities to Group companies	3.7	6.5	3.0
Short-term liabilities	243.0	265.6	126.5
Total liabilities	1,598.4	1,033.1	971.2
Total equity and liabilities	3,888.8	2,794.7	3,273.8

NOTES

ACCOUNTING PRINCIPLES IN ACCORDANCE WITH IFRS

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

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

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

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

New and amended standards for the financial year 2023

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

NOTE 1 IMPORTANT ESTIMATES AND ASSUMPTIONS ON APPLICATION OF THE GROUP'S ACCOUNTING PRINCIPLES

Estimates and assumptions are continuously assessed based on historical experience and other factors, including expectations of future events considered reasonable under prevailing conditions. For more detailed information, please refer to Note 1 of the Annual Report 2022.

Valuation of financial assets and liabilities

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

Financial assets and liabilities in the balance sheet are reported at acquisition value, unless otherwise stated.

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

NOTE 2 SEGMENT REPORTING

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.

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

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM Sep 2023	Jan-Dec 2022
Net Sales (SEK m)						
Resource Efficiency	396.3	283.9	1,190.0	961.1	1,498.7	1 269,8
Special Infrastructure Solutions	808.9	572.9	2,260.0	1,526.6	2,968.8	2 235,4
Total Net Sales	1,205.2	856.8	3,449.9	2,487.7	4,467.5	3 505,2
Operating profit (SEK m)						
Resource Efficiency	82.3	54.5	239.4	195.2	290.7	246.5
Special Infrastructure Solutions	146.0	105.6	408.9	269.3	545.4	405.8
Segment total	228.3	160.1	648.3	464.5	836.1	652.3
Central units	5.9	16.2	-28.9	5.4	-45.4	-11.1
Total EBIT	234.2	176.5	619.2	469.9	790.5	641.2
Net financials	-63.8	-19.8	-146.3	-66.0	-184.7	-104.4
Profit before tax	170.5	156.8	473.1	403.9	606.0	536.8

Revenue from agreements with customers (SEK m)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM Sep 2023	Jan-Dec 2022
<i>Resource Efficiency</i>						
Products	270.3	185.1	824.4	682.8	1,000.5	858.9
Installation, direct	74.7	48.7	212.5	142.7	236.0	166.2
Installation, over time	2.2	6.0	13.1	18.4	81.5	86.8
Service, direct	34.4	28.5	104.5	83.6	118.1	97.2
Service, over time	7.3	9.9	20.6	19.6	43.2	42.2
Distribution	7.3	5.7	14.9	14.0	19.2	18.3
Sum Sales Resource Efficiency	396.3	283.9	1,190.0	961.1	1,498.7	1,269.8
<i>Special Infrastructure Solutions</i>						
Products	432.7	333.9	1,193.9	780.5	1,513.5	1100.1
Installation, direct	86.8	69.5	200.1	220.4	277.8	298.1
Installation, over time	66.8	46.2	196.6	154.6	264.3	222.3
Service, direct	188.0	120.0	571.3	333.8	746.5	509.0
Service, over time	30.3	0.1	86.0	28.8	152.2	95.0
Distribution	4.2	3.1	11.9	8.4	14.4	10.9
Sum Sales Special Infrastructure Solutions	808.9	572.9	2,260.0	1,526.6	2,968.8	2,235.4
<i>Sum Products</i>	<i>703.0</i>	<i>519.00</i>	<i>2,018.3</i>	<i>1,463.3</i>	<i>2,514.0</i>	<i>1,959.0</i>
<i>Sum Installation, direct</i>	<i>161.5</i>	<i>118.2</i>	<i>412.6</i>	<i>363.1</i>	<i>513.8</i>	<i>464.3</i>
<i>Sum Installation, over time</i>	<i>69.0</i>	<i>52.2</i>	<i>209.7</i>	<i>173.0</i>	<i>345.8</i>	<i>309.1</i>
<i>Sum Service, direct</i>	<i>222.4</i>	<i>148.5</i>	<i>675.8</i>	<i>417.4</i>	<i>864.6</i>	<i>606.2</i>
<i>Sum Service, over time</i>	<i>37.6</i>	<i>10.0</i>	<i>106.6</i>	<i>48.4</i>	<i>195.4</i>	<i>137.2</i>
<i>Sum Distribution</i>	<i>11.5</i>	<i>8.8</i>	<i>26.8</i>	<i>22.4</i>	<i>33.6</i>	<i>29.2</i>
Total sales	1,205.2	856.8	3,449.9	2,487.7	4,467.5	3,505.2
Other income (SEK m)						
Resource Efficiency	4.9	1.4	8.1	4.2	9.4	5.5
Special Infrastructure Solutions	-3.5	3.0	19.7	8.8	22.7	11.8
Business areas	1.4	4.4	27.8	13.3	32.1	17.3
Central units	24.2	29.0	25.9	62.1	26.5	62.6
Total	25.7	33.3	53.8	75.0	58.7	79.9

NOTE 3 FINANCIAL INCOME AND COST

(SEK m)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM Sep 2023	Jan-Dec 2022
<i>Financial income</i>						
Interest income	1.9	0.3	2.3	0.4	3.4	1.5
Net exchange gain	-	9.6	1.7	6.3	0.3	4.9
Other financial income	0.3	0.2	0.6	0.1	0.7	0.2
Total financial income	2.2	10.0	4.5	6.7	4.5	6.7
<i>Financial cost</i>						
Interest expense on financial liabilities to credit institutions	-45.3	-25.2	-111.5	-46.1	-138.7	-73.3
Discount rate for lease liabilities	-3.0	-1.4	-8.4	-3.5	-10.2	-5.3
Discount rate on contingent considerations	-9.3	-9.6	-27.6	-21.4	-36.1	-30.0
Exchange rate difference	-7.5	-	-	-	-	-
Other financial cost	-1.0	6.4	-3.4	-1.7	-4.1	-2.4
Total financial cost	-66.0	-29.7	-150.8	-72.7	-189.2	-111.1
Net financial cost	-63.9	-19.8	146.3	-66.0	-184.7	-104.4

The Group's net financial items consist of interest expenses divided into interest expenses relating to financial liabilities to credit institutions and bondholders as well as discount rates regarding leasing liabilities in accordance with IFRS 16 and contingent consideration. These conditional purchase considerations are classified as interest-bearing as they are presented at net present value, but they do not give rise to any actual interest payments that are charged to the Group's cash flow. It can be noted that a large part of these debt-charged contingent considerations, as a rule of thumb 40%, require an increase in profit compared to today's levels, in order to be paid out. In addition, the Group is affected by exchange rate differences regarding internal and external loans in foreign currency.

NOTE 4 GOODWILL

(SEK m)	30 Sep 2023	30 Sep 2022	31 Dec 2022
Opening balance	4,299.1	3,183.3	3,183.3
Acquisitions for the period	299.0	699.5	962.2
Adj. of preliminary acquisition analysis	21.6	12.8	12.8
Currency translation effects	151.4	89.8	140.7
Carrying amount at end of period	4,771.1	3,985.5	4,299.1

Compared to 31 December 2022 goodwill increased by SEK 472.0 million and amount to SEK 4,771.1 million as per September 30, 2023. Acquisitions made during January to September 2023 resulted in an increase in goodwill of SEK 299.0 million.

NOTE 5 INTEREST-BEARING LIABILITIES

(SEK m)	30 Sep 2023	30 Sep 2022	31 Dec 2022
Liabilities to credit institutions and bonds	2,434.3	2,150.8	1,931.3
Leases	351.5	180.8	286.4
Contingent consideration	1,006.6	1,004.4	1,098.3
Other non-current liabilities	3.0	1.9	1.5
Total non-current interest-bearing liabilities	3,795.4	3,337.9	3,317.6
Liabilities to credit institutions	38.8	11.7	13.0
Leases	96.5	71.4	87.1
Contingent consideration	218.8	257.0	167.7
Other current liabilities	0.5	0.5	0.5
Total current interest-bearing liabilities	354.6	340.6	268.4

Contingent consideration payments refer to various types of obligations to the selling party that are linked to conditions based on the acquired company's results for a specific period after the acquisition. The contingent purchase prices are classified as Level 3 in the fair value hierarchy. The liabilities are reported at the present value of the expected outcome based on the assessed fair value at the balance sheet date based on outcomes and future forecast, and largely requires an increase in profit compared to today's levels, in order to have to be paid out.

Contingent consideration (SEK m)	30 Sep 2023	30 Sep 2022	31 Dec 2022
Opening balance	1,266.0	1,131.4	1,131.4
Acquisitions	84.6	361.7	476.9
Paid purchase considerations relating previous acquisitions	-170.6	-219.6	-356.1
Interest expenses (discount effect due to present value calculation)	27.6	21.4	30.0
Revaluation via operating profit	-24.3	-61.1	-61.6
Exchange differences	42.1	27.6	45.5
Carrying amount at period end	1,225.4	1,261.5	1,266.0

Revaluation of liabilities regarding contingent consideration resulted in a cost of SEK -2.6 million (22.4) during the year. The contingent consideration is recognized in accordance with IFRS at the present value of estimated fair value based on the remaining maturity and expected outcome.

As of the balance sheet date, the discount rate has been adjusted from three to four percentage points, resulting in a reduction in liability of SEK 26.9 million (38.0) for the period. Adjustment of the discount rate occurs as the Group's borrowing rate has been raised, due to the increased policy rate.

Repayment periods, contractual values (non-discounted)	Year 2023	Year 2024-2025	Year 2026-2028	After year 2028
As of 30 September 2023 (SEK m)				
Contingent consideration	55.3	588.8	546.8	133.9

NOTE 6 BUSINESS ACQUISITIONS

PRELIMINARY ACQUISITION ANALYSIS, regarding acquisitions during January to September 2023 (SEK m)			
	HeatWork AS¹	Kemi-tech ApS²	Sum
Intangible non-current assets	20.2	-	20.2
Tangible non-current assets	10.8	1.5	12.3
Right of use assets	47.9	4.8	52.7
Other fixed assets	0.1	0.5	0.6
Inventories and work in progress	56.5	4.0	60.5
Cash and cash equivalents	20.2	5.4	25.6
Trade receivables ³	14.0	10.0	24.0
Other current assets	7.5	0.6	8.1
Deferred tax	0.2	-	0.2
Other non-current liabilities	-62.3	-1.8	-64.1
Current tax liability	-3.4	-	-3.4
Other current liabilities	-29.2	-30.1	-59.3
Net identifiable assets and liabilities	82.5	-5.1	77.4
Consolidated goodwill	113.5	185.8	299.0
Brand and trademarks	30.8	12.5	43.3
Customer relations	19.5	52.4	71.9
IP rights	-	27.5	27.5
Deferred tax liabilities	-11.1	-17.6	-28.7
Total estimated purchase price	235.2	255.2	490.4
Cash and cash equivalents	189.0	216.8	405.8
Contingent consideration	46.2	38.4	84.6
Total remuneration	235.2	255.2	490.4
Liquidity impact on the Group	HeatWork AS¹	Kemi-tech ApS²	Sum
Cash and cash equivalents acquired	20.2	5.4	25.6
Remuneration transferred	-189.0	-216.8	-405.8
Total cash impact	-168.8	-211.4	-380.2
Other information⁴	HeatWork AS¹	Kemi-tech ApS²	Sum
Run rate, turnover	119.4	58.5	177.9
Run rate profit before tax	24.1	25.6	49.7
Contribution of the acquired entities to Group turnover and profit (SEK million)	HeatWork AS¹	Kemi-tech ApS²	Sum
Acquired units' contribution to the Group's turnover	41.5	14.8	56.3
Acquired units' contribution to the Group's profit before tax	0.5	6.9	7.3
Where of:			
Transaction costs	-2.5	-3.0	-5.6
Amortisation and impairment of intangible assets	-1.7	-0.9	-2.6

¹⁾ HeatWork AS with subsidiaries

²⁾ Kemi-tech A/S with subsidiary

³⁾ The receivables are measured at fair value no provision for bad debts is recognized

⁴⁾ Run rate is based on sales and operating profit before tax, on a 12-month basis, at the time of acquisition. For foreign acquisitions, the result has been recalculated based on the price at the time of acquisition.

Acquisition accounting

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

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

Acquisition-related expenses, known as transaction costs, are expensed as incurred. These costs, together with costs for divestments, are recognized in the income statement under the item "Other external costs". Acquisition and divestment costs for the period January to September 2023 amounted to SEK 7.5 million (15.7), see also page Alternative performance measures.

Description of acquisitions during the period January – September 2023

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

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

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

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

If the acquired units for the year had been consolidated as of January 1, 2023, net sales for the period January to September would have amounted to approximately SEK 3,548 million and EBITA* would have amounted to approximately SEK 692 million.

NOTE 7 DIVIDENDS

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

COMPANIES PER BUSINESS AREA

RESOURCE EFFICIENCY

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

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

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

SPECIAL INFRASTRUCTURE SOLUTIONS

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

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

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

DEFINITIONS ALTERNATIVE PERFORMANCE MEASURES

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

EBITA*	<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>
EBITA*-margin	EBITA* in relation to net sales.
EBITDA	Operating profit before depreciation and impairment losses.
EBITA	<p>Operating profit after depreciation and amortisation of tangible fixed assets before impairment.</p> <p>The key figure enables comparisons of profitability over time regardless of amortisation and impairment of acquisition-related intangible assets and independent of the corporate tax rate and the company's financing structure. That said, depreciation of tangible assets is included, which is a measure of the consumption of resources necessary to generate earnings.</p>
Financial net debt/EBITDA	<p>Calculated as average net financial debt to credit institutions and other financial liabilities for the past four quarters, in relation to EBITDA for the past four quarters. Financial net debt includes current and non-current interest-bearing liabilities less cash and cash equivalents but excluding debt related to the contingent consideration payments for acquisitions and lease liabilities (which is largely made up of discounted office leases).</p> <p>Sdipotech uses the average debt for the last four quarters, compared to reported EBITDA, as Sdipotech is an acquiring group whose debt increases in absolute terms as new companies are acquired. The acquired profit rolls in gradually during these quarters and therefore Sdipotech believes that it is the most accurate way to compare this profit against an average debt.</p>
Net debt /EBITDA	Average net debt for the last four quarters (see above), in relation to EBITDA for the last four quarters. Net debt includes current and non-current interest-bearing liabilities less cash and cash equivalents. Parts of the interest-bearing liabilities are related to the contingent consideration for acquisitions, which is settled at the end of the vesting periods depending on performance during these periods. A payment of the full current book value requires a higher level of earnings than the current level.
Capital employed	Calculated as average shareholders' equity and interest-bearing net debt for the past four quarters less cash and cash equivalents and short-term investments.
Return on capital employed	Calculated as EBITA for the last four quarters at the relevant closing date, in relation to the average capital employed for the last four quarters at the closing date.
Return on equity	Calculated as the average profit after tax attributable to shareholders, adjusted for dividends to preference shares, for the last four quarters, in relation to the average equity attributable to shareholders adjusted for preference capital for the last four quarters at the balance sheet date.
Cash flow generation	Calculated as cash flow from continuing operations in relation to profit before tax adjusted for non-cash items.
Earnings per ordinary share (number share per end of period)	Calculated as profit after tax attributable to the Parent Company's shareholders less dividends to preference shareholders divided by the number of ordinary shares per the end of the period.

ALTERNATIVE PERFORMANCE MEASURES

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

EBITA*

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

Acquisition and divestment costs, which mainly relate to external consultants, are expensed during the periods in which they arise, and the services are performed.

Adjustment items for EBITA*

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

Acquisition costs (SEK m)	Q1	Q2	Q3	Q4	Total
2023	-1.6	-1.8	-4.1	-	-7.5
2022	-3.9	-10.6	-1.2	-6.5	-22.2
2021	-15.3	-1.9	-5.5	-3.7	-26.4

Adjustment of liability for earnouts (SEK m)	Q1	Q2	Q3	Q4	Total
2023	-2.7	-0.1	27.1	-	24.3
2022	-5.8	38.0	28.9	0.5	61.6
2021	-2.5	-	-0.7	-39.8	-43.0

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

For acquisitions, part of the purchase price is allocated to goodwill and amortisable intangible assets, also see Note 4. The heading "Amortisation and write-downs of intangible fixed assets" includes any write-downs of goodwill. Amortisation, which is a result of 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)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM Sep 2023	Jan-Dec 2022
EBITA*	234.9	170.8	668.7	475.5	864.3	671.1
Adjustment of liability for earnouts	27.1	28.9	24.3	61.1	24.8	61.6
Acquisition and divestment cost	-4.1	-1.2	-7.5	-15.7	-14.0	-22.2
Adjustment of previous years, not material	-	-4.4	-	-4.4	-	-4.4
Of which non-acquisition-related amortization and write-downs of intangible fixed assets	12.3	5.4	27.1	15.1	34.3	22.3
EBITA	270.1	199.6	712.6	531.6	909.4	728.6
Non-acquisition-related amortization and write-downs of intangible fixed assets	-12.3	-5.4	-27.1	-15.1	-34.3	-22.3
Acquisition-related amortization and write-downs of intangible fixed assets	-23.6	-17.7	-66.1	-46.6	-84.6	-65.1
EBIT	234.2	176.5	619.4	469.9	790.7	641.2

EBITA*-margin

EBITA* in relation to Net Sales

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM Sep 2023	Jan-Dec 2022
EBITA* in relation to Net Sales (SEK m)						
EBITA*	234.9	170.8	668.7	475.5	864.3	671.1
Net Sales	1,205.2	856.8	3,449.9	2,487.7	4,467.4	3,505.2
EBITA* margin %	19.5	19.9	19.4	19.1	19.3	19.1

EBITDA

Operating profit before depreciation and impairment losses.

	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM Sep 2023	Jan-Dec 2022
EBITDA (SEK m)						
Operating profit	234.4	176.5	619.4	469.9	790.7	641.2
Depreciation and amortisation of tangible non-current assets	49.8	35.9	132.0	91.5	170.2	129.7
Depreciation and amortisation of intangible non-current assets	35.9	23.1	93.2	61.7	118.9	87.4
EBITDA	320.1	235.5	844.6	623.1	1,079.8	858.3

Financial net debt/EBITDA

Calculated as average financial net debt to credit institutions and other financial debt for the past four quarters, in relation to EBITDA for the past four quarters. Financial net debt 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 and financial leases.

Average interest-bearing financial net debt (SEK m)	Average	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Interest-bearing financial debt	2,229.3	2,473.1	2,310.3	2,189.3	1,944.3
Cash and cash equivalents	-418.3	-479.6	-408.0	-402.3	-383.2
Interest-bearing financial net debt	1,811.0	1,993.5	1,902.3	1,787.1	1,561.1

Average Financial net debt in relation to EBITDA (SEK m)	LTM Sep 2023	LTM Sep 2022	Full year 2022
Interest-bearing financial net debt	1,811.0	1,344.9	1,535.7
EBITDA	1,079.8	748.0	858.3
Financial net debt/EBITDA	1.68	1.80	1.79

Net debt/EBITDA

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

Average interest-bearing net debt (SEK m)	Average	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Interest-bearing liabilities	3,896.6	4,150.1	3,958.4	3,891.9	3,585.9
Cash and cash equivalents	-418.3	-479.6	-408.0	-402.3	-383.2
Interest-bearing net debt	3,478.3	3,670.4	3,550.3	3,489.6	3,202.7

Average net debt in relation to EBITDA (SEK m)	LTM Sep 2023	LTM Sep 2022	Full year 2022
Interest-bearing net debt	3,478.3	2,776.7	3,045.6
EBITDA	1,079.8	748.0	858.3
Net debt/EBITDA	3.22	3.71	3.55

Capital employed

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

Average capital employed (SEK m)	Average	Q3 2023	Q2 2023	Q1 2023	Q4 2022
Interest-bearing net debt	3,478.3	3,670.4	3,550.3	3,489.6	3,202.7
Shareholders' equity	3,765.5	3,963.5	3,918.0	3,658.5	3,521.9
Capital employed	7,243.8	7,633.9	7,468.3	7,148.2	6,724.7

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 Sep 2023	LTM Sep 2022	Full year 2022
EBITA	909.4	631.0	728.6
Capital employed	7,243.8	5,478.9	5,995.9
Return on capital employed %	12.6	11.5	12.2

Return on equity

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

Average adjusted net profit in relation to average equity (SEK m)	LTM Sep 2023	LTM Sep 2022	Full year 2022
Profit after tax, adjusted	445.5	352.8	413.1
Equity	3,585.5	2,521.9	2,770.1
Return on capital employed %	12.4	14.0	14.9

Cash flow generation

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

Cash flow generation %	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM Sep 2023	Jan-Dec 2022
EBT	170.5	156.8	473.1	403.9	606.0	536.8
Adjustment for items not included in cash flow	102.9	38.3	224.1	101.5	294.2	171.6
Adjusted EBT	273.4	195.1	697.2	505.4	900.2	708.4
Cash flow from continuing operations	256.2	114.7	421.1	363.2	622.5	564.6
Cash flow generation %	93.7	58.8	60.4	71.9	69.2	79.7

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

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

Earnings per ordinary share (SEK m)	Jul-Sep 2023	Jul-Sep 2022	Jan-Sep 2023	Jan-Sep 2022	LTM Sep 2023	Jan-Dec 2022
Profit/loss attributable to Parent Company's shareholders	131.5	126.2	352.8	320.3	459.6	427.1
Dividend paid to preference shareholders	-3.5	-3.5	-10.5	-10.5	-14.0	-14.0
Profit/loss attributable to Parent Company's shareholders	128.0	122.7	342.3	309.8	445.6	413.1
Number of ordinary shares outstanding (thousand)	37,992	35,601	37,992	35,601	37,992	37,801
Earnings per ordinary share	3.37	3.45	9.01	8.70	11.73	10.93

STOCKHOLM 27 OCTOBER 2023

Jakob Holm
President and CEO

This interim report has been the subject of a review by the company's auditors.



Auditor's report

Sdipotech AB (publ) org nr 556672-4893

Introduction

We have reviewed the condensed interim financial information (interim report) of Sdipotech AB (publ) as of 30 September 2023 and the nine-month period then ended. The board of directors and the CEO are responsible for the preparation and presentation of the interim financial information in accordance with IAS 34 and the Swedish Annual Accounts Act. Our responsibility is to express a conclusion on this interim report based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements ISRE 2410, Review of Interim Report Performed by the Independent Auditor of the Entity. A review consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, ISA, and other generally accepted auditing standards in Sweden. The procedures performed in a review do not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim report is not prepared, in all material respects, in accordance with IAS 34 and the Swedish Annual Accounts Act, regarding the Group, and with the Swedish Annual Accounts Act, regarding the Parent Company.

Stockholm, 27 October 2023

Öhrlings PricewaterhouseCoopers AB

Anna Rosendal

Authorized Public Accountant

Auditor-in-charge

Andreas Skogh

Authorized Public Accountant



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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 27 October 2023 at 08.00 CEST.

UPCOMING REPORTS

Year-end report for för 2023	9 February 2024
Interim report January - March 2024	25 April 2024
Annual General Meeting	22 May 2024
Interim report April – June 2024	19 July 2024
Interim report July - September 2024	25 October 2024
Year-end report for för 2024	11 February 2025

Payment of dividends to preference shareholders

For each preference share, an annual dividend of SEK 8.00 is paid, divided into four quarterly payments of SEK 2.00 each. The record dates for receipt of dividends of preference shares until next annual general meeting are:

- 15 December 2023
- 15 March 2024