



Year-end Report 2021

JANUARY – DECEMBER



SELECTED FINANCIAL INFORMATION

Period - 2021	Net sales	EBITA*	EBIT	Earnings for the period after tax	Earnings ¹⁾ per ordinary share after dilution
October - December	749.1 MSEK (604.3)	153.2 MSEK (100.8)	82.7 MSEK (77.1)	47.0 MSEK (43.0)	1.21 Kr (1.05)
January - December	2,718.9 MSEK (2,088.0)	509.3 MSEK (347.3)	364.4 MSEK (310.5)	246.9 MSEK (220.2)	6.55 Kr (6.18)

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

FOURTH QUARTER 2021

- Net sales increased by 24.0% to SEK 749.1 million (604.3). In total for the Group, organic sales growth was 13.3%, excluding currency effects.
- Operating profit EBITA* increased by 52.0% to SEK 153.2 million (100.8), corresponding to an EBITA* margin of 20.5% (16.7). Organic EBITA* growth for the Group was 34.9%, excluding currency effects.
- Operating profit, EBIT, increased by 7.3% and amounted to SEK 82.7 million (77.1). The profit for the period included a cost for increase of the debt provision for future contingent consideration payments of SEK 39.8 million (13.5), which is a result of good profit development in several units.
- Profit after tax for the Group amounted to SEK 47.0 million (43.0) during the period, of which 46.7 million (39.4) was attributable to the Parent Company's shareholders.
- Cash flow from operating activities amounted to SEK 138.9 million (154.4), corresponding to a cash conversion of 92% (137).
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 1.22 (1.07). After dilution, earnings per ordinary share amounted to SEK 1.21 (1.05).
- On 13 October, Sdiptech acquired 85 percent of the shares in Certus Technologies Holding B.V. The acquisition is the Group's first business unit in the Netherlands.
- Operating profit EBITA* increased by 46.7% to SEK 509.3 million (347.3), equivalent to an EBITA* margin of 18.7% (16.6). Organic EBITA* growth for the Group was 8.1%, excluding currency effects.
- Operating profit, EBIT, increased by 17.4% and amounted to SEK 364.4 million (310.5). The profit for the year included a cost for increase of the debt provision for future contingent consideration payments of SEK 43.0 million (13.5). Costs for major acquisitions, in the UK with related stamp duty, and costs for divestments amounted to SEK 26.4 million (9.6). Divestments during the period also resulted in a recognised capital loss of SEK 31.4 million (0).
- Profit after tax for the Group amounted to SEK 246.9 million (220.2) during the period, of which 245.9 million (214.6) was attributable to the Parent Company's shareholders.
- Cash flow from operating activities amounted to SEK 385.3 million (450.8), corresponding to a cash conversion of 71% (109). Due to high profits and deferred tax during 2020, more tax than normal was paid in 2021. As a result of strong sales, trade receivables also increased. In addition, inventory was built as a preventive measure in order to meet possible component shortages.
- Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 6.62 (6.24). After dilution, earnings per ordinary share amounted to SEK 6.55 (6.18). The previous year's net profit included a capital gain of SEK 0.84 per share from previous divestments.

EVENTS AFTER REPORTING DATE

- On 31 January 2022, Sdiptech acquired all shares in Agrosistemi Srl. The acquisition is the Group's first business unit in Italy.
- During the period January to December, the acquisitions were completed of all shares in Rolec Services Ltd and One Stop Europe Ltd (Rolec), Ficon Oy and Wake Power Distribution Ltd (IDE Systems) as well as 85 percent of the shares in Certus Technologies Holding B.V. (Certus).
- During the period January to December, divestments of Tello Service Partner as well as the Swedish and the Austrian elevator businesses were completed. All units belonged to the Property Technical Services business unit.

JANUARY - DECEMBER 2021

- Net sales increased by 30.2% to SEK 2,718.9 million (2,088.0). In total for the Group, organic sales growth was 10.7%, excluding currency effects.

KEY RATIOS (for definitions, please refer to page 25)

(SEK million)	3 months		12 months	
	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
EBITA* margin	20.5%	16.7%	18.7%	16.6%
Financial net debt/EBITDA, multiple	1.20	0.84	1.20	0.84
Return on capital employed	10.0%	12.1%	10.0%	12.1%
Return on equity	10.3%	14.3%	10.3%	14.3%
Cash flow generation	92%	137%	71%	109%

) EBITA is the Group's operating profit and corresponds to EBITA before acquisition costs, divestment costs and income from remeasurement of contingent consideration payments and before acquisition-related amortisation and write-downs of intangible assets and items affecting comparability such as income from divestments, also see page 8.



COMMENTS BY THE CEO

STRONG ORGANIC GROWTH AND GOOD OUTLOOK

We can summarize another record year for Sdiptech. High organic growth, strong profitability, a greater acquisition rate and key investments for the future. The Group has once again met all its financial targets, despite challenges in society and the economy.

THE YEAR – High demand and key investments

The pandemic continued to affect the society during 2021. Despite this, we have delivered very well in several of the measured metrics:

- Net sales increased by 30.2%, of which 10.7 was organic.
- EBITA* rose by 46.7%, of which 8.1 percent was organic.
- The EBITA* margin strengthened by two percentage points to 18.7%.
- We raised our acquisition target to SEK 120–150 million and reached SEK 158 million in acquired profit already during 2021.

The background, first and foremost, is that demand from our customers is stable and growing. Our products meet critical needs in the infrastructure segment, which gives a priority among both customers and suppliers when challenges arise with material shortages or supply of goods. This provides us a security in the continued work.

In 2021, we carried out a number of key investments for the future: strategic divestments in the PTS business area, we raised the bar for our sustainability work, advanced to Nasdaq Stockholm Large Cap, as well as the establishment of Italy and the Netherlands as new acquisition markets.

When we sum up the year, it is justified to note the effect that the divestments have had on the Group's earnings per share (EPS). The divestments are a result of the multi-year and now completed refinement towards becoming an infrastructure group. In 2021, EPS was charged with non-recurring costs equivalent to SEK -1.04 per share. During 2020, conversely, the Group reported a capital gain from a previous divestment of SEK +0.84 per share. Adjusted for these non-recurring effects, EPS for the year amounted to SEK 7.63 (5.34), corresponding to a 43% increase.

FOURTH QUARTER – Very strong end of the year

The final three-month period of the year showed continued high demand and we were able to catch up most of the deliveries that's been postponed during the year. This has contributed to sales growth of 24.0%, of which 13.3 was organic.

EBITA* rose by 52.0%, of which a total of 34.9% was organic. The high organic profit growth mainly originated to the fact that we were able to catch up with postponed projects in several of our comparable units. Thanks to our scalable business models, the temporary sales increase has a clear impact on profit.

Profitability during the quarter was very good and the EBITA* margin amounted to 20.5%. Meanwhile, our customers in container ports needed to defer a few bigger deliveries, as they are still focusing on meeting strong increases in volume. This has resulted in that we can present a margin of 18.7% for the full year, just below our guidance of 19–20%.

ACQUISITIONS – Breaking new ground in the Netherlands and Italy

In the middle of October, our first business unit in the Netherlands, Certus Automation was acquired. The company is a global supplier of automation solutions for port and terminal logistics. The products consist of proprietary software for image processing, for automated identification, registration and positioning of containers and vehicles. The company thereby improves safety by limiting the need for hazardous human intervention and reduces emissions by optimising truck- and ship flows, thus contributing to the UN's Sustainable Development Goals 8.8 and 9.4.

In late January 2022, after the end of the period, Agrosistemi was also acquired, which is our first business unit in Italy. Agrosistemi has over 20 years of experience in treatment and recovery of biological sludge originating from municipal wastewater. Through a proprietary treatment process used to clear sludge from harmful substances and turning it into high quality organic fertilizer products, Agrosistemi contributes to the Sustainable Development Goals 2.4, 9.4, 11.6 and 15.3.

OUTLOOK – Strength and clear ambitions going forward

The organic profit development during the past three years has amounted to 8, 11 and 8%. A strong result and a confirmation of Sdiptech's resilience to external events. This resilience is supported by several pillars:

- Infrastructure as a market creates solid and long-term demand. Our products are necessary for our customers in all economic cycles.
- A decentralised structure with skilled leaders of our business units enables fast and effective decisions.
- Our acquisition strategy is based on quality over quantity. Niche companies in profitable positions are acquired, and we aim to build long-term strength rather than short-term growth.
- With an acquisition focus on infrastructure, new companies add complementary technology and customer segments. Value creation in a cohesive group grows for every year.

Our growth journey is clear, as well as our future ambitions. In addition to increased growth targets and key investments, we have also broadened our search area within infrastructure. We are now ready to expand the Water & Energy business area, to Resource Efficiency, which in addition to water and energy, also includes bioeconomy, the circularity, waste management and recycling.

Looking ahead, we estimate that the profit improvement should establish at a level of around 20% in EBITA* margin for the Group.

Our order intake is still strong. However, the high spread of Omicron early in the year has resulted in increased absence due to illness, both within the Group and among our customers and suppliers. This can lead to delays in deliveries. At the same time, we already see an easing of restrictions in several of the countries that were affected by Omicron early on. We therefore feel positive about the future.

To sum up, it has been a very good and important year for Sdiptech, and several important milestones were achieved. With clear goals and ambitions, we are well-prepared for the new year.



Jakob Holm
CEO, Sdiptech AB (publ.)

OVERVIEW OF OPERATIONS

FINANCIAL PERFORMANCE OF THE GROUP

OCTOBER - DECEMBER

Net sales

Net sales amounted to SEK 749.1 million (604.3) during the period. Sales in comparable units, i.e. companies that have been part of the Group for more than 12 months and to the extent that they have been in the Group the previous year, amounted to SEK 541.6 million (475.7), which corresponded to an organic change of 13.3% for the period, excluding currency effects. Non-comparable units contributed SEK 207.4 million (128.6) to net sales for the period. Also see Business areas, page 6, for more detailed information.

Earnings

Operating profit, EBIT, amounted to SEK 82.7 million (77.1) during the quarter.

Operating profit EBITA* amounted to SEK 153.2 million (100.8) in total for the Group, corresponding to an EBITA* margin of 20.4 (16.7).

EBITA* in comparable units, amounted to SEK 130.1 million (95.9), which corresponded to an organic increase of 34.9%, excluding currency effects. The business areas Water & Energy and Special Infrastructure Solutions reported a positive development, which resulted in a strong overall increase in EBITA* growth. Non-comparable units, contributed SEK 38.3 million (17.9) to the profit for the period.

Acquisition and divestment costs amounted to SEK 3.7 million (5.2) in connection with acquisition activities during the period.

Costs for increase of the debt provision for future contingent consideration payments amounted to SEK 39.8 million (13.5) in the period. This is because the profit development in many of the units has been more positive than expected, which means that the value of the earnouts to be paid out in the future has increased. This procedure is in line with the IFRS rules and reflects the dynamic model for measurement of future earnings that the company applies.

Depreciation and amortisation of property, plant and equipment and intangible fixed assets amounted to SEK -42.2 million (-30.8), of which amortisation of acquisition-related intangible fixed assets amounted to SEK -12.6 million (-5.1).

Net financial items consist of exchange rate differences of SEK -5.2 million (-6.6) and SEK -12.9 million (-5.4) in interest expense, of which discount rates relating to contingent considerations of SEK -3.4 million (-1.7). Other financial expenses amounted to SEK -0.6 million (-0.5). For more information, see Note 3.

Profit after tax increased by 9.3% and amounted to SEK 47.0 million (43.0). Earnings per ordinary share (average number), less minority interests and dividends on preference shares, amounted to SEK 1.22 (1.07). After dilution, earnings per ordinary share amounted to SEK 1.21 (1.05)

Acquisitions during the period

On 13 October, Sdipotech acquired 85 percent of the shares in Certus Technologies Holding B.V.



The company generates annual sales of EUR 19 million with a pre-tax profit of EUR 5 million and is a global provider of solutions for automation in ports, terminals and logistics distribution centres. Certus is Sdipotech's first company in the Netherlands and adds important and complementary technology and customer segments to Sdipotech's transportation business.

The company is part of the Special Infrastructure Solutions business area as of October 2021.

JANUARY - DECEMBER

Net sales

Net sales amounted to SEK 2,718.9 million (2,088.0) for the full-year 2021. Net Sales in comparable units, i.e. companies that have been part of the Group for more than 12 months and to the extent that they have been in the Group the previous year, amounted to SEK 1,812.4 million (1,643.9), which corresponded to an organic change of 10.7% for the period, excluding currency effects. Non-comparable units contributed SEK 906.5 million (444.0) to net sales for the period.

Earnings

Operating profit, EBIT, amounted to SEK 364.4 million (310.5). Earnings were impacted, among other things, by a recognised capital loss of SEK -31 million net from divestments for the period.

Operating profit EBITA* amounted to SEK 509.3 million (347.3) in total for the Group, corresponding to an EBITA* margin of 18.7 (16.6).

EBITA* in comparable units, amounted to SEK 380.1 million (352.5), which corresponded to an organic increase of 8.1%, excluding currency effects. Non-comparable units, contributed SEK 183.3 million (33.9) to the profit for the period.

Acquisition and divestment costs during the financial year amounted to SEK 26.4 million (9.6) in connection with acquisition activities and strategic divestments of most units belonging to the Property Technical Services business area. Stamp duty for acquisitions in the UK, which was charged to earnings during the period, of SEK 6.8 million (2.4) in total, is included in this cost.

Costs for increase of the debt provision for future contingent consideration payments amounted to SEK 43.0 million (13.5) in the period.

Depreciation and amortisation of property, plant and equipment and intangible fixed assets amounted to SEK -141.6 million (-92.5), of which amortisation of acquisition-related intangible fixed assets amounted to SEK -40.6 million (-13.8). Amortisation attributable to intangible assets increases in line with increased intangible assets being identified in connection with acquisitions.

Net financial items consist of exchange rate differences of SEK 11.4 million (-17.4) and SEK -47.4 million (-30.2) in interest expense, of which discount rates relating to contingent consideration payments of SEK -17.3 million (-10.1). Other financial expenses amounted to SEK -3.8 million (-5.7). For more information, see Note 3.

Profit after tax increased by 12.1% and amounted to SEK 246.9 million (220.2), corresponding to earnings per ordinary share (average number), less minority interests and dividends on preference shares of SEK 6.62 (6.24). After dilution, earnings

per ordinary share amounted to SEK 6.55 (6.18) for the financial year. The previous year's net profit included a capital gain of SEK 0.84 per share from previous divestments.

A directed share issue totalling approximately SEK 464 million, after 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 diversify the shareholder base.

Acquisitions during the financial year

Apart from the acquisition of Certus Technologies Holding B.V. on 19 February 2021, Sdipotech 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 annual sales of approximately GBP 23 million and an operating profit before tax of approximately GBP 7 million. Rolec is part of the Water & Energy business area as of February 2021

On 4 June, Sdipotech acquired all the shares in Ficon Oy. Ficon specialises in hydraulic products for snow and ice clearing of roads and land in Finland. Ficon is an additional acquisition to Hilltip Oy. Ficon generates annual sales of approximately EUR 1.8 million with good profitability. The company is part of the Special Infrastructure Solutions business area as of June 2021.

On 3 September, Sdipotech acquired all shares in Wake Power Distribution Ltd, owner of IDE Systems and IDE Rental (IDE), which is specialised in temporary power distribution and monitoring systems in the UK. IDE has annual sales of approximately GBP 8.0 million and an operating profit before tax of approximately GBP 1.9 million.

Divestments during the financial year.

During the year, Sdipotech divested the Swedish and Austrian elevator businesses, as well as the company's roof renovation operations. Read more about this on page 24. All these business units were part of the company's business area Property Technical Services. As a consequence of this, a re-organization has been carried out, which has resulted in the remaining operations in the former Property Technical Services segment being reported under Special Infrastructure Solutions as of the third quarter of 2021.

Comparative figures for previous periods present the two former segments, Property Technical Services and Special Infrastructure Solutions, as if they were historically one unit.

Pro forma figures for the six quarters prior to the re-organisation, as from the first quarter of 2020 up to the second quarter of 2021, are presented separately, see page 29–30.

Group EBITA* (SEK m)	Oct - Dec 2021	Oct - Dec 2020 ¹	Jan - Dec 2021 ¹	Jan - Dec 2020 ¹
Water & Energy	74.8	34.7	249.6	127.8
Special Infrastructure Solutions	93.5	79.0	313.8	257.4
Business areas	168.3	113.8	563.4	385.2
Central units	-15.1	-13.0	-54.1	-37.9
Total	153.2	100.8	509.3	347.3

¹ Previous year's figures have been recalculated as a result of the re-organization of the Property Technical Services and Special Infrastructure Solutions segments.

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 these areas in particular. Until the third quarter of 2021, the business was divided into three business areas: Water & Energy, Special Infrastructure Solutions and Property Technical Services.

During the first six months of the financial year, seven out of a total of nine units in the Property Technical Services business area were divested, whereupon a re-organisation resulted in the remaining operations in the former Property Technical segment being reported under Special Infrastructure Solutions as of the third quarter of 2021. Comparative periods are presented as if both segments were one unit. Pro forma figures for the last six reported quarters prior to the re-organisation, from the first quarter of 2020 up until the second quarter of 2021, are presented separately according to the new segment structure, see page 29-30.

For a description of the business areas' operations and which companies are included in each business area, see Description Business areas, page 23-24.

WATER & ENERGY

Comments on the financial performance:

The business area's sales increased by 82.8% for the quarter to SEK 301.3 million (164.8) compared to the previous year. The increased sales were mainly due to strong sales within the recently acquired Rolec and IDE units, but also to good growth in most companies in the business area.

EBITA* for the quarter increased by 114.9% to SEK 74.8 million (34.7) attributable mainly to strong profits in the acquired units

but also to positive contributions from most other companies in the business area.

The EBITA* margin during the quarter increased to 24.8% (21.1) due to strong margins in both newly acquired and comparable units. This increase occurred even though in the fourth quarter of last year we operated with strict cost control, and thus good margins, during the uncertainty brought about by the pandemic

Water & Energy (SEK m)	Oct - Dec 2021	Oct - Dec 2020	Jan - Dec 2021	Jan - Dec 2020
Net sales	301.3	164.8	1 028.2	615.5
EBITA*	74.8	34.7	249.6	127.8
EBITA* margin %	24.8%	21.1%	24.3%	20.8%

SPECIAL INFRASTRUCTURE SOLUTIONS

Comments on the financial performance:

As a result of the divestments in the Property Technical Services business area, a re-organization has resulted in the segment's remaining operations as of the third quarter of 2021 being reported under Special Infrastructure Solutions, also see previous sections on page 5-6.

Comments on the financial performance:

The business area's sales in the quarter increased by 1.9% to SEK 447.7 million (439.5). Most of the business units reported continued good sales growth during the quarter, while some units experienced lower sales than expected due to deferred orders from customers as a result of delayed supply of goods from third parties and/or Covid-19-related restrictions in

resources. In particular, the Group's business unit in automation of container ports was affected by this.

EBITA* for the quarter increased by 18.4% to SEK 93.5 million (79.0) attributable to a higher EBITA* margin in the quarter.

The EBITA* margin increased during the quarter to 20.9% (18.0), mainly due to the fact that businesses with good margins increased their share of the business area's sales, and also that companies reflected the increased prices for inputs in their price level to end customers.

Special Infrastructure Solutions (SEK m)	Oct - Dec 2021	Oct - Dec 2020 ¹	Jan - Dec 2021 ¹	Jan - Dec 2020 ¹
Net sales	447.7	439.5	1 690.7	1,472.6
EBITA*	93.5	79.0	313.8	257.4
EBITA* margin %	20.9%	18.0%	18.6%	17.5%

¹ Previous year's figures have been recalculated as a result of the re-organization of the Property Technical Services and Special Infrastructure Solutions segments.

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.

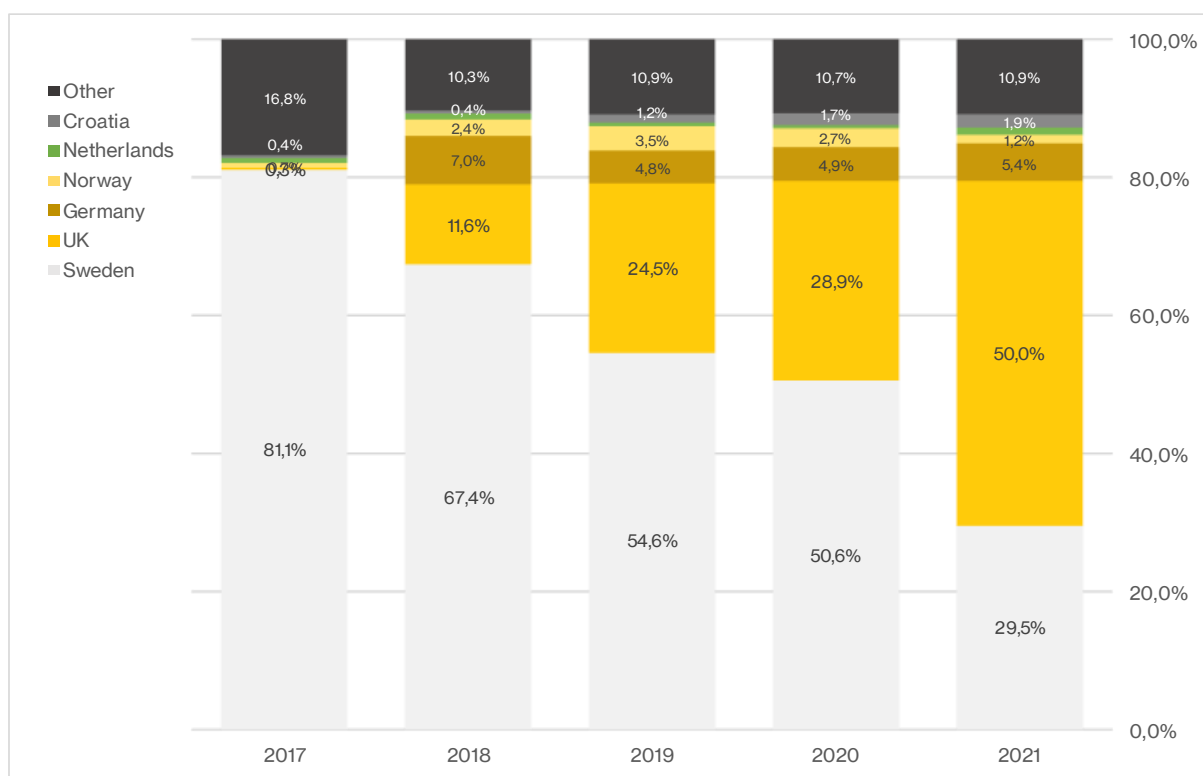
Comment:

EBITA* was SEK -15.1 million (-13.0) for the quarter. The increased cost in the quarter mainly consists of costs relating to advisory services for financing and acquisition-related work. For the full-year, the increase also consisted of increased staffing within the company's acquisition team and business unit management, as well as costs related to the company's listing on Nasdaq Stockholm, Large Cap segment.

Group-wide functions and eliminations (SEK m)	Oct - Dec 2021	Oct - Dec 2020	Jan - Dec 2021	Jan -Dec 2020
EBITA*	-15.1	-13,0	-54,1	-37.9

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) and recently also in the Netherlands. 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 costs and before amortisation and write-downs of intangible fixed assets that arose in connection with acquisitions as well as before remeasurements of contingent consideration payments and write-downs of goodwill. Amortisation and write-downs of intangible assets that are not acquisition-related but derive from the operating units' intangible assets are not reversed. During the period January to September 2021, costs related to divestments of operations have also arisen, including capital gains/losses, which are recognised as other expenses. Apart from this, items affecting comparability relating to non-material adjustments of previous years' net profit in subsidiaries have been highlighted.

Acquisition and divestment costs, which mainly relate to external consultants, are expensed during the periods in which they arise, and the services are performed. During the period January to December 2021, stamp duty of SEK 6.8 million (2.4), which is a non-recurring cost, has also been charged to the period's earnings for the acquisitions of Rolec Services Ltd, One Stop Europe Ltd and Wake Power Distribution Ltd.

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	-1.9	-5.5	-3.7	-26.4
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	-	-0.7	-39.8	-43.0
2020	-	-	-	-13.5	-13.5
2019	-	51.0	-	9.3	60.3

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

For acquisitions, part of the purchase price is allocated to goodwill and amortisable intangible assets, also see Note 4. The heading "Amortisation and write-downs of intangible fixed assets" includes any write-downs of goodwill. Amortisation, which is a result of SdipTech allocating part of the purchase price to acquired intangible assets, such as trademarks, product rights, customer relations, etc. in connection with acquisitions, is also included under the heading. These assets are amortised over time, resulting in a cost. This type of allocation and resulting amortisation has increased over time and is expected to continue increasing in line with new acquisitions. As a rule of thumb, it can be stated that new amortisation of intangible assets that have arisen in connection with new acquisitions, is added at about 2% per year of the additional acquired companies' purchase price.

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

EBITA* to EBIT bridge (SEK m)	Oct - Dec 2021	Oct - Dec 2020	Jan - Dec 2021	Jan - Dec 2020
EBITA*	153.2	100.8	509.3	347.3
Adjustment of liability for earnouts	-39.8	-13.5	-43.0	-13.5
Acquisition and divestment cost	-3.7	-5.2	-26.4	-9.6
Result of divestments	-11.0	-	-31.4	-
Adjustment of previous years, not material	-3.7	-	-3.7	-
Of which non-acquisition-related amortization and write-downs of intangible fixed assets	4.1	2.2	10.6	6.0
EBITA	99.3	84.4	415.6	330.2
Non-acquisition-related amortization and write-downs of intangible fixed assets	-4.1	-2.2	-10.6	-6.0
Acquisition-related amortization and write-downs of intangible fixed assets	-12.6	-5.1	-40.6	-13.8
EBIT	82.7	77.1	364.4	310.5

COMMENTS ON THE FINANCIAL DEVELOPMENT

FINANCIAL POSITION JANUARY - DECEMBER

Cash Flow

Cash flow from operating activities after changes in working capital, amounted to SEK 385.3 million (450.8) during the financial year. Cash flow generation, expressed as a percentage of profit before tax adjusted for non-cash items, decreased during the period to 71.4% (109.4). Cash flow during the period was affected by larger tax payments than normal due to lower payment of preliminary tax during 2020 compared to the actual profit tax, and also by stockbuilding to ensure capacity given uncertainties linked to the pandemic, component shortages and Brexit. Due to strong sales, trade receivables also increased, which impacted cash flow negatively.

Cash flow from investing activities amounted to SEK -1,083.6 million (-637.0). The cash flow effect of completed acquisitions during the period amounted to SEK -1,160.4 million (-519.7), also see Note 6. Cash flow related to payment of contingent considerations on acquisitions from previous years, including both instalments as well as final settlement, amounted to SEK -108.9 million (-79.3) during the period. Investments in property, plant and equipment amounted to SEK -42.2 million (-30.9) and investments in intangible fixed assets of SEK -8.9 million (-7.1) were made during the period.

Cash flow from financing activities amounted to SEK 770.7 million (335.0). A directed new share issue on 9 March, provided the Group with SEK 463.7 million in equity, after issue costs. In addition, the redemption of warrants of series 2018/2021 contributed SEK 13.3 million to equity and the share-based incentive programme adopted at the Annual General Meeting 2021 regarding warrants of series 2021/2024 contributed SEK 16.9 million. Gross borrowing amounted to SEK 1,190.4 million (53.0) while amortisation has been made of -736.3 (0). Dividend on the preference share amounted to SEK -14.0 million (-14.0) and dividend to non-controlling interests amounted to SEK -6.6 million (-1.0).

Liabilities

Interest-bearing liabilities including contingent considerations and lease liabilities amounted to SEK 2,496.1 million (1,590.7). The two largest items within interest-bearing liabilities consisted of SEK 1,166.9 million (706.4) in liabilities to credit institutions, and SEK 1,131.3 million (694.8) in deferred payments of purchase prices for acquisitions, so-called contingent consideration payments.

These contingent considerations are classified as interest-bearing as they are presented at net present value, but they do not give rise to any actual interest payments that are charged to the Group's cash flow. However, a discounted interest rate is booked as a financial expense for the period. The Group's Financial expenses includes this interest rate of SEK -17.3 million (-10.2) for the year.

Remeasurement of liabilities relating to contingent considerations has resulted in an expense of SEK -43.0 million (-13.5). As the profit development in several of the units affected by these earnouts has been strong, stronger than what was assessed at the time of acquisition or at a later assessment, the value of contingent considerations that have been paid out or that will be paid out in the future have had to be increased. 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 under other external expenses.

During the period, the result was charged with SEK -4.1 million (-2.7) 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 2,127.3 million (1,311.3).

The financial net debt, according to the calculation method above but only for liabilities to credit institutions, amounted to SEK 798.1 million (426.9).

The key ratio Financial net debt in relation to EBITDA, which is calculated on a rolling twelve-month basis, amounted to 1.20 (0.84) as of December 31.

Parent Company

The Parent Company Sdiptech AB's internal net sales, containing mainly, management fee amounted to SEK 15.4 million (10.8) for the period and profit after financial items amounted to SEK -53.7 million (-13.2).

OTHER INFORMATION

Employees

The number of employees at the end of September was 1,673 (1,499). Acquisitions completed during the last twelve months increased the number of employees by 263. At the same time, completed divestments have resulted in 183 employees leaving the Group.

Incentive programme

Incentive programmes for executives and senior executives in the Group in the form of warrants were introduced in 2018, divided into three series: series 2018/2021, series 2018/2022 and series 2018/2023. Series 2018/2021 in March 2021 and newly issued shares were subscribed for, with the Group injecting SEK 13.3 million in equity.

At the 2021 Annual General Meeting, a new incentive program against managers and senior executives was resolved on warrants of series B. Program comprises 350,000 options. The warrants redistribute a price of SEK 48.50 per option, corresponding to the market value of the options during a valuation of Nordea Bank Plc. Exercise can be made on three occasions from June 2024 until November 30, 2024. The program was subscribed for in June, whereby the Group received SEK 16.0 million in equity. Additional options in the same program were subscribed for during the fourth quarter, whereby the Group received SEK 0.8 million in equity.

As of December 31, 216,100 warrants of series 2018/2022, 192,000 warrants of series 2018/2023 and 342,481 warrants of series 2021/2024 are outstanding, after repurchases. The subscription price for new Class B shares subscribed for under these warrants amounts to SEK 67.10, SEK 75.20 and 463.00 SEK per share, respectively.

Risks and uncertainty factors

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

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

During the comparative period 2020, the outbreak of the Covid-19 virus had a major negative impact on the whole of society. Sdiptech was affected primarily by employees falling ill, having difficulty getting to their workplace and doing their job or by delayed deliveries of inputs to the Group's companies due to various forms of restrictions in society. During the full-year 2021,

there have been continued restrictions in several geographies, but we saw a great easing of restrictions at the end of the third quarter. This relaxing of restrictions was temporary, however, and from the middle of the fourth quarter a number of restrictions were reintroduced in most countries. In addition, other risks have arisen, such as delays in supply chains, higher raw material and energy prices as well as component shortages. Sdipotech is monitoring developments carefully and is taking proactive measures in order to ensure that the operations can continue.

During the year, Sdipotech entered into agreements on currency futures in GBP with a value of SEK 607 million, in order to reduce currency exposure. Derivatives are recognised at fair value over profit or loss under the item financial income and expenses.

For more detailed information on risk factors, please refer to Note 16 of the Annual Report 2020

Related-party transactions

Related-party transactions refer to the final settlement of SEK 0.7 million of the last claim for renting premises to S Fund 1 AB, whose principal owner was a Board member of Sdipotech AB during the spring of 2021. Underlying leases expired in January 2021. No additional collateral or rights are attached to the transaction.

Events after the end of the reporting period

On 31 January 2022, Sdipotech acquired all shares in Agrosistemi Srl. The acquisition is the Group's first business unit in Italy.

Sdipotech Annual General Meeting 2022

The Annual General Meeting 2022 will be held on 18 May 2022, at 4.00 p.m. at the Swedish Royal Academy of Engineering Sciences (IVA Conference Centre), Grev Turegatan 16, Stockholm. To have a matter addressed at the Annual General Meeting (AGM) the request from the shareholder must be received no later than 31 March 2022, or the later time when it is still possible to include the matter in the convening notice.

The Annual Report is published on 20 April 2022. Notice convening the AGM shall be published on the company's website no later than four weeks before the AGM. All shareholders whose names are recorded in the share register five days before the AGM can participate in person, or by proxy. Notice of participation must be given to the company in accordance with the convening notice.

Nomination Committee

A Nomination Committee has been appointed for the 2022 AGM. Proposals to the Nomination Committee from shareholders may be sent by e-mail to valberedningen@sdipotech.com or by post to the company's address. More information is available on www.sdipotech.com.

Dividend

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

CONSOLIDATED INCOME STATEMENT

(SEK m)	Note	Oct -Dec 2021	Oct - Dec 2020	Jan - Dec 2021	Jan-Dec 2020
Net sales	2	749.1	604.3	2,718.9	2,088.0
Other operating income	2	6.7	7.4	23.1	25.1
Total income		755.8	611.7	2,742.0	2,113.1
Operating expenses					
Materials, contracting and subcontracting		-320.4	-247.5	-1 152.6	-825.9
Other external expenses		-112.1	-69.1	-317.9	-214.3
Employee expenses		-198.4	-187.3	-765.5	-670.1
Depreciation and amortisation of tangible non-current assets		-25.5	-23.5	-90.4	-72.7
Depreciation and amortisation of intangible non-current assets		-16.7	-7.3	-51.2	-19.8
Operating profit		82.7	77.1	364.4	310.5
Profit/loss from financial items	3				
Financial income		-	-	11.8	27.0
Financial expenses		-18.7	-17.4	-51.2	-53.3
Profit after financial items		64.0	59.6	325.0	284.2
Tax on profit for the period		-17.0	-16.6	-78.1	-64.0
Profit for the period		47.0	43.0	246.9	220.2
Profit attributable to:					
Parent Company's shareholders		46.7	39.4	245.9	214.6
Non-controlling interests		0.3	3.7	1.0	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)		1.22	1.07	6.62	6.24
Earnings per share (after dilution)		1.21	1.05	6.55	6.18
EBITA*		153.2	100.8	509.3	347.3
Average number of common shares		35,363,927	33,641,827	35,050,858	32,171,146
Average number of common shares after dilution		35,708,771	34,020,962	35,385,015	32,457,112
Number of ordinary shares at the end of the period		35,363,927	33,641,827	35,363,927	33,641,827

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

(SEK m)	Oct -Dec 2021	Oct - Dec 2020	Jan - Dec 2021	Jan-Dec 2020
Profit for the period	47.0	43.0	246.9	220.2
Other comprehensive income for the period				
Components that will be reclassified to profit/loss in the period				
Changes in accumulated translation differences	20.7	-31.6	55.5	-55.0
Comprehensive income for the period	67.7	11.4	302.4	165.2
Attributable to:				
Parent Company's shareholders	67.4	7.8	301.4	159.8
Non-controlling interest	0.3	3.7	1.0	5.4

CONSOLIDATED BALANCE SHEET

(SEK m)	Note	31 Dec 2021	31 Dec 2020
Non-current assets			
<i>Intangible non-current assets</i>			
Goodwill	4	3,183.3	2,268.4
Other intangible assets		664.8	270.5
<i>Tangible non-current assets</i>			
Tangible non-current assets		239.6	134.0
Right-of-use assets		195.9	185.4
<i>Financial non-current assets</i>			
Other financial non-current assets		10.6	10.4
Total non-current assets		4,294.2	2,868.6
Current assets			
Completed products and goods for resale		323.7	215.3
Accounts receivable		498.2	374.5
Other receivables		66.3	29.8
Current tax assets		40.9	12.3
Prepaid expenses and accrued income		99.8	72.8
Cash and cash equivalents		368.8	279.4
Total current assets		1,397.7	984.1
Total assets		5,691.9	3,852.7
Shareholders' equity			
Shareholders' equity attributable to Parent Company's shareholders			
Share capital		0.9	0.9
Other contributed capital		1,555.8	1,062.1
Reserves		0.9	0.9
Profit/loss brought forward including earnings for the period		966.8	651.6
Total equity attributable to Parent Company's shareholders		2,524.4	1,715.5
Non-controlling interests		4.7	40.2
Total shareholders' equity		2,529.1	1,755.7
Long term liabilities			
Interest-bearing long-term liabilities	5	2,082.9	1,518.9
Non-interest-bearing long-term liabilities		150.9	68.6
Total long term liabilities		2,233.8	1,587.5
Short term liabilities			
Interest-bearing short-term liabilities	5	413.2	71.9
Non-interest-bearing short-term liabilities		515.8	437.5
Sum short term liabilities		929.0	509.4
Total liabilities		3,162.8	2,096.9
Total shareholders' equity and liabilities		5,691.9	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		-	-	-	214.6	214.6	5.6	220.2
Other comprehensive income for the period		-	-	-	-54.8	-54.8	-0.2	-55.0
Total income for the period		-	-	-	159.8	159.8	5.4	165.2
Shareholder transactions								
Dividend paid to preference shareholders	7	-	-	-	-14.0	-14.0	-	-14.0
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	-	-14.0	333.0	-1.0	332.0
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		-	-	-	245.9	245.9	1.0	246.9
Other comprehensive income for the period		-	-	-	55.3	55.3	0.2	55.5
Total income for the period		-	-	-	301.2	301.2	1.2	302.4
Shareholder transactions								
Change in non-controlling interests		-	-	-	35.6	35.6	-35.6	-
Share issue of ordinary shares series B		-	485.8	-	-	485.8	-	485.8
Share issue expenses		-	-8.9	-	-	-8.9	-	-8.9
Share premiums		-	16.9	-	-	16.9	-	16.9
Dividend paid to preference shareholders	7	-	-	-	-14.0	-14.0	-	-14.0
Dividend paid to non-controlling interests		-	-	-	-7.6	-7.6	-1.0	-8.6
Total shareholder transactions		-	493.7	-	14.0	507.7	-36.6	471.1
Closing balance, December 31 2021		0.9	1,555.8	0.9	966.8	2,524.4	4.7	2,529.1

CONSOLIDATED CASH FLOW STATEMENT

(SEK m)	Oct - Dec 2021	Oct - Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Continued operations				
Earnings after financial items	64.0	59.6	325.0	284.2
Adjustment for items not included in cash flow ¹⁾	87.7	53.4	214.7	128.0
Paid taxes	-5.9	-0.9	-94.1	-53.1
Cash flow from continuing operations before change in working capital	145.6	112.1	445.6	359.1
Cash flow from change in working capital				
Increase(-)/decrease(+) in stock	0.5	3.5	-39.4	0.4
Increase(-)/decrease(+) in operating receivables	-8.1	90.0	-45.7	88.2
Increase(+)/decrease(-) in operating liabilities	0.9	-51.2	24.8	3.1
Cash flow from current operations	138.9	154.4	385.3	450.8
Investing activities				
Acquisitions of subsidiaries	-339.9	-288.9	-1,160.4	-519.7
Acquisitions of subsidiaries, paid contingent considerations	-2.5	-12.9	-108.9	-79.3
Divestment of subsidiaries	-	-	-71.2	-
Consideration paid for divestment of subsidiaries	-	-	381.7	-
Acquisition of non-controlling interest	-	-	-73.7	-
Acquisitions of intangible non-current assets	-8.0	-4.7	-8.9	-7.1
Acquisitions of tangible non-current assets	-23.5	-22.0	-42.2	-30.9
Cash flow from investing activities	-373.9	-328.5	-1,083.6	-637.0
Financing activities				
Option program	0.8	-	30.1	-0.1
New share issue	-	-	463.6	347.1
Loans raised	522.3	266.9	1,090.4	53.0
Amortisation of loans	-178.5	-	-736.3	-
Amortisation of lease liability	-14.0	-9.3	-57.3	-50.0
Dividends paid	-10.1	-4.5	-20.6	-15.0
Cash flow from financing activities	320.5	253.1	777.0	335.0
Cash flow for the period	85.5	79.0	71.7	148.8
Cash and cash equivalents at beginning of year	281.4	215.5	279.5	156.3
Exchange rate difference in cash and cash equivalents	1.9	-15.1	17.6	-25.7
Cash and cash equivalents at end of period	368.8	279.4	368.8	279.4

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)	Oct - Dec 2021	Oct - Dec 2020	Jan - Dec 2021	Jan-Dec 2020
Net sales	3.8	2.7	15.4	10.8
Other operating income	-	0.5	-	2.1
Total income	3.8	3.2	15.4	12.9
Operating expenses				
Other external expenses	-5.6	-6.7	-26.2	-18.4
Employee expenses	-10.9	-9.9	-41.3	-31.8
Depreciation of tangible and intangible non-current assets	-0.1	-0.1	-0.6	-0.3
Operating profit	-12.9	-13.4	-52.7	-37.7
Profit/loss from financial items				
Result from participation in Group companies	-	-	-19.0	-
Result from participation in associated companies	-	-	3.6	26.9
Financial income	4.2	2.5	14.8	9.3
Financial expenses	-0.1	-7.7	-0.4	-11.8
Profit/loss after financial items	-8.8	-18.6	-53.7	-13.2
Group contributions received	75.0	65.5	75.0	65.5
Group contributions provided	-27.6	-20.0	-27.6	-20.0
Profit/loss for the period	38.6	26.9	-6.3	32.3

PARENT COMPANY BALANCE SHEET

(SEK m)	31 Dec 2021	31 Dec 2020
Non-current assets		
<i>Intangible non-current assets</i>		
Other intangible non-current assets	0.2	0.3
<i>Tangible non-current assets</i>		
Tangible non-current assets	1.5	1.1
<i>Financial non-current assets</i>		
Financial non-current assets	25.7	82.8
Receivables, Group companies	1,683.0	1,352.7
Total non-current assets	1,710.3	1,436.9
Current assets		
Receivables, Group companies	1,162.0	239.4
Trade receivables	0.3	0.3
Other receivables	1.2	1.7
Prepaid expenses and accrued income	3.3	8.7
Cash and cash equivalents	6.1	25.5
Total current assets	1,172.8	275.5
Total assets	2,883.2	1,712.4
Shareholders' equity		
Share capital	0.9	0.9
Share premium reserve	1,555.8	1,062.1
Retained earnings including profit/loss for the period	215.7	236.0
Total shareholder's equity	1,772.4	1,299.0
Liabilities		
Short-term liabilities to Group companies	664.0	364.9
Short-term liabilities	91.4	35.2
Total liabilities	355.3	13.3
Total equity and liabilities	1,110.8	413.4
Shareholders' equity	2,883.2	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.

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 has until the third quarter of 2021 reported profit from operations in three segments: Water & Energy, Special Infrastructure Solutions and Property Technical Services.

As a result of the divestments during the first two quarters, a re-organization of the Group's segment has taken place, resulting in the remaining operations in the former Property Technical Services segment as of the third quarter of 2021 being reported under Special Infrastructure Solutions.

Comparison figures for previous periods present the two segments, Property Technical Services and Special Infrastructure Solutions segments as if they were one unit.

Pro forma figures from the first quarter of 2020 through the second quarter of 2021 according to the new segment structure are presented separately, see page 29-30.

WATER & ENERGY

Water & Energy companies provide niche products and services focused on the water and energy infrastructure segments. The companies address specialised 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 specialised needs in air and climate control, safety and surveillance and transport systems. As of the third quarter of 2021, specialised technical services to property owners are also included in the segment. The main geographic markets are northern Europe, the UK and central 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

	Oct-Dec 2021	Oct-Dec 2020 ²	Jan-Dec 2021 ²	Jan-Dec 2020 ²
Net Sales (SEK m)				
Water & Energy	301.3	164.8	1 028.2	615.5
Special Infrastructure Solutions	447.7	439.5	1 690.8	1,472.6
Total Net Sales	749.1	604.3	2 718.9	2,088.0
Group Operating profit (SEK m)				
Water & Energy	72.3	34.4	237.6	126.7
Special Infrastructure Solutions	74.8	70.1	275.8	240.6
Segment total	147.1	104.5	513.4	367.3
Central units	-64.5	-27.5	-149.2	-56.8
Total	82.7	77.1	364.4	310.5
Net financials	-18.7	-17.5	-39.4	-26.3
Profit before tax	64.0	59.6	325.0	284.2

Revenue from agreements with customers (SEK m)	Oct-Dec 2021	Oct-Dec 2020 ²	Jan-Dec 2021 ²	Jan-Dec 2020 ²
<i>Water & Energy</i>				
Products	231.6	119.9	780.8	385.5
Installation, direct	36.4	68.8	126.7	153.0
Installation, over time	19.4	-9.3	69.1	26.0
Service, direct	0.7	-20.5	13.6	23.2
Service, over time	9.0	3.7	23.4	17.5
Distribution	4.1	2.0	14.6	10.2
Sum Sales Water & Energy	301.3	164.8	1 028.2	615.5
<i>Special Infrastructure Solutions</i>				
Products	190.5	106.7	646.5	274.6
Installation, direct	121.8	152.4	366.1	510.5
Installation, over time	48.2	51.9	189.7	194.4
Service, direct	45.5	104.3	392.4	379.3
Service, over time	37.5	23.2	82.1	102.6
Distribution	4.3	0.9	14.0	11.2
Sum Sales Special Infrastructure Solutions	447.7	439.5	1 690.8	1,472.6
<i>Sum Products</i>	422.2	226.6	1 427.3	660.1
<i>Sum Installation, direct</i>	158.2	221.3	492.8	663.5
<i>Sum Installation, over time</i>	67.5	42.7	258.8	220.4
<i>Sum Service, direct</i>	46.2	83.9	406.0	402.5
<i>Sum Service, over time</i>	46.5	26.9	105.5	120.1
<i>Sum Distribution</i>	8.5	3.0	28.6	21.4
Total sales	749.1	604.3	2 718.9	2,088.0
Other income (SEK m)	Oct-Dec 2021	Oct-Dec 2020²	Jan-Dec 2021²	Jan-Dec 2020²
Water & Energy	5.7	1.8	9.3	8.9
Special Infrastructure Solutions	1.0	5.7	10.3	14.7
Business areas	6.7	7.5	19.6	23.6
Central units	-	-0.1	3.5	1.5
Total	6.7	7.4	23.1	25.1
Of which received state aid attributable to Covid-19¹ (SEK m)	Oct-Dec 2021	Oct-Dec 2020²	Jan-Dec 2021²	Jan-Dec 2020²
Water & Energy	-	-	0.6	6.0
Special Infrastructure Solutions	0.1	-	1.9	1.6
Sum	0.1	-	2.5	7.6

¹ 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.

² Previous year's figures have been recalculated as a result of the re-organization of the Property Technical Services and Special Infrastructure Solutions segments.

NOTE 3 FINANCIAL INCOME AND COST

(SEK m)	Oct-Dec 2021	Oct-Dec 2020	Jan-Dec 2021	Jan-Dec 2020
Financial income				
Results from previously sold units	-	-	-	26.9
Interest income	-	-	0.4	0.1
Net exchange gain	-	-	11.4	-
Total financial income	-	-	11.8	27.0
Financial cost				
Interest expense on financial liabilities to credit institutions	-8.2	-2.7	-26.0	-17.4
Discount rate for lease liabilities	-1.4	-1.0	-4.1	-2.7
Discount rate on contingent considerations	-3.4	-1.7	-17.3	-10.1
Net exchange loss	-5.2	-6.6	-	-17.3
Other financial cost	-0.6	-5.5	-3.8	-5.7
Total financial cost	-18.7	-17.5	-51.2	-53.3
Net financial cost	-18.7	-17.5	-39.4	-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.

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 Dec 2021	31 Dec 2020
Ingående balans vid årets början	2,268.4	1,870.1
Acquisitions for the period	1,041.9	441.6
Adjustment of preliminary acquisition analysis	-9.4	1.1
Correction regarding previous years' acquisitions	-	28.8
Divested units	-244.9	-
Currency translation effects	127.3	-73.2
Carrying amount at end of period	3,183.3	2,268.4

Compared to 31 December 2020 goodwill increased by SEK 914.9 million and amount to SEK 3,183.3 million as per December 31, 2021. During January to December 2021 acquisitions were made which has led to an increase in goodwill of SEK 1,041.9 million. Divested units and operations held for sale reduced the goodwill of the Group by SEK 244.9 million. During the period, a correction of preliminary acquisition analyses of the previous year's acquisitions has also been carried out amounting to -9.4 million. The remaining change during the financial year is attributable to currency translation differences.

NOTE 5 INTEREST-BEARING LIABILITIES

(SEK m)	31 Dec 2021	31 Dec 2020
Liabilities to credit institutions	1,156.6	698.3
Leases	135.0	123.1
Contingent consideration	789.6	694.8
Other non-current liabilities	1.7	2.6
Total non-current interest-bearing liabilities	2,082.9	1,518.8
Liabilities to credit institutions	10.2	8.1
Leases	60.8	62.1
Contingent consideration	341.7	-
Other current liabilities	0.5	1.8
Total current interest-bearing liabilities	413.2	71.9

Contingent consideration payments refer to various types of obligations to the selling party that are linked to conditions based on the acquired company's results for a specific period after the acquisition. The contingent purchase prices are classified as Level 3

in the fair value hierarchy. The liabilities are reported at the present value of the expected outcome based on the assessed fair value at the balance sheet date based on outcomes and future forecasts.

Contingent consideration (SEK m)	31 Dec 2021	31 Dec 2020
Opening balance	694.8	550.7
Acquisitions	435.4	225.3
Paid purchase considerations relating previous acquisitions	-108.9	-79.3
Interest expenses (discount effect due to present value calculation)	17.6	10.1
Revaluation via operating profit	43.0	13.5
Exchange differences	49.5	-25.5
Carrying amount at period end	1,030.5	694.8

The revaluation of liabilities relating to contingent consideration has during the period resulted in a cost of SEK -43.0 million (-13.5). 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 contingent considerations are recognized in accordance with IFRS at the present value of assessed fair value based on the remaining maturity and expected outcome. The revaluation is recognized under other external costs.

NOTE 6 BUSINESS ACQUISITIONS

PRELIMINARY ACQUISITION ANALYSIS. regarding acquisitions during January to December 2021

(SEK m)	Rolec ¹	IDE ²	Certus ³	Other	Adj.	Sum
Intangible non-current assets	1.2	24.7	72.0	-	-59.2	38.7
Tangible non-current assets	32.2	41.1	10.9	0.3	-	84.5
Inventories and work in progress	86.2	9.4	8.4	3.5	-	107.5
Cash and cash equivalents	101.7	1.8	2.2	1.0	-	106.7
Trade receivables ⁴⁾	31.9	32.1	32.5	2.8	-	99.3
Other current assets	25.9	2.3	23.5	0.5	-	52.2
Other long term liabilities	-	-1.4	-	-	-	-1.4
Deferred tax	-1.4	-6.1	-	-	-	-7.5
Current tax liability	-7.0	-3.1	-4.0	-	-	-14.1
Other current liabilities	-22.9	-25.4	-50.6	-4.7	-	-103.6
Net identifiable assets and liabilities	247.8	75.4	94.9	3.4	-59.2	362.3
Consolidated goodwill	512.3	114.7	345.1	10.6	59.2	1,041.9
Brand	62.6	18.9	43.2	2.6	-	127.3
Customer relations	82.4	33.5	36.5	3.1	-	155.5
IPR Rights	63.3	7.1	-	1.3	-	71.7
Deferred tax liability	-39.6	-11.3	-20.6	-1.3	-	-72.9
Total calculated purchase price	928.8	238.3	499.1	19.8	59.2	1,685.9
Cash and cash equivalents	784.1	124.2	342.1	16.7	-	1,267.1
Contingent consideration	161.3	114.1	157.0	3.1	-	435.4
Adjusted acquisition analysis	-16.6	-	-	-	-	-16.6
Total consideration	928.8	238.3	499.1	19.8	-	1,685.9
Liquidity impact on the Group	Rolec¹	IDE²	Certus³	Other		Sum
Acquired cash and cash equivalents	101.7	1.8	2.2	1.0	-	106.7
Transferred consideration	-784.1	-124.2	-342.1	-16.7	-	-1,267.1
Total liquidity impact	-682.4	-122.4	-339.9	-15.7	-	1,160.4
Other information⁵	Rolec¹	IDE²	Certus³	Other		
Runrate Net sales	266.8	92.6	192.8	18.2		
Run rate profit before tax	81.2	22.5	50.8	4.1		
The acquired units' contribution to the Group's sales and earnings	Rolec¹	IDE²	Certus³	Other		Sum
Acquired units' contribution to the Group's sales	278.0	36.2	29.2	13.7		409.6
Acquired units' contribution to the Group's profit before tax	92.1	8.0	-0.7	2.0		101.3
Transaction costs, including stamp fee	-11.2	-3.7	-4.0	-0.7		-19.8
Depreciation and write-downs of intangible assets	-11.8	-1.5	-1.3	-0.6		-15.2

¹⁾ Rolec Services Ltd and One Stop Europe Ltd

²⁾ Wake Power Distribution Ltd (IDE)

³⁾ Certus Technologies Holding B.V.

⁴⁾ The receivables are measured at fair value and include provision for bad debts of SEK 0.8 million in Rolec and SEK 1.5 million in IDE. The amount is expected to partly be collected within 12 months.

⁵⁾ 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 recalculated based on the price at the time of acquisition.

Acquisition accounting

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

Goodwill consists of the amount by which the consolidated acquisition value of the shares in acquired subsidiaries exceeds the fair value of the net assets included in the acquisition analysis at the time of acquisition and is mainly attributable to synergies and other intangible assets that do not meet the criteria separately. Goodwill stems from each company's good conditions for continued growth in combination with good cash flows. The acquired unit's expected contribution to complement and broaden the Group's offering, sales channels and synergies in infrastructure and contribute to the Group's continued growth.

Transaction costs for acquisitions are expensed during the period they arise, and the services are performed. These costs, together with costs for divestments, are recognized in the income statement under the item "Other external costs". Acquisition and divestment costs for the period January to December 2021 amounted to SEK 26.4 million of which acquisition-related costs amounted to 20.9 (9.6), see also page 7.

Description of acquisitions during the period January – December 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 purpose of the acquisition was to complement and broaden current offering of products and services within the business area Water & Energy.

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 175.6 million at the time of acquisition and calculated at present value is per balance day at SEK 161.3 million. 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.

On June 4, 2021, Sdipotech AB (publ) acquired all shares in Ficon Oy, which specializes in hydraulic products for snow and ice clearing of road and land in Finland. Ficon has a turnover of approximately EUR 1.8 million with good profitability. Ficon is an add-on acquisition to Hilltip Oy with the aim of increasing sales of products in Finland. Founded in 2005, Ficon is a leading player in the Finnish market in the design, manufacture, assembly and installation of snow and ice clearing equipment adapted for pickups, smaller trucks and tractors. Ficon has 13 employees at the time of the acquisition.

The purchase price for the company includes a conditional purchase price of SEK 3.1 million, which is linked to the sales development on the Finnish market for 2 years from the acquisition. The final purchase price, which is settled after the earn-out period that runs until May 31, 2023, will amount to between SEK 15.1 and 18.2 million. The company is included in the business area Special Infrastructure Solutions from June 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 1,360 million and EBITA* would have amounted to approximately SEK 175 million.

On 3 September, Sdipotech acquired all shares in Wake Power Distribution Ltd, the sole owner of IDE Systems and IDE Rental (IDE), which is a specialist in temporary power distribution and monitoring systems in the UK. IDE has annual sales of approximately GBP 8.0 million with an EBIT profitability of approximately GBP 1.9 million.

IDE has over 20 years of experience of designing and manufacturing power distribution solutions for, among others, data centers, load bank testing, construction sites, events and utilities. The company focuses on supplying power distribution equipment and EV



chargers to temporary power markets. IDE offers its own suite of on-site power management tools, enabling reductions in power usage and thus carbon emissions.

At the date of the transaction, the company is valued at GBP 18.0 million on a cash and debt-free basis, of which GBP 5.6 million is paid on the date of closing together with redemption of external credits of GBP 4,9 million. Financed was made from own resources and bank credits. The final purchase price, which will be settled at the end of the earn-out period ending August 31, 2026, will be between GBP 10.5 and GBP 25,5 million, depending on the company's performance during the earn-out period. A final total purchase price higher than the current value of GBP 18.0 million also assumes a higher level of profit than the current one. At the time of the acquisition, IDE has 51 employees.

Estimated contingent consideration price for IDE is assessed at SEK 126.5 million at the time of acquisition and calculated at present value is per balance day at SEK 114.1 million. The assessment is made based on the assessment of outcome of profits based on forecasts for the company from the acquisition date until the end of the period of the contingent purchase price, the reference point for growth is calculated on normalized annual profit at the time of acquisition. IDE is included in the Water & Energy business area as of September 2021.

On 3 September, Sdipotech acquired all shares in Wake Power Distribution Ltd, the sole owner of IDE Systems and IDE Rental (IDE), which is a specialist in temporary power distribution and monitoring systems in the UK. IDE has annual sales of approximately GBP 8.0 million with an EBIT profitability of approximately GBP 1.9 million.

IDE has over 20 years of experience of designing and manufacturing power distribution solutions for, among others, data centers, load bank testing, construction sites, events and utilities. The company focuses on supplying power distribution equipment and EV chargers to temporary power markets. IDE offers its own suite of on-site power management tools, enabling reductions in power usage and thus carbon emissions.

At the date of the transaction, the company is valued at GBP 18.0 million on a cash and debt-free basis, of which GBP 5.6 million is paid on the date of closing together with redemption of external credits of GBP 4,9 million. Financed was made from own resources and bank credits. The final purchase price, which will be settled at the end of the earn-out period ending August 31, 2026, will be between GBP 10.5 and GBP 25,5 million, depending on the company's performance during the earn-out period. A final total purchase price higher than the current value of GBP 18.0 million also assumes a higher level of profit than the current one. At the time of the acquisition, IDE has 51 employees.

Estimated contingent consideration price for IDE is assessed at SEK 126.5 million at the time of acquisition. The assessment is made based on the assessment of outcome of profits based on forecasts for the company from the acquisition date until the end of the period of the contingent purchase price, the reference point for growth is calculated on normalized annual profit at the time of acquisition. IDE is included in the Water & Energy business area as of September 2021

On October 13, Sdipotech acquired 85 percent of the shares in Certus Technologies Holding B.V., including associated group companies (Certus). Certus is a global provider of solutions for automation in ports, terminals and logistics distribution centers. The company has annual turnover of EUR 19 million, and a pre-tax profit operating income of EUR 5 million. Certus is Sdipotech's first company in the Netherlands and adds important and complementary technology and customer segments to Sdipotech's transportation business.

Certus has over 20 years of experience of port- and terminal logistics, especially within gate and crane automation. The company's solutions are installed across the globe and critical service and support is provided in the aftermarket. The products automate identification, registration and positioning for increased efficiency, as well as improved safety by limiting the need for hazardous human intervention and reduced emissions by optimizing truck- and ship flows.

At the date of the transaction, the company is valued at EUR 45 million on a cash and debt-free basis, of which EUR 34.75 million is paid on the closing date, while the redemption of external credits of EUR 10.7 million took place. Financing is done with own resources and bank credits. The final purchase price including earn-out costs for the 85 percent, which are settled after three years, is expected to total EUR 40.75 million. The purchase agreement has mechanisms in place that allows Sdipotech to purchase the remaining 15 percent of the shares during the coming six years after closing. The valuation of the remaining shares is dependent on the profit growth of the company. Certus has 51 employees at the time of the acquisition.

The estimated contingent consideration for Certus amounts to SEK 157.0 million at the time of acquisition. The assessment is based on the assessment of the likely outcome based on forecasts for the company from the time of acquisition until the end of the period of the contingent consideration and for the acquisition of the remaining share of shares whereupon no holding is recognized regarding the minority shares, a financial liability is instead recognized. The liability is recognized as a contingent consideration at the present value of the redemption amount for the shares, which is depending on the profit growth of the company. Certus is part of the Special Infrastructure Solutions business area as of October 2021.

If the acquired units for the year had been consolidated as of January 1, 2021, net sales for the period January to December would have amounted to approximately SEK 2,935.6 million and EBITA* would have amounted to approximately SEK 562.1 million

NOTE 7 DIVIDENDS

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



COMPANIES PER BUSINESS AREA

WATER & ENERGY

The companies within 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 |
| • Wake Power Distribution Ltd (IDE Systems) (as of Sep -21) | Temporary power distribution and monitoring systems |
| • Water Treatment Products Ltd | Preparation and manufacture of water treatment products |

SPECIAL INFRASTRUCTURE SOLUTIONS

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

Example 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 | 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. (fr.o.m. okt -21) | Systems for automation in ports, terminals and logistics distribution center |
| • Cliff Models AB | Prototypes for industrial product development |
| • Cryptify AB | Software solution for secure communication |
| • Frigotech AB | Installation and service of refrigeration units |
| • Ficon Oy (as of Jun -21) | Specializes in hydraulic products for snow and ice clearing |
| • GAH (Refrigeration) Ltd | Manufacture and service of transportation refrigeration solutions |
| • Oy Hilltip Ab | Manufacturer of road maintenance equipment, special winter |
| • KSS Klimat & Styrssystem AB | Indoor climate control, ventilation and energy efficiency |
| • Medicvent AB | System for evacuation of noxious gases |



- Metus d.o.o. Production of special elevators for customer-specific needs and resource supply to global elevator manufacturers
- Optyma Security Systems Ltd Integrated security systems for public and private environments
- RedSpeed International Ltd Digital cameras for speed monitoring and traffic enforcement
- Storadio Aero AB Infrastructure and operational liaison centre for backup air traffic communications
- Stockholmradio AB Radio-based services for shipping. now a part of Storadio Areo AB
- Thors Trading AB Durable products in carbon steel material for racing and harness racing

PROPERTY TECHNICAL SERVICES

During the first half of 2021, Sdipotech divested seven of the previous nine operations:

- Aufzüge Friedl GmbH
- HissPartner i Stockholm AB
- ManKan Hiss AB
- St. Eriks Hiss AB
- ST Lift GmbH
- Stockholms Hiss- & Elteknik AB
- Tello Service Partner AB

As a result of the divestments in the Property Technical Services business area, which was carried out during the first two quarters, a re-organization has been made resulting in the remaining operations in the former Property Technical Services segment being reported under Special Infrastructure Solutions from the third quarter of 2021.

Comparative figures for previous periods present the two segments, Property Technical Services and Special Infrastructure Solutions as if they were one unit.

Pro forma figures for the first quarter of 2020 to the second quarter of 2021, according to the new segment structure are presented separately, see page 31-32.

Property Technical Services companies offered specialized technical services to property owners. Assignments were carried out throughout the life cycle of a property i.e. service, renovation, modernization and new construction. The main geographic markets were Stockholm and major cities in Germany, Austria, the Benelux and the Balkan countries. The business models were generally project-based with associated service and framework agreements against the aftermarket.

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*	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. 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.
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.

	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
EBITDA (SEK m)				
Operating profit	82.7	77.1	364.4	310.5
Depreciation and amortisation of tangible non-current assets	25.5	23.5	90.4	72.7
Depreciation and amortisation of intangible non-current assets	16.7	7.3	51.2	19.8
EBITDA	124.9	107.8	506.0	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. Corresponding costs disposals and implementation results on disposals are excluded. Also, the result from remeasurement of liabilities relating to contingent consideration payments is excluded. EBITA* is indicated with an asterisk.

	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
EBITA* (SEK m)				
Operating profit	82.7	77.1	364.4	310.5
Depreciation and amortisation of intangible non-current assets	16.7	7.3	51.2	19.8
EBITA	99.4	84.4	415.6	330.2
Acquisition costs	3.6	5.2	26.4	9.6
Divestment	11.0	-	31.4	
Add back depreciation and amortisation of intangible non-current assets non acquisition related	-4.1	-2.2	-10.6	
Adjustment of previous year, non material	3.7		3.7	-6.0
Adjustment of liability for earnouts	39.8	13.5	43.0	13.5
EBITA*	153.2	100.8	509.3	347.3

EBITA* margin

EBITA* i relation till nettoomsättningen.

	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
EBITA* i relation to Net Sales (SEK m)				
EBITA*	153.2	100.8	509.3	347.3
Net Sales	749.1	604.3	2,718.9	2,088.0
EBITA* margin %	20.5	16.7	18.7	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	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Interest-bearing liabilities	2,047.4	2,496.1	1,907.5	1,783.9	2,002.2
Cash and cash equivalents	-336.2	-368.8	-281.3	-369.5	-325.3
Interest-bearing net debt	1,711.2	2,127.3	1,626.2	1,414.4	1,676.9
Assets held for sale	-1.3	-	-	-	-5.1
Total interest-bearing net debt	1,709.9	2,127.3	1,626.2	1,414.4	1,671.8

Average net debt in relation to EBITDA (SEK m)	Full year 2021	Full year 2020
Interest-bearing net debt	1,709.9	1,105.8
EBITDA	506.0	402.9
Net debt/EBITDA	3.38	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 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	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Interest-bearing financial debt	938.1	1,166.9	785.8	801.8	998.0
Cash and cash equivalents	-336.2	-368.8	-281.3	-369.5	-325.3
Interest-bearing financial net debt	601.9	798.0	504.5	432.3	672.7
Assets held for sale	5.4	-	-	-	21.8
Total interest-bearing financial net debt	607.3	798.0	504.5	432.3	694.5

Average Financial net debt in relation to EBITDA (SEK m)	Full year 2021	Full year 2020
Interest-bearing financial net debt	607.3	337.4
EBITDA	506.0	402.9
Financial net debt/EBITDA	1.20	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	Q4 2021	Q3 2021	Q2 2021	Q1 2021
Interest-bearing net debt	1,709.9	2,127.3	1,626.2	1,414.4	1,671.8
Shareholders' equity	2,434.3	2,529.3	2,471.8	2,396.2	2,340.0
Capital employed	4,144.3	4,656.5	4,098.0	3,810.6	4,011.8

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)	Full year 2021	Full year 2020
EBITA	415.6	330.2
Capital employed	4,144.3	2,725.6
Return on capital employed %	10.0	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)	Full year 2021	Full year 2020
Profit after tax, adjusted	231.7	200.6
Equity	2,245.2	1,407.3
Return on capital employed %	10.3	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 %	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
EBT	64.0	59.6	325.0	284.2
Adjustment for items not included in cash flow	87.7	53.4	214.7	128.0
Adjusted EBT	151.7	113.0	539.7	412.2
Cash flow from continuing operations	138.9	154.4	385.3	450.8
Cash flow generation %	91.6	136.6	71.4	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)	Oct-Dec 2021	Oct-Dec 2020	Full year 2021	Full year 2020
Profit/loss attributable to Parent Company's shareholders	46.7	39.3	245.9	214.6
Dividend paid to preference shareholders	-3.5	-3.5	-14.0	-14.0
Profit/loss attributable to Parent Company's shareholders	43.2	35.8	231.9	200.6
Number of ordinary shares outstanding (thousand)	35 364	33 642	35 364	33,642
Earnings per ordinary share	1.22	1.06	6.56	5.96

STOCKHOLM 10 FEBRUARY 2022

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 10 February 2022 at 08.00 CET.

UPCOMING REPORTS

Annual Report 2021	20 April 2022
Interim report for January - March 2022	29 April 2022
Annual General Meeting	18 May 2022
Interim report for April - June 2022	21 July 2022
Interim report for July - September 2022	27 October 2022
Year-end report for 2022	10 February 2023

Payment of dividends to preference shareholders

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

- 15 March 2022



Segment reporting, pro forma Q1 2020 - Q2 2021

Sdipotech has up unto the third quarter of 2021 reported the business in three segments: Water & Energy, Special Infrastructure Solutions and Property Technical Services.

As a result of the divestments in the Property Technical Services business area during Q1 and Q2, a re-organization has been made resulting in the presentation of remaining units within Property Technical Services being reported under Special Infrastructure Solutions.

Below are comparative figures for the latest six previous periods before the re-organization where Property Technical Services and Special Infrastructure Solutions are presented as if they were one unit.

Net Sales (SEK m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Q1 2021	Q2 2021
Water & Energy	156.6	147.4	146.7	164.8	615.5	211.0	257.4
Special Infrastructure Solutions	327.8	336.0	369.3	439.5	1,472.6	447.2	408.0
Total Net Sales	484.4	483.4	515.9	604.3	2,088.0	658.3	665.3
Operating profit, EBIT (SEK m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Q1 2021	Q2 2021
Water & Energy	29.4	30.9	32.1	34.4	126.7	47.0	57.9
Special Infrastructure Solutions	47.3	58.5	64.4	70.1	240.6	74.0	67.6
Segment total	76.7	89.4	96.5	104.5	367.3	121.0	125.4
Centrala units	-7.9	-11.4	-9.8	-27.5	-56.8	-30.2	-36.9
Total EBIT	68.8	78.0	86.6	77.1	310.5	90.7	88.5
EBITA* (Mkr)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Q1 2021	Q2 2021
Water & Energy	29.6	31.1	32.3	34.7	127.8	48.5	61.6
Special Infrastructure Solutions	49.1	60.8	68.3	79.0	257.4	79.9	74.2
Segment total	78.6	91.9	100.6	113.8	385.2	128.4	135.8
Centrala units	-7.8	-9.3	-7.8	-13.0	-37.9	-12.2	-15.1
Total EBITA*	70.8	82.6	92.8	100.8	347.3	116.1	120.7
EBITA* %	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Q1 2021	Q2 2021
Water & Energy	18.9%	21.1%	22.0%	21.1%	20.8%	23.0%	23.9%
Special Infrastructure Solutions	15.0%	18.1%	18.5%	18.0%	17.5%	17.9%	18.2%
Revenue from agreements with customers (SEK m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Q1 2021	Q2 2021
<i>Water & Energy</i>							
Products	89.2	92.8	83.6	119.9	385.5	138.7	207.6
Installation, direct	33.2	21.8	29.2	68.8	153.0	46.1	41.9
Installation, over time	9.5	11.0	14.8	-9.3	26.0	13.6	-6.0
Service, direct	18.3	13.0	12.4	-20.5	23.2	4.3	5.5
Service, over time	3.3	6.4	4.1	3.7	17.5	5.3	5.1
Distribution	3.0	2.6	2.6	2.0	10.2	2.9	3.3
Sum Water & Energy	156.6	147.6	146.8	164.8	615.3	211.0	257.4
<i>Special Infrastructure Solutions</i>							
Products	56.4	47.3	64.2	106.7	274.6	140.4	156.4
Installation, direct	94.3	136.2	127.6	152.4	510.5	121.6	115.3
Installation, over time	46.1	52.3	44.1	51.9	194.4	36.8	10.3
Service, direct	97.2	86.5	91.3	104.3	379.3	122.7	107.5
Service, over time	30.6	15.9	32.9	23.2	102.6	25.3	15.5
Distribution	3.1	-2.0	9.2	0.9	11.2	4.4	3.0
Sum Special Infrastructure Solutions	327.8	336.1	369.3	439.4	1,472.6	447.2	408.0
<i>Sum Products</i>	145.6	140.1	147.8	226.6	660.1	279.1	364.0
<i>Sum Installation, direct</i>	127.5	157.9	156.8	221.3	663.5	167.7	157.1
<i>Sum Installation, over time</i>	55.6	63.2	58.9	42.7	220.4	50.4	4.4
<i>Sum Service, direct</i>	115.5	99.4	103.7	83.9	402.5	127.0	113.0
<i>Sum Service, over time</i>	33.9	22.3	37.0	26.9	120.1	30.6	20.6
<i>Sum Distribution</i>	6.1	0.6	11.7	3.0	21.4	7.3	6.3
Total Sales	484.4	483.4	515.9	604.4	2,088.0	658.3	665.3
Other income (SEK m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Q1 2021	Q2 2021

Water & Energy	0.6	4.9	1.6	1.8	8.9	1.4	1.3
Special Infrastructure Solutions	2.6	3.5	2.9	5.7	14.7	3.8	2.8
Segment total	2.8	8.4	4.5	7.5	23.6	4.9	4.1
Centrala units	0.4	-	1.2	-0.1	1.5	-1.7	5.2
Total Other Income	3.6	8.4	5.7	7.5	25.1	3.5	9.3
Of which received state aid attributable to Covid-19* (SEK m)	Q1 2020	Q2 2020	Q3 2020	Q4 2020	Full year 2020	Q1 2021	Q2 2021
Water & Energy	-	4.6	1.1	0.3	6.0	0.5	0.4
Special Infrastructure Solutions	-	1.1	1.0	-0.5	1.6	0.7	0.8
Total	-	5.7	2.1	-0.2	7.6	1.2	1.1

*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.